

# THE PLANNERS AND BUREAUCRACY

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*By*

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## **The Planners and Bureaucracy**

Working discreetly but busily in this country to-day are several organisations which, under a pretence of assuring the individual his freedom "after the war," are treacherously depriving him of his personal sovereignty, political and economic, and ensuring so far as they can that he shall never be in a position to regain it.

Probably the two most influential of these organisations are the Fabian Society and P.E.P. (Political and Economic Planning), which are closely interconnected in effective policy and in personnel. Both make for the complete control of the individual directly by the petty bureaucrat, and ultimately by a small ring of persons who are protected from being held responsible for the results of their actions by the complexities and ramifications of an immensely augmented bureaucracy.

The Fabian Society makes a direct appeal for nationalisation of land and industry, and the vesting of power (nominally) in "the State," which is an abstraction. Actually power devolves upon executive officials, and thus on those on the anticipation of whose wishes depends the officials' promotion. Safely screened from public recognition behind the lesser bureaucracy, these use the authority of the State as the cloak for their own will.

P.E.P. derives directly from the Fabian Society, of which, as a revolutionary organisation, it is a more form subtle and insidious, designed to allow the open use of the methods of Socialism by big business men and others, who, for various reasons, dissociate themselves from "nationalisation" and "Socialism." It advocates the formation of Public Trusts, Commissions, Bodies and Corporations, which centralise power conveniently to the hand of the administrator in the same way as "nationalisation" does, but are less easily influenced in their activities by the ordinary individual, and leave a pretext for the grinding taxation which public "ownership" would have no excuse to preserve.

Both societies are eager to convince people that the programmes put forward will bring them the freedom and security for which they crave. By immense pressure of propaganda, and almost mesmeric advertisement, they have come near to doing this.

## **The Fabian Society**

The Fabian Society first emerged as an independent organisation in 1888, when it dissociated itself from the Fellowship of New Life and launched its own programme, thus formulated in one of its publications:—

"The Fabian Society consists of Socialists. It therefore aims at the reorganisation of Society by the emancipation of the land and industrial capital from individual ownership, and the vesting of them in the community for the general benefit . . . the Society accordingly works for the extinction of private property in land . . . for the transfer to the community by constitutional methods of all such industries as can be conducted socially."

The fundamental *slogan* of the Fabians, as distinct from these aims, was the righting of the wrongs of the working classes, with whom the society, however, had no very direct contact, as far as can be seen.

In fact they confined their early efforts to drawing-room meetings, where gathered many people, who were later to gain great distinction and fame: Lord Passfield (formerly Sidney Webb), the late Lord Olivier (then Sidney Olivier), Mrs. Annie Besant, the late President of the Theosophical Society, Ramsay Macdonald, George Lansbury, H. G. Wells, Margaret Bondfield, and many others.

Out of the drawing-room meetings there emerged the characteristic Fabian tactics of permeating existing societies and parties with their idea. According to a Fabian tract:—

"The Society takes part freely in all constitutional movements, social, economic and political, which can be guided towards its own objects."

Bernard Shaw described the methods of Fabianism as follows:

"Our propaganda is chiefly one of permeating . . . we urged our members to join the Liberal and Radical associations of their districts, or if they preferred it, the Conservative associations. We told them to become members of the nearest Radical Club or Co-operative store and to get delegated to the Metropolitan Radical Federation, and the Liberal and Radical Union, if possible. On these bodies we made speeches . . . and moved resolutions, or better still, got the parliamentary candidate for the constituency to move them and secured reports and encouraging little articles for him in the *Star*. We permeated the party organisations and pulled all the wires we could lay our hands on with our utmost adroitness and energy, and we succeeded so well that in 1888 we gained the solid advantage of a Progressive majority, full of ideas, that would never have come into their heads had not the Fabians put them there, on the first London County Council. The generalship of this movement was undertaken chiefly by Sidney Webb, who played such bewildering tricks with the

Liberal thimbles and the Fabian peas that to this day both the Liberals and the sectarian Socialists stand aghast at him. It was exciting while it lasted, all this permeation of the Liberal party, as it was called; and no person with the smallest political intelligence is likely to deny that it made a foothold for us in the press, and pushed forward Socialism in municipal politics."

In 1893 the society entered openly into the political field, and the Independent Labour Party was formed by the grouping of Fabian societies then in existence. These groups, under the leadership of Keir Hardie, Friedrich Engels (Marx's partner), and E. Aveling (Marx's daughter), had accepted Marxism, thus summarised: "To establish a Socialist state where land and capital will be held by the community."

The ideological connection between parent and offspring, is close: a Fabian tract says, "The Society is a constituent of the Labour Party and the International Socialist Congress."

The measures backed by the Fabians in those days (schemes for National Insurance, Pensions, Tariff Reform, Employers' Liability and Workmen's Compensation, *etc.*), while purporting to solve the individual's difficulties, did not touch the real causes of his troubles, and instead began to take away what freedom remained to him.

