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THE HISTORIAN LOOKS
FORWARD

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THE HISTORIAN LOOKS FORWARD

I HAVE spent the best, or at least the best used, part of my life looking backwards—mostly over that recent century which ended when the decade of the thirties began—to see, if I could, how the world, and in particular the economic material world, came to have the colour and shape, 'if shape it may be called', which we knew in what I hope, but cannot yet steadfastly believe, coming generations may call the last interbellum years, 1919-39. If some knowledge of history conferred the gift of prophecy, I ought to be a decently endowed prophet. And if I were the sort of man—a most useful sort in his place—who will at short notice and in bold lines sketch for you a future in which he believes because he so ardently hopes for it, I might be a soul-stirring prophet. But I hold that confusion, in the minds and speech of leaders in life or thought, of what we hope for with what we may reasonably expect often does harm, and is sure to bring widespread post-war disappointment. And if I recall the legend right, Epimetheus, the historian, could not see much farther forward than the rest. Besides, I am honoured to feel myself at one with your great lost Oxford scholar who wrote little more than six years ago: 'men wiser and more learned than I have discerned in history a plot, a rhythm, a predetermined pattern. These harmonies are concealed from me.' You may recall how he went on to say: 'This is not a doctrine of cynicism and despair. The fact of progress is written plain and large on the page of history; but progress is not a law of nature. The ground gained by one generation may be lost by the next. The thoughts of man may flow into channels which lead to disaster and barbarism.'

I suppose the worst dream that has haunted us in the darker nights of the last two years has been that of those channels leading to barbarism; and the prayer that those of us who have any habit of prayer have most often put up has been that this generation might not prove to have been an utter loser. But it was no less an Oxford man than Grey of Fallodon who wondered thirty years ago whether, if he were God, he would not say 'this boasted civilisation . . . built up and . . . maintained by ghastly competition and pressure . . . is so abominable that I will sweep it all away'. I have always taken a much less sombre view of our civilization than Grey's; but that possibility has been one which an honest Epimetheus, whose backward vision ranges over many sweepings away, many scourges of God, has felt bound at times to weigh.

But I assume in speaking, as I certainly believe—partly by that faith which our threadbare jargon calls 'wishful thinking', partly

by what I might perhaps dignify as historical induction—that this generation will not be the absolute, the utter, loser. Yet a great loser it has already been, and is bound still to be; though that is no reason why we should not brace ourselves to repair the losses. As an economically-minded Epimetheus peers short-sightedly and inexpertly forward, he seems to see the worst dangers of loss, not in his own earth-bound sphere—though there have been and will be plenty of losses there—but in the sphere of the spirit, hatreds and terrible memories that poison the wells of the soul. There will be heavy work, when all is over, for the spiritual decontamination squads.

Yet the spiritual and the economic spheres are not cleanly divided, nor was it ever desirable that they should be. That becomes at once obvious as my thought begins to move downward and approach what has always been a fundamental problem for the economists—though at times, to their great loss, they have permitted themselves to leave it a little on one side—the problem of population, which is two-thirds spiritual. How it stood in the mid-thirties, I suppose we all know. Throughout western Europe, with minor exceptions, and for that matter in our Dominions and the United States, the statistical omens pointed, at various dates in the near future, towards first stagnant and then declining populations. A German statistician whom I used to know wrote a book called *Volk ohne Jugend* in, I think, 1932. After that, Hitler was doing what he could to check the precipitate fall in the birth-rate which has made the intake of his armies so relatively small in 1939-41 and will make it still smaller in 1942-3; and Mussolini, whose close-packed people was, on the population omens, not yet facing numerical stagnation, was using every art and bribe to overcrowd his country still more with children.

We were debating in 1936-9 how much success the population policies of the dictators had won. We fancied not a great deal. In Germany the number of births grew fast; but in the statistician's population problem it is not the first or second but the third, fourth, and fifth children that decide; and there had hardly been time even to guess how marriage-premiums and the rest had affected the coming of these. Down to 1940, as a student of population writes to me, 'there was not much sign of larger families in the sense which matters'. What has happened in Germany since we hardly know: we cannot tell whether such figures as appear are there for truth's sake or for propaganda's.

