

IV I cannot give an answer to any person who asks why I was suspended other than that I raised a point of order.

The **SPEAKER**.—I am afraid that as I have told the hon. member I cannot help him.

DEFENCE LOANS BILL

MR. CHAMBERLAIN'S SPEECH

Mr. CHAMBERLAIN moved the second reading of the Defence Loans Bill. He said that it was a short Bill containing only one operative clause, which authorized the Treasury to borrow money or, alternatively, to apply realized Budget surpluses up to a maximum of £400,000,000 during the next five years towards meeting, in part, the expenditure of the Defence Services. It contained provisions for the repayment by the Defence Departments of the borrowed money together with interest at 3 per cent. within a period of 30 years from the expiring of the borrowing period.

Referring to the Opposition motion for rejection, the right hon. gentleman said he noted with satisfaction that no reference was made in it to an earlier observation that this was a measure likely to lead to war. He was profoundly convinced that that observation "as not only not true but it would be very unfortunate if any apprehensions were to be created in the country of an imminent war at a time when they had no reason to suppose that there was any justification for fears of that kind. (Hear, hear.)

He thought he might once again express his abhorrence of all rearmament by nations who might be more suitably employed in pursuing the arts of peace, and by so doing avoid the any taxation and deprivation of comfort and necessities. They could do this if they could once again discuss together their claims and grievances like sensible men. He was not altogether without hope that such discussions might come about, but the task of exploration would not, he recognized, be done in any short time. In the meantime they could not stay their hands until they were satisfied that they had put this country in a safe position and in a position faithfully to carry out our international obligations.

It was a common affection on the part of members opposite that they did not know what were the relations between the armaments programme of the Government and their foreign policy. He said affection because those relations had been described and defined with the utmost clearness by the Foreign Secretary (Mr. Eden) in his speech at Leamington on November 20.

They were entitled to ask the Opposition whether they quarrelled with Mr. Eden's statement of the relations between our foreign policy and our armaments programme. If they did they should at least say where they got off. (Ministerial cheers and laughter.) He would put to the Opposition two plain, simple, straightforward, honest-to-God questions. (Laughter.) The first was, did the Opposition consider that our arms should not be used for any of the purposes described by the Foreign Secretary, and the second was, did they consider that our arms should be used for any purpose in addition to those which Mr. Eden had described? If hon. members could get a plain answer to those questions then they would be in a better position to judge whether there was any justification for the criticism which was rather obscurely hinted at in the words of the amendment.

CONTROL OF PRICES

It was quite certain that there never was a time when coordination of the Defence Services was more necessary than to-day. No matter in the whole of the task of defence had been the subject of more continuous or more concentrated attention than that of preventing excessive prices, and nothing that human ingenuity could devise, or human efforts could achieve, to prevent excessive prices had been left undone. Nearly a year ago a special committee, known as the Treasury Inter-Services Committee, was set up particularly to deal with the difficult cases which arose when it was necessary to depart from the ordinary principles which governed the placing of contracts in the Defence Departments. That committee had held more than 60 meetings and had scrutinized most carefully every one of those cases.

The underlying principle followed was to allow the contractor a fair and reasonable

profit and at the same time to give him an incentive and an inducement to keep his costs as low as possible. (Ministerial cheers.) It was not possible to have any uniform system, but arrangements had been made to keep a very careful check on costs, both by examination of the books of contractors by the accountants of the Department and by the preparation of technical costs as a check.

It was not practicable to fix a definite percentage of profit which could be applied to production costs in all cases. There were a number of factors to be taken into account—the rate of turnover, the return on the capital employed, and the size and volume of the order. Further, they could not force firms to take orders and execute a programme without at once advancing into war conditions and introducing a complete dislocation into the carrying on of commercial business. Therefore, while trying to prevent excessive profits being made, they had to leave a sufficient incentive to private firms to induce them to put the utmost possible energy into the carrying out of the programme. He was satisfied that the interests of the taxpayers were being adequately protected. (Cheers.)