They were the seed which is now fruiting in the subjection of the individual to anonymous irresponsible bureaucrats who, in the past four years, have made under the Emergency Powers Act, 318 Defence (General) Regulations, 43 codes of Defence Regulations dealing with special subjects such as finance, administration of justice, *etc.*; about 2,100 Statutory Rules and Orders under the Defence Regulations; and other directions in individual cases, of which the Deputy Prime Minister, Mr. Attlee (once of the Fabian Society) says, "it would be impracticable to give a statistical statement."

Discontent, still acute among the working class, continues to form a pretext for more and bigger interference with the liberty of the individual, both employer and employee.

In 1903 the Labour Party was formed, but the Fabians still pursued their old tactics of permeation, and applied them to new spheres.

In agricultural circles the so-called "Progressive Policy" was pushed, which aimed at the nationalisation of the land.

An important step in the broadcasting of their propaganda among the younger generation was the inauguration in the universities of "University Socialist Societies," which in 1912 were grouped into "The Universities Socialist Federation" by the late Lord Allen of Hurtwood (then Mr. Clifford Allen), who became Chairman of the Federation. Lord Allen of Hurtwood was still a member of the Executive of the Fabian Society, and was associated with P.E.P., until his death in 1939.

In 1921 Fabian activities in the educational field culminated in the launching of the London School of Economics, of which Professor J. H. Morgan, K.C., wrote in *The Quarterly Review* of January, 1929: "When I once asked Lord Haldane why he persuaded his friend, Sir Ernest Cassel, to settle by his will large sums on . . . the London School of Economics, he replied, 'Our object is to make this institution a place to raise and train the bureaucracy of the future Socialist State.'"

Among the chief lecturers of the London School of Economics has been Harold Laski, for many years a member of the Executive Committee of the Fabian Society and Chairman of its publishing committee, whom Mr. Roosevelt is said frequently to consult. It is the members of this institution who have been mainly responsible, either directly or indirectly, for the concoction of the grinding and punitive taxation which has caused the disastrous state of British land.

In active politics members of the Fabian Society have retained the leadership of the Labour Party. A Fabian report stated, in 1929, when a Labour Government came to power: "Eight Fabians are members of the Cabinet, and fourteen others hold offices in the Government without seats in the Cabinet."

And on November 1st, 1930, the *Evening Standard* published the following:

#### GOVERNMENT BY FABIANS

"Many Labour members are talking about the dominance in the Government of that very academic body, the Fabian Society. I find that many people believed that this organisation, through which many intellectuals entered the Socialist movement, had ceased to exist. But it goes on with a membership, small, but influential, of some 5,000.

"Yet practically every appointment either to high or low office in the Labour administration has been made from the membership of the Society, the latest examples of which are the new Air Minister, Lord Amulree, and the new Solicitor General Sir Stafford Cripps. I am told that at least 90 per cent. of the members of the Government are on the rolls of the Society, and that, contrary to regulations, so are a good many highly placed civil servants. The civil servants would probably defend themselves by saying that the society is more intellectual than political. This ascendancy is, of course, due to the all-powerful influence of Lord Passfield and Mrs. Sidney Webb, with whom the Fabian Society has been the ruling passion of their lives."

The New Fabian Research Bureau was set up in 1931, with Mr. Attlee as Chairman, and Mr. G. D. H. Cole as Secretary.

It was in the same year that Mr. Bernard Shaw is reported by the papers as having said: "Lenin owes a great deal of his eminence to the fact that in his younger days he studied the works of Sidney Webb . . ." (The result was that syndicalism, anarchism and class war, which had been the basis of Russian Communism, were squeezed out under the pressure of economic necessity and the residue is Fabianism).

*"The success of the Russian experiment means that old words like Fabianism and Socialism are all out of date. There is nothing now but Communism."*

To-day, in 1943, the Fabian Society backs centralisation of power in all fields: internationalism against nationalism, regional government against local government, bureaucracy (called the State) against the little man, standardisation against diversity. It still proceeds by much the same methods.

Alderman Albert Emil Davies, the Jewish alderman, and Past-Chairman of the London County Council and Honorary Treasurer of the Fabian Society, said recently, "We Fabians, you know, *do* influence legislation out of all proportion to our numbers. I may as well tell you that when any new legislation is proposed the Government Departments concerned usually send for the latest Fabian literature on the subject, and often adopt many of the proposals, though not, of course, all."

Possibly for reasons implicit in this remark, the membership of the Society has been augmented by numbers of aliens. *The Daily Telegraph* of March 16, 1942, reported:

" 'Comrades' was the way Mr. Noel-Baker addressed the Fabians yesterday at their conference on post-war German problems. There was quite a number of aliens in his audience. They are responsible, I understand, for the increase in membership of this body since the war.

"Mr. Noel-Baker can speak of Germany and the Germans with authority . . .

"His speech to the Fabians was broadcast in Germany last night."

The new Organising Secretary of the Society is Mr. Oliver Gollancz, nephew of the Communist Victor Gollancz.

## Planning versus Freedom

Just as the aim of the Fabians is nationalisation of industry and the land, while its slogan is to right the wrongs of the working class, the aim of P.E.P. is planning as "the only means of escape from the intolerable restrictions upon individual liberty and freedom of choice." (*Planning*, No. 200).