One reads of coarse expedients adopted by the Nazi rule to keep up a supply of German children; but what the truth is, or what the effects, we know even less certainly than we knew the effects of population policy up to 1940. All that seems to me sure

is that the men of Germany, scattered as armies of occupation or police agents over a dozen countries, or fighting deep in Russia, are little likely to become fathers of many Germans. The same is true of all scattered national armies, truest of our own, overseas, who cannot get leave to their homes as Germans—other than the Afrika Corps—no doubt do. Beside that, and worse than that, looking at the whole sombre problem of the future of west European population, are the conditions in occupied countries. Above all in France: men not fighting but in captivity; standards of living lowered in some cases to starvation point; disease not combated as it was and should be; careers closed; a future so insecure that no man and wife could be blamed for hesitation in bringing children into a Devil's world. And there are countries not yet technically occupied—I am thinking of Spain and Finland—where conditions of life are at least as harsh as those of France or Belgium, if what Englishmen tell us of Spain or Russians report of Finland is even half true.

Should this prove no more than a second four years' war—and we have as yet no right to assume less—I foresee a multitude of never-born western Europeans which may well far exceed the losses in battle, however great these should become. Of Europe's centre and east the same may well be true; but of them one knows even less. One does know that race-crazy Germans feared the big Polish families; and, without accepting all that is rumoured about methods sometimes adopted to destroy or prevent them, one does seem to see, in rationing policies and the like, a deliberate attempt to undermine Polish vitality, which, combined with losses in war and deportations of men, can hardly fail to reduce the number of Poles. Polish like Russian vitality is amazing—though not so amazing. One cannot forget how, a quarter of a century ago, war swept backwards and forwards across Poland, and yet how six or seven years back the Polish population figures were 'better'—more favourable to growth—than the Italian. Russia is more vital still. There was war, and civil war, and bloody revolution, and famine—from all of which she emerged vigorous and with a people multiplying even faster than the Poles. Russia is now suffering loss of every kind. But conquest such as that of Poland does not threaten her; and I should not be surprised to see her end the war as strong in numbers as when she was forced to accept it.

The west Europeans—from the Oder to the Atlantic—can hardly be so strong. And after? First, no doubt, in all some revival of the birth-rate—probably a considerable revival—as normal relations between the sexes are restored. But after that can one anticipate—with the history of 1920–33 before one—on psychological and economic grounds anything but a further sharp fall in

the German birth-rate, even if the ultimate German defeat has been less thorough than one hopes? And with the nineteenth-century population history of France an open book, with knowledge of what she has suffered and fears of what she may suffer yet, can we reasonably anticipate a permanent recovery to, say, the position of 1935—which already meant certain decline? Personally, I should be most sanguine of sustained vigour of population among the Dutch, once they are delivered from the oppressor. Their statistics were, from this point of view, the most favourable of any of the Western peoples in the peace; and they are showing a stubbornness and dignity under oppression, in exile, and in their territories of the East, which confirms all that one has ever believed of their essential vitality.

And ourselves? So far as an historian, who argues automatically from past through present to future, can see, no forces, material or spiritual, have been or are at work which might be expected to counteract those operative for the last sixty years. I make no hypothetical calculation, as some have done, of a Britain with 15 instead of 45 millions at the end of another two or three generations; or of a London 'small and white and clean', as William Morris supposed some past London to have been—very ridiculously, at least so far as whiteness and cleanness go. (Though, no doubt, if a future London were small it would also be clean.) But I do see a Britain and a western Europe—and perhaps other places—with populations falling rather sharply in the fifties and sixties of this century.