EFFECTS ON NATIONAL CREDITS

With regard to the suggestion that to borrow a portion of the money required for this defence expenditure would have ill effects in the shape of weakening the national credit, raising prices, and depressing the standard of living, he thought there was both serious exaggeration in that statement and confusion between the effect of a great expenditure upon armaments and the effect of borrowing part of that expenditure. (Ministerial cheers.) He doubted whether sufficient allowance had been made by the Opposition for the fact that during the last six years the credit of this country had been steadily built up until it was so solidly based that it could certainly deal with borrowing on a far larger scale than anything they were dealing with. (Ministerial cheers.) It was remarkable to compare what had happened in this country with the effect on the debts of other countries of the great industrial crisis through which all had passed. For example, in the United States of America during the last six years the national debt had been increased by a sum exceeding £3,000,000,000. Nothing which was comparable to a burden of that kind had been imposed here. Although it was true that we had had repeatedly to suspend the operation of the sinking fund, yet in the three years 1933-36 we had realized surpluses amounting to over £40,000,000, in addition to an amount of debt redemption within the fixed debt charge of £32,500,000, a total of £72,500,000.

THE SOCIAL SERVICES

INCREASING COST

Besides that, the Unemployment Insurance Fund, which in 1931 was accumulating a burden of debt at a rapid rate, and had already reached over £100,000,000, had now been put into a solvent condition and reserves had been accumulated which if no distribution took place would reach by the end of the present year a sum of between £50,000,000 and £60,000,000. (Ministerial cheers.) But the real burden of a nation's debt was not measured by the nominal amount of that debt. It was really measured by the amount of the annual charge that had to be made. In 1931 the interest upon our debt was £282,500,000. By 1935-36 that interest had been reduced to £210,500,000, a reduction of £72,000,000; and in the present year the interest charge would be about the same as it was last year. Therefore the saving on the interest alone would be almost sufficient to cover the average amount of the borrowing which was contemplated in this Bill. (Ministerial cheers.) He thought it would cover it if it had not been for the fact that at the same time a constantly increasing sum had been provided for the benefit of the social services.

He was not sure that it was always remembered how rapidly the cost of the social services was increasing. In the last Budget of the Labour Government, before there were any cuts but at a time when unemployment was high and was rising, the provision for unemployment was £45,000,000. In the current year, with the condition of unemployment enormously improved, the amount provided

was £68,000,000. If they took another item, old-age and widows' pensions, the charge for that in 1930 was £48,200,000, and this year it was £59,300,000. Similar increases could be found wherever one looked in the costs of the social services. The Opposition were enormously exaggerating the effect even of the new expenditure. The net income of this country was put at not less than £4,000,000,000 by any responsible authority. Surely in the light of that figure this sum of £1,500,000,000 to be spent over five years could not be regarded as likely seriously to upset our economy. (Opposition cries of "Oh!") Hon. members now said that it was not the expenditure but the borrowing which to them seemed so disastrous.

RESULTS OF SPECULATION

Borrowing was only a fraction of the £1,500,000,000, and it seemed to him (Mr. Chamberlain) that Mr. Pethick Lawrence on more than one occasion had attributed to borrowing effects which were really attributable to the expenditure of money, whether that money was obtained by borrowing or from revenue. He talked, for example, of the rise of prices and was exultant the other night over the rise in prices of certain metals, saying that those were facts which he (Mr. Chamberlain) could not sweep away. He had no reason to sweep them away, but that rise was not due to the fact that they were proposing to borrow £400,000,000. It arose from speculation in the base metals, and the speculation which brought about that rise was founded upon the prospect of this great sum of £1,500,000,000 being spent during the five years, which it was anticipated would increase very much the demands for those metals.

The hon. member had said that this would cause inflation. The hon. member was very free the other day with quotations from economists of authority who were, as he said, unanimous in their fears of the danger of inflation, but no doubt he had read his paper this morning and had seen there that the one economist of reputation, at any rate, did not agree with him. Mr. Keynes said it was possible for the Chancellor to borrow this money without any inflation, and it was a fact that if inflation were brought about by this borrowing it could only be on account of the excess of borrowing over genuine savings. So long as the borrowing did not exceed the genuine savings of the country there would be no inflation. If one knew that the £400,000,000 was only a fraction of the savings, although it was true that there were other demands upon the savings besides this borrowing, it was really a work of pure imagination to suggest that necessarily any inflation was likely to occur.

