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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

"One practical proposal, certain observers believe, under consideration in the discussions, is the establishing after the war of a world-wide financing body to aid economic rehabilitation. It is suggested that such a body be similar in function, though on a world scale, to the United States Government Reconstruction Finance Corporation."

— Premier and President: *Sunday Times*, June 21, 1942.

Dear, dear, just think of that. Who said Bank of International Settlements? *And* League of Nations, *with* World Police? They keep on trying at your expense, don't they?

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No, Clarence, of course not. The United Nations are not in the least like the League of Nations. Just you ask Mr. Benjamin Cohen, Jr., who is still happily with us.

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"Churchill . . . . recently admitted publicly that from the beginning of the war he had staked everything upon the United States. This barometer in England should show us, more clearly than any other recent event, that we are fighting, not only to win the war, but also to control our legitimate share of the revolution."

— DEMAREE BESS in *The Saturday Evening Post.*

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In other words, Clarence, the war is for the object of deciding which gangster will put it across you.

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Mr. Harry Hopkins, U.S.A., is getting tired of hearing Americans say the British cannot fight. Shades of Edward the Black Prince, of the Yeomen of England who drew a bow at Crecy and Poictiers, of the Scots who followed Bruce, Wallace, and James the Good, of Drake and Frobisher, Wellington and Marlborough, of Clive and "Nikkal Seyn," rest in peace! The Victors of the Great War (last three months) are about to show you. Well, if not now, next year.

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"A Jewish convert to Christianity who occupied the Chair of Hebrew at Cambridge, Emmanuel Tremelli, delivered to Queen Elizabeth, *via* her favourite theologian, whom Tremelli had initiated into the Kabbalah, an official letter from the Head of the Jewish Community in Constantinople, proposing an alliance between England, and the Jews of the whole World."

— RABBI MOSES MARGULIES: *History of the Jews of Great Britain* (1854).

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Mr. Solly Bloom, President Roosevelt's right-hand man, expresses himself as pleased with the military report made to him by Mr. Churchill. On the other hand, Senator Ellender, of Louisiana, considers that the British are not fit to command their own troops and proposes President Roosevelt as supreme commander, "to avoid another Tobruk."

An alternative proposal to place the American Navy under Admiral Cunningham in order to avoid another Pearl Harbour is considered to be in bad taste.

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"To work in a self-sufficient world of paper, divorced from reality, is the general characteristic of bureaucratic government, for its object is not achievement, but to keep the bureaucrats at their desks from ten to four."

— A. J. P. TAYLOR: *The Hapsburg Monarchy.*

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"The opening gambit could not well be bettered: 'determination to make the utmost sacrifice in the interest of Victory.' He [Dr. Paul Einzig] does not say 'to win the war with the least possible sacrifice of life, liberty, and property' but as a lifelong enemy of liberty and property, sedulously cultivates the idea that the destruction of these things, of itself contributes to Victory."

— SIR ERNEST BENN, in *Truth.*

Of course it does, Sir Ernest. Hadn't you realised that The Big Idea is just that?

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"It has sometimes been stated here that Supreme Court Justice Felix Frankfurter 'has more to do with guiding the wartime destinies of the United States than anyone except the President himself.' Few major decisions are taken without consulting this trusted adviser. Justice Frankfurter was born in Vienna of Jewish parents."

—*Daily Sketch* New York Correspondent, June 13, 1942.

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Lord Vansittart said to a London audience recently: "Don't pay too much attention to the English pseudo intellectuals. There are two lots of people we have to defeat —the Germans and the English pseudo-intellectuals."

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The Times of June 4, in an article on Heydrich, mentioned Admiral Canaris (alias Moses Meyerbeer): —

"At an early age he [Heydrich] became a member of some ultra-nationalist youth organisation. In 1922 he joined the German Navy, and in 1928 he became intelligence officer in the Baltic Command. It was probably in this position that Heydrich got into contact with Admiral Canaris, Chief of the German Military Intelligence, a connection which, according to rumour, had never been broken."

The Minister of Food has delegated his power of setting up British Restaurants to local authorities, subject to his approval in each case. It was stated in the House of Commons recently that no occasion had yet arisen in which the Minister of Food considered it necessary to provide a British Restaurant where a local authority has not done so.

Judicious display of the power to over-rule local authorities effects that, but it does not ensure that the restaurants shall be successful, financially or otherwise.

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"Lord Portal, Minister of Works and Buildings, has appointed Mr. Lawrence Neal to be Deputy Secretary in the Planning Department of the Ministry. Mr. Neal is a founder member and member of the council of P.E.P., and has been actively interested in several of its planning surveys, more particularly those concerning industrial matters. He is chairman and director of Daniel Neal and Sons, was a member of the Sea Fish Commission from 1933 to 1936, and is at present a member of the Retail Trade Committee appointed by the President of the Board of Trade."

