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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

"When Hess came, the National Savings Committee gladly announced that his aeroplane would be shown to the curious in London to help to raise funds for War Weapons Week. . . . A little later another announcement said it would not be shown as circumstances have made this impracticable. Is the reason to be found in the disclosure made many months later by an American aircraft engineer, Donald Dunning, on his return to the United States from this country, that he examined Hess's plane and found American products in it?"

— DOUGLAS REED: *All our Tomorrows.*

When William the Norman carried out the last successful invasion of England, he brought with him a compact body of Jews. One of their earliest activities was to card-index the country for taxation and mortgage purposes, an activity which has become known to the Anglo-Saxons with their instinct for the correct word, as *Doomsday Book*.

The general style of *Doomsday Book* is strictly practical. Here is a typical entry recurring in essence, every few lines:—

Ipse comes tenet Hameteteberie. . . . Has terras tenuerunt viii liberi homines pro maneriis. Terra est xvi carucatae in totos. Omnes geldabant. (The Earl himself holds *Henbury*. . . . Eight free men held these lands for eight manors. The land is in all sixteen carucates. All rateable to the gelt.)

Dear, dear how it all comes back to us, doesn't it? A carucate was about twenty acres.

And so the merry centralisation proceeded, until the wise Edward I yielded to popular pressure and expelled the Jews in 1290, the beginning of Shakespeare's England.

If the Commons of England are still capable of independent opinions, then let them, at the imminent peril of everything that makes life worth living, consider these words in the light of what is happening in the world to-day:—

NOT ONLY DO THE DARK FORCES OF THE WORLD NOT FEAR A "NEW ORDER," BUT THEY ARE FIGHTING DESPARATELY TO ENSURE A "NEW ORDER."

THE ONE THING THEY FEAR IS THE REC-TIFICATION OF THE DEFECTS OF THE OLD ORDER.

Eugene Lyons is a Communist who spent several years in Russia, and returned to write *Assignment in Utopia*—a

book which is the more damning as it endeavours to suggest that the theory of Russia is all right but only the practice is a modern hell. Lyons is now the editor of the *New York Mercury*. He is quoted as saying: ". . . as long as Stalin resists the invasion it offers respite and a chance of offensive action to *Britain*. These circumstances, however, must not blind *America* (our emphasis) to the fact that it was Stalin who gave the "Go" signal to this war. . . . In giving aid and sympathy to Russia, let us therefore be thoroughly realistic to the point of cynicism. We must never forget that Stalin will sell us out without the flicker of an eyebrow at the first opportunity. . . . the fact that their interests coincide temporarily with ours makes them an even greater danger."

Jewish contempt for Gentile intelligence (perhaps justified by the way we behave) is strikingly illustrated by the assumption that the documents commonly known as the *Protocols of Zion* can be disposed of by ascribing them to an obscure journalist, Maurice Joly, who wrote them as 'a satire on the foreign policy of Napoleon II.'

It is the correspondence with events which gives their interest to these Satanic essays.

If anyone can believe that a man without incredible political, economic, and quasi-psychological knowledge, wrote them, and then wrote nothing else of consequence, he can believe anything. Incidentally, Joly 'committed suicide.' Perhaps.

Even if the policies outlined had no relation to events since 1864, when Joly is supposed to have concocted them, they would still comprise an astounding document. As they outline almost exactly, and in considerable detail, the main political features of the past hundred years, their importance is primary.

The issue of thirteen million Fuel Rationing Forms (FR 1) masquerading as "Assessment" Forms, within a few weeks of strong adverse comment in Parliament on the whole idea of fuel rationing, is one more instance of the contempt in which both the House of Commons and its electorate are held by the New Bureaucracy. One of the many objections to Sir William Beveridge's scheme was the still further encroachment on domestic management involved in it, as well as the unfailing Socialist resort to restriction, in place of enhanced supply.

No satisfactory reply has been elicited as to the steps, if any, taken to work surface coal, nor as to the reduced output per head under bureaucratic supervision.

Our export trade in coal is, or ought to be non-existent

and we are supposed to have a wonderful coal-saving electricity grid system.

Write to your M.P. and express your resentment at the refusal of Your Obedient Servants to do as they're told. Are any of the German-Jews wished on us by Hitler doing anything to enhance the coal supply, or are they merely devising Forms and burning coal?

The only country in which German-Jews are not liable for military service, in addition to once-Great Britain, is Germany. Odd, isn't it?

THE NEW PRIESTHOOD?

There lies before me a short article from the Irish Roman Catholic paper, *The Standard*, headed "The Revolution In Britain, by the well-known 'Writer on Social and Economic affairs,' J. L. Benvenisti." Its mental quality is confused and superficial, in the manner I have come particularly to associate with 'writers' who range themselves under the above description.