I know people—mainly people of letters and imagination—to whom the prospect even of the extreme fall is really attractive. To the economist and the European patriot, in a world whose sanity and peace he cannot guarantee, it is, for obvious reasons, less attractive. He does not relish the thought of a western Europe, which with all its faults has been the seat of one of the world's great civilizations, in a state of growing numerical inferiority to eastern Europe and Asia. I, however, do not see clearly very far ahead, and my European patriotic self may be worrying about phantoms. Within a century Russia may have become Malthusian—the change over in Germany was going forward amazingly fast, even before the war of 1914—Japan may have gone back to the rather static level of population which apparently marked her in the eighteenth century; China may have learnt from her well-wishers to keep her population at its 400,000,000, or whatever it may be, and be anxious to interfere with no one—and reduced west European nations may be cultivating their little gardens and their souls in peace.

For the near future—the first post-war decade—the population

problem will have only a limited economic significance, except that all up and down society there will be far too many of us over-sixties people who were born when the crude birth-rate was 35 per thousand instead of about 15, and were not much killed in the last war because they were nearing or were beyond 40. You of younger generations may have to consider whether it is really advisable to make all of us, except a sprinkling of judges, bishops, and medical men, drop our regular jobs and take our various sorts of old-age pensions at 65.

In that first decade there will be plenty of men and women of various ages; after a possible short delay plenty of mechanisms, and plenty of land under cultivation—though perhaps a little insufficiently fertilized—to do the heavy work of production to which the country will be called. To take only the most certain developments—there will be a building boom and a restocking boom in all kinds of clothing and domestic equipment, both for home use and for export. After the last war we sent to France in a single year a yard or more of woollen cloth for every French man, woman, or child—and a year later I was in a magnificent Yorkshire woollen mill that was doing absolutely nothing. During the present war, although so far as I know clothing factories have been less damaged this side of Poland, raw materials from overseas have been denied to a much wider area. During 1914–18 we saw to it that Frenchmen and Italians, Dutchmen and Scandinavians got their quotas of wool and of many other things in war-time.

On the whole—looking to our own economic and social health—I hope we shall arrange to help our European neighbours rather with raw materials and food than with *abnormal* supplies of manufactures. (I underline the word *abnormal*: considerable supplies would be normal.) For one of the most unfortunate features of the years 1919–20 was the widespread existence of demands—like that French demand for cloth—which were healthy enough at the time, and not due to any special greed of mill-owners for profits or mill-workers for the fine wages that accompanied them, but had no reasonable prospect of permanence—and these led to inflations of capital values and wage rates, with resultant speculation in textile shares and disappointing wage collapses, which proved most unwholesome. I hope that the control over textile, and other, industries which is now being exercised under the system of nucleus factories—into which production is being concentrated for economy of labour, machinery, and motive power—may be relaxed fast enough to meet the country's and the world's most insistent demands but slow enough, and with enough discrimination, to put the brake on such evils of the inevitable restocking boom. Just what form that boom will take, which

industries it will most affect, will depend on the exact circumstances of the times; but of all the possible booms those in the building, clothing, and domestic equipment trades seem the most certain—and they cover a very wide field.

Great judgement will be required of the various control authorities at a time when masses of men and women will be itching to get back to their old places, and the exercise of their old skill, if the pace is to be regulated in the way and in the interests that I have suggested. As I am not behind the scenes of control—as I was to some extent in the last war—it would be unwise to say more than that, or to make precise suggestions.

It is to be remembered that at the end of years of war-strain ordinary human impulses—irrational, if you will, but immensely powerful—may break down the best-designed barriers. I recall as illustration some episodes of 1918–19. A department of the Board of Trade in which I had been working devised a beautiful economist's scheme of demobilization. Fundamental skilled men in basic industries were to leave the armies first; and so up and up until the least essential, most superfluous, people, to the economic eye, were reached and sent back to civil life last—let us say cosmetic workers, nominally amateur lawn-tennis stars, and professional tramps. A beginning was made with the carrying out of the scheme; but the whole thing broke down against the absolute fighting conviction of the British civilian turned soldier that the man who had served longest, whether he were locomotive-driver or golf professional, ought to get home first.