But P.E.P. planning gives the planners control of policy as well as powers to force the planned-for to take part in their schemes. Its four chief characteristics are:

- (1) The wresting from the individual of the power to form his own policy, and its centralisation, with dictatorial force, in industrial and public trusts, corporations, commissions, etc.
- (2) The increase of regimentation of the individual by compulsorily organising him in accordance with plans, schemes and controls such as those we have become familiar with in war-time, extending to the maximum the regulation of the first-class expert by the second-class expert.
- (3) The use of police and military powers, including a huge corps of OGPU-Gestapo "snoopers," officially known as "inspectors," to enforce such a regime.
- (4) The endeavour to cozen the public that such a condition would embody "liberty" and "democracy," and that the unpleasant results which they object to in to-day's approximation to the slave state would vanish with larger doses of the same medicine.

The idea that such planning has any connection with freedom of choice, other than its negation, is ludicrous: P.E.P. planning makes for freedom no more than Hitler's planning, with which it is identical. Both schemes deny the first test of freedom: the power to contract out of an association without penalty for contracting out.

That planning as a policy has not been, and is not being "freely chosen" is admitted when *Planning* (No. 200) says: "Evolutionary planning depends for its success on the *education of public opinion* . . . . Almost the only alternative to a serious curtailment of freedom is an intensive effort *to convert public opinion*. But changes in public opinion can be speeded up . . ." (Our emphasis). Alternatively (presumably an argument for use if public distaste proves more difficult to overcome than is estimated), the matter is not subject to freedom of choice at all: "We have appealed to those who are genuinely concerned over the outlook for liberty to set to work thinking and discussing how planning can be made the vehicle instead of the enemy of liberty, *for planning is inevitable*." (Our emphasis).

There is no doubt that those behind the propaganda in favour of a Planned and Planning State wish its coming to be *thought* "inevitable" as it is only by the inculcation of this notion that they will get such a state accepted. In practice planning *of this sort* is entirely alien to the temperament of the people of this country, however much they may seem to respond to verbal reiteration of the ideas concerned. *Planning* No. 200, goes on to speak of the "startling effectiveness" of the planning approach, elaborating its meaning by examples:

"Soviet Russia is proving it [the 'startling effectiveness of the planning approach'] on a massive scale. So, with a later start, are the war machines of Britain and the United States. On the other hand, the menace of Nazi Germany and of Japan is almost entirely due to their exploitation of planning for wrong ends."

"Startling effectiveness" in what? Not, so far, in winning the war.

## "Freedom and Planning"

*Freedom and Planning* was the title of a document first circulated in 1931 to a few members who were asked to use its contents but not reveal its source. It set forth a plan visualising National Councils for Agriculture, Industry, Coal Mining, Transport, and so on, all statutory bodies "with considerable powers and self-government, including powers of compulsion within the province with which they are concerned."

"It is possible to envisage a considerable extension of this form of organisation of the Nation's business. A new picture begins to emerge in the outline of industry, agriculture, transport, etc., enjoying if not Dominion status, at any rate wide powers of local self-government, with the Cabinet, Parliament and the Local Authorities liberated from the duties to which they are not ideally suited and free to perform their essential functions on behalf of the community."

The following extracts show the proposed application of these theories to the various organs of the economic body:

THE FARMER: "The development of an organised system will lead to a profound modification of the traditional individualism of outlook of the dairy farmer."

"Whether we like it or not, the individual farmer will be *forced by events* [our italics] to *submit* to far-reaching changes of outlook and methods. He will receive instructions as to quantity and quality of his production."

THE MANUFACTURER: "He will be less free to make arbitrary decisions as to his own business . . . in resisting them [the plans], because he regards them as encroachments on what he calls his freedom, he will make things much worse for himself and the community."

THE RETAILER: "Reorganisation of retail methods is necessary. The multiple shop and the chain store are already bringing about notable modifications. The waste involved in the 500,000 or more retail shops cannot be allowed to continue to block the flow of goods from producer to consumer."

For all the fable of the "efficiency" of big stores, largely based on "statistics" relating to paper abstractions and the supply to customers of irrelevancies, it has needed a major world war to induce the consumer to transfer his custom to them, and then he has done so only in so far as conditions have forced the local shops to close down. It is significant that Mr. Israel Moses Sieff, ex-Chairman of P.E.P., is Assistant Managing Director of Marks and Spencer, the chain stores; and that Mr. Lawrence Neal, in 1942, made Deputy Secretary in the Planning Department of the polyonymous Ministry of Works and Buildings, is a founder member and member of the council of P.E.P. and also Chairman and Director of Daniel Neal and Sons. Sir George Schuster, another member of P.E.P., is a director of Home and Colonial Stores, Limited, and of Maypole Dairy Company, Limited.

THE LANDOWNER: "Planned economy . . . must clearly involve drastic inroads upon the *rights* [our italics] of *individual ownership of land*." "This is not to say that land nationalisation *in the ordinary sense of the term* [our italics] is either necessary or desirable. Far from it. Nothing would be gained [by whom?] by substituting the State as landlord. What is required . . . is transfer of *ownership* of large blocks of land, not necessarily of all the land of the country, but certainly a large part of it, into the hands of the proposed Statutory Bodies and Public Utility Bodies and of the Land Trusts.