—*Contract Journal*, May 20, 1942.

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"It takes a woman to strike a doughty blow for the family and family life. The other day a woman M.P. demanded that 'Every child over the age of two should come under the Board of Education.'

"I presume the father and mother, under strict Government surveillance, and subject to weekly inspection, registration, and so forth, would, in some special cases, be allowed a certain amount of control over their child until it reaches the age of two. After which age, of course, it would revert to the State.

"But the age-limit should be lowered. Every child should belong to the State from birth. Then there would be none of this absurd redundancy and dual control, with unenlightened parents behaving as though they had a right to their children."

— BEACHCOMBER in *The Daily Express*.

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ONCE UPON A TIME

"Looking back on that week, we can get a fairly clear view of the power of the Press working in conjuction with the Government. In a week or ten days the mind of the people was so changed that. . . .

"The Church, having aided the plutocratic reactionaries in scoring a victory over the King, thought to make religious capital out of it. The Primate broadcast a triumphant address on the success of the Church in affirming public morality. The crisis had showed, in his opinion, a depth of religious feeling unsuspected in this country: and he called on everybody to launch a religious revival. It is difficult to see why it should be necessary to launch a religious revival when religious feeling has been proved so strong in the country. But, at any rate, the reaction of the public, given full expression in a Press that had now less need of the support of the Church, showed that whatever the public felt about the Duke of Windsor and Mrs. Simpson, they were in fair agreement about the Primate."

— A. CALDER-MARSHALL: *The Changing Scene*.

COAL IN PEACE AND WAR*

The above is the title of a pamphlet issued by the Miners' Association of Great Britain in reply to one written by Mr. James Griffiths, M.P., attacking the Owners and advocating State Ownership of the Coal Industry as the only means of winning the war. Since then it has been adopted officially by the Labour Party, presumably as a gesture towards the Party truce. To those not already "sold" to the idea of state-control in itself, the question not altogether unnaturally presents itself, What war? And for whom does it win it?

Mr. Griffiths's pamphlet attacks Private Ownership on the head of inefficiency and in reply the Owners are naturally at pains to make out a good case for themselves. Why not? In this they succeed, for their pamphlet is undoubtedly an intelligent, if conventional, defence of the management of a colossal undertaking under quite impossibly difficult conditions—conditions which, under the silly rules of "party" strife are, it seems, completely left out of Mr. Griffiths's landscape.

However, the fact emerges that, on the plane of reasoning and thought which is common to both sides of the dispute, the owners have a very good case indeed, which is put forward here with a sober regard for the rules of argument and a respectful use of figures, that must be convincing to all except those who don't want to be convinced.

What is proved beyond dispute (except of the back-street, mud-slinging variety) is that there is no logical case at all for State Ownership. Unfortunately for *all* of us in that individual, human capacity which grows cold for lack of a fire, and would suffer for want of cooked food, and which has always been of little account in ideological warfare, such a point is of quite minor importance, beside the need felt by some person, or persons, for imposing the abstract idea for centralised control upon this country while it is not in a position to protest or have a free choice in the matter.

The inter-war history of Coal is sad reading. It is also the history of every major British industry of the period, except perhaps the Motor Industry, and indeed of Britain herself. Within its self-imposed limits the story is well told in this pamphlet. Crippled and hampered by the policy which during all these years was imposed on Britain; short of capital and depressed, and diverted from their proper function (the efficient production of coal to meet the public demand) by problems of "mass-unemployment"; attacked ruthlessly by means of the subsidy in their foreign markets; haunted by diminishing turnover and mounting overheads and debt-charges, the Owners, as this pamphlet shows, did definitely and courageously grapple with their problems. Albeit, as we must remember lest our tears flow so freely as to blind our judgement, their troubles were all the direct result of the country's general policy—a policy which presumably the Coal Owners endorsed, since they never challenged it.

It is a story that shows us a body of technically intelligent (and technically honest) men doing everything that skill and ingenuity could suggest to deal with a situation of extraordinary difficulty—everything, that is, short of facing up to the direct cause of the situation, and making an effort to grapple with it. And since, as we know, "Labour" has

*"*Coal in Peace and War*": *A Reply to Mr. Jas. Griffiths, M.P.* The Miners' Federation of Great Britain, Astor House, Aldwych, London, W.C. 2.

been no more alive to the truth of the matter than Capital, honours are easy on that point. So that, granted that both sides accept, as apparently they do accept, the entirely artificial and unreal conditions of the dispute as natural and inevitable, and are content to react to it with the unquestioning responsiveness of a pullet laying an egg to the stimulus of an electric sun-rise on a dark winter's morning, then the Owners' case is completely proved.