The working of such impulses may, I think will, often produce dislocation in a country still reasonably democratic; just as that impulse does which makes men cling to dying or contracting trades where their lives have been spent and their homes made. This last reference brings me naturally to the problem of post-war unemployment as the historian sees it. I hear generous people asserting with every sort of tone, inflection, and plan—after the war there must be no place for unemployment. Everyone would, however, probably agree that in the first phase of resettlement and readjustment there will be a great deal of broken work, chopping and changing, intermittent unemployment, and perhaps many people whom the chances of war have made almost or utterly unemployable. If, as I have suggested, men and women are discouraged from crowding too much into what must prove blind-alley jobs, jobs which will cease with the close of the first restocking boom, unemployment will necessarily increase. It may be, however, as I have also suggested, that barriers will be rushed and that impatience and the false optimism which is encouraged by loose talk about abolishing unemployment will make people crowd into

occupations temporarily inflated, so that most of the readjustment and unemployment will come later, as they did in 1920-1.

But when these first adjustments and readjustments are over, shall we be in a position, or can we get into a position, to abolish unemployment? To minimize it, I believe; to rid it of most of its accompanying evils, I have no doubt. But in any real sense to abolish it? History tells me—you may not agree—that this is a dream and, as Moltke used to say of perpetual peace, not even a beautiful dream. There are to my thinking only two possible developments which might lead to anything like the real abolition of unemployment, and these are both pretty unlikely. They are the stabilization of supply and demand in the fields of production and distribution, and the education of a type of man and woman who moves smoothly and swiftly from occupation to occupation and from place to place. The second is on the whole desirable and is, within limits, attainable. We are appreciably nearer to it now than we were twenty years ago: we learnt a good deal in the great depression of the thirties. It was hard and painful learning. We recall how the miner clung to the pit-village whose pit might never work again—I can see him, strong and idle, in the bleak street of Tow Law on the Durham Moors—and how the cotton-worker would not leave the row near the valley mill whose destiny was to be absorbed into a rationalizing combine and then closed. If we were honoured by the acquaintance of either, we easily understood them—what fellow quickly leaves his college when entries show signs of falling?—and we respected their tenacity and their faith that somehow the pit must go on and the mill reopen. Now and then the tenacity was rewarded; often not; and in that case the unpleasant experience of acquiring what economists—in their neutral phrasing—call industrial mobility had to be faced. As a people we are certainly much more mobile than we were—not altogether to our gain—and the experiences of this war are making us more mobile still. But I confess, though perhaps this is Victorian prejudice, that the imagined figure of the perfectly mobile man is not to me very attractive; and I think that war-enforced mobility may well make average Englishmen of all grades resolute to come to a rest, if they possibly can, when war is over—to become immobile. And every unit of immobility—to drop into economic jargon—adds one to the chances of unemployment.

If the perfectly mobile man is not an altogether attractive dream figure, the society that is economically quite stable, demanding approximately the same quantities of this commodity and that service year in year out, decade in decade out, so that there is a reasonable chance of us all continuing to do, and that without serious interruptions, what as boys or girls we started out to do:

this society is to me unattractive—it will not be so to everyone—and if it were attractive would be unthinkable for the near future and for this country, which is much more important.