The revolution, we are told by the author, "is not from the Right, nor the Left; but is observable in a sudden. . . change of attitude among the more enlightened leaders of business . . . and reflected in the accredited organs of economic and financial journalism." In Mr. Benvenisti's school of thought, "leaders of business" are those who finance production, not the manufacturers. He must not, therefore, be understood as suggesting that "accredited organs of economic and financial journalism" reflect the changed outlook of the harrassed men who are actually occupied in getting the goods (tanks and what not) made and delivered. Or if he does, his dictum can safely be dismissed as a flight of "city" imagination.

It appears that at the beginning of this year, under the title "The Future of Auditing" (some future, as you shall hear!) a series of articles appeared anonymously in the *Financial News*, ascribed to a "group of industrial accountants." In Mr. Benvenisti's words, "Their main argument was that the changed condition of society demanded complete recasting of the functions of the auditor, and that the financial check which he now performed was relatively unimportant. In the expanding economy of the 19th century almost any enterprise that was conducted with reasonable prudence and enjoyed reasonable good fortune could be relied on sooner or later, and sooner rather than later, to produce social benefits. The mere making of a profit by an enterprise was in such circumstances a rough, but not unreliable, test of its usefulness to society, and the only function of public authority was to ensure that investors were not being robbed or misled by those who had the use of their money.

"To-day we cannot take so much for granted. It therefore, behoves the auditor of the future to come on the scene as the watchdog not only of the shareholders but of society. Profit is no index of efficiency, and large profits may often be made, especially to-day, by means that are wasteful. There is, therefore, clearly a need for society to safeguard itself against this, and such safeguarding will be among the principal functions that the auditor of the future will have to perform."

The quotation is illuminating even in its obscurantism.

Apart from its almost comic arrogance, which is apparently inseparable from all reformatory suggestions put forward to-day, the point that strikes one is its impracticability. Unfortunately this is no guarantee that something of the kind will not be attempted. It is, in fact, in process of establishment at this moment as "socialisation of the means of production."

This is the process with which the Archbishop of Canterbury has associated himself. Indeed, Dr. Temple has never made any bones about it. But that it should receive endorsement from the Church of Rome seems to call for explanation. For "socialisation" is a great deal more than a mere expropriation from "the rich." It is something ruthless, inhuman, directed against *everyone*, high or low, and typified in an exclusively statistical, financial approach to all social matters—a mentality that substitutes abstract terms like "society," "the public," "the common good," for living, breathing human beings, as the interested parties in all social activities. And surely it is just that inhumanity of mind that Christians might be expected to reprove, rather than encourage. If they are not to be the guardians of individual integrity, who is?

It may be true that, as Mr. Benvenisti asserts, "The view is being more and more frequently voiced that the accounts of large companies are everybody's concern," but if it is, it is a poor outlook, for the world's future productive efficiency. Do those who voice these generalisations not know from their own personal experience (some of them must, at least, be responsible for homes and family circles that have to be made to function) that in cold practice what is everybody's business, is nobody's business? Have they not got sufficient power of consecutive thought to realise that a principle which, if applied to the management of a suburban villa would result in domestic chaos—not only meatless, but mealless days, or more probably in adjournment *en bloc* to the nearest "British" Restaurant, must produce equivalent results in any scale of organisation? Or (sinister thought) is the promotion of the communal restaurant and all it typifies, as opposed to the institution of the home, what such writers and talkers, consciously or unconsciously desire? In that event, the Churches would be wise to examine the whole proposition a little more carefully.

The views advanced by the writers in the *Financial News*, "That workers, consumers, the Government and the entire community, are beneficially interested and must have an effective say" in the management of all productive concerns, are, according to Mr. Benvenisti, "quite alien to British Company law," which supports the legal theory that "a company director is trustee for the shareholder." This is certainly true, and quite understandable; for the British have always had a reputation for being a practical race. In the opinion of Mr. Benvenisti, who, his credentials as an English Roman Catholic notwithstanding, is presumably of Italian extraction and therefore a mental product of the Roman Continental Law, it is this legal conception held by the land of his adoption which is at fault, and it is upon this point that the revolution in English thinking is taking place. In other words there is an identification between the Roman Law and the "socialisation of the means of production."

"One of the reasons," he says, "for the change of attitude in these matters is the altered status of the class of professional managers." One wonders to what profession these

new managers belong. They are auditors presumably—the profession of the writers of the original article, which dealt (so the Archbishop of Canterbury said) with “the science and art of management.” Mr. Benvenisti continues with the extraordinary statement, “These men have always been more interested in their jobs than in the making of money for shareholders,” which, if it is really true, might be regarded as very damaging to the reputation of the profession, even though as he hastens to add, “with present-day taxation, money is simply not worth making.”