"It would be possible further, in a number of cases [the Chosen People] to leave management undisturbed, together with the enjoyment of the amenities which at present go with ownership,

subject to the transfer of title to the Corporations or Trusts."

Major Douglas comments on these proposals in *The "Land for the (Chosen) People" Racket*:

"The full beauty of these proposals only becomes revealed as they are carefully examined and thoroughly understood.

"The first point to notice is that the *rights of ownership* are expressly mentioned and are not abrogated, they are transferred. To anyone who has taken the small amount of trouble necessary to penetrate the conjuring trick of 'Public' ownership, it is obvious that the powers will be transferred to anonymous bondholders, who will exercise them through bureaucrats, whose advancement will depend on their alacrity in anticipating the wishes of their masters.

"But 'nationalisation' is recognised as an awkward threat to grinding taxation, so that 'Public Bodies' and 'Land Trusts' (Forestry Commissions, National Trusts and out-and-out Land Companies) are to be interposed."

The conclusive words of the scheme are:

"The only rival world political and economic system which puts forward a comparable claim is that of the Union of Soviet Republics."

That was in 1931. In 1938 *Planning* declared that "Only in war, or under threat of war, will a British Government embark on large scale planning." The required war came in September, 1939. In January, 1943, *Planning* couples Soviet Russia with the war machines of Britain and the United States as proving the effectiveness of the planning approach.

The journal *Planning* was started in 1933; from this date secrecy was abandoned.

*Planning*, No. 58, states that the aim of its publishers is ". . . reviving and strengthening the vitality of British democratic institutions by showing how they can be adapted with goodwill and common sense to the means of the Modern World."

As well as this journal, P.E.P. has issued, from time to time, the following Reports:

The British Iron and Steel Industry; The British Cotton Industry; Housing England; The Entrance to Industry; The Exit from Industry; The British Coal Industry; The Supply of Electricity in Great Britain; International Trade; The British Social Services; The British Press; Agricultural Research in Great Britain; The Location of Industry; and The Gas Industry in Great Britain.

According to the London *Free Press* (June, 1936), the findings and suggestions contained in these journals have a decisive influence on the Government's policy:

"P.E.P. drafts a measure, and a few months after the Government introduces it as a Bill."

The journal can see none other than P.E.P. influence in the Government's introduction (1936) of a bill for Re-organisation of the Coal Mines Industry which, at its first reading, was unanimously and bitterly opposed by the coal owners, the miners and the Federation of British Industries.

The work carried out by P.E.P. since 1931 has resulted in the setting up of the following Boards:

Milk Marketing Board; Pig Marketing Board; and many others.

P.E.P. is already in action in the following organisations:

Electricity Grid; B.B.C.; Import Duties Advisory Committee; London Passenger Transport Board; Town and Country Planning Board; United Steel Companies Ltd.; Committee on National Housing; National Birth Control Organisation; International Congress for Scientific Management; League of Nations Union; Retail Trading Standards

That the Government was *interested* in the journals and the Reports of the various branches of P.E.P., as in the publications of the Fabian Society, is a fact that the organisation itself has not concealed:

"British Government departments have found it necessary to buy from twenty to thirty copies of each of the [P.E.P.] reports on Coal, Social Services, and hundreds of local authorities and even public bodies have bought one or more copies of P.E.P. reports." (*Planning*, May 3rd, 1938).

## **P.E.P. Permeations**

One of P.E.P.'s earlier publications (No. 58) was devoted to *The State of the Press*:

"The press group of P.E.P., which has prepared the material for the broadsheet, consists of a dozen people who between them have intimate knowledge of the working of the British Press at the present time, not only from inside it but also from the standpoint of Government and commercial relations, advertising and broadcasting."

Their findings were that:

"The financial structure of the Press is in fact more complicated than that of the great majority of British industries, and this complexity lays it open to the suspicion of being unsound. In some cases interlocking shareholders make it impossible for anyone except those who exercise it even to discover where the actual control rests."

Having classified the various newspapers according to ownership, the journal concludes by showing "to what extent it [the Press] has recently become dominated by a handful of wealthy families."

The fact that the group came to such a conclusion although "it is impossible for anyone except those who exercise it to discover where the actual control lies" might seem to point the identity of the investigators and those in control of the press.

Association; National Labour Committee; Federated Multiple Shop Proprietors' Association; and in all those schemes of "concentration" of industry forced into operation during this war on the plea of "rationalising" industry, not for the greater satisfaction of either consumer or producer, but for greater ease of control by a few people at the centre. Schemes such as that for the concentration of the paint industry have been proposed on the pretext of being necessary for the war effort. It was shown conclusively that to concentrate the paint industry would *impede* the war effort, yet it was only with much effort that the scheme was quashed; but in other industries, members of which had less initiative and patriotism, these plans have gone through. At the beginning of the war the compulsory billeting proposals, which were instituted in preference to other ways of safeguarding the children more acceptable to the public and less disintegrating to family life, were the concern of the late Mr. J. L. Cohen, a colleague of Mr. Israel Moses Sieff at Marks and Spencer's, where he was economic adviser. He wanted to form a central authority in England to deal with both evacuation and billeting throughout the country.