I want industries and ways of service to change, and that means to decay; and if I did not I should expect them to do so in my despite. Change and decay mean unemployment, unless they proceed so conveniently—as in fact they often do, but are less likely to do after great upheavals—that they can be met by the simple diversion from the contracting to the expanding occupations of lads and girls entering their working years. Unemployment will vary with the speed and the unexpectedness of change. Some people seem to suggest that the transfer of the control of this or that industry, or of all industry, from private to public hands is the cure. But I cannot see that any change of control in the cotton industry could affect that world-demand for piece-goods and sewing cotton on which its now rather precarious prosperity rests. The State, or the cotton corporation, or whatever the controlling authority might be, would, I confidently expect, be slow to dispense with workers all along the line, from the administrative staff downwards, if the industry showed signs of contraction. (How often is even an incompetent, not merely a redundant, servant of any grade put out of employment by, let us say, the Foreign Office or the Oxford City Council?) English public opinion, I feel sure, would expect the public controlling authority to act slowly. No doubt the paying of salaries and wages to people for whom there is not enough work would be a popular alternative to unemployment pay, or to compulsory transfer to some expanding occupation, say chocolate-making or chorus singing. This is not a sneer like the sneer about chocolates in Bernard Shaw's *Apple Cart*: as machines do more and more work for us, an increasing number of people must make popular luxuries or brighten other people's leisure. The tendency that way is marked already and is all to the good.

But from the standpoint of economic efficiency a nation placed as we are, and even more one placed as we shall be, cannot afford very much of that kindly well-paid under-employment which is to me, as a student of English character and history, a real, if seldom discussed, danger of 'socialization' schemes when they are carried through as anything of the sort in this country is likely to be, in a spasm of national kindness towards a distressed industry—whose private owners are very willing to sell out cheap to the public, and whose working staff will, most naturally, be thinking of not losing their jobs when they vote for the socialization candidate.

And if we cannot afford much paid under-employment, either in the service of a hypothetical cotton corporation or under Morris

Ltd., we must have either the perfectly mobile man or a measure of recurrent unemployment, as industries contract and expand, are born and die, just as we have that seasonal unemployment in the building and other trades to which the policy of insurance was first applied thirty years ago, under the inspiration and with the driving power of three men still living—Sir Hubert Llewellyn Smith, the Master of University College, and Mr. Winston Churchill. Unemployment may be shortened and its burdens eased in a score of ways, and no doubt will be; but unless by that happy accidental evolution to which I have referred, when industrial change keeps comfortable pace with the succession of the generations, I do not think it will be even approximately abolished. For myself, I want some people to lose their jobs. I want the writer of bad fiction to find no market as the public taste improves. Many an artist not bad has lost his market when that taste has shifted. And I want crowds of heavy dirty jobs to be taken over by machines, and those who did them reconditioned for something better in spells of educational unemployment.

My distinguished colleague, Mr. Maynard Keynes, put into circulation among economists a few years ago the technical phrase 'full employment' as an attainable ideal. But in that phrase 'full' hardly means what it says. It excludes 'frictional' unemployment. Now most great unemployments have in fact been frictional. Think of the tragic generation-long friction when hand-loom weavers were being detached from their looms. Some faintly similar invention may start at any moment.

I am therefore disposed to think that anyone who feeds his fellow citizens with hopes of a Britain, or a world, without unemployment in its various forms is doing his fellow citizens no kindness. I even wonder whether the way in which generous people sometimes state the problem is not both economically misleading and ethically questionable. The other day I read in the report of a lecture by a theologian whom I admire that 'the spectre of economic insecurity was the most damning indictment of our social system'. I think I know what he had in mind, but I dislike that way of putting it. The old and really damning spectre of economic destitution is already pretty well laid. Are we to make a god of economic security? I thought that was the stinking offence of the *bourgeois*, of whom I am one. Is our civilization to be damned because we cannot all count on the economic to-morrow being just as yesterday? Is security first, safety first, to become a maxim of Christian economics? Hardly a doctrine for a brave man; and it would have seemed odd to the Apostle Paul, though I allow that he was not a great economist.