To advocate that the whole of this vast expenditure, a great part of which arose simply out of the necessity to make up arrears, should be found entirely out of current revenue, which would necessitate the imposition of fresh and crushing taxation upon those who would have to pay the taxes during the next five years, seemed to him to be pushing orthodoxy to a dangerous pitch. He had every confidence that he would be supported not only by this House but by the country as a whole when he said that such a course would be neither practicable nor just. (Ministerial cheers.)

REJECTION MOVED

LABOUR CRITICISM

Mr. LEES-SMITH (Keighley, Lab.) moved:—

That this House views with misgiving the massing of huge competitive national armaments without any constructive foreign policy based upon collective security under the League of Nations, is opposed to financing defence expenditure by loan, and accordingly declines to proceed with a Bill which will weaken the national credit, raise prices, and depress the standard of living of the people, and, moreover, is unaccompanied by any effective measures to prevent profiteering or to coordinate the defence forces.

He said it was clear that they could not get a final solution of, or answer upon, the financial result of borrowing as against taxation by mere disputation across the table now. The answer would be given before very long by the facts of the situation. The Chancellor of the Exchequer had quoted Mr. J. M. Keynes on one of the very few occasions when it suited

him, but no one had spoken about the Chancellor's habit of borrowing, and also of refusing to borrow, at the wrong time with more contempt than Mr. J. M. Keynes. If the right hon. gentleman was now to bring up Mr. J. M. Keynes as a great authority for the Government to quote, the Opposition had authority just as good and more authoritative than Mr. J. M. Keynes. They had the Government expert, Mr. Henderson, the late secretary of the Economic Advisory Committee, and the right hon. gentleman did not quote him.

Instead of using borrowing as a corrective the Chancellor of the Exchequer was using it now to double the danger of the trade slump when the armaments expenditure slackened. The Chancellor of the Exchequer was repeating in very exaggerated form the two main influences which did lead to the trade slump of 1920, and if it happened that over the world the trade revival was slackening, with the two influences which the right hon. gentleman was now holding over the situation, that might very well lead to the most catastrophic slump. The right hon. gentleman was giving his whole attention to the danger which might arise from his Budget by an increase of taxation, and the Opposition were concentrating their attention on the dangers which might come some time hence.

ARTICLES IN "THE TIMES"

He (Mr. Lees-Smith) had said that the uniformed men could not appreciate the need of ununiformed population, and he had received valuable support in the three articles in *The Times* written by the official whom the Minister for the Coordination of Defence had himself selected to deal with the rationing of food. The writer warned them against the danger that the home front would be forgotten by the generals, and he believed that the greatest lack of coordination was in the Civil Departments to-day. A flash-light was thrown on the situation (Mr. Lees-Smith proceeded by the proposal of the Air Ministry to create an aircraft factory at White Waltham. (Hear, hear.) The Minister for the Coordination of Defence could not carry on his work unless he provided himself with a staff of his own—not merely the staff of the Committee of Imperial Defence, whose failure to solve the problems of coordination was the reason for the creation of the new office. A Minister without a staff could be nothing less in practice than a weak Minister.

The Minister for Coordination of Defence ought to appoint a civil planning committee of the Committee of Imperial Defence, he should have for it a civilian staff, and he should ask to be assisted by an under-secretary who would devote himself to the obviously neglected aspect of the problem. Sir William Beveridge pointed out that it would be impossible to make the civilian plans in the case of war unless we accepted the most ruthless interference with private enterprise and an advance, in his own phrase, towards "Socialistic control of industry," which the mind of the Government was not by any means adapted to. That was a piece of work which the Opposition would do very much better because their minds were adapted to the change. (Ministerial laughter.)

