

Parliament

Continued from page 7

you like, and the moral remains equally cogent. (Hear, hear.)

I say the Army lacks almost every weapon which is required for the latest form of modern war. Where are the anti-tank guns, where are the short distance wireless sets, where the field anti-aircraft guns against low-flying armoured aeroplanes? We want to know how it is that this country, with its enormous motorizing and motor-bicycling public, is not able to have strong mechanized divisions, both Regular and Territorial. Surely when so much of the interest and taste of our youth is moving in these mechanical channels and when the horse is receding with the days of chivalry into the past, it ought to be possible to create an army of the size we want, fully up to strength and mechanized to the highest degree in the world. (Cheers.)

NEED FOR MINISTRY OF SUPPLY

Look at the Tank Corps. The tank was a British invention. This thought which has revolutionized the conditions of modern war was a British idea forced on the War Office by outsiders. (Laughter and cheers.) Let me say they would have just as hard work to-day to force a new idea on it. (Laughter.) I speak from what I know. During the War we had almost a monopoly, let alone the leadership, in tank warfare, and for several years afterwards we held the foremost place. To England all eyes were turned. All has gone now. Nothing has been done in the years that the locust hath eaten to equip the Tank Corps with new machines. The medium tank which they possess, which in its day was the best in the world, is now long obsolete. Not only in numbers—for there we have never tried to compete with other countries—but in quality these British weapons are now surpassed by Germany, Russia, Italy, and the United States.

All the shell plants and gun plants in the Army, apart from the very small peace-time services, are in an elementary stage. A very long period must intervene before any effective flow of munitions can be expected even for the small forces of which we dispose. Still we are told there is no necessity for a Ministry of Supply, no emergency which should induce us to impinge on the normal course of trade. If we go on like this, and I do not see what power can prevent us from going on like this, some day there may be a terrible reckoning, a very terrible reckoning, and those who take the responsibility so entirely upon themselves are either of a hardy disposition or they are incapable of foreseeing the possibilities which may arise. (Hear, hear.)

THE AIR PROGRAMME

STRENGTH AND PROGRESS

Now I come to the greatest matter of all, the air. We received on Tuesday night from the First Lord of the Admiralty the assurance that there is no foundation whatever for the statement that we are vastly behindhand with our Air Force programme. It is clear from that statement; that we are behindhand. The only question is, what meaning does the First Lord attach to the word "vastly"? He used also the expression about the progress of air expansion that it was not unsatisfactory. One does not know what his standard is. His standards change from time to time. In the great speech of September 11 about the League of Nations was one standard, and the Hoare-Laval Pact was clearly another. (Laughter.) One does not know what the standard is.

In August last some of us went in a deputation to the Prime Minister in order to express the anxieties which we felt about national defence and to make a number of statements which we would prefer not to be forced to make in public. I personally made a statement on the state of the Air Force to the preparation of which I had devoted several weeks and which I am sorry to say took an hour to read. The Prime Minister listened with his customary exemplary patience.

During the three months which have passed since then I have reckoned those facts in the light of recent events and later knowledge and were it not for the fact that foreign ears listened to all that is said here and if

we were in secret session I would repeat my statement here, and even if only one-half were true I am sure the House would consider that a very grave state of emergency existed, and also I regret to say, a state where a certain degree of mismanagement cannot be excluded. I am not going to give in public any of these details. I make a rule, so far as I possibly can, not to say anything in this House upon these matters that I am not sure is not already known to the general staffs of foreign countries, but there is one thing of very great importance which the Minister for the Coordination of Defence gave in his speech on Tuesday. He said:—

The process of building squadrons, of forming new training units and skeleton squadrons, is familiar to every one connected with the Air Force. The 12 number squadrons at home to-day are a fine figure include 16 auxiliary squadrons and excludes the fleet air arm, and, of course, does not include the squadrons abroad.

From that figure and the reservations by which it was prefaced it is possible for the House and for foreign countries to deduce pretty accurately the progress of our Air Force expansion. I feel, therefore, at liberty to comment on it. Parliament was promised a total of 71 new squadrons, making a total of 124 squadrons in the home defence force by March 31, 1937. This was thought to be the minimum compatible with our safety.

1,500 FIRST LINE GERMAN MACHINES

At the end of the last financial year our strength was 53 squadrons, including auxiliary squadrons. Therefore, in the 32 weeks we had passed since the financial year began we had added 28 squadrons, less than one new squadron each week. In order to make the progress which Parliament has been promised, in order to maintain the programme which was put forward as the minimum, we shall have to add in the remaining 20 weeks 43 squadrons, or over two squadrons a week. The rate at which new squadrons will have to be formed from now till the end of March will have to be three times as fast as hitherto.

I do not propose to analyse the composition of the 80 squadrons we now have, but the Minister in his speech used the suggestive expression, "skeleton squadron," applying at least to a portion, but even if every one of the 80 squadrons had an average strength of 12 aeroplanes each, little with war equipment and the reserves upon which my right hon. friend dwelt, we should have a total of 960 first line home defence aircraft.

What is the comparable German strength? I am not going to give an estimate and say that the Germans have not got more than a certain number, but I will take it upon myself to say that they most certainly at this moment have not got less than a certain number. Most certainly they have not got less than 1,500 first line aeroplanes, probably more, comprised in not less than 130 or 140 squadrons, including auxiliary squadrons. It must also be remembered that Germany has not got in its squadrons any machines the design and construction of which is more than three years old. It must also be remembered that Germany has specialized in long-distance bombing aeroplanes, and that her preponderance in that respect is far greater than any of these figures would suggest.