One of the meanest pieces of regimentation in the Beveridge Report on Social Services—that the

pensioner should have his pension only *on condition* that he did not augment it by paid work—was suggested by P.E.P. in *Planning* (No. 50): "The State should intervene to see that superannuation is provided in the greatest possible number of cases on the strict understanding that the new augmented pension is payable only to those who retire from ordinary gainful employment."

War-time milk-policy, with its rationalisation of milk delivery and dictatorial allocation of customers, to which housewives have taken such a strong objection, is built on P.E.P.'s suggestions. So also is the establishment of the United Kingdom Commercial Corporation, a monopolistic body controlled by the State for bulk purchases and sales abroad, which has been the subject of many questions in Parliament as to whether it will relinquish the field to private enterprise after the war. (*Planning*, No. 91).

Be that as it may, publicity has always been forthcoming to P.E.P. and its projects, when required. Both *The Times* and *The Morning Post* opened their columns to articles by Mr. Sieff, preaching the P.E.P. doctrines, advocating a "policy of prosperity" and the "reorganisation of industry" (iron, steel, cotton, etc). And, almost as soon as the articles themselves, there appeared a spate of favourable comment and answers from people like Lord Melchett and Harold Macmillan, both of whom have been intimately connected with P.E.P.

The *Manchester Guardian* on May 17th, 1935, referred to P.E.P. as "that excellent self-constituted body" and the *Church Times* (May 24th, 1935) mentioned P.E.P. as a "group of able people."

This attitude has not changed with the years. On the occasion of the 200th issue of *Planning*, *The Times* of January 23rd, 1943, published a suavely appreciative leading article on P.E.P.'s work.

On the other hand, no room has been given for active collaboration or criticism of the public:

On April 8th, 1939, Captain Acworth, Chairman of the Liberty Restoration League, wrote to Mr. Sieff on the subject of the plans that emanate from P.E.P. and invited him to "debate the merits of these various plans on a public platform." Mr. Sieff first accepted then changed his mind, his reason being:

"When we first discussed the meeting I did not realise that it was to be a public meeting in the sense that the press was to report the proceedings, because, quite frankly, had I done so, I would never have agreed to the debate."

Like its parent, the Fabian Society, from P.E.P. have branched off various groups working under different names.

About 1934, there appeared in the Commons a distinct group of young Conservatives, who with much vigour supported the policy of Planning. They expressed their view in the book *Planning for Employment*, the introduction of which was signed by Lord Eustace Percy, Sir Geoffrey Ellis, eleven other Conservative members of Parliament\* and Mr. Kenneth Lindsay, Secretary of P.E.P., later Parliamentary Secretary to the Board of Education, and Lord of the Admiralty. Lord Eustace Percy, moreover, wrote a book himself: *Government in Transition*.

The Industrial Reorganisation Group came into being towards the end of 1934, its purpose being to persuade leading industrialists to accept the principles of Planning, particularly the National Council for Industry, which is part of the National Plan. Representatives of this group, including Mr. Harold Macmillan, Major Entwistle and Lord Eustace Percy (Mr. Israel Moses Sieff and Sir Robert Horne were other officers), have addressed a large number of meetings of associations representing particular industries, to press the cause of compulsory "rationalisation." The group was responsible for promoting Lord Melchett's Industrial Reorganisation (Enabling) Bill, which would have brought a 'National Industrial Council' into being, but which was withdrawn on account of the opposition with which it met.

The group, in association with P.E.P., may also be held responsible for the attacks by the Government of the time upon independent individuals and firms engaged in the Cotton Spinning and Coal Mining Industries.

It also co-operated with the League of Industry, supported by Frank Hodges, who was at this time a Director of the National Fuel and Power Committee, a member of the Electricity Supply Board, Chairman of four Companies, as well as a Director of the Securities Management Trust, controlled by the Bank of England, Mr. Hodges's association with the Bank is well known.

Speaking in June, 1920, Mr. Hodges said: "We are going to create a first class economic crisis, which will reduce the nation to chaos," and in 1935: "the policy for which his organisation stood was broadly, the new Russian system, achieved without intervening bloodshed." Lord Nuffield was associated with the League of Industry.

Another Group of Planners is that which originally described itself as Liberty and Democratic Leadership.

In February, 1934, organised by Mr. Barrett Brown, the Principal of Ruskin College, Oxford, this group issued a Manifesto signed by 149 persons. The Manifesto claimed that "reorganisation" and democracy are the primary safeguards of Liberty. In July, 1934, the same group issued a second Manifesto, which advocated, *inter alia*, "the creation of public corporations to conduct public services, and the setting up of economic and industrial boards of control, responsible to public authority."