“If the present tendency” the writer concludes optimistically, “goes so far that the businessman and business executive look upon themselves, and are looked upon as the servants of the public, a new integrating principle would have been introduced into social life, the possibilities of which are literally boundless.” That may be true, but the tendency which Mr. Benvenisti seeks to promote is not such a change of heart on the part of the businessman as he suggests, but simply the establishment of centralised bureaucratic control of business, containing no automatic guarantee that the “new managers” will prove themselves any better servants to the public who will then be paying them their salaries than, on his own very frank admission, they have previously been to the shareholders who paid them. We need only to remember that the letters we receive from the Inland Revenue Authority are signed, ‘Your humble Servant,’ to temper our transports over the possibilities of this “new integration.” When the still larger mountain of ‘service’ has laboured, there will be no more than a mere mouse of industrial output, and no doubt we shall be only too glad to retain our ration cards.

“Most interesting of all, perhaps, from the Catholic point of view is the insistence of the authors that some report should be made on the ethical conduct of business.” Does Mr. Benvenisti claim official association with the Church? He goes on, “The authors suggest that the auditor must necessarily be concerned with the quality of the product or service rendered to the consumer, and in the prices charged.”

It has long been evident that the Protestant Churches had come under the influence of Communistic ideas. But the scene is developed a considerable stage further if we find the Church of Rome succumbing to the superficial advantages of Dialectical Materialism, by giving prominence and approbation to the “ethical views” of a bunch of industrial accountants.

There has appeared to be at work somewhere in that Church a body of expert thought, persistently assessing the real meaning and value of contemporary movements. Has its attention wandered? It is difficult to imagine the Church of Rome subscribing to Mr. Benvenisti’s idea that in the post-war world, the regulation of industrial morality—“will be one of the principle functions which the auditors of the future will have to perform.” N. F. W.

Mr. Laski’s Evidence

To the Editor of *The Social Crediter*.
Sir,

In case you have missed it, may I draw your attention to the statement of Harold Laski in his article “Epitaph on a System” in *New Statesman* of July 11 (p. 20, col. 1):—

“For this war is in its essence a stage merely in an

immense revolution in which the war of 1914, the Russian Revolution, and the counter-revolutions on the Continent are earlier phases.”

Since there can no longer be any question as to who carried out the Russian ‘Revolution,’ this statement can only mean that Jewry is responsible for the Hitler ‘counter-revolution’ as well as the two wars. Has the Jew become so confident that he does not mind now whether cats are let out of the bag?

Yours faithfully, J. D. DELL.

“The Britons,” 40, Great Ormond Street, London.

Nurs-ery Rhy-me

The Director and Editor of the *Bournemouth Times and Directory* writes to *The Times* to say that at a meeting in Bournemouth a speaker from the Ministry of Information called the 25 members of Parliament who voted that they had no confidence in the Government “a motley collection of nagers, backbiters, and armchair critics.”

“To what extent,” he adds, “is it right for the official propaganda machine to be used to undermine criticisms of the Government by members of Parliament? If meetings under Ministry of Information auspices are to be used for such purposes it appears that the rights of the House of Commons are threatened.” [or, in “Beachcomber’s” words:—]

“If members of Par-li-a-ment are re-prim-and-ed for vo-ting ag-ainst the Gov-ern-ment, what is the point of candi-dates con-test-ing by-elections?”

“Fin-ish your aus-ter-it-y gris-tle, litt-le oaf, and stop ask-ing ques-ti-ions.”

By C. H. Douglas

THE BIG IDEA

2/6

This important commentary has now been issued in a limited war-time edition. Readers are invited to co-operate in as rapid a distribution to members of the general public as possible by direct sale, reserving to themselves a minimum number of copies. To facilitate sales on these lines a discount of 25% for cash with order will be allowed on orders for three or more copies.

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Saturday, July 25, 1942.

The Times and U.S.A.

We were struck the other day, while reading the late Hastings Rashdall's *Universities of Europe in the Middle Ages*, by a generalisation which, unquestionably valid in many applications, may be crucial at the present turn in world affairs. Divorced from its specialist setting, Rashdall's notion was that movements (he calls them 'reforming' movements) begin before the tendencies against which they are a reaction have reached their culmination. The Old does not always reach its lowest depth until long after the rise of the New.

Momentum alone may carry our world to perdition; but there are hopeful signs that not by any means all the engine power available is any longer devoted to driving it there. The two speeches published in this issue from the official report of the Debate on Production in the House of Commons on July 14 are evidential. As weapons directed against 'evil things,' they are not of the same calibre, nor do they carry equally far. How disconcerting they were, and in what quarters, may be judged to some extent from the interruptions. These addresses were not characteristic of the debate. Each, in its own way, sounded a new (*the new*) note in Parliament. For some time past *The Social Crediter* has attempted to convey some idea of what passes in Parliament by publishing copious extracts from the Official Report. Readers may have noticed that the practice, which in itself distorts has, as often as not, shown up that other distortion to which Parliament is habitually subjected by the 'free' Press of the country. Many members of Parliament are acutely conscious of this tendency. They complain about it but profess not to know how to deal with it. There is only one way to deal with anything hidden: that is the method of *discovery*.