We were promised most solemnly by the Government that all parties with Germany would be maintained by the Home Defence Forces. At the present time, putting everything at the very best, we are, upon the figures given by the Minister for the Coordination of Defence, only about two-thirds as strong as the German Air Force, assuming that I am not very much understating their present strength. How then does the First Lord of the Admiralty think it right to say:—

On the whole our forecast of the strength of other Air Forces moves to be accurate; on the other hand our estimate has not proved to be accurate. I am authorized to say that the position is satisfactory.

I simply cannot understand it. (Cheers.) Perhaps the Minister will explain the position. I should like to remind the House that I have made no revelation affecting this country and that I have introduced no new facts in our air defence which does not arise from the figures given by the Minister and from the official estimates that have been published.

What ought we to do? I know of only one way in which this matter can be carried further. The House ought to demand a Parliamentary inquiry. It ought to appoint six, seven, or eight independent members, responsible, experienced, discreet members, who have some acquaintance with these matters and

are representative of all parties, to interview Ministers and to find out what are, in fact, the answers to a series of questions; then to make a brief report to the House, either of reassurance or of containing suggestions for remedying the shortcomings. That, I think, is what any Parliament worthy of the name would do in these circumstances. Parliaments of the past days in which the greatness of our country was a guiding light, never have hesitated. They would have felt they could not discharge their duties to their constituents if they did not satisfy themselves that the safety of the country was being effectively maintained. (Cheers.)

The French Parliament, through its committees, has a very deep, deep knowledge of the state of national defence, and I am not aware that their secrets leak out in any exceptional way. There is no reason why our secrets should leak out in any exceptional way. It is because so many members of the French Parliament are associated in one way or another with the progress of the national defence that the French Government were induced to supply, six years ago, upwards of 46,000 aeroplanes to construct the Maginot line of fortifications, when our Government was assuring them that wars were over and that France must not lag behind Britain in her disarmament. Even now I hope that members of the House of Commons will rise above considerations of party discipline and will insist upon knowing where we stand in a matter which affects our liberties and our lives. (Cheers.) I should have thought that the Government, and above all the Prime Minister, whose load is so heavy, would have welcomed such a suggestion.

"ARCHITECTS OF PEACE"

Owing to past neglect, in the face of the plainest warnings, we had now entered upon a period of danger greater than has befallen Britain since the U-boat campaign was crushed; perhaps indeed it is a more grievous period than that, because at that time at least we were possessed of the means of securing ourselves and of defeating that campaign. Now we have no such assurance. The era of procrastination, of half-measures, of soothing and baffling expedients, of delays, is coming to its close. In its place, we are entering a period of consequences. We have entered a period in which for more than a year or a year and a half the considerable preparations which are now on foot in Britain will not, as the Minister clearly showed, yield results which can be effective in actual fighting strength, while during this very period Germany may well reach the culminating point of her gigantic military preparations, and be forced by financial and economic stringency to contemplate a sharp decline, or perhaps even their exit from her difficulties. (Hear, hear.)

It is this lamentable conjunction of events which seems to present the danger of Europe in its most disquieting form. We cannot avoid this period; we are in it now. Surely if we can abridge it, why even a few months, if we can shorten this period, when the German Army will begin to be so much larger than the French Army and before the British Air Force has come to play its complementary part, you may be the architects who build the peace of the world on sure foundations. (Cheers.)

These things, I cannot have suggested me, after a long Parliamentary experience in these debates. The first has been the dangers that have so swiftly come upon us in a few years and have been transforming our position and the whole outlook of the world. Secondly, I have been staggered by the future of the House of Commons to react effectively against these dangers. That, I am bound to say, I never expected. I never would have believed that we should have been allowed to go on getting into this plight month by month and year by year, and that even the Government's own confessions of error have produced no counterforce of Parliamentary opinion and force capable of lifting our effort to the level of emergency. I say that unless the House resolves to find out the truth for itself it will have committed an act of abdication of duty without parallel in its long history. (Loud and prolonged cheers.)

MAJOR MILNER (Leeds, S.E., Lab.) said that almost the whole of the Government's rearmament programme was aggressive in character and provocative to the last degree. This country was developing arms of attack and other nations were now likely to do the same thing. More and more every nation to-day equipped itself for attack and not for

defence. If he wanted to steer between the danger of provoking attack and the only way to adequate collective security with non-provocative national defence, such a policy might, and probably would, be all peace-lovers in the country, and possibly all Labour members, and he urged the Government to consider it before it was too late. (Cheers.)

SIR A. SINCLAIR'S VIEW

SIR A. SINCLAIR (Guthrie and Sutherland, L.) said it was not the case that the Liberal party was appointed with the recommendations of the Royal Commission or that they had advocated immediate nationalization of the arms industry. If, however, the Royal Commission had recommended nationalization they would have received better the more drastic action it was possible to take in order to eradicate the evils of this industry the better they would be pleased. Nevertheless he had dissociated himself from the demand made by members of the Labour Party for nationalization because the Liberal Party knew the practical difficulties in the way of nationalization.