The same group with some changes in its personnel, issued a book in June, 1935, entitled *The Next Five Years*, signed by 152 persons. The views expressed are, broadly speaking, those of P.E.P., but they include observations on international relations, and arguments in favour of Collective Security, which had not been included in the literature issued by P.E.P.\* The link between P.E.P. and the promoters of the book was shown by the fact that Lord Allan of Hurtwood (formerly Clifford Allan of Fabian Socialism), Sir Arthur Salter and Mr. Harold Macmillan were members of the drafting committee.

Mr. Allan Young, Secretary of the Industrial Reorganisation League, attended conferences which initiated and approved the book.

At a three day conference held by the League of Nations Union in February, 1935, on social and economic planning, there appeared as speakers: Lord Eustace Percy, Mr. Harold Macmillan, Lord Passfield (formerly Sidney Webb of the Fabian Society), Mr. Maisky (the Soviet Ambassador), and Viscountess Astor.

In June, 1935, Kenneth Lindsay, Secretary of P.E.P. since its inception, was appointed Civil Lord of the Admiralty, and in the same month Lord Eustace Percy was appointed Minister without Portfolio.

In July, 1935, the Federation of British Industries convened a council and among those presiding were Lord Eustace Percy (a member of P.E.P.), and Mr. Harold Macmillan.

In February, 1936, it was announced that the promoters of the book *The Next Five Years* had formed a Next Five Years Group to advance their views. The present Archbishop of Canterbury, then of York, was a President, with Viscount Cecil, the late Marquess of Lothian and Sir Arthur Pugh; Mr. Allan Young was its Organising Secretary.

The Chairman of Executive Committee was Lord Allan of Hurtwood, the Fabian; the Treasurers

were Harold Macmillan and Captain Philip Mumford. On the Executive Committee were Sir Norman Angell, Julian S. Huxley, Stephen King Hall, Eleanor Rathbone, Viscountess Rhondda, Sir Arthur Salter, sometime member of P.E.P., H. Graham White, Geoffrev le Mander, J. J. Mallon, now a Governor of the B.B.C., - Sir Walter Layton, A. E. Douglas-Smith, R. C. Davidson, John "Bromley, Geoffrey Crowther, W. Arnold Foster, and A. Barratt Brown, who was Hon. Secretary.

Since then, one of the signatories of *The Next Five Years* has become Minister Resident in North Africa, one Solicitor General, and another Archbishop of Canterbury; and Mr. W. S. Morrison, another adherent of P.E.P., became Financial Secretary to the Treasury and later succeeded Mr. Elliott as Minister of Agriculture.

That the Planners continued in following years to pursue their policy of infiltration among all politicians of promise (even though they for a time appeared out of favour) is shown by an article in the *Evening Standard*, August 5, 1938 :

"Those who disagree with the Government are looking with interest to Mr. Anthony Eden, and wondering which way he means to go. I learn that Mr. Eden is being attracted by the planners, the organisation called . . . P.E.P. for short.

"Planner No.1 is Mr. Israel Moses Sieff. In his Park Lane flat he gives some of the best dinner parties in London. Unleavened bread is a feature of these functions. Mr. Kenneth Lindsay, Mr. Robert Bernays, and Commander Oliver Locker Lampson are frequent guests. Mr. Amery is also a friend of the Sieffs."

So are Mr. Aneurin Bevan and Miss Jennie Lee.

## **Foreign Connections**

The strong resemblance between the policies of the United States New Dealers and those of the British planners was pointed out by Mr. McFadden in the United States Congress in 1934. He reported that Mr. Israel Moses Sieff, then Chairman of P.E.P., when members suggested that more activity should be shown, replied, "Let us go slowly for a while until we see how our plan works out in America." *'Our plan!'*

New York sources associate Mr. Sieff with the group of Jews which includes Mr. Felix Frankfurter and Mr. Bernard Baruch, both of Mr. Roosevelt's "Brains Trust," and has included the late Justice Louis Brandeis, and the late Mr. Jacob Schiff, of Kuhn Loeb and Company, who were interested, financially and otherwise, in the establishment of that object of P.E.P.'s emulation, the Soviet State in Russia.

During his visit to the United States in 1936, Mr. Sieff showed great interest in the Tennessee Valley Authority Act, one of the earliest planning experiments for the specific purpose of providing employment, and he is said to have discussed its progress with Mr. Roosevelt. The Act comprised schemes for Government monopoly, forced labour and the preparation of an armed negro contingent. Since the war, Mr. Sieff has made several trips to the United States, and from time to time the light of publicity has illuminated some of his activities there. In 1941 it found him suggesting, in New York, "the transplanted of large sections of the Arab population of Palestine to Iraq, and other Middle Eastern Arab States" in order to make room for Jewish immigrants, a suggestion stigmatised by one British M.P: as "most ill-advised, inopportune, and inimical to our war effort," in the present delicately balanced state of Arab opinion in the Middle East.

In 1942 Mr. Sieff was reported to have told the Senate Small Business Committee, in Washington, that maximum utilisation of Britain's resources for war had been prevented by the "rugged individualistic British shopkeeper's dislike of Government interference"—a statement that has been severely criticised by shopkeepers in this country.