The widest publicity possible, therefore, should be given to facts concerning the distortions effected by newspapers. More leader writers look to *The Times* for guidance in the doubtless very embarrassing decisions which they are often called upon to 'make' at short notice than probably to any other single source of 'inspiration.' If *The Times* takes a particular course, they know that if they do likewise Mr. Douglas Reed's 'mysterious hidden power,' 'evil force,' 'stealthy obstructive something,' or even VVV itself, will not lift them from their chairs while they write, or spirit away the keys of their desks while they sleep the sleep of the unjustified. *The Times* cannot slip once without destroying the very Fabric of Fabrication. It doesn't matter who you are, Liberal, Labour, Socialist, Communist or 'Unionist,' write up *The Times* in highbrow, you are passable for the Reviews, or in lowbrow and you may, without fear, approach the Editor of *Comic Cuts*. The note of diffidence, of

anxiety, of concession which has distinguished *The Times* for weeks past is not for nothing. *The Times* is, plainly, very sensitive. Concerning Christianity, much better letters are appearing in (for example) the *Liverpool Daily Post* than in *The Times*. Other interests are more faithfully served. For example, Major-General Knox's concern at question time for the feelings of American organisations to whom 'a lady' had to refuse jam, was not reported in *The Times*. The matter might have been considered too trivial. Perhaps it was. More important, Mr. Woodburn's favourable estimate of the ability of British Engineers, in comparison with Americans was not reported in *The Times*, although Mr. Lyttelton added to the weight of the reminder by mentioning that there were English and Scottish mass production engineers in America. Mr. Ellis Smith's desire that the American people should be reminded (as a friend) "that the people of this country have now been straining themselves for three years" was not reported in *The Times*, which had room for 79 lines of what Mr. Ellis Smith said. The same speaker's opinion that "we have our Mr. Kaisers, who have not been allowed to do in this country what he has done" does not appear in *The Times* report; and no one can learn from *The Times* of Mr. Grover Loening's statement, cited by Mr. Smith, that fifteen of the largest American planes could carry as much in a year as an average 11,000 ton steamer between the United States and the Red Sea; nor of Mr. Granville's assertion that "you cannot knock out Mark IV panzers with Trans-Atlantic noughts." Mr. A. Edwards's admission that he had 'a most horrible feeling in the pit of his stomach' because "It is more than likely that the Americans will be turned on to produce all the wrong things" receives no publicity from *The Times*. Even Colonel Llewellyn's assurance that we "are not putting the whole of our faith in what America is going to do for us" failed to get through to the readers of *The Times*. Every reference to the United States of America from the floor of the House that was not adulation was suppressed by *The Times*. The speeches we print on other pages received respectively 26 and 13 lines in *The Times*. So now the leader-writers of the country know! But the people of the country don't.

The House of Commons is not yet so alive to the meaning of production figures as are Social Crediters; but it is odd that one aspect of Mr. Lyttelton's speech escaped notice. Here are some of his data:—

The Bofors platform took 1,000 man-hours; now takes 230. (ratio 4.3/1).

A machine-gun component took 2½ man-hours. It now takes six minutes. (ratio 25/1).

A 2-pdr barrel took 193 man-hours. The far larger 6-pdr. now takes 72 man-hours (ratio 2.7/1).

Components of aero engines to 8¼ hours [man-hours?] now take 3. (ratio 2.75/1).

The Minister went on to give index figures representing the increase of production:—aircraft 100-244; warlike stores 100-289. Production, he sums up 'nearly trebled' between January 1941 and June 1942. No reason is given for supposing that the whole of this increase is not due to improvement of process. The suggestion is that it is. Then why are we all being pushed about as we are? Mr. Lyttelton is in no doubt concerning the cause of the increases he cited. They are due to "ingenious re-design." Then what are Mr. Bevin's lot doing? T. J.