At the risk of digression, I will imagine some one interjecting

at this point—but had they not got rid of unemployment in the U.S.S.R.? I take up this imaginary interjection not because I am in a position to give a certain answer, but because Russia illustrates admirably some historical approaches to the problem. Old Russia was a peasant society. Peasant societies may have a great range of social diseases, but unemployment as we understand it is not normally one of them—except when population is growing very fast. In Russia it often was; but Russia, old or new, as a great French student of her affairs once wrote, 'is a colony and in fact always has been'. Even in the days of serfdom, when population grew fast, men got away, perhaps paying *obrok*—our medieval *chivage*—to their lord, and went to clear the forests or colonize the steppes or open up Siberia. That migration goes on—it is as if America of the nineteenth century had been continuous with England—and the migrant's opportunities have ceased to be mainly peasant opportunities. In her industrial phase, the U.S.S.R. has the endless resources, vegetable and mineral, of the best part of two continents to tap. New towns rise faster than they did in the American West: the figures given of pace and size seem almost incredible, but the fact is certain. Whereas we, in England, had—most fortunately—set up just before the war the great Corby ironworks on one of our last as yet imperfectly developed iron-ore deposits, the U.S.S.R. can do the same thing—on a far vaster scale—on perhaps a dozen virgin fields. It is sometimes forgotten that we imported Russian iron in the seventeenth and eighteenth centuries.

Again, in Russia there has always been—except in relatively short spells of revolutionary chaos—a powerful ordering authority. When Tsars needed munitions they ordered men to their munition works, to the Putiloff works near St. Petersburg, for instance. When an enterprising eighteenth-century Russian landlord decided to start a woollen mill on his estate—many did—he simply drove some of 'his people' into it. A great part of what large-scale industry there was in Russia was State industry before a German professor began to talk of *Staatssozialismus*, just as a great part of Russian agrarian life was communal before the dictionaries contained the word 'communism'.

No reminder is needed that the U.S.S.R. has its ordering authorities. Nor ought we to forget that some of the orders were issued to—how many?—hundreds of thousands of Russian people in concentration camps, slaves of the State. For me, I dislike all dictatorships—of individuals, or parties, or classes; but when it comes to getting people from one job to another and so minimizing job-to-job unemployment they may have, if intelligently and efficiently served, considerable uses. They may miscalculate or

they may be corrupt, and then the last state of a dictator-planned and ordered nation will be worse than the first. But with reasonable competence and public spirit they can hurry things for their good. Not so many years ago there were places in Britain which, had we had any sort of dictatorship, might well have been emptied at the bayonet's point, or in more British fashion by the withdrawal of unemployment and assistance pay, in the interests of national efficiency. Most of us, however, prefer some sacrifice of efficiency, and so some increased risk of job-to-job, or trade-to-trade, unemployment, to either method.

To conclude this illustrative Russian digression: the Russian—like all colonists; like the typical old-time American—has always been remarkably, if leisurely, mobile. The peasant has not normally been of the deep-rooted west European sort, whose family may have been on the same soil for five hundred years or more. Though there are ancient villages, very many—at whatever date you select—had existed for only a few generations or even years. (Compare our village sites: almost all the same since well before Domesday Book.) New as many villages were, until very recently—and to some extent I believe still—the town worker had 'his' village to which he might return in emergency and still find a place. As towns grew, men drifted vast distances from village to town and back again; or moved still greater distances to some new village with links to a new town.

The railway has made all this normal movement and migration relatively quick and easy. Every Russian expert and visitor—I cannot speak at first hand: I have never been nearer to Russia than Latvia—told one about it in peace-time. The incidental hardship was endured stoically by a tough people whose ancestors, not so long ago, had often made thousand-mile treks and river journeys. Those amazing recent accounts of towns emptied and whole industries with their workers shifted may be overcoloured, but they are in the Russian tradition.

A boundless country that is a hard mother to this tough people, but still has room at her hearth for many more; vast resources, some barely mapped; a population still predominantly agricultural, yet very ready to move, and long broken in to orders—these historico-geographical certainties make me prepared to believe, though I have not all the evidence that a statistically minded inquirer likes, that there has been, and will be, a minimum of true unemployment in the U.S.S.R.—though they have climates which will at intervals force them to endure, or take large-scale administrative measures to avert, true famine.