They also knew that the root of the evil was in the international trade in arms, and therefore action on an international scale was incomparably more important than anything which one country itself could do. *The Times* had described the report of the Royal Commission as admirable and conclusive. While Mr. Attlee in his speech had said that he found it disappointing, Dr. Addison, who was Minister of Munitions during the War, was himself a keen advocate of nationalization, and spoke with peculiar authority for the Socialist Party on this subject, had welcomed the report. He (Sir A. Sinclair) asked the Government to give a pledge that measures would be brought before Parliament during the present Session to give effect to the main recommendations of that report. (Cheers.)

Were the Government prepared to accept in principle the recommendations of the Royal Commission and say what measures they proposed to strengthen the present system of price control? Did Sir A. Sinclair think that the recruitment of 70,000 men for the armed forces out of the whole of the population disposed of the argument that large numbers of plain people were profoundly moved by the admitted losses of the war in arms, and above all, by the unwillingness of the Government to take any action to end them? There was an immense reservoir of courage, energy, patriotism, and idealism in our people, and they were not afflicted with deafness, but their difficulty was not in hearing the call, but that the right call was being sounded by the Government. There would not be national unity if our people thought that others were to make huge profits out of their sacrifices. (Opposition cheers.)

MR. BALDWIN'S REPLY

EFFORTS FOR PEACE IN EUROPE

MR. BALDWIN, who was received with Ministerial cheers, said:—This debate is unique in one way, that there has intervened between the two days the remembrance of the Armistice. I became more than ever convinced in the course of my meditations yesterday, and I expect many other hon. members did, of two things—one, that every endeavour we can use in our diplomacy, in our foreign policy, and in every other way possible, should be directed to keeping the peace in Europe. Secondly, that if this peace be unhappily broken we shall be prepared to do two things to-day are not necessarily contradictory, but I believe that the country as a whole would be of my opinion in that matter. (Hear, hear.)

I should like to take one observation in answer to the speeches from the Liberal benches. I regret that when they put their motion down it was quite impossible for us to say more than has been said. Were I able to issue myself in triplicate I might possibly have been in a position to have said more, but these questions are not too simple and require very careful examination. That careful examination they will have. They are now being done by the House, and the Government are doing their utmost to do it. They are now being done by the House, and the Government are doing their utmost to do it.

problems that were dealt with by the Ministry of Munitions, the distribution of imports, the diversion of traffic to other ports—all these things have been or are being worked out. In these respects our arrangements are incomparably better than they were in 1914, although they have to be constantly adjusted to meet changes in the situation. There is a changed situation to-day which did not exist in 1914, and that is the increased radius of air power. All these activities are under constant examination by skilled brains.

The new system of the Minister for Coordination, acting as deputy chairman of that Committee and the Defence Requirements Committee, is in my view working admirably. I think that his tact and his work under conditions where he has no Defence of the Realm Act behind him, his judgment in handling the problems that he has to meet have been such that he has achieved all the success that I hoped and believed he would achieve. Right hon. gentlemen opposite and other members of the House may think that what we are doing is insufficient. That is a question of opinion, but I do not think anyone can dispute the work that is being done to-day is proceeding with the smoothness that was hoped for and that it might not have got had we not had the advantage of the personality of the present Minister for the Coordination of Defence. (Cheers.)

CONSTANT ADJUSTMENT

The completion of the programme for meeting the accumulated deficiencies of many years was in itself a tremendous task. We have had to make adjustments and accelerations to meet the ever-deteriorating international conditions. That has been no small task, and we have not been left to pursue it in that atmosphere of detachment in which it would have been comparatively simple. We have had to carry on that process subject to a number of grave disturbances. For many months we have had a succession of crises, the difficult situation in the Mediterranean demanded almost daily consultation with London, and daily consideration; the re-occupation of the Rhineland, difficulties in Palestine, troubles in Spain—all overlapping, reacting one on another, and some of them, particularly the Mediterranean trouble, interfering with and retarding the development of our programme of defence.

But in spite of all these difficulties the defence programmes are launched, well launched, and making on the whole good progress. Monthly reports are received from all the Departments engaged in these matters, not only from the Service Departments, but from the other Departments concerned. These reports are exhaustively reviewed by my right hon. friend; he reviews them with a Cabinet Committee, and every possible step is taken to remedy whatever lag may become visible.

Recently there has been an investigation into the question of the battleship and the bomb, and the House has been made acquainted with the result of that inquiry. Another question on which there is still acute controversy is that of the Fleet air arm. To certain details on which divergencies of view were most acute the Minister for Coordination has already given his attention. His recommendations are with the Defence Ministers, and it would be premature to say any more on that subject.

FOOD SUPPLY

A RATIONING SCHEME

Then there is a most important question not yet completely solved, but in a partial state of solution, the food supply of the country in time of war. The main functions of the Defence Services for the protection of our food supplies have been defined, and in certain aspects where they may overlap, for example in the narrow sense, it is being completed in detail. A scheme of rationing has been drawn up, the plans for the coast defence and the anti-aircraft defence of our ports of entry have been drawn up. They too are constantly under review because of the constantly increasing range of aircraft.

Allusion was made by Mr. C. Smith to the machinery for the distribution of imports in case of the diversion of shipping. I am glad to say that great progress has been made on that subject. An appropriate organization is being drawn up and is well advanced; it has been approved and is being completed in detail. A scheme of rationing has been drawn up which could be used if the emergency arose. The Ministry of Agriculture has drawn up a

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give no pledge, that the matter is naving and will have our earnest and serious consideration, such consideration as the importance of the subject naturally warrants and demands.