The New Note in Parliament

The full text of Mr. Austin Hopkinson's address in the House of Commons on July 14 follows. With great respect to Mr. Higgs (Birmingham, West), whose speech is also reproduced, the addresses appear in the reverse order of their delivery, because of the exceptional interest to us of Mr. Hopkinson's views concerning the responsibility of the Executive:—

MR. AUSTIN HOPKINSON

It seems to me that one of the main reasons why these Debates on production seem to come to very little in the end is that the House of Commons is apt, as we have seen, to devote itself to all sort of piffling little details instead of discussing, as it is better qualified to discuss, the main principles involved—in this instance the functions of the Minister of Production and the method of exercising those functions. I would remind the Committee at the outset that the Ministers of Production, Supply, and Aircraft Production inherit a certain amount of that slimy trail to which I referred a fortnight ago. Therefore, it is as well at the outset that we should realise that the Minister must not be hauled over the coals without consideration. After all, the Ministry originated in response to ignorant popular clamour, and nothing else. It was a very good shout and slogan: "Let's have a Ministry of Production." It suited Lord Beaverbrook just at that time to be Minister of Production, and in due course the Ministry was formed and Lord Beaverbrook was appointed—and we had the utmost difficulty in getting rid of him.

Sir P. Hannon: On a point of Order. Is it in Order for a Member of this Committee to make a reflection of that kind upon a Member of another place?

Mr. Hopkinson: I made no reflection of any sort. I said that we had had the utmost difficulty in getting rid of him. That is not a reflection upon Lord Beaverbrook but a reflection upon a much more important person. I think the Committee will agree that no proper consideration was ever given to what functions that Minister should perform and how he should perform them or what powers he should have. The right hon. Gentleman who opened the Debate might possibly welcome, even from an outsider like myself, a few suggestions or considerations to bear in mind in making his Ministry function effectively, which I am afraid he is finding rather difficult just at the present moment. It is admitted that the function of the Minister of Production is really to be the chairman of an expert staff planning production. Just as in operations, strategy and tactics we have the Committee of Chiefs of Staff presided over by a chairman, so in the same way I think there is room for a committee of the chiefs of an industrial staff, also presided over by a chairman whom we know as the Minister of Production.

A better analogy perhaps is that of the organisation of the Committee of Imperial Defence which was set up some years before the war. That organisation was based very largely upon sundry minutes by that remarkable authority on those matters, the late Lord Haldane. If I remember rightly, the whole basis of the arrangement was that the Committee of Imperial Defence was a committee of such immense power and prestige that it was impossible for anybody except the Prime Minister to be chairman of it. In actual fact, it was a physical impossibility for the Prime Minister to be an effective chairman of the Committee of

Imperial Defence, and therefore he appointed a deputy known as the Co-ordinator of Defence, who should have been—although he always failed to be—Deputy Prime Minister for Defence, and not a Cabinet Minister in the ordinary sense of the word. The Prime Minister who appointed Lord Caldecote to that position had, I think, the intention in his mind that the Co-ordinator of Defence should be Deputy Prime Minister for Defence and therefore an effective chairman of the Committee of Imperial Defence. The whole thing broke down because Lord Caldecote did not regard himself as anything more than a Cabinet Minister.

In the case of the Chiefs of Staff Committee and of the Ministry of Production, surely we have a similar difficulty to meet. Production is now a matter of such immense importance, and affects every phase of our lives to such an extent, that the chairman of a real Board of Production must be a man as powerful as the Prime Minister himself so far as his functions are concerned, and therefore he must hold, as it were, a limited power of attorney from the Prime Minister, to whom alone he should be responsible for his actions, and should not have to justify himself to the whole of the rest of the Cabinet. I hope the right hon. Gentleman will consider this proposal, if he has not done so already, because I cannot myself see his being in a position to exercise the functions which we mean him to exercise unless he has a position of that sort. We cannot have a Minister of Production in a position where, having taken rather drastic steps with regard to one of the Supply Ministries, he has to justify himself to the whole Cabinet. He must justify himself only to the Prime Minister, who has given him a limited power of attorney and whose business it will be to justify the Minister's action to the Cabinet or, if he cannot, to dismiss the Minister. I hope the right hon. Gentleman will consider that and see whether something of the sort could not be arranged.

The next point is the composition of the committee over which he has to preside. Fundamentally, the trouble with production has been this: Production hitherto has been in the hands of men who knew nothing whatever about the subject. You need only go back into the history of the various Ministries concerned. I see the Minister of Supply is here. The Minister of Supply has a great reputation in industry, but by what did he make that reputation? Not by producing things, but by preventing things from being produced. That was where he made his reputation; the formation of cartels and other devices, in accordance with what we call the "new economics," which consists of creating a famine so that prices go up and then saying, "How prosperous we are!" That is how the right hon. Gentleman made his reputation. As to the right hon. Gentleman the Minister of Production himself, I doubt whether the activities in which he made his reputation really helped our industrialists to get on with their work. I have a suspicion, for instance, that when I pay £300 a ton for tin on Monday, £270 on Tuesday, and £350 on Wednesday, the peace-time activities of the right hon. Gentleman may

have something to do with it. I assure him that it does not help production.