Mr. L. Elmhirst, another very active member of P.E.P., now its Chairman, accompanied Mr. Sieff on some of his travels in the United States in 1941. Mrs. Elmhirst, whose former husband, Mr. Willard Straight, was associated in Manchuria with Kuhn Loeb and Company, had some years previously helped to establish the National Economic and Social Planning Association in the United States, an organisation comparable to P.E.P. in Britain. During his tour, Mr. Elmhirst conferred with the organisers of the N.E.S.P.A., which was re-formed as the National Planning Association, with the object of considering problems relating to the organisation of industry and labour in the United States, for defence as well as for post-war social and economic reconstruction. This was before the United States entered the War, and in one address Mr. Elmhirst coupled his account of the formation of the National Planning Association with the story of the change of policy of *The New Republic*, a weekly journal founded in 1914 by Willard Straight, which had come out strongly in favour of all aid to the Allies. Mr. Michael Straight, Mrs. Elmhirst's son by her first marriage, had recently been appointed Washington Editor of that journal.

Another member of P.E.P. closely connected with the same group of Americans is Lord Eustace Percy. The *Jewish Daily Post* of June 16, 1935, said of Mr. Felix Frankfurter, "When he was in Washington during the war, Lord Percy was an attache at the British Embassy there. A friendship sprang up between the two young men and became so close, that they joined forces and shared a flat."

An assessment of P.E.P.'s activities abroad must not overlook the long attachment to P.E.P. of Mr. Harold Macmillan, Minister Resident at Allied Headquarters in North West Africa, previously Under-Secretary of State for the Colonies, nor that Mr. Amery, Secretary of State for India, was a colleague of Mr. Sieff's on the board of Marks and Spencer; nor that Mr. A. D. K. Owen, General Secretary of P.E.P. and Editor of *Planning*, was in 1942 given a post on the staff of Sir Stafford Cripps when he went on the mission to India.

## Foreign Policy

P.E.P.'s plan for the relationship of Britain with Europe after the war (*Planning* No. 182), advocates a linkage with Europe using the traditional British way of association while withholding all the sanctions that make it possible: policing, economic control, cultural control, armaments, and so on. It is, in fact, such a complete travesty of the British idea that it approximates very closely to the Nazi idea for Europe with the British in place of the Germans. Starting off with the assumption that "With, or without, or against Britain, Europe is moving irrevocably towards unity," the most important facts observable in practice are dismissed in a couple of sentences by the way: "Time and again, in the absence of decisive leadership, the bad old habits of sovereignty, neutrality or national animosity have triumphed in face of the most urgent crises. Failing Great Power leadership those habits will continue to triumph . . ."

After commenting that all problems of politics are at bottom problems of power, the memorandum continues:—

"Power now rests on industrial potential; on the ability to control or ensure the supply of vast quantities of raw materials from sources scattered throughout the world; on a high order of technical and administrative skill; and last but not least on the ability to command the continued and active allegiance of the increasingly individualised and politically conscious masses. These qualifications only a bare handful of the greatest Powers can command. It follows that the world is moving irrevocably towards a new international power system . . ."

"In such conditions allegiance can only be won in the long run by an attitude of give and take, by a political theory based on respect for the rights and interests of individuals and groups, by a belief in power as a means to an end, namely, the general welfare, and not as an end in itself. To the totalitarian systems, with their contempt for all rights and their worship of power as an end in itself, these attitudes and beliefs must always remain alien."

Power, like everything else, is of no value to anyone unless it is used. "Power in itself" is no more than a delusive phrase used of the ambitions of those who pursue power in order to impose their will on the majority of others. If by "the general welfare" P.E.P. means the welfare that is considered appropriate to the individual by the few who plan for the many, then their ambitions come into exactly the same category. It is "power in itself" for P.E.P. or those whom it fancies as planners, in lieu of the Nazi regime, which itself, it will be remembered, was almost as much noted for its social welfare work as for its lack of liberty.

With such similarity in principles, it is perhaps natural that *Planning* applauds Hitler's Germany for doing the things against which we are fighting: "To Hitler, indeed, Europe will owe, as it owed to Napoleon, a number of achievements of permanent value. Above all, he has succeeded in re-creating the basis of European unity, although on lines very different from his aims. Much of what he has done in building up economic and administrative unity in Europe, and in breaking down barriers, it will be neither *desirable nor possible* to undo. The issue is no longer *whether* Europe should remain united, but in what form and by what leadership." (These italics are, of course, not P.E.P.'s).

There are other remarkable likenesses between the two New Orders. P.E.P. proposes the development of a European community, as opposed to the diverse national cultures which recently composed it; so does Germany. P.E.P.'s would be policed by the Allies, chiefly by the British and Americans; Germany's by Germans. P.E.P. wants control of raw materials; Germany has and still wants a good deal more than she had. Germany centralised in Berlin control of the potential raw industries of the Rhineland and the Ruhr with parts of Belgium and Luxembourg; P.E.P. thanks Germany kindly and proposes to hand this control, as it is, to international regional commissions. Germany is trying to Germanise all the cultural institutions and traditions of the countries she conquers: P.E.P. proposes to internationalise them, emphasising the European rather than the national trends, whatever that may mean. Germany is trying to set up a military aristocracy of Germans; P.E.P. says, "Closely linked with the rebuilding of institutions is the gradual development of individual leaders in every sphere. In the early stages British, Dominion and American personnel are bound to play a leading part; and it is one of the most urgent tasks that a start should be made with training British personnel here and now. But a start should also be made at once to place carefully picked"—by whom?—"individuals from allied nations in this country in key administrative positions, *e.g.*, on skeleton staffs in European Reconstruction organisations, with a view to building up a European *elite*."