There were at least two important things on which Mr. Attlee desired information which it is impossible to give—what is our defensive strategy and what is our plan for meeting air attack. If there is anything that would be welcomed in a good many foreign countries it would be a clear exposition on those subjects. No one, however, must draw the conclusion from that reply of mine that these things are being neglected. The question that was raised about the Empire is not an easy one. The Empire relations are less simple to-day than they were in the old days before the War, but I think it is fair to say that the Dominions throughout are anxious about the state of world politics and they have discussed with us their own defences. In regard to what the Leader of the Opposition said about utilizing the Dominions for manufacture, I hope very much that in Canada steps may be taken to bring that very desirable end to pass.

IMPERIAL INTERESTS

We are—and some of the speeches have shown this—because of our geographical position, our Imperial interests, and our Imperial communications, so placed both with regard to offence and defence that we have to look at more than one Service for our protection. I thought the leader of the Opposition spoke a little slightly of the work of the Committee of Imperial Defence, because there are a great many things outside armaments that are most necessary to prepare for in time of crisis and some of them are things from which in the past we have suffered through not being prepared.

The problems to be dealt with, largely because of the modern development of the air, are complicated and baffling, and at any moment it may be said that there is a certain number of these problems for which a solution has been found. There are a certain number of a second category which are still in process of examination, on which progress has been made but which have not yet been solved in every detail. There is a third category of difficulties and problems that have only lately appeared, and they are still being worked out, and of which the solution is not yet in sight. There is nothing new about that. That was the position before 1914 just as it is the position to-day. A great number of the problems of 1914 have been solved satisfactorily.

Nevertheless, I am sure that those who are responsible for the direction of affairs during the War would admit that the War itself soon disclosed a great number of vital problems that had not been tackled before. We have to-day to learn from that perhaps the most important of these things that had never been considered was the whole question of manpower. The result was that key-men from many industries and from the land went out in the earliest drafts to the War, many were killed, and we had infinite trouble later in the War in bringing many of them back to do their work on munitions. There was no scheme when the War began for the development of munitions and war material, with consequences with which we are only too familiar. Even in the technical sphere of the Navy there were great defects. I remember particularly what one heard about the inefficiency and inadequacy of our mines and of many of our torpedoes and armour-piercing shells.

AN ADVANCE ON 1914

All these difficulties that we went through at that time ought to be remembered when we are thinking perhaps to-day that everything in the past has been perfect and that it is only this unhappy Government that is fumbling along. (Hear, hear.) We have to-day by methods similar to those employed before the War reached a position—I am not speaking of armaments at this moment—of organization considerably in advance of where we were in 1914, because the problems that were omitted before the War have been tackled by successive Governments; such a question is man-power. In regard to man-power we have a whole volume of information now which was not available in 1914, and we know pretty well how the man-power could immediately be distributed. Questions of supplies and essential raw materials and munitions have been and are being worked out, and the

general scheme for increasing production in the event of war, and they are now engaged in working it out in detail.

ECONOMIC DIFFICULTIES

There are other aspects of the question the investigation of which involves the most delicate and difficult economic problems. We have not yet completed them, and they may take some time. They include the general question of what I may call feeding policy. That includes such things as the creation of stocks of food and possible arrangements for food control. There are few more difficult or complicated subjects in time of war than this, as was discovered 20 years ago, but fortunately we have the experience of the last war to guide us.

I do not think there is any question which has been raised in recent debates on the subject of defence on which we have not brought to bear the best brains at the disposal of the Government. The right hon. member for Keighley seemed to think that some of these matters which I have mentioned are worked out or could be worked out by the Secretariat of the Committee of Imperial Defence. That is a complete misapprehension. What happens is that although the Secretariat cannot do that work themselves they have to see to it that the work is done, and to assist the Committee set up to do it, and that the responsibility for action is allocated.

THE "WAR BOOK"

It would interest the House to know how many men have been working on these and similar problems in the course of the last year. No fewer than 532 individuals, including 29 Ministers of the Crown, 179 officers of the fighting Services, 283 Civil servants, 11 representatives from the Dominions, and 30 persons outside the Government service participated in that work, and each of these individuals is either the head of some department or section of a department or a special expert on some aspect of these questions, such, for instance, as experts from the port authorities, railways, and canals. It will be seen therefore that the work of the Committee of Imperial Defence on this side has covered an enormous range, and that range has been focused into a concerted scheme of national preparation for defence.

So far as the results of these inquiries involve action in time of war they are embodied in a document familiar to Ministers who function at that time, that book so useful at the outbreak of war, and which is known as the War Book, a great index of all action to be taken for transferring the activities of the Government and of the nation, perhaps overnight, from peace to war.

I will turn now to some of the matters which have been most prominent during the debate, and I will begin by saying something about the various references that have been made to our defensive and offensive air preparations. As has been said in the debate, the production of engines in the 1937 programme is entirely satisfactory. As regards completed aeroplanes, these are in some cases behind the delivery that was originally hoped for. There is nothing surprising or alarming in this.