It is plain that they worked skilfully and hard to meet the situation. And that in so far as the policy of the Mineworkers' Federation, who also endorse Mr. Griffiths's pamphlet, represents the natural desire of the individual miner to preserve his job on the best terms to be got under the circumstances, State Control could have done no more, and judging by available facts, would have done far less for the miners than was done; that in fact, its procedure as anticipated in the Sankey Commission favoured by Mr. Griffiths, which is described in the pamphlet under review as "a defeatist programme of organised contraction of the British Coal Industry, notwithstanding an ever-increasing world demand for coal," would have enormously increased unemployment.

Instead of this, figures given in evidence before the Royal Commission in 1925 show a capital expenditure on the part of the Owners from 1900 to that date of fifty-three millions, which stood at one hundred millions by 1938, expended in mechanisation and general improvement of process. These figures at least indicate courage and effort on the part of a shrinking and terribly depressed and harrassed industry. It may have been a losing battle—in fact, it was; but it wasn't shirked. Admittedly the Owners were fighting to preserve what they regarded as their own property—an attitude which in the light of "Labour" ideology appears an unforgiveable crime. But what the miner as a human individual needs to recognise before it is too late, and he finds himself locked up in the cage of centralised control, is that, willy-nilly, the Owners were fighting his battle at the same time as their own,—that is, as long as it appears to him solely as a fight to preserve *his* own job of work. What the Sankey Commission advocated, and for which it receives Mr. Griffiths's bureaucratic approval, is simply sabotage, not only of plant and interests, and goodwill, but of human individuals, and first on the list the miner himself. And the sooner the British workman comes to recognise that the abstract label "Labour" covers nothing but Bureaucracy, *i.e.,* contraction, restriction, interminable interference (the whole ingredients of Totalitarianism, in fact) the better for him and the country generally.

If only he could see it in that light, he would recognise it as infinitely wiser to repudiate his political organisation which is inextricably bound up with Internationalism and International Finance, and attach himself to the Owners, who, at the very lowest, are human, like himself, with wants and desires and failings and virtues not dis-similar to his own. As long as the Coal Owner sticks to his property, his mine, he is bound to some extent at least (how much depends on the intelligence of the miners), to stick to the personnel of the Mining Industry, since his interests and theirs are to a very large extent identified. But let the miners make no mistake about it, "Labour" as represented by Mr. Griffiths in his official Labour capacity, is *not* human; it is literally nothing but an abstract theory, which if it had its own way unhampered, would have two thirds of the Coal mines in Britain closed down tomorrow and the equivalent of miners out-of-work and receiving couponed "social service" from an army of well-paid inspectors and "social servants", and the shivering coal user on his knees before "it", ration-card in hand.

Is that an exaggerated picture? One may laugh about it, as the superior and enlightened writers in *The Economist* do. Nevertheless that is not a fanciful idea, it represents the inevitable trend of a wholly materialistic social theory, should it go unchecked by British common-sense.

This pamphlet shows conclusively that the agitation for nationalisation of the Coal Industry as a means to facilitating the actual "war effort" is not proved by facts and experience. The reverse is the case. Mr. Griffiths's main plea—that men work better for "the State" than for a private owner, is just bunkum, as everyone with a grain of common-sense knows quite well, and is proved false by the figures given of output per man in the last war, which dropped alarmingly under Government control between 1917 and 1921 and rose again *immediately* private ownership was resumed in 1921-22.

No, it is patent the Owners have put up a comparatively good show, both technically and from a managerial point of view. Where they failed, where the miners fail, where *everyone tends to fail,* is just on policy. The tragic mistake lies in the acceptance of artificial and determining conditions, manufactured and handed down from above, and in assuming them as the natural and inevitable frame of reference within which individuals must operate, with the unavoidable result that all the available human faculties and skill are concentrated on *methods* of combatting those conditions—that is, to return to our starting-point; for the thing is a vicious circle, on management.

In the apportionment of blame the Owners must accept a big share. Yet, perhaps, no more than official "Labour," whose Committee, as was pointed out in a recent article in this paper, reported adversely in 1920-21 on Major Douglas's scheme for the Coal Industry, which indicated, and provided for all the pitfalls and booby-traps into which the industry, in company with poor Britain herself, has blundered during this tragic inter-war period under review.

An industry, no less than an individual business organisation—and equally a nation, requires direction as well as management. And policy, *i.e.,* the ascertaining of the objective of the organisation, or business, or nation, or whatever, and the provision of the conditions needful to its attainment by the management and the staff, is a matter of Direction. On this vital point—the point at which in greater or lesser degree we *all* fall down—the coal Owners have palpably fallen down. They have accepted a view of the natural and inevitable condition of society, and therefore of the policy and objective of the individual units comprising it, as one of conflict and struggle for a share in a strictly limited portion of *their own credit*—accepted it rather than face up to, and challenge the Financial System's quite fictitious and arbitrary claim to the right to control and limit that credit, and thus artificially create those conditions which they, the Coal Owners, assume to be inevitable.