Our crowded country, with few fresh resources to tap; with a settled conservative people all very comfortable by the standards

of most nations, and unbelievably comfortable by Oriental standards, even when completely unemployed; this people being not too docile to orders, not easily shifted, and—as I think—less prone to emigrate than it was before the days of social insurance and old-age pensions; above all—a consideration which I have so far only touched on—having a great dependence on overseas trade and on markets which no amount of planning and negotiating skill can completely control—this country of ours, whatever its economic régime, cannot reasonably look to more than an occasional minimum of unemployment.

It can of course, as I have said, do a great deal to reduce the duration of unemployment and its incidental evils. Much has already been done which in our English way we at once take for granted and forget. It is the fashion just now to talk of the hopeless failure to deal with this or that social problem after the last war. Yet in 1930 the most competent and respected editors of the *New Survey of London Life and Labour* were able to write, when contrasting the London of that day with the London of forty years earlier, how (I quote) 'quite apart from any decrease in the number of those living below the "poverty line", the most dreaded features of that life', with its risks of utter destitution, 'have been largely removed'; and that removal was in great part due to post-war legislation, coupled, I admit, with a fortunately disproportionate rise in the wages of unskilled labour, due far less to any one's plan than to impersonal forces, to economic law, to the unseen hand. That hand is not always beneficent: in this case it was.

It is our present inability to control the demand for anything from perhaps a fifth to a third of all that in this country we produce—we used to export a third, but in the future it may well be below a fifth—it is this inability which makes the economist of necessity a critic of some respectable reforming catchwords. 'Production for consumption not for profit', always a hazy phrase, becomes more hazy still when the probable consumer is Turkish, Argentine, or Chinese. (Incidentally, if used, should it not be coupled with the phrase 'production for consumption, not for high wages'? I am all for high wages; but as a thesis in pure international ethics I could as easily defend the right of the organizer of trade with consumers in China to a decent profit—which the Chinese, great traders, would perfectly understand—as the right of the man who works at the goods to a weekly wage which would keep a Chung-King coolie in affluence for a year.) Again, it is easier to talk sensibly about 'a planned economy' in a self-contained society, amenable to a single government, and only exchanging odds and ends of its produce with societies under different governments, than in a society very largely—I had almost said

utterly—dependent on foreign trade. That is no reason for not making plans: it is a reason for bearing always in mind the limits within which any British-made plan has of necessity to function.

And I cannot see that the uncertainties which result from our unusual dependence on international trade can be much affected by any change that might be made in the ownership of our capital. I have illustrated this already from cotton. Take again coal, in which some change or modification of ownership is, I should say, both more likely and—from my point of view—more defensible. The nationalization of the mines would in no way affect those fluctuations in the overseas demand for coal which have always been a main cause of unemployment among miners. And—to move for a moment outside the international sphere—should some decisive scientific revolution in the production of power affect the whole demand for coal—overseas and at home—a thing very possible, I greatly fear that the natural tendency of a Minister of Mines, with a powerful miners' vote to consider, would be first to minimize the importance of the invention, and then to encourage or not discourage delay in its adoption at home, especially if its quick adoption abroad had cut into our export markets.

The Minister would, as I believe, shy at the always difficult task of turning miners into something else. Russia, with her inherited ruthlessness, orders, and, no doubt, will continue to order, people from place to place and from trade to trade, as the plan calls. We are now doing something of the sort under the stinging spur of war. This will probably lead to our doing more of it than we otherwise might have done—whatever happens to the ownership of capital—in time of peace. But I do not as yet see the British people, with Trade Union rules and practices fully restored, tolerating its complete application. Nor indeed do I wish that they should. A certain amount of paid under-employment, and a certain amount of unemployment between jobs or between trades—insured against, of course—is part of the price which I hope, and as an historian expect, we shall be prepared to pay in order to avoid governmental economic dictatorship—under whatever form of government—and to retain what can be retained of personal liberty of economic decision in this mechanical world.