BULK PRODUCTION FOR THE AIR

The Secretary of State for Air has on more than one occasion explained the policy which the Government decided, and I am sure rightly decided, to pursue with regard to certain new types. It was a courageous judgment on the part of the Government, and it has been proved to have been a wise one. It used to be the practice to order prototypes of new machines, to try them out and prove them completely, and to place production orders only when the type was fully proved. This practice makes production a comparatively easy matter, but it was open to a just criticism, which has often been mentioned in the House, that it involves a long delay in the production of new types.

The expansion of the Air Force under what I call the 1937 programme came at a time when new types of aeroplanes of greatly improved range and performance were being designed. We felt it to be of the utmost importance to get these new machines into production as quickly as possible. Under the old system prototypes would have been made and tried out, and then production orders would have been placed.

We took the risk of giving production orders in the absence of that proof. Anyone familiar with aircraft production knows that you almost always have difficulties, teething troubles, with

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Continued from page 8

new types and especially with the first machine of a new type. These new type machines involved many novel features and some difficulties were inevitably encountered. They are all being satisfactorily overcome, but under the new system we have this great advantage, that while proof of new types is going on, work is taking place on bulk orders. Material has been delivered, machinery has been installed, jigs and tools have been made, and work on the initial batches of aircraft has commenced, it being that as the initial difficulties are overcome bulk production goes forward immediately. I do not think any hon. member will doubt the wisdom of that course.

Having dealt with these new types in this way, not waiting to prove them out before we ordered bulk production, we have halved the time in which the machines can be built. We have been able to place large orders for existing types. We could not have put in the stop window a larger number of machines at an earlier date, but we should not have had nearly as effective a force as we shall have by accepting some postponement of the full delivery and we secure machines of a considerably higher type of all-round performance.

THE "SHADOW SCHEME"

The Government policy with regard to the construction of aero engines in shadow factories has been fully stated in the White Paper. The more that plan is studied the more general is the conviction that it is right. It must always be remembered that a large and increasing production of engines will be coming forward all through the programme from the regular engine firms, and the shadow plant supplements that. But it does much more, it serves the double purpose of securing a supply of additional engines for the programme and greatly strengthening what has been called the war potential.

Under the plans already laid down by the Supply Board various great civil firms are allotted in war to produce munitions of various kinds for the three Services. Under that plan some of the great motor firms are allocated to aircraft. The result of the execution of the 1939 programme afforded an admirable opportunity of giving these firms experience in producing aero engines with the minimum interference with their civil business. Shadow factories, as they have been called, are being created by the firms on Government account and will be managed by them.

Having decided on this course, the Secretary of State took the very practical course of inviting the firms to meet him, discussing with them all aspects of the problem, and asking the firms in association with the Bristol company, the designers of the engine, to advise them what they considered the most practical way of doing the job. They unanimously advised on the method which has been adopted. They are firms of great experience, they are working as a team, and they are as confident as we are that they will see the job through. Two criticisms have been made, they have, I think, been answered. The first criticism is that it is an unsound engineering proposition to entrust the making of different parts to different firms.

TWO ANSWERS

There are two answers to this: First, that it is already the common practice. The great aero engine firms have for a long time past with complete success been engaging a large number of subcontractors to work for them. Secondly, no one is more competent to advise on what is or is not a practical engineering proposition than the firms who have put up this plan and who take full responsibility for working it. The other criticism is that it would be unsafe to rely on a single chain of manufacturers.

This argument may be pressed too far. You cannot if you are to take advantage of modern industrial practice make all your units self-contained, but the force of the argument was recognized from the start and the Secretary of State for Air made it plain to the firms that in war the links of the chain would have to be multiplied and there should be no difficulty in doing this, for it will be observed that, should the whole of the great civil factories

engine and aeroplane construction and that plant could and would be supplemented by other machinery. I would remind the House of the considered view expressed by the motor firms that in the present circumstances it is desirable and indeed essential to avoid the delay which would arise from the multiplication of orders for jigs, gauges, and tools and other plant, and I am confident it will be found both from the point of view of the present programme and from the point of view of a long-term policy that the course which we have adopted is right.

FIRST LINE OF PRIORITY

My right hon. friend the member for Epping (Mr. Churchill) did not speak so much to-day about priorities, but he has often laid stress on them. Priorities should determine the order in which our numerous needs are dealt with. Of course it depends very much on how you look at these things, but I think quite generally we should give priority to the gun first, or whatever the item may be, I do not quarrel with anyone who would put everything in the first line of priority.

Mr. CHURCHILL.—That is the same as putting nothing in.

The PRIME MINISTER.—Really the practical difference between the right hon. gentleman and those who take that view is that it is that such action would increase the pace more and more, irrespective entirely of the effect on commerce, industry, and finance. We are fully determined to press forward the plans already worked out, to modify, to expand if necessary in the light of development, but we do not feel justified in bringing about a dislocation of trade which must follow any attempt to proceed upon the more lavish scale advocated in some quarters.

"WE STARTED LATE"

A PACIFIC DEMOCRACY

We started late. I want to speak to the House with the utmost frankness. There can be no difference of opinion in this House either on the Opposition benches or among my own supporters or among my hon. and right hon. friends who have been taking a prominent part in this debate on this point, that in those years from 1924 to 1929 when we did cut down the Services we all did it, including the Chancellor of the Exchequer, after due and full consideration. We did it because we still had hopes of disarmament and because we still further believed that there was no danger of a major war within a decade, and because we were very anxious to conserve the finances of the country.