On this score the indictment against "Capital" is no small one; but it is not made either by "Labour" or Mr. Griffiths, for the very obvious reason that the individual members of the Labour Party are no more disposed to face the real issue than are the Coal Owners—indeed, far less. The real issue was disclosed to society in the clearest and most unmistakable manner twenty-two years ago in the Social Credit philosophy and analysis.

N. F. W.

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"JUST TOO BAD"

Before these lines appear in print, we shall probably receive some intimation concerning the probability or otherwise of an early answer from those Englishmen, Scotsmen, Irishmen and Welshmen whose title to nationality is not merely legalistic to the propagandist assertion that, bad as things are, nothing can be done about it. Days before the debate in the House of Commons, it was already perceived that Sir John Wardlaw Milne's resolution was the wrong one. The facility with which reputedly experienced parliamentarians 'put up' the wrong resolutions, is, of course, in itself merely an example of the evil which, it is alleged, nothing can cure.

Being wise after the event has turned from being a reasonably accurate description of the private individual's state at some time or other into being a technique for preventing altogether action in the public interest. Bureaucracy abreast needs a broad way. A narrow way will not do for it. It is, however, better that the discovery that the broad way leads to destruction should be just too bad for bureaucracy rather than that it should be just too bad for everybody else. The World Planners want it to be just too bad for us, and the answer to them is not yet forthcoming.

One of the most curious features of the war up to now has been the suggestion conveyed as of a "prompt" who had run on ahead of the play. Side by side with the appearance that the great drama which is being enacted is being played from a script (and not by any means a recent script, or of entirely unknown authorship) is this suspicion of incoordination. The Marquess of Donegall, who contributes a weekly feature to one of the 'free' newspapers, claims to be (or to write?) 'almost in confidence.' "Frankly," he says, "I cannot see any way of speeding up the machine of Bureaucracy, on which I would lay a large part of the blame for our present troubles, and thereby shortening the war. . . . . We have got to face the fact that, if we are going on as we have been and are going on, we are going to be both exhausted and broke by the time victory is achieved."

Quite so. He then glides into an apparently relevant discussion of our relations with "America," from which it appears that 'the script' has some lines about 'another depression' being the expected fruit of victory for the Americans.

That would be 'just too bad'! But it would be at least no more inevitable than going on as we are going on, and the only unity between the British and American peoples which is likely to be worth a cent to either of them is unity of purpose in calling this bluff. Perhaps the Marquess of Donegall's untimely reading of 'the script' may assist to that end.

T. J.

Points from Parliament

JUNE 18.

Oral Answers to Questions

DETAINEES

Sir Irving Albery asked the Home Secretary whether he is satisfied that the work being performed by a detainee under Regulation 18B in Brixton Prison is not of a penal nature; on what grounds 3s. a week can be considered adequate remuneration for the work of a man who has been convicted of no offence; and for what reason such inadequate pay as 6d. a day is given to women detainees working in Holloway Prison, which rate of remuneration, allowing for board and lodging, is much less than that which can be earned by a domestic servant.

Mr. H. Morrison: I do not think that any useful work which is voluntarily undertaken can properly be described as of a penal nature. Such work is rather an alleviation of the conditions of confinement. As regards remuneration, the cost to the public of accommodating, maintaining and guarding these people would exceed the value of their labour even if they worked with energy and application, and while it is right that some payment should be made as an inducement and a reward to those who choose to work, I do not think that the taxpayers in addition to providing for the maintenance and custody of persons detained under this Regulation could properly be expected to pay them wages at rates comparable with those earned by free workers who have to keep themselves.

Sir I. Albery: Does the right hon. Gentleman consider that the sewing of mail bags, which is usually work given to convicts, is not of a penal nature suitable for detainees convicted under 18B?

Mr. Morrison: That is peculiar to those who are in prison, but the work is not obligatory on detainees and cannot be of a penal nature, whatever it is.

Sir I. Albery: Where no other work is available and a man desires, as he should desire, to do some work, is it not in fact incumbent on the right hon. Gentleman to provide it?

Mr. Morrison: Most of them do not wish to work, and the hon. Gentleman is misrepresenting the position when he says mail bags are the only thing. It is peculiar to a small minority in prison.

Earl Winterton: Will the right hon. Gentleman look sympathetically into what appears to be a differentiation between these people and internees, aliens and others? The latter are allowed to earn money, and these people apparently are not.

Mr. Morrison: The noble Lord is not aware that some of them are paid money. The circumstances are bound to be somewhat different, but there is no lack of sympathy with the points that he has raised.

