

I repeat what I said at that time is truer than ever to-day. We have before us the knowledge of the fact that because no heed has been paid to the truth of statements such as this, another great world war has come into being, and we must make it our supreme duty, in this generation to do all we possibly can to avert hereafter any calamity of the kind.

To bring that about we must have a wholly new conception of industry as being in the nature of social service for the benefit of all, not as something existing only for the benefit of a favoured few. First of all, let us understand exactly what industry is. Industry is the means by which the material sources of the world are transformed, through human intelligence and human energy, with the aid of natural powers, tools and machines into commodities and services available for human use.

What does that mean? It starts with the natural resources which have been the gift of the Creator to mankind. The natural resources of any country have not been given to individuals; they have been given to the entire community, to the entire people. That, I think, we must realize as a fundamental truth, and all our efforts at the improvement of social and industrial conditions must be based upon that knowledge. But what has come to be the accepted view as we have developed the institution of private property? Not industry as existing for the good of all—but industry as a means of private profit and gain. Are we then to throw aside all belief in the nature of private property to society because of some evils which have grown out of that system? Before we do so we would do well to examine the position of private property as to what it means in the way of initiative, in development of resources and making them available for service and use, what it may also mean in the betterment of masses of men.

Private property, in itself, is in no sense sacred. Private property is justified only in so far as the well-being of society is better served by its preservation as an institution than society would be by some communistic or socialistic plan. We have to ask ourselves, is the system of private property as it works out to-day in industry operating for the well-being of mankind as a whole, or is it operating for the benefit of the very few who are being enabled to reap vast fortunes, and to the detriment of the many who are kept at a margin of subsistence throughout their lives? If the latter, can not the evil be remedied, and the good maintained without throwing over the whole structure for some the merits of which remain to be proved?

Taking industry as we have it to-day; we have grown accustomed to accepting the view it is something which concerns two parties, mainly if not only, namely capital on the one hand, and labour on the other. The argument with respect to industry is, that capital which represents saving is invested and labour does the work; therefore capital should get its reward in the way of profits; labour should get its reward in the way of wages. Both capital and labour are necessary. Nothing can be done in the way of developing resources, except in the most primitive way, without the investment of capital, which is the use of wealth for the production of further wealth; nothing can be done without labour lending its skill, its ability and its muscular strength to help to develop resources. These two are essential—absolutely essential—and should get their reward. But either of them by themselves or both together are incapable of developing resources unless there is yet a third party to assist in the work of production. That third party is managerial ability. The world has come to recognize to-day that there is something wholly different between the function which the manager of a great industry performs and the function which an investor of capital performs. The function performed by a manager of industry is one demanding a high degree of intellectual acumen, demanding knowledge of men and how to coordinate their work, how to relate it to the needs of organized society, and a knowledge of world markets and world affairs. This is a class of ability which is very rare, and it commands—and rightly so—very high rewards in the form of salaries. It is through the skill of management that the two parties to industry, labour and capital, are able to work together. They can work together so long as they are united by mutual confidence, but if that goes they are as helpless as the two blades of a scissors when not firmly bolted together.

But neither capital, nor labour, nor management could do anything in the way of development of natural resources or the furthering of industrial processes without a fourth party—I shall call it the silent partner, if you wish—which is the community, in other words organized society, which makes possible all production that results from the efforts of the other three combined. What could be done in industry without the part which the community plays?

For the sake of brevity I shall repeat here what I have said on more than one previous occasion in regard to the part which the community plays. I wish it to be understood that by "the community" I mean the entire