The difference of opinion between the right hon. gentleman and myself is in regard to the years 1933 onwards. The right hon. gentleman has spoken more than once about the anxieties which were caused after the events in Germany in 1933 and the neglect of the Government to do anything or make any preparations in 1933-34. He was not alone in this. I spoke of only a couple of million pounds, I would remind the House that not once but in many speeches and in various places, while I have been advocating the democratic principle I have stated that a democracy is always two years behind a dictatorship, and I believe that to be true. It has been true in this case.

I put before the whole House my own views with an appalling frankness. From 1933 I and my friends were all very worried about what was happening in Europe. You will remember at that time the Disarmament Conference was sitting in Geneva, and there was probably a stronger pacifist feeling running through this country than at any time since the War. I am speaking of 1933 and 1934. You will remember the election at Fulham in autumn of 1933, and I am sure that the National Government held was lost by about 7,000 votes on no issue but the pacifist, and that the National Government candidate, who made a most guarded reference to the question

reeling that was in the country in 1933.

NEED FOR A MANDATE

My position as the leader of a great party was not altogether a comfortable one. I asked myself what chance was there within the next year or two of that feeling being so changed that the country would give a mandate for rearmament. Supposing I had gone to the country and said that Germany was rearming and that we must rearm—does anybody think that this pacific democracy would have rallied to that cry at that moment? I cannot think of anything that would have made the loss of the election from my point of view more certain. (Opposition laughter and Ministerial cheers.) I think the country itself learned by certain events that took place during the winter of 1934-35 what the perils might be to this country. All I did was to take perhaps a moment less unfortunate than another might have been, and we won the election with a large majority. But, frankly, I could conceive that we should at that time, by advocating certain courses, have been a great deal less successful.

We got from the country a mandate, with a large majority, for doing a thing that no one 12 months before would have believed possible. It is my firm conviction that had the Government, with this great majority, used that majority to do anything that might be described as arming without a mandate—and they did not do anything except the slightly rearm programme for which they gave their reasons—it would have defeated entirely the end I had in view.

I shall always trust the instincts of our democratic people. They come with a little late, but—my word!—they come with a certainty when they do come (cheers): they come with a unity not imposed from the top, not imposed by force, but a unity that nothing can break. I believe to-day that, whatever differences there may be among us in the country on various questions—as there must be—the conviction is biting deep into our country, with all its love of peace, that there must be no going back on our resolution for such rearmament as we deem necessary to meet any possible peril from whatever quarter it may come. That feeling will be coupled with a feeling which we all have, that we are as anxious as ever to see all the countries of Europe considering disarmament, especially in the air. But until that day comes, nothing will shake the resolution either of the Government or of this House or of our people. (Cheers.)

A MINISTRY OF SUPPLY

BUSINESS MEN'S ADVICE

I am afraid I must trouble the House with a few words more about a Ministry of Supply. I think this is the real point of difference between my right hon. friend the member for Epping (Mr. Churchill) and the Government. The attitude we have taken is not particularly my attitude or the attitude of any individual; it is the considered judgment of the whole Cabinet, in the light of all the facts there are before us. We take the full responsibility for it, and I think I might very briefly allude to the principal reasons.

Before doing so I would like to deal with one question which I do not think my right hon. friend mentioned to-day, but which I know has been in his mind. I do not know whether he still attaches importance to it, but some little time ago he did. He said that the Ministry of Supply, if there was one, could set up a council of business men to advise it. I appreciate as fully as anyone the value of advice which business men can give, but my experience goes to show that that advice, if it is to be to the point, must be directed to specific matters about which a man with business experience can speak with practical knowledge. We can get all that without a Ministry of Supply and without a council of business men.

Take the case of aircraft. The Secretary of State for Air did not set up a council of business men, but sent for the motor manufacturers, put before them the specific problem of the production of aircraft engines both now and in time of emergency, and asked them to address their minds to the specific question of what the motor industry could do by way of

concentrating to the solution of the problem. Consequently my right hon. friend the Minister for the Co-ordination of Defence, realizing that it is common knowledge, the question of the supply of machine tools is a key question, did not wait for advice from business men in general, but sent for the machine tool makers, put before them the problem of the supply, and asked them to formulate the steps necessary to supply what is needed for urgent munitions work, paying attention so far as possible to the needs of the private home and export trade.

THE REAL CONFLICT

Those are two examples of plain, practical, common-sense action, based upon the precise needs of the moment for the forces of the Crown. I do not believe that a Minister of Supply or of Munitions could take more effective action. He might take very similar action, unless he had reached the stage at which the situation called for measures of a kind demanded only by the emergency. That is the broad line of difference between those who want to see a Ministry of Supply or Munitions set up immediately and those, like ourselves, who do not.

It was suggested in a previous debate that a Minister of Supply is needed because there are conflicting demands on the part of the Service Departments, but that is not the case. Through the Supply Board, through the operation of the system of coordination, it has been established that between the three Supply Departments there is no conflict or demand that cannot be satisfied. The real conflict is not between the three Service Departments but between the demands of private industry and the demands of the Service Departments as a whole. I do not deny that there is some conflict here, and in particular cases it may constitute a real difficulty, but I feel that the right course to pursue in the circumstances is to put the problem to those actually engaged in the particular trade concerned and enlist their aid in devising arrangements which, while they will give us as far as possible what we need for defence, will do so with a minimum of dislocation of our ordinary and particularly of our export trade.