PLAIN SPEAKING IN PARLIAMENT

What constitutes a 'great speech' it would be hard to say, nor does it matter. Great events are easier to define, and if it is true that they cast their shadow before, Mr. Austin Hopkinson's speech in the House of Commons last week (June 23) may well be the shadow of things to come. Its effect upon the House of Commons, unrecognised by the newspapers, was heavy; and Mr. Tinker's flurried phrase in reply about 'acting as though we were beaten,' reflects, quite possibly and understandably, a 'transference of affect' which need not discourage those who, at last, have found the scent and are taking up the trail of those who are using Great Britain to further transatlantic interests. If there is panic in England it is in the ranks of the planners—and high time! We shall not win the war unless they are routed. The following is the full text of Mr. Hopkinson's speech:—

CONSOLIDATED FUND (No. 3) BILL

Order for Second Reading read.

Motion made, and Question proposed, "That the Bill be now read a Second time."

Mr. Austin Hopkinson (Mossley): I understand that the arrangements for to-day were made through something which is called the "usual channels," a mysterious road with which most of us are unacquainted, and that the programme is to be such that, in the present crisis of the nation, the whole of this day is to be devoted to a Debate on the subject of family allowances. As one of the oldest Members of the House, who has worked for, served, and loved this House for 22 years, I protest that we should earn the derision and contempt of the whole country by such an action. Last week, a whole day was wasted by discussing whether old age pensions are poor relief or not, when every Member of the House knew that they are, and to-day, in this crisis when Tobruk has fallen, Egypt is in imminent danger, and Sevastopol is on the point of falling, this House is to stultify itself by discussing a matter like family allowances! Therefore, I propose to discuss the Second Reading of the Consolidated Fund (No. 3) Bill, and I am going to do so whether the House likes it or not.

This Bill deals with a sum of £1,000,000,000, and the question for this House to consider is what value we are obtaining for these endless thousands of millions of pounds which have been poured down the drain. This is an admirable opportunity, in view of the news which has reached us during the last 48 hours, to discuss, as we can do, on the Second Reading of this Bill the whole policy of this Government and previous Governments, which has brought us to this present impasse, due as all the world knows to the fact that our equipment is utterly defective as compared with that of the enemy, that there is not enough of it, and it is not of the right sort, that the enemy has superior equipment, superior fittings to his tanks, superior guns and superior aircraft. And this after two years of a Government which has had the most complete autocratic powers that any Government has ever had in the whole history of this country —two more years which the locusts have eaten.

The House ought to know why, when the Minister of Production makes his broadcast in America, did he have to explain to the whole world the utter nakedness of the land and the feebleness of our war effort? The right hon. Gentleman informed the world that, so terrific was our production of what he called "big guns," that we were producing 40,000 a year. From the very next paragraph of his broadcast it was obvious that he, like Lord Beaverbrook in a previous broadcast, when he said "big guns," meant anything more than .303, or small arms. That is our war effort as regards guns! Again, he said of tanks and other mechanically-propelled vehicles, 230,000 odd a year, a miserable production at this stage of the war. Again, in regard to aircraft production, the right hon. Gentleman had to tell the world that it is to-day only 100 per cent. greater than it was in the autumn of 1940. The autumn of 1940 was the period when Lord Beaverbrook had completely wrecked the whole aircraft production programme of the country. Our production was miserable and was actually going down owing to the machinations and follies of that curse to this country, Lord Beaverbrook. That is the exposure that we had in America from the Minister of Production.

Here we are again, by this Bill throwing another £1,000,000,000 down the drain, as we have thrown thousands of millions before. The whole thing goes back to fundamental policy and nothing else. Every conceivable mistake that we made in the last war has been made in this war by this Government and its predecessor. For example, it was decided, rightly or wrongly, that in the production of munitions the profit motive must be maintained as a spur to action. Personally, I never thought it was necessary and I am convinced that those manufacturers who prefer their own pockets to the public interest are comparatively few and could be dealt with adequately. It was totally unnecessary to do, as Lord Swinton did when, as Secretary of State for Air, he went to the aircraft ring and instead of telling them, as any statesman would have told them, "The country is in danger, and is going to be in greater danger still: you have to give up any idea of your profits or post-war trade and help us out of the difficulty we are in"—the general tone of his appeal was this. "Now, boys, here we are again together. The good old times have returned. Open your mouths wide and we will see you through." That is the way our aircraft production was started by Lord Swinton several years before the war.

With regard to this question of profit being a spur to production, and supposing—though I do not believe it is true—that it was necessary to adopt that policy and stick to it, what do we do next? We immediately arrange an Excess Profits Tax to skim off all those profits which *ex hypothesi* we say are a spur to production! I think the right hon. Gentleman the Member for Carnarvon Boroughs (Mr. Lloyd George) will, from his experience of the Excess Profits Tax Duty, endorse this, that the Excess Profits Tax well-intentioned as it was, is to a very large extent evaded. It is one of those taxes which honest men pay and dishonest men do not, because it is unsound in principle as it goes against all the proper canons of taxation and, therefore, it is extremely difficult to frame orders in such a way that a dishonest man cannot evade them. I have evaded it myself without having to practise any really serious degree of

dishonesty. For the benefit of others who may be listening to me or who may read some portion of this speech in the newspapers, I may say that the way is quite simple. What one does is, having calculated the amount of Excess Profit Tax for which one is going to be liable in the current year, simply to work for the public service for nothing to the extent of that tax, with the result that the fighting Services get 20s. in the £ of every one of those pounds instead of the Inland Revenue getting only perhaps 6d. in the £, the rest being poured down the drain. I give that method of evasion to anyone whom it may interest, and I hope it will extend on a larger and larger scale.

