

conditions. The important industries now short of manpower have in the past been generally the worst paid, and there has been general approval of the movement which has greatly improved the relative earnings of coalminers, farm workers, textile workers and others in essential occupations.

(4) SPECIFIC MEASURES TO SECURE THE REDEPLOYMENT OF MANPOWER

39. Certain specific measures to secure the redeployment of manpower have also been adopted. Publicity has been used to dispel exaggerated beliefs about conditions in undermanned industries, and to explain the national importance of recruitment to them. In certain cases priority has been given to the building work required to modernise and improve working conditions and to the construction of new houses and hostels in areas where shortage of accommodation is an obstacle.

40. In 1947 certain direct controls were reintroduced. By one Order employers were required to engage their workers, and workers were required to take their jobs, through the machinery of the national employment service. By another, unoccupied persons of certain categories were required to register for employment. Both orders were supported by the use of the Minister of Labour's powers compulsorily to direct labour to specific employment. The great majority of workers, however, willingly accepted guidance into essential employment and direction has been used only in a very few cases when a worker has refused to take any form of essential work. The need for continuance of these direct controls is kept continually under review.

(5) IMMIGRATION AND EMIGRATION

41. Both to assist in recruitment for essential undermanned industries and also to make a contribution to the problem of displaced persons and of the mobility of European labour reserves, the United Kingdom has welcomed a substantial body of immigrants. Since the end of the war nearly 200,000 foreign workers have been settled here on a permanent basis. Some 70,000 of these were displaced persons, and indeed in this way the United Kingdom has afforded asylum for more displaced persons than any other country in the world. Many other immigrants who have settled permanently were at one time members of the Allied Forces, particularly Poles. In addition, permits for some 50,000 other foreign workers have been issued for employment on an individual basis. All workers so admitted have, of course, been employed at wages and on conditions not less favourable than those applicable to British workers. For the future, for any approved demands which cannot be met by British workers recourse will be had in accordance with existing policy to the recruitment of foreign workers, subject to adequate housing being available. As regards emigration, it is open to British subjects to leave the country as they wish and to move to any countries which are ready to receive them, though that movement is in fact hampered by lack of shipping facilities and by exchange limitations. In the case of schemes approved on economic and other grounds, the Government facilitates recruitment and movement of persons of the kind which the receiving country desires to secure.

(6) POLICIES RELATING TO PRODUCTIVITY

42. The labour force of the United Kingdom is now fully occupied and the numbers available for work may be somewhat less in five years' time. The proportion of the total population which is of working age is becoming smaller, while the average age of the working population is increasing. Increased productivity per head is therefore the only means of solving the present economic difficulties while maintaining and improving the standard of living.

43. Increased productivity partly depends on the maintenance and improvement of capital equipment, both building and machinery. This is recognised in the investment programmes discussed in Chapters III and IV but, as there explained, there are severe limitations on what can be done, and careful measures have therefore been adopted to put the available resources to the best uses, and so make good shortages of new equipment by the more efficient use of existing plant, *e.g.*, by improved layout and adaptation. Improvements in productivity also depend on an adequate flow of raw materials. In regulating import programmes care has to be taken to see that this is not checked by avoidable shortages of imported supplies.

44. In addition research has an important part to play. The contribution of the State to industrial research has been greatly increased, directly through the research establishments administered by the Department of Scientific and Industrial Research and indirectly through Industrial Research Associations fostered and financially assisted by the Department, of which there are now thirty-six. Much of the work of these bodies will only bear fruit after a long interval; but they are being encouraged to concentrate on the solution of immediate problems and on the widest and most prompt dissemination of their findings. There is also being set up a National Research and Development Corporation, financed from public funds, to take over inventions from Government Research Stations and universities, develop them to the stage at which they are commercially useful and license them out to industry. The Corporation will also take up private inventions of public interest which would otherwise fail to be properly developed. These are steps undertaken by the State. The research expenditure of private industrial firms is equally important. It has recently been estimated that this expenditure is now ten times as great as it was before the War. The combination of intensive research with the traditional skills of British industry will ensure that United Kingdom products remain in the van of technical progress.

45. Most active efforts are being made to increase technical skills. There are to-day twice as many students in the scientific and technological faculties of the Universities as there were in 1938; there are more than twice as many in Technical Colleges. The number of young employees released in working hours for technical education has been quadrupled. The limitation on still further expansion is mainly one of premises; special attention is being given to this in the investment programme. A number of National Colleges for advanced technological education for particular industries are being established. The creation of apprenticeship schemes has the active support of the Ministry of Labour and the training of supervisory workers on the lines of the Training Within Industry Scheme introduced in the United States during the war has been promoted with considerable success. The Ministry of Labour also provides intensive courses in skilled crafts for adults needing this training.

46. The average level of effort, the intensity and length of work, and the adaptability of labour are greatly influenced by a better understanding of economic problems. Information policy seeks to secure this, while fiscal policy attempts to ensure that monetary incentives can operate effectively by maintaining a reasonable stability of prices and money values. Joint consultation between management and employees in industry, which is being developed with the encouragement and assistance of the Government, is also helping toward an effective productive effort.

47. Managements throughout the country are seeking to improve managerial efficiency. To encourage this process, the Government has financed the setting up of the British Institute of Management to collect and spread information on the best management practice, to undertake further research and to encourage education in this field. The research organisations already mentioned also have an important part to play. The object in all this work is especially to raise the level of the bad and the less good to that of the best.

48. This desire for greater productive efficiency must not be impeded by monopolistic practices. Recent legislation has made provision for a Monopolies and Restrictive Practices Commission to enquire into any industrial and commercial arrangements of a restrictive or monopolistic character which are referred to it by the Government. Power has been taken to deal by Order, subject to the approval of Parliament, with arrangements which are found to operate against the public interest.

49. In the whole matter of productivity valuable advice is expected to be obtained from the joint Anglo-American Council which is being set up by the two sides of industry, by British and American management and labour, to exchange information about their industrial experience.

50. There is clear evidence that the measures taken so far are meeting with a substantial response. It is broadly estimated that during the past two years the volume of physical output per worker in manufacturing industry has regained the pre-war level. An important contribution to this remarkable progress has, of course, been the maintenance of industrial peace to a much greater extent than might have been expected in this difficult period of readjustment or as compared with the experience in the corresponding period after the 1914-18 war.