We have then got to this position: that we should have a general staff for production, a Board of Production if I may call it that. I think the right hon. Gentleman and the Committee would agree that the selection of the actual persons to put on that Board is of the utmost importance. I cannot conceive that any useful object of any sort would be achieved by putting on professional economists, chartered accountants, women, and trade union officials. After all, what do they know about production? What does a chartered accountant know about production? I know it has become customary for firms who do not know how to run their own business to allow a firm of chartered accountants to run it for them. I do not do that. The chartered accountant is a paid servant of mine, and he would be shot out of the place if he tried to run my business, because he is totally unfitted for it. His job is to tot up figures and tell me what those figures amount to. The thing is too serious to play with. We must treat this matter of production seriously; to put on trade union officials to plan out production, to put on a woman just because she is a woman, or to put on professional economists—

Mrs. Tate (Frome): Surely the hon. Member will not dispute the fact that women at least know something about production?

Mr. Hopkinson: We are talking about the composition of this Board, of from six to ten people, and I challenge the hon. Lady to inform me of some woman who is superior and who is known to be superior as a producer of engineering works, to the half-dozen men who could be found for the job. It is perfectly obvious that women are put on these boards just because they are women. In the same way Sir Walter Layton is put on to production just because he is Sir Walter Layton. What does he know, what can he know of production? It is a thing you have to live with for years and years before you know anything about it. I have been in it 45 years myself, and I do not know the first principles yet.

Having selected a board, how is it to function? Surely in this way. In war every decision as to ultimate objects must be a political decision, and must originate from the Prime Minister. Therefore the Prime Minister and his Cabinet must lay down what are the ultimate objects to be attained by warlike operations. Having done so, they approach the Chiefs of Staff with a view to finding out what military operations are necessary to carry out those political objects. It is for the Chiefs of Staff to say whether the military operations which are required can be carried out with a reasonable chance of success and consequently of achieving the ultimate political object. If the Chiefs of Staff say it cannot be done, in an ordinary well-governed country the Prime Minister would change his political strategy, but if on the other hand they say it can be done with a reasonable chance of success, it is their business to make their plans, and having made their plans, to ascertain what long-term and short-term production will be required to provide the necessary material for the operations contemplated.

The Chiefs of Staff Committee having ascertained what material they need, it should then be their business to go to the Minister of Production and give him their programme,

and ask him to fulfil it for them if it can possibly be done. His duty, after consulting with his experts, is to return them an answer as to whether what they ask is possible or impracticable, and what modification must be permitted if, within a certain time, he is to produce such and such work. Again, this is all very elementary, but it seems to me to be the natural thing to do. The Minister of Production has given the Chiefs of Staff a definite opinion and promise of production of certain things within a certain time. Upon that the whole of the major strategy of the war may depend. Is the Minister to be left in a position where, if he finds that one of the supply Ministries is breaking down hopelessly, he has to wring his hands and cry, "Unfortunately we cannot carry out what we have undertaken to do. The military operations cannot be proceeded with and the ultimate political object cannot be obtained,"? I say that it is absolutely essential that he should have within his power, such as the Chiefs of Staff Committee should have, a direct limited power of attorney from the Prime Minister himself. Otherwise he cannot possibly be an effective Minister of Production and he cannot possibly give undertakings to the Chiefs of Staff Committee such as I have outlined.

Obviously, he acts on the advice of his Board of Production, and he will be in a hopeless position unless every single member of that Board is a man of such reputation that people will believe in him and trust him. It has been said, I believe with a very great amount of truth, that the British Navy was built up out of the threats of resignation of the Sea Lords, and the reason we could build and maintain the British Navy through the peaceful days of the 19th century was that on every Board of Admiralty were the Sea Lords, each with his resignation written out in his pocket, ready to be slammed down on the table if politicians stood in the way. I should like to see the Board of Production as powerful as the Sea Lords of the Board of Admiralty used to be. They can only get that power by being men who are known to deserve it. I would beg the right hon. Gentleman—I know he cannot himself carry out these changes—to bear them in mind. But the Board will be utterly useless if he allows it to carry any passengers. He has to clear the decks and throw overboard all the passengers and get down to brass tacks. We have never faced up to production yet, and we do hope, perhaps we do not all expect, that the right hon. Gentleman may succeed where everyone else has obviously failed.

MR. HIGGS

I have listened with very great interest to the speech of the Minister to-day, and it strikes me that he has a very complete idea of what is happening in production from the head of his Department down to factory level. But all is not right, the Minister realises that. We have now been talking production in this House for three or four years, and certainly we have achieved something. It would be a disgrace if we had not, for this nation at present is doing nothing else but produce war materials and food. I was very pleased to hear the figures given by the Minister, but we expect figures of that description, we expect increases, and we have got to have them. Our results are nothing to be proud of.