But there is another mistake. It was decided, I think rightly, to set up a Ministry of Supply as soon as hostilities broke out. I happened to be at Co-ordination of Defence when all the necessary preliminary steps were taken and that extremely wise old Civil Servant Sir Arthur Robinson was responsible mainly for the drafting of the organisation. He was undoubtedly right in his view. For it stands to reason that all three fighting Services use a vast bulk of supply which is the same for all. The shape and the size of the respective mouths of airmen, soldiers and sailors is not so different that different patterns of spoons need to be used for the Army, Navy and Air Force. During a period of national peril it is possible, I believe, for a naval rating to use the same spoon that satisfies his brother in the Army or Air Force. Therefore it was obvious that a Ministry of Supply would be of immense value in producing the vast bulk of the material which satisfies the common needs of all Services. But it is a very different matter when it comes to weapons, and that has been the trouble all through.

This discussion we have had about Libya shows perfectly plainly that, quite rightly, and without any desire to hunt scapegoats, the House would like to know who is to blame for what has happened to us, and is likely to happen again. As long as you divorce a fighting Service from the supply of its own weapons, it is impossible to tell who is at fault when disaster occurs. We got it in the case of the Scharnhorst and Gneisenau. How can any one say whether there was a breakdown of the fighting personnel or whether it was due to lack of material, or inferior materials? As a matter of fact it was due to both to a certain extent. But to deny a fighting Service the right to supply its own weapons is a mistake which ought to be corrected, if possible, at the earliest moment. The difficulties and delays and the lack of satisfaction that one gets in one's weapons in the Fleet Air Arm arise simply because we are not responsible for the design and manufacture of our equipment. Those are things that can be put right and, if they are, even at this late stage it would be possible to arouse the people of the country and the employers in the munitions industry to a sense of the seriousness of the situation and, by making them realise that, to clear the way for a better state of affairs in the labour world, which is chaotic at present.

For we have made a perfectly hopeless mess of the whole labour question, and, after all, where is this £1,000,000,000 going. It is all going, ultimately, in wages and salaries somewhere. It may be indirectly, but ultimately it is going in wages and salaries. Therefore, it is highly desirable that the House should face up to the present labour situation. That situation has been caused—I almost said deliberately caused, but that perhaps would be unfair—by the policy adopted by the Minister of Labour ever since he took office some two years ago. I make no apologies for not waiting for him to come into the House, and I have not given him notice, because, as the House will remember, on the last occasion when, in Debate, the right hon. Gentleman was grossly impudent to me, and subsequently I took advantage of your permission, Mr. Speaker, in accordance with the usual custom of the House, to rise to refute some of what he said, he simply walked straight out of the House and refused to face the music. Therefore, I do not apologise for not asking him to be present now.

Let hon. Members observe what has happened to labour during the war, and particularly since the war began to take on a more serious phase with the invasion of Norway. It was noticeable to all those engaged in the production of munitions that no sooner had that terrible news come from Norway—before the present Government came into office—than there was an awakening throughout the workshops of this country such as I have never seen before. I noticed it with my own men, and my manager, when consulting managers in other local works and factories, found exactly the same thing. There was a sudden realisation by the people of this country that they had this war on their hands and that there was no time for slacking any more. That went on until the formation of the present Government. Let hon. Members notice the policy which was then adopted. Here were men working their very best—as I have never seen them working in the forty-five years of my experience of British workmen—working willingly and determinedly, knowing that they were up against it at last, and then the Minister of Labour introduced a policy involving, in some cases, hours of work up to 70 and 90 a week, and Sunday work at double pay, and Saturday afternoon work at double pay, and all that sort of nonsense—the sort of things that no man who knew anything about work would have even dreamed of introducing. And that killed the effort dead, and we have never recovered. And what, after all, does the right hon. Gentleman know about work? What experience has he to qualify him to direct the labour of hundreds of thousands of highly skilled engineers and their assistants? Ever since that policy was adopted, there has been the utmost difficulty in getting the fullest possible production effort out of our workmen. I am not throwing the blame upon the workmen. Far from it. I am throwing the blame where it is due—upon the mistakes of policy of a Government which has again and again shown its total incapacity to understand the people of this country, and particularly the workers of this country.