There is one curious tendency now to be observed in our economy towards the restriction of that liberty whose possible working the historian of the past is bound to weigh, so far as it is yet ponderable. Someone wrote about it recently under the heading *Back to the Guilds*—with a note of interrogation. It is the tendency to limit the setting up of new units in various trades or industries, for reasons—quite good reasons—connected with the war. This fosters an ambition, natural to members of any occupation, from

the academic and the medical downwards, to block the entry of unqualified persons. And it is easy for those in possession to treat all new-comers as unqualified, and to aim at one man one trade, and a closed trade with limited apprenticeship, as the plasterers once did with success (and may do still: I lack recent information). I have seen the tendency at work on Employment Exchange Retail Industries Committees with which I am connected, and it may well lead to curious results. Recently my colleagues on such a committee—and even I, their 'impartial' chairman—felt instinctively that there was something improper in the combination of a women's hairdressing with a butcher's business. And yet, given suitable separate accommodation, is it more improper than a hairdressing department in a store, 'capitalistic' as they say, or co-operative, where foodstuffs are sold? The rule that the cobbler should stick to his last and the butcher to his chopper, combined with the rule that 'qualified' butchers and cobblers should control entry to their trades—under the public authority, no doubt—would in fact get us very near to gild conditions in certain spheres. How strong sympathy for such rules is among average Englishmen, the well-known Trade Union dislike of the plumber doing engineer's work or the bricklayer plasterer's is sufficient evidence.

The possible development is one that might be welcomed by people of the type which used once to class itself as Gild Socialist. (The term I think is obsolete.) I have an inherited individualistic bias, and what I flatter myself is a reasoned historical belief that in the world of the near future set and crystallized societies, in which movement from crystal to crystal is increasingly difficult, will not be those most likely to prosper and survive—whether they are from the point of view of property-owning more or less socialistic—especially on small densely populated exporting industrial islands. These things combine to make me less welcoming. But as an historian I register the tendency and am not blind to its strength.

I said at the outset that perhaps the worst dangers of loss at the end of this war were not in the economic but in the spiritual sphere; yet I would not wish to underrate the economic dangers. The mere destruction can soon be put right, and the putting of it right will give plenty of wholesome essential employment. (It was an economic blunder to take so many German ships in 1919 instead of keeping our own shipyards busier.) There are ways of dealing with the burden of debts which may prove inconvenient to income-tax payers and those of us who are blessed with a little property, but need not weaken the productive power of the nation. Happily it is impossible to throw the burden of war on to posterity in any

literal sense; for posterity cannot make the planes that are shot down or the ammunition that is blown off. But, assuming even the very best for this island, economic dislocation—possible chaos—outside of it must react dangerously on us. We may, I believe shall, have to adjust and readjust our production and our consumption repeatedly to the needs of that possibly chaotic outer world, and we shall not do that without pain. We may have to go hungry that others may not starve. The hopes of industries may be disappointed, whoever owns their capital. The plans of the best and most devoted economic planners may suffer shipwreck. Is this pessimism? Not in the least. It is only too obvious historical sense. Destructive world-wide wars do not lead naturally to *pays de cockayne*. In 1919, as I did not fancy that they did, I was not disappointed. In fact I was delighted that things were not worse; and greatly admired the brave, if clumsy, attempts of all sorts and conditions of men to adjust themselves to bewildering circumstance. When people grumbled that this was not made a land fit for heroes to live in, I was critical, not of the fact but of those who had raised excessive and unreasonable hopes. Some good things, however, could be done and, as I have argued, far more were done than many people recall twenty-two years on.

So, I believe, it will be once more. Some of the things in the economic sphere that generous people say must never happen again we shall, I believe, be able to avert; and some we shall have to endure—perhaps together with various quite unexpected unpleasant, what are called unendurable, things that not I nor anyone else has anticipated. And with that—shall we say? Being in Oxford—glimpse into the obvious, as much prophecy as the wise historian ought ever to make, with that I close.