The Ministry considers that to get efficient production the Government must interfere in detail of control, and I take the liberty of referring to a pamphlet written by Sir Alfred

Herbert which appeared in the *Machine Tool Review* some six or eight months ago. It is written by a man who has proved his worth in industry; I am not referring to him as the only man who has achieved success in industry, but am just giving him as a typical example. He has built up a huge business, he has saved the turret lathe industry for this country, and, during the last war, he was Controller of Machine Tools. When he held that position he was trusted. Now he is running his own business, and he is dictated to by the Government and by Government officials in exactly the same manner as any upstart firm knowing nothing about the industry at all. More freedom must be given to those people who have proved themselves and are capable of running industry. I would like to read a paragraph from this pamphlet to show the sort of instructions which industrial concerns receive from time to time from Government Departments. It runs like this:

"When goods are or were invoiced by a registered person who, in relation to the supply of those goods, is or was the agent either of the supplier or of the person to whom or to whose order the goods are or were to be supplied, the supplier shall be deemed to supply or to have supplied those goods to the agent, and when the goods are supplied to or to the order of the person to be supplied, the agent shall be deemed to supply or to have supplied them."

That is not a typical example of what we receive, probably it is an extreme case, but my point is that we should never receive instructions of that description. Yet those are the people who are telling industrialists like Sir Alfred Herbert how to run their businesses.

Mr. Austin Hopkinson (Mossley): May I interrupt my hon. Friend for a moment? He knows perfectly well, both he and I being engaged in day-to-day work on these matters, that we do not pay the faintest attention to that sort of tosh.

Mr. A. Edwards (Middlesbrough, East): Is the hon. Member aware that those silly communications received by Sir Alfred Herbert are received from his own employee, who at present is the dictator referred to in the Department?

Mr. Higgs: I could not answer that question; I believe they are received from Government employees who are now dictating to Sir Alfred Herbert how to run his business.

Mr. Edwards: His own employee.

Mr. Higgs: Not his own employee, a Government employee.

Mr. Edwards: The man is his own employee. He is now dictating to his own boss.

Mr. Higgs: I am not sure of that point.

Mr. Edwards: I am.

Mr. Higgs: I suppose he was no good in his own organisation, and therefore he got rid of him.

Mr. Edwards: No, he is going back when the war is over.

Mr. Higgs: We will wait and see. If Sir Alfred Herbert was in charge of a Government Department, he would be trusted, but as he is in charge of a large industry, he receives the same control and dictation as anybody else. What does he have to contend with? There are special inspectors, factory inspectors, the Minister of Labour, progress inspectors for the Admiralty and munitions supply, performance inspectors and costings inspectors, and many others as well, and no one Department co-operates with another. The reason why the industrialist is successful is because he has control of all his departments and co-ordinates

them. That is the difficulty with Government control. The fear seems to be that the industrialist will make a profit. It would be far better for the country if the industrialist was permitted to make a little more profit. Give the capable man a little more incentive, more control of his business, and I am convinced that we should get more efficient production. We are using these men who have proved their worth in industry. There is not sufficient confidence entrusted in the man who has proved his capability.

On simplification, the Minister to-day referred to the reduction in price of a certain gun. This reduction in price is being published in every technical paper throughout the country in the last month or two. The price to produce a Bren gun has been reduced from £2 8s. to 2s. 3d. I say that it is an utter disgrace that we have ever manufactured the part at £2. 8s. if it can be produced for 2s. 3d. There is nothing clever in it. Reductions of this description should not be possible if there was an efficiency in the industry. The Minister of Production received a memorandum from the Institution of Production Engineers giving that and other typical examples. I have had personal experience this year of drawings over 30 years old from the Admiralty. We have to make electric motors to them to-day. Has no improvement taken place in the electric motor in the last 30 years? If we want to get anything altered, we might lose the contract altogether. Government organisation is slow; it is difficult to avoid that; therefore delegate greater powers to those people who do know how to do what is required. We have heard from the Minister to-day about the marvellous result in shipbuilding by Mr. Kaiser, I think he said. If he had been hindered in the manner in which the industrialists in this country have been, he could not have got the work done. It was freedom—a certain amount of freedom delegated to him—that permitted him to get that job done. Then in this matter of costings, it is always a question of "What profit you are making?" never "What price can the job be produced at?"—two very different things.

Price investigation in order to reduce costs of production is very necessary, but the Government have never investigated the cost with that object. It has always been "What profit is the firm making?" A man must have some reward for his labour, whatever his work in life. If he does not get a money profit, give him some honour for doing it. There is a great fear on the part of some hon. Members of a firm making a profit, in peace-time as well. It is a great honour to a firm to be able to make a profit in peace time; I do not say that that point holds good to-day. I came across a switchboard the other day, a panel of which cost £2. It hurt me to see them being made, hundreds of them, because I knew that they could be made for 2s. if a specification was altered from a certain insulation to steel. A man to whom I spoke said, "We are making these things, but it hurts me. My income tax is paying for this job." Yet one cannot get Government Departments to alter these specifications. Leave specifications to half-a-dozen of our leading industrial firms, and we shall get some results without this constant interference and interruption.