A very considerable portion of our contracts is still on a basis which is absolutely fatal to economic and full production; a considerable portion is based upon the wages cost of the job, plus a fixed percentage for standing charges. I venture to call attention to the Report of the Auditor-General, which was recently issued, in which he pointed out that in several cases there were standing charges of over 200 per cent., and in one case of over 300 per cent., on the total wages paid. For the information of the House, let me say that last year at my own works, engaged mainly on aircraft production and in a certain amount of experimental work, the standing charges were 67.3 per cent. on the wages charge, and they will be very much less this year. Yet there are these gigantic sums of money dished out to utterly incompetent manufacturers in the form of standing charges on wages. Every man in those works, as I have pointed out again and again for six years, is in this position. Everybody, from the office boy upwards, knows that the

less work done and the more wages paid, the better it will be for everybody about the works, and that the man who puts his best effort into the work and tries to save time is disloyal to his employer and deprives his employer of his hard-earned money.

Mr. Ellis Smith (Stoke): That is not true.

Mr. Hopkinson: That is the position. That is why, in one works after another, I get complaints that nothing seems to be done during normal working hours, but that as soon as overtime, and particularly Sunday work, begins, everything seems to get a move on, because, without any intention or deliberate desire to cheat and rob the country, the whole atmosphere of the system is such that it is almost impossible for men, except of the highest and strongest character, to resist the influence of this absurd system. Those standing charges are not subject to taxation of any form or kind. They simply mean that if a manufacturer runs up standing charges, he can employ at exorbitant salaries all his poor relations and all the people to whom he has obligations. That is what is happening. One has only to go into some aircraft works and look at the size of the office staff compared with what they are doing, and one must agree, if one has any experience of industry, that standing charges of not more than 120 per cent. at the outside on the wages bill should be ample to cover every standing charge in the industry. It should be remembered that one of the chief standing charges on industry in peace time is the cost of the selling organisation, the cost of the organisation required to sell the goods and bring new inventions to the notice of possible customers. All that has been done away with. The customer is there, the orders are there—more than can be taken. All of that most expensive item has been swept away. I maintain again that there is no excuse for these exorbitant standing charges.

Let it be noted that those standing charges are calculated on grossly inflated wages; for wages in the munitions industry are grossly inflated, in spite of what hon. Members above the Gangway may say. Again and again, hon. Members of the Labour party say, "The workers of this country have sacrificed their all, they have given up everything for the sake of their country." I challenge any Member of the Labour Party to give me a single specific example in which labour has sacrificed any mortal thing of any sort or kind without being paid through the nose for it. I am making this speech in protest against the cant and humbug which are rife in the country and in the House. I hear that sort of nonsense from the Labour Benches, but from my close association with the workers in the North of England, I know that they resent it and loathe it. When the Minister of Labour, during the "blitz" period 18 months ago, used to say in the House, "You heroes of industry"—you fellows who are going as far as the refuges and then playing cards at double wages all night long—"you are the heroes of the war." That sort of thing is regarded with utter contempt by nine-tenths of the decent workers of the country.

The trouble is this, that we are gradually rotting the very fibre of our people at the present time by the policy of the Government and the way these matters are now carried on. In Lancashire there is a sort of cynicism among the workers. They do not believe anything. They do not believe what they are told. Not very long ago, a Government speaker came to a town in my neighbourhood and, at a mass meeting of munition workers, said, "At any rate, this time you cannot say that your employers are getting away with it; there is the Excess Profits Tax." My informant told me that there was one yell of derision from that great audience. That shows the cynical way in which our workers are driven to regard their country and the war. I see the Home Secretary on the Treasury Bench. I should like to draw attention to his case as a cause of this cynicism. It is known to every member of this House what were his activities in the last war. Some Members have actually taken the trouble to preserve some of the leaflets which he wrote at that time and which I can only regard as rankly seditious. That Minister has the power to imprison me or any other Member of this House without charge or trial for an indefinite period for offences such as he was guilty of for a long period in the last war. That makes people absolutely cynical. A workman said to me not long ago, "This war began as a workers' war, a people's war, and the tragedy of it is that it is becoming a Government's war." That is unhappily true.

The people, as I say, are cynical. They see all this appalling waste of money. They see all these scallywags—there is no other name for them—getting away with immense sums of money, some of them Members of this House, and notorious Members, who are getting incomes far in excess of anything they could earn by honest labour in normal peace time. When inquiries are made they never come to anything. The various committees which are set up get on the scent of something but they never follow it up. The fox goes to earth and the hunt goes home. If some of these Select Committees were to employ terriers they might possibly do more killing than they do at the present time. Take the example of the Ministry of Works and Buildings. Everybody knows from one end of the country to another that that Ministry is a crying scandal at the present time. Again and again the trouble has been brought up in this House. But then some Member of the House who wishes to advertise himself has thought that there was something there that might give him a chance of self-advertisement with an ultimate view to an office, and, as I have seen happen again and again in the last 20 years, a perfectly good case is ruined, as any good case can be ruined, by those who advocate it. Again and again those who are a disgrace to this country get away with it and you cannot break them because they are attacked by people such as those I have mentioned.