DETAILED SUBJECTS

We do not need a Minister of Supply for that—we can, and we are achieving the results through the working of each of the three departments, aided when necessary by the Minister for the Co-ordination of Defence. These questions of supply are very detailed subjects involving day-to-day questions such as raw materials, factory equipment, labour strength, and so forth. They do not involve questions necessary to be considered by us in the nature of executive action, and what is needed for their effective treatment at any rate for the present, is a due degree of driving force at the top and adequate cooperation below.

The Government are engaged, as the House knows, in carrying out an extensive and expensive programme. Its size involves heavy demands on industry; the costs must make heavy demands upon our resources. The question is: What is the best way in the present circumstances of carrying out this programme? The method may be described as one of voluntary cooperation between all concerned, while coordinating our efforts and interfering as little as possible with normal civil industry. The other method is to ask Parliament now to confer on the Government compulsory powers forthwith; but I want the House to realize how extensive those powers, if taken, would have to be. The powers of the Ministry in the War covered pages and pages of D.O.R.A. Regulations, because the scope of the powers must extend to industry as a whole. You cannot do it in fragments.

FEAR OF TAKING RISKS

What I fear, what I feel confident of, is that if that were done now it would create such uncertainty and uneasiness throughout the whole trade of the country that it would check the development of enterprise, stop trade expansion, and I hardly dare reckon how it might react on finance. There are grave risks, and at the moment the Government are not prepared to take them. (Cheers.) It is very easy to be led into supposing that dictatorial methods are necessarily more

effective than the coordination of free effort, but we must not imagine that other countries which do not submit their plans for defence to Parliament and do not require the approval of the Legislature for the powers which they exercise, whose Ministers are never criticized and have not to explain themselves, therefore escape all trouble. Records of the last war show one thing plainly, and that is that at a time when we might have expected that the enemy was prepared to the last button, and that all was going happily with him and that he had no difficulties, he was even then struggling with mishaps and confusions of which we knew nothing.

It is a mistake to suppose that our methods are necessarily more effective than those which are largely concealed from the public gaze. (Cheers.) Mr. Churchill seldom speaks nowadays and I rejoice to think of it—without a quotation from the Latin tongue. He gave us one to-day, and I at this point would like to give another—

"Omne ignotum pro terribili," which I might translate thus:— "The things you don't know anything about are always bogies." (Laughter.)

COOPERATION PREFERRED

Experience in the House of Commons has taught me the lesson that more is to be gained in this country by relying on willing cooperation than by adopting dictatorial methods until they are forced upon you and become essential. The House of Commons and the British people are not averse to a system of compulsory powers inevitably involves, at any rate at first, most serious dislocation of industry, a dislocation which may be out of all proportion to the benefits which we get. It may well be insisted on that the production for some time may be retarded. But it is certain, and I must repeat this, it would so dislocate the ordinary free working of industry as to reduce our effective financial strength, and that financial strength, so carefully nursed and looked after through all these years, is one of the strongest weapons we have if war ever comes upon us. (Cheers.)

I said earlier that I was not prepared to discuss in detail the number or quantity of particular weapons of offence or defence. The reasons for this are well known, and no one knows them better than Mr. Churchill. When he and his friends came to see me at the end of July to give their views on the situation, and before me certain information which they had as to what was going on abroad, views and information which I was very glad to have, they made it perfectly plain that all they had in mind was to convey their knowledge to me. They did not ask that I should subsequently tell them anything I could not tell openly to the House of Commons.

SATISFACTORY PROGRESS

MR. CHURCHILL'S ESTIMATE "TOO HIGH"

I think my right hon. friend knows that we hope to have the pleasure of seeing him and his right hon. and hon. friends again, when we can give them the result of a careful examination which we have made into all the points of detail. I should like very much once more to say to the Opposition that if the Leader of the Opposition and any friends of his want at any time to come to discuss with me or with any of my colleagues some of these problems, either to give us information or to ask for information, they will be equally welcome. (Cheers.)

It is common knowledge that the rulers of the totalitarian States are in the happy position of not being criticized for what they may do or fail to do. They are under no obligation to make their plans known or to disclose their progress or lack of it, and I am the last person to want to be in a similar position. I have made known on many occasions my views on democracy, and I think it not unreasonable to assume that these chambers of defence, where actually we are not at liberty to discuss details, there should be extended to us and particularly to the Minister for the Co-ordination of Defence a certain measure of trust and confidence. (Cheers.)

I do not want to magnify or to minimize the seriousness of the position. I am giving the assurance to the House that I am reasonably satisfied as to the progress that is being made. If for any reason, whether through a shortage

of labour, a shortage of material, or any other difficulty, the time should come when I and my colleagues feel that sterner steps are necessary to complete the programme that we have in view I shall not hesitate to come down to this House and ask for all the powers I need whenever that time may come. I promised my right hon. friend to say a word on this matter. I am in a position to say that my right hon. friend's estimate of the German metropolitan and first-line air strength is definitely too high. That is the best information we have, but I regret that I cannot give exact figures.