With regard to the delay in decisions, it is impossible to get a straightforward "yes" or "no" from a Government Department. I have never seen it or heard of it. It is always qualified with, "subject to further investigation," or "provisionally," or something of that kind, playing for safety all the while. One can play for safety far too much

and get nothing done at all. The industrialist spends three-quarters of his time making decisions. He makes some wrong ones, but the proof that he has made a majority of decisions right and made them rapidly is that his business is successful. A quick "Yes" or "No" will be a deciding factor as to whether a problem is dealt with successfully or not. Another difficulty we get is the delay in obtaining agreement between various Departments. I suppose a number of hon. Members have had some experience of trying to put up a building recently. I quite agree that the Government should be very cautious about giving permission for extensions for buildings. I support their attitude in that direction, but one has to get about four or six Departments to agree. The major Department having agreed, the minor Departments could hardly refuse, but they have to be consulted. Time is taken to get the building value, then to get the construction agreed to. It has to go to the Ministry of Works and Planning, and if they give their sanction, there are the materials to be obtained. Their agreement does not sanction materials. Then we have to go to the local authorities for permission to erect. Simplification is what we need. The Government do not seem to understand the word. Complication is the only one which seems to be understood.

On the subject of industrial unrest, I am sorry to say that it is greater than many hon. Members in this Committee appreciate. I think it is due to some extent to the weak treatment of the transgressors both by the Government and the works managers and industry as a whole. To take the question of late arrivals. I know a certain firm in Birmingham who, because of the blitz, relaxed the time of arrival. The result was that until the new summer-time came into force late arrivals were getting there half-an-hour and three-quarters of an hour after starting time. The firm made a bold decision; it was not the Government but the individual management. They said, "We will lock out everyone who is more than five minutes after starting time." They took that decision and locked everyone out who was more than five minutes late. The result, I heard last week, is that no one arrives late; no one goes in the shops late. If that can be done by one Birmingham firm, it can be done by other firms, but it should have the support and encouragement of the Minister of Labour. I believe that, with the Government backing up industry, timekeeping could be very greatly improved. Managers do not always set a good example by arriving at a reasonable time. The soldier who is late does not get any consideration, and in war-time people in industry should be put on the same basis.

I am pleased to see the Minister of Labour here. Can he say why absenteeism is at its lowest on paydays, and at its highest on Saturday mornings? There is a ramp in doctors' notes. I have half-a-dozen here, which I will refer to. Here is No. 1. I cannot read the signature, which is filled in in pencil. I have an objection to a doctor's note being filled in in pencil, and I will tell the House the reason in a moment. As for No. 2, there is no indication who issued it. It is filled in in ink, but there is no proper signature. No. 3 says, "The bearer attended here to-night, and is able to follow her employment." What is the good of issuing a note if the bearer is able to follow her employment?

Mr. Logan (Liverpool, Scotland Division): On a point of Order. Has the hon. Member any right whatever to bring medical certificates to this House? Who has any right to give medical certificates to an hon. Member?

The Temporary Chairman: That is not a point of Order.

The Minister of Labour (Mr. Ernest Bevin): Is not a doctor's note a certificate of disorder?

Mr. Higgs: These notes were handed to me by my own employees. They are first-hand information. Someone has discovered that only 4 per cent. of all the engineering firms in England employ more than 500 people each, and that two-thirds employ less than 50 people each. A lot of publicity has been given to that statement lately, and it is assumed that the larger unit is more efficient. I do not agree with that. Efficiency does not increase with size. It is up to the Minister of Production and his assistants to allocate the work that is most suitable to particular firms. Who would think of giving an order for a battleship to a firm employing only half a dozen people? In the same way, one does not want firms employing thousands of people to be given orders for percussion caps. Efficiency is often fostered by personal relationship. In peace-time, small firms are the nation's goodwill. Some firms grow and expand, which proves their efficiency. I cannot appreciate the importance which is attached to this argument that the large firm is the more efficient. Our production is great, but it has got to be greater. The Minister has a big job, and he knows it; and I hope that this Debate will give him further hints and ideas. As one back-bencher, I wish him luck.

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Will those who desire to receive an invitation to a meeting of the London D.S.C. Group, to be addressed by Dr. Tudor Jones, during the week-end of August 8-9, please write to inform Mr. R. Turpin, 197, Clayhall Avenue, Barkingside, Ilford, Essex?

The usual 12-30 p.m. meeting of the Group at the Plane Tree Restaurant, Great Russell Street, W.C.1., will be held on Thursday, August 6.

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