The Government, as Mr. Eden had said, had practically committed itself to certain obligations in the West of Europe and in Iraq and Egypt. There it was absolutely precise but when it came to the obligations arising out of the League of Nations and collect security the Government preferred to speak in general terms. Vagueness was something of advantage in foreign affairs, but he believed that the Government would find that dangers of vagueness and obscurity at the moment were greater than their advantages. Herr Hitler was pushing to see where he could obtain an advantage and the other nations would give way. Up to the present we had given way, and we were in fact misleading him, unconsciously luring him on. But (Mr. Lees-Smith) did not believe that triumphs which Herr Hitler had secured were mean that we would give way for ever. It was dangerous, almost criminal, not to him know what the nation would not stand.

It would have been more useful and humiliating if the Chancellor of the Exchequer had kept the lamentations he had uttered, for the ears of Hitler but for the ears of Brüning, who might have understood them and for the ears of his own colleagues who they might have influenced events. (Hear, hear.) The results of five years of National

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Government were that the Chancellor of the Exchequer had told them that he could not balance his Budget without breaking industry in twain, and that Europe stood nearer to the precipice than at any time since 1914. (Opposition cheers.)

"INSANE EXPENDITURE"

MAJOR LLOYD GEORGE'S PROTEST

MAJOR LLOYD GEORGE (Pembroke, Ind. L.) recalled that he first entered the House soon after the War, and said that if anyone had told him that within a short period they would be engaged in passing a measure to spend more money on preparation for war than had ever before been spent in peace time he would have found it extremely difficult to believe him. (Hear, hear.) Assuming that as the result of a dissolution this Government was defeated and another took its place—a pleasant prospect, but at the moment, he regretted, rather remote (laughter)—the first duty of that Government, whatever its political colour, would be to make a new and a real attempt to arrest the insane expenditure that was going on at present, and that would certainly ruin the world economically, if it did not end in war. Such an effort would take time. No Government could ignore the fact that other countries were piling up armaments.

Any Government would have to strengthen the weak spots in the Navy and the Air Force—but that was very different from what was here proposed. He regretted the decision to go in for more big capital ships. Let the Government strengthen the weak spots in the Navy by all means but do let them do it in the light of war experience and not repeat the errors made before the last War.

The Government were not confronting the real peril. During the last War the biggest problem we had to face—and the problem that nearly defeated us—was that of feeding the people. He did not see why that should not happen again. During the last War the menace was the submarine; in the next war it might well be the aeroplane. There also was the question of the Mercantile Marine. There was not a very good story of this service. What plan had the Government to put right the existing state of affairs? In 1917 we were within three weeks of starvation, but since then there had been an enormous decrease in productivity and in the amount of land under cultivation.

Liberals were opposed to borrowing. The loans in the past to which Mr. Chamberlain had referred were defended at that time not on the ground of the urgency of the proposals, but because of the permanent character of the works contemplated; and it was then stated to be the considered opinion of the Government that it was impossible to resort to loans for perishable things. But the vast majority of the things that would appear as the result of this loan were perishable. (Opposition cheers.)

If income-tax could not be raised beyond a certain level because it would depress industry why was not the Chancellor of the Exchequer considering an excess profits duty? They were all prepared to make sacrifices for the country, but let them all sacrifice equally. There was no doubt that big profits were being made on the manufacture of armaments, and Mr. Chamberlain should look into this matter and see if he could not get some of this money back to help in paying for these enormous armaments.

PLEA FOR PEACE POLICY

He looked to the future with some misgiving. We were nearing the peak of what had been called a boom, but there were still 1,500,000 people unemployed. There would inevitably be a slump sooner or later, and in each succeeding slump the number of the unemployed was a little higher than in the one before.

Big as was the programme which the House was being asked to sanction to-day, were the Government certain that the demands were over now? Were they really still seeking for a system of collective security in spite of what the Chancellor of the Exchequer had said to-day? The Government ought to make

up their minds what their policy really was. Was it alliance, isolation, or collective security? He preferred a policy which really aimed at international peace. That was the only policy—the policy of collective security, in which every hon. member professed to believe—which would stop this insane rivalry.

Mr. AMERY (Birmingham, Sparkbrook, U.)—I certainly do not believe in it.