WORKING FOR PEACE

I am grateful to the House for having listened to me for so long. I do not often trouble them with a long speech, but I felt that to-day I must give them such information as was in my power and tell them frankly the position of the Government with regard to certain questions. I would only repeat, and I do so for the third time in this speech, the words with which I opened. I know they will find an echo in every breast in this House. The whole of our efforts in the field of diplomacy and foreign policy will be aimed at bringing about agreement and peace with all foreign Powers, and at the same time the whole of our efforts will be devoted to this great question of the protection of the protection of our own people, and we will not relax our efforts for one moment because we know that while we shall work to secure the blessings of peace there can be no peace in Europe unless we are prepared for war. (Loud cheers.)

The amendment was negatived by 337 votes to 131—Government majority 206. The motion for the Address in reply to the gracious Speech was agreed to.

INDIA AND BURMA ORDERS

Mr. BUTLER, Under-Secretary, India Office (Saifron Walden, U.), moved that humble Addresses be presented to His Majesty in respect of a number of draft Orders made under the Government of India and the Government of Burma Acts.

In accordance with customary procedure the debate was adjourned.

Dr. BURGIN, Parliamentary Secretary to the Board of Trade (Mr. L. N. B.), moved that six Import Duties Orders, which he said, dealt with such varying subjects as tiles, band knives, typewriters, hot-water bottles, granite, and potassium nitrate be approved.

The Orders were approved.

The House adjourned at 25 minutes past 11 o'clock.

PARLIAMENTARY NOTICES

HOUSE OF COMMONS

Private Members' Bills.—Workmen's Compensation Bill, second reading.

LIVESTOCK INDUSTRY BILL

A deputation from the Conservative Parliamentary Agricultural Committee last night discussed with Mr. W. S. Morrison, the Minister of Agriculture, the provisions of the Government's Bill for safeguarding the future of the livestock industry. Members afterwards expressed their regret that the Bill does not contain the proposal, for which the Committee have pressed unanimously, that a standard price for all standard beef should be fixed at not less than 48s. a live ewt. It is expected that the Bill will be discussed in Parliament next month.

BONUS FOR WORKERS

Sir Lancelot Jardine, chairman of the Bar-Lock Typewriter Company, Basford, in his policy of encouraging employees of the firm has again awarded the following bonus at the close of the eleventh financial year:—To workers 21 years of age and upwards 75s. 6d. a year. To those under 21 years of age 1925 and 5s. for those under 21 on the same conditions. The minimum awards for those who have been with the firm for only one year are 75s. 6d. and 5s. respectively.

ANGLO-ITALIAN TRADE AGREEMENT

NEW TREASURY ORDER

The Treasury has made an Order under the Debts Clearing Offices, &c., Act, 1934—the Clearing Office (Italy) Amendment Order, 1936—varying the Clearing Office (Italy) Order, 1936, which was made on July 10, 1936, and which set up the Anglo-Italian Clearing Office.

Under the earlier Order the sums received by the Clearing Office were retained in a reserve fund pending an agreement with the Italian Government as to how they should be distributed. The Anglo-Italian Clearing Agreement, signed at Rome on November 6, lays down the method of such distribution, and the new Order accordingly provides that the sums already received or to be received by the Clearing Office shall be applied in accordance with the provisions of the Anglo-Italian Clearing Agreement. A summary of those provisions was printed in *The Times* on Tuesday. The new Order also provides that the Clearing Office (Italy) Order, 1936, of July 10, 1936, shall not apply to debts due on or after November 16, 1936, in respect of (a) gold bullion or coin or silver coin or (b) freight.

Copies of the Agreement and of the Clearing Office (Italy) Amendment Order can be obtained from the Stationery Office. Two Memoranda, explaining respectively the position of importers of Italian goods under the Orders and the provisions of the Agreement regarding the liquidation of trade debts in arrears and the transfer of financial remittances, have been issued by the Anglo-Italian Clearing Office; copies of these Memoranda may be obtained from banks, chambers of commerce, or the Clearing Office. The address of the Clearing Office is now 35, Cromwell Road, South Kensington, S.W.7. (Telephone: Kensington 8141.)

THE CORONATION PROGRAMME

SALE FOR KING GEORGE'S JUBILEE TRUST

The official Souvenir Programme of the Coronation of King Edward VIII, which is being produced in aid of King George's Jubilee Trust, will be an attractive booklet of 32 pages. The cover will contain a reproduction in colour of the Royal Coat of Arms above the title, and at the top, in a surrounding gold border, will be inset the words, "King George's Jubilee Trust."

A photograph of the King will be reproduced on the second page, and the next page will contain a message to the Empire from his Majesty. A photograph of Queen Mary will occupy the fourth page, and on the following page there will be photographs of the Duke of York, the Duke of Gloucester, the Duke of Kent, and the Princess Royal.

The programme will contain a poem "The Coronation of his Most Gracious Majesty King Edward VIII," by Mr. John Masferrer, the poet laureate, and other letterspress will include "The King's Majesty," by Mr. John Drinkwater; "King Edward the Eighth," by Mr. Hector Bolitho; an introduction to the service at Westminster Abbey by the Archbishop of Canterbury; the Order of Service; the Coronation Ceremony; and a genealogical table of the Royal Family.

Copies of the programme will be on sale at shops in this country from April 28, and on May 12, the date of the Coronation, they will be sold in the streets by Boy Scouts, who will also have charge of later sales. The price for the ordinary edition will be 1s., and there will be a *de luxe* edition on sale at 2s. 6d. The overseas edition, price 2s., will be on sale in the Dominions and Colonies from April 23.