That is the position. What are we going to do about it? The first thing is for this House to give up the canting humbug such as it uses at the present time. Let the Prime Minister take the country into his confidence. Those of us who have known the Prime Minister for 40 years know his great qualities, but we know his weaknessess also. We know how he enjoys moving armies and fleets about the world. Like a child with a lot of tin soldiers he is never happier than when doing that. It is a quality of great importance during war, although it is a quality which needs very careful watching if big disasters are not to happen. Superficial studies of Marlborough's campaigns do not qualify a man to command the Fleet, the Army and the Air Force in person in actual warfare. I am the last person to do anything to weaken the position of the Prime Minister. I regard him as an absolute necessity to us at the present time. Suppose he does not return from the United States. Think of the stinking mess of political chaos and corruption that

would confront us. Think of those people who believe they are going to be Prime Minister. Who are they? We can see them in this House, see them asking for the reversion of the job. I say, therefore, that as long as we can keep the Prime Minister going, in spite of himself, it is the duty of the House and the country to keep him going.

Miss Rathbone (Combined English Universities): Why is the hon. Member doing his best to injure the right hon. Gentleman's prestige?

Mr. Hopkinson: The right hon. Gentleman is in a very dangerous position. I see you looking at me, Mr. Speaker, as if I were getting wide of the subject of the Consolidated Fund Bill, but I think I can get back to it. I pointed out that our military disasters were largely due to deficiencies in number and quality in aircraft, tanks and guns. What man is responsible for that? Who was appointed by the Prime Minister to be in control with almost infinite powers over the whole of our aircraft production? The right hon. Gentleman appointed a man whose slimy trail has been across the whole public life of our country for the past 30 years.

Mr. Speaker: I hope that the hon. Gentleman will moderate his language.

Mr. Hopkinson: I think I am entitled to use metaphor. I am speaking purely metaphorically.

Mr. Ellis Smith: The hon. Member was not speaking metaphorically when he was attacking the working-class.

Mr. Hopkinson: The nobleman in question is said to possess a certain quality known as "dynamic energy." That is what we call it in this House and in the Press. In the United States of America they shorten it and they just call it "ballyhoo" and nothing else. I ask those who know anything about aircraft production to tell me, straight, whether we ever had anything while that man was at the Ministry of Aircraft Production and the Ministry of Supply but what can be termed "ballyhoo" and nothing else. Both those Ministries were thrown into chaos in order to produce advertising values of one sort and another. The present Chancellor of the Exchequer, when Secretary of State for Air, undoubtedly used those advertising values for the purpose of debate in this House. The figures he loved were those of so-called completed aircraft, and he had no affection for aircraft equipment or spare parts. It is no use a Minister coming to this House and saying, "I have so many gross of spare exhaust valves for Merlin III engines." It leaves the House of Commons cold. But if the whole of the labour and material which should have been devoted to these spares had been devoted to producing one air-frame, possibly without an engine, that would be good advertising value. That was the policy when the Chancellor was the Secretary of State for Air and it was developed by Lord Beaverbrook.

I have pointed out what seem to me to be the fundamental mistakes of policy that force us to provide these gigantic sums of money for the use of the State during the war. The policy is making it inevitable that we shall go through a prolonged period of real suffering in this country when the war is over. We cannot go on consuming without producing on the present scale without having to pay for it sooner or later. Instead of providing funds to enable those who suffer from the rabbit complex to have large families, as we propose to do to-day, we should devote our attention to devising some means of reducing the population of this country to a figure which will enable people to enjoy at any rate a reasonable standard of living without constant fear of want after the war. For this House to pass this Measure, as it proposes to pass it through to-day, without any enquiry, without any criticism, without any discussion is an instance of this House neglecting its bounden duty to the people of this country, the duty of investigating how the money of the people is spent, whether it is wasted or whether it is devoted to its proper objects.

There is a very much graver side to this matter, at which I have already hinted in the course of my remarks to-day, and that is the effect upon the morale and upon the very soul of this country when people see in positions of the highest power and responsibility men for whom they cannot but feel contempt. It is no use burking it. There are men in the highest positions for whom no man who knows anything about their career can feel anything but contempt and disgust, and when they see our Prime Minister, with the whole load of responsibility which he bears, and which we were glad to give him, constantly attacked in every way by a former colleague, his position undermined in the controlled Press, and every mortal thing done to make his task more difficult, I say it is time for this House to protest, even if we can only protest in the form of metaphors. Only this last week-end, in one place the Home Guard and the Fire Service and others were turned out to do honour to Lord Beaverbrook and enable him to put forward, once again, as he has been doing for months, his demand for more and bigger disasters.

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