MAJOR LLOYD GEORGE said that he had often seen the right hon. gentleman sitting opposite by himself in isolation. (Laughter.) Whatever the right hon. gentleman thought, collective security was the only policy that could really put an end to this insane expenditure.

Mr. AMERY.—Has it ever existed; does it exist to-day; and does the hon. and gallant gentleman himself believe that it will ever exist?

MAJOR LLOYD GEORGE said that it had not existed because the people who were supposed to carry it out did not really do it honestly. (Opposition cheers.) He believed it was the only thing which could ensure peace for the world and reduce this insane expenditure, which the Chancellor of the Exchequer told us the other day was breaking the back of civilization, and which, he might add, if persisted in, would most surely destroy it. (Opposition cheers.)

SIR R. HORNE'S SUPPORT

SIR R. HORNE (Glasgow, Hillhead, U.) said that this country could take this £400,000,000 in its stride. In present conditions and with the confidence of the money market in our financial position we should be confronted with no difficulties. We could have raised such an amount in one year. Spread over five years there could not be any possible inflation. If prices did rise, and they undoubtedly would, it would not be because of the loan but because of the ordinary play of the market—demand exceeding supply. This rise in prices and the question of distribution would have to be watched carefully. But there was no injury that could be suffered by this country as a result of this loan, and we should be able to raise it now on far cheaper terms than at the beginning of a slump.

Referring to the suggestion that the cost should be put on income-tax he said that there was nothing in the country that reflected psychological influences so rapidly as the income-tax. To follow such a course would be a very severe check to our ordinary trade and enterprise. He recalled that when he was Chancellor in 1922 the trade of the country was poor and when he took a shilling off income-tax he was condemned by every economist and called a gambler by Mr. Asquith. But the result was to give a fillip to enterprise and a new spirit to industry and the year ended with much increased revenue.

The effect on gilt-edged securities following the announcement of our rearmament expenditure was probably due to the Chancellor of the Exchequer speaking of £1,500,000,000 over five years instead of only the amount of the loan. But how right the Chancellor was to do that could be seen from the foreign Press and the effect of the announcement on the people of Europe. How could we negotiate with dictators who inculcated the idea of war in their people and boasted of their arms unless we were in a position not to be intimidated? (Cheers.)

He should have thought that the Opposition would have welcomed this programme no matter how it would be carried out, because they of all people, outside Italy, Germany, and Japan, were the most bellicose. (Laughter.) They wanted us to go to war with Japan over Manchukuo and with Italy over Abyssinia, and then they wanted us to take a line in Spain which would have embroiled us in that country. He welcomed the plan which the Government had put forward. It would be the foundation of better relations in the world and would give us a power of persuasion in dealing with disarmament and in collecting people in support of some form of collective security.

Mr. MCGOVERN opposed the Bill. As a Socialist he could not agree with the views that had been expressed from the Labour and Liberal benches. From his Socialist reasoning he believed that war was the outcome of the private economic possessions and Imperialist aims of various Powers throughout the world. We could no more bring in a Bill to prevent rain than we could bring in a measure to

prevent war so long as the underlying causes of war remained.

SIR J. WARDLAW MILNE (Kidderminster, U.) said that it would be a little dangerous to leave the people unprotected for some indefinite period until Mr. McGovern's brand of Socialism was in complete control. There was nothing in that or in the preceding debate to show whether the Labour Party really disagreed with the Government's policy. If he understood the Government's proposition correctly, out of the money to be spent in the next five years there was bound to be a very considerable proportion for works of a permanent or semi-permanent character, and to that extent it was not against the strictest canons of finance that the money should be raised by loan.

He was sorry that the Government did not begin to rebuild a portion of the Navy three years ago, when the work would have been of the greatest value, especially for the depressed areas, and when it could have been done cheaper than now. The Government would have to take great care on the question of profits by armament firms, since it was essential that labour should not be unduly diverted from the ordinary trade of the country.

Mr. WALKER (Motherwell, Lab.) said that the present proposals of the Government were a gesture to the world that it did not believe that the League of Nations could be effective or that a system of collective security could be established.

CAPTAIN COBB (Preston, U.) said that the transmission of light and power by way of overhead cable was extremely vulnerable. In the event of war it would be extremely simple for enemy agents in this country to do a vast amount of damage. Much of this could be avoided if the cables were carried underground. In a letter which appeared in *The Times* the chairman of a large electrical undertaking in the north-west said that approximately one-third of his system was underground and the remaining two-thirds overhead. He had found that the increased cost of taking the cables underground was offset in from five to seven years by the very much reduced cost of maintenance. Some part of the defence loan might be devoted to enabling electrical undertakings to bury the whole of their cables. When the charge had been offset by the reduced cost of maintenance the loan could be returned. Moreover, this action would restore beauty to many parts of the country.

CALL FOR A "STRIKING CHALLENGE"

Mr. SORENSSEN said that most people seemed to be settling down to the tragic assumption that war was not quite, but almost, inevitable, and that only some unforeseen and miraculous occurrence could save us from the calamity. This country and Europe were being conditioned for war. Most members dreaded the thought of war, but the atmosphere of the House was very different from what it was five or six years ago. Even the Christian Church was being conditioned. A large number of the clergy were prepared to rebaptize the god of war and confirm him a member of the Christian Church.

They must admit that during the years since the last War there had been many missed chances and opportunities. The present atmosphere of fear and suspicion, if not of hatred, in Europe was because of the persistence of British Imperialism on the one hand and the growth of German despair on the other. He appealed to the Government to try to find some means of speaking through the mists of fear and suspicion that were gathering in Europe to-day. Let there be some striking challenge to the souls of the people of Europe, for that was the only way by which civilization could be saved.

Mr. DUNCAN (Kensington, N., U.) said he agreed with Mr. Sorensen that this policy of rearmament was not enough. He wished we could get a call to the whole world, but whether it was in Germany or in Russia, we could not get at the people of Europe because of the censorship. He only wished that the profession to which Mr. Sorensen belonged could be able to help to get that call across. If the Churches of the world and in Europe would only put this call over they would be doing a great thing for peace.

He appealed for some scheme which would bring Germany and Italy back into a European League, at any rate, so that we should get some form of collective security which would work. Time was short. The influences

that were at work, if this matter tackled immediately, might lead to emergency in the not distant future. He thoroughly approved of the Government's defence policy he appealed to the Secretary not to waste a minute, but everything, not in public but diplomatically to arouse the nations to an appreciation of the realities of the situation.

THE EMPIRE A FORCE FOR PEACE

Mr. GRANVILLE (Eye, L. Nat.) the delegates of many of the nations at Geneva and talked of disarmament and went home and prepared for rearmament. When one saw this going on isolation was apt to become an isolation of non-aggressive British Empire, a strong and enlightened Commonwealth of nations that accepted a decent standard of civilization and progress, was the great force for peace in the world.

Mr. W. S. SANDERS (Battersea, Lab.) said that unless the Government the present Bill with another Bill that not going to interfere with profiteering.

BRIG.-GEN. SPEARS (Carlisle, Lab.) that there was a feeling in the country that waste might occur when vast sums were spent. He suggested that a strong commission should be appointed to consider the Services separately and the relations between them, and that those who, Mr. Lloyd George, sat in Cabinets during should be asked to make recommendations on the relations between the Government commands in war.

Mr. BELLENGER (Bassetlaw, Lab.) that he welcomed the fact that Germany thrown off the shackles of the Versailles Treaty although he would have preferred it to in cooperation with the other signatories, and in a less bellicose way.

If the rearmament programme was purpose of protecting British interests it would not be effective for peace. The Chancellor of the Exchequer had told them that this rearmament was not directed against any nation in particular, but they all were directed against Germany and Italy those two Powers were somewhat secure the assurance of the Chancellor Exchequer.

It was impossible for this country the British Empire in its present perpetuity, whatever armaments were provided. What answer was the Government going to give to Germany's demands for colonies? For members merely motions on the Order Paper asserted we would not give Germany any colonies back in any circumstances could only one effect, and that would not be We must have some more complete policy than the Government was putting forward in these defence loans. He believed that rearmament alone would not secure peace.

Mr. MAXWELL (King's Lynn, Lab.) the Government had stated that they were willing to discuss any means by which materials and primary products could be equally available to all nations. But not see that it was possible to do so at present by trying to buy off Germany through handing over bits of territory here and there and storing up trouble for ourselves by whetting her appetite for more.

Mr. GALLACHER (Fife, W., Com.) tested strongly against the loan and the rearmament expenditure.

Mr. M. JONES (Caerphilly, Lab.) since 1920-21 this country had spent £1,765,000,000 and yet they were not that we were disarmed. In Heaven's name, what had they been spending upon? (Opposition cheers.) This expenditure was proposed by men who were thinking in terms of inevitable war. They were blindly oblivious to their share of responsibility for creating the situation which now envisaged. What was lacking was to disarm. The Government was largely to the charge of having obstructed the Disarmament Conference. (Opposition cheers.) Behind the back of the League of Nations the Government entered into an Agreement with Germany. The Government were expanding the Navy, and as Germany was entitled to similar expansion France might follow the example, and instead of contributing to disarmament we had an excuse for other nations to do the same.

The people were prepared to endure sacrifices if they were fair all round, but they were tired of being called upon to sacrifice the means whereby they could enjoy a decent livelihood where they could enjoy a decent livelihood. profiteers got away unscathed.

FOOD SUPPLY IN WAR

SIR JOHN SIMON'S ASSURANCES

SIR J. SIMON said that if one wanted to frame a good question in cross-examination, it should be a very simple question which admitted of only one answer and that an answer which the witness dare not give. (Laughter.) That test was completely satisfied by the two questions which Mr. Chamberlain put to Mr. Lees-Smith, and the only correct answer to them would at once show that Mr. Eden had correctly defined our obligations, and that if these were our obligations we were bound to provide additional resources. Sir William Beveridge's articles in *The Times*, interesting, useful, and informative, were not an indictment against the Government, but a practical examination of the problems of defence on the home front and their object was to stimulate public interest. The problem of food supply in war was continuously being most closely studied and planned. Port emergency committees had already been set up and were at work making the necessary plans at 45 important ports. There was a vast general staff, civilian for the most part but helped essentially by military, naval, and air experts, for the defence of the home front.

The Government very much welcomed the attention which had been called to the subject by Sir William Beveridge's articles. It was most important that the public should get out of their minds the idea that plans for the home front were being drawn up merely by military minds. Sir William Beveridge's articles had been carefully examined by the authorities. He did not claim that all the Government plans were complete, or that they were in full agreement with Sir William Beveridge on every point, but they were covering the field as he had described it.

Behind the active defence against air attack they were engaged in providing what might be called passive defence. The Home Office, in cooperation with local authorities, were building up local air-raid precaution organizations. After several months of very arduous work the experts succeeded in devising an improved and simplified type of gas mask capable of manufacture by mass production methods. That made it possible to accumulate a stock of gas masks to be distributed in an emergency to every one in danger. So far as the Government was aware, this was the only country in the world which was making this extremely valuable provision for the safety of the civil population. (Cheers.) Production had been raised rapidly, and yesterday he received a report that a day's output in the factory recently established had reached 100,000 gas masks.

We could not treat collective security as though it was an arrangement by which a country was going to receive a contribution, without making one. When he heard this argument, he was always reminded about the passage in Lewis Carroll's "Hunting of the Snark," about the man who "at charity concerts stands at the doors and collects—but he does not subscribe." It was a perfectly hopeless thing to try to persuade other Powers to reduce their armaments by pointing out how greatly we had already reduced ours. The Government were convinced that they would strengthen the basis of peace by establishing our defences on a more appropriate level. (Ministerial cheers.)

The motion for rejection was negatived by 307 votes to 132—Government majority 175, and the Bill was read a second time.

The money resolution in connexion with the Local Government (Financial Provisions) Bill was agreed to on report.

The House adjourned at 29 minutes past 11 o'clock.

PARLIAMENTARY NOTICES

HOUSE OF COMMONS

At 11

Private members' Bills; Employers' Liability Bill; and Administration of Justice (Wales) Bill, second readings.

TIME