P.E.P. goes on to suggest the formation of European commissions for food, transport, health, and civil aviation as well as industrial reconstruction, the development of poverty areas in Europe and colonial possessions, "which in the second stage of reconstruction might develop into permanent European institutions under the general direction of whatever authority is charged with the long-term planning of the European economy. At all stages they would work in close contact with the I.L.O., the world commodity controls and any other organisations which may emerge from the co-operation of the leading world powers."

With one or two omissions this is what has already been done or what it is proposed to do in Europe. In some cases, even, the methods have already been proved inefficient. Dr. Funk (according to the *Sunday Times* of February 1, 1942) said recently that "although collective forms in the matter of economic organisation are important during war, they must be gradually abolished later to allow private enterprise free play. . . . Those who think that merchants and their function in international trade can be eliminated should realise the necessity of a new apparatus, which would

however, not carry out the distribution so well."

To all this economic control and interference, the essence of Nazism, P.E.P. appends, like a footnote, a political association "based on the experience of the British Commonwealth." In fact, it would not be at all like the British Commonwealth, for, as *Planning* says, purely political organisations would become less paramount as the economic institutions, over the policy of which the people have the slenderest control, grow more effective.

It cannot seriously be credited that an "economic and administrative unity in Europe" which so scrupulously follows Germany's methods can produce different results, and any system (even the same one) administered by 'perfidious Albion' would probably be even less welcome to Europe than one administered by Germany.

P.E.P. seeks to persuade people to adopt those conditions which a victorious Germany would impose; and to submit to P.E.P. planning would be to lose the war no less certainly than if we were defeated in arms by Germany. Abraham Lincoln once said that a greater foe than the enemy in the field was the Enemy in the Rear. Now is the time to heed his warning. Certainly, whatever P.E.P. may think, the British are no more fighting for the privilege of being the bureaucrats and *betes noires* of Europe than they are fighting to institute a bureaucracy in this country. The man in the street believes he is fighting for freedom; not general welfare, which is state charity and the moulding of a rich diversity of character to the statistician's average, but individual welfare, where each man chooses what he wants.

What is wanted is a flexible system responsive in fact (and not in theory only) to the will and interests of the people as individuals, and serving them to their satisfaction. This is a task which organisation should be able to accomplish. Because the pressure of his nature causes man to seek diverse opportunities rather than standardised frustrations, no Plan, whether Allied or Axis, however well camouflaged with the passwords of the moment, will succeed until it implements this; and when it does it will no longer be a Plan.

## **Personnel of P.E.P.**

MR. LEONARD K. ELMHIRST, who has succeeded Mr. Israel Moses Sieff as Chairman of P.E.P., was previously Vice-Chairman of that organisation, and he is also a Trustee of Dartington Hall Trust. He was at one time Private Secretary to Rabindranath Tagore, and married an American, Mrs. Dorothy Whitney Straight, widow of Mr. Willard Straight (associated with Kuhn Loeb and Company in business in the East), with whom she had founded and supported various publications, among them *The New Republic*.

MR. ISRAEL MOSES SIEFF, former Chairman of P.E.P., is Vice-Chairman and Assistant Managing Director of Marks and Spencer Limited, and Vice-Chairman of the "English" Zionist Society.

MR. KENNETH LINDSAY, General Secretary of P.E.P. from 1931-1935, has since been Civil Lord of the Admiralty, and (1937-40) Parliamentary Secretary to the Board of Education.

Among past and present Members of P.E.P. have been:

THE LATE SIR BASIL BLACKETT, a Director of the Bank of England;

RT. HON. WALTER ELLIOT, successively Minister of Agriculture and Fisheries, Secretary of State for Scotland, Minister of Health, and  
(1940-41)  
Director of Public Relations, War Office.

LORD ILIFFE, Director of London Assurance, formerly Deputy Chairman of Allied Newspapers Limited, and part

proprietor of the Daily Telegraph Limited.

LORD MELCHETT, of Imperial Chemical Industries and the International Nickel Company of Canada.

MR. LAWRENCE NEAL, of the Ministry of Works and Planning, once of Daniel Neal and Sons.

MR. E. M. NICHOLSON.

MR. A. D. K. OWEN, Lecturer in Citizenship at the University of Glasgow, and until recently Editor of P.E.P. Broadsheets.

SIR FELIX POLE, of Associated Electrical Industries.

LORD EUSTACE PERCY, Rector of the Newcastle division of the University of Durham.

SIR ARTHUR SALTER, Parliamentary Private Secretary of the Ministry of War Transport since 1941, and Gladstone Professor of Political Theory and Institutions, Oxford University.

SIR GEORGE SCHUSTER, director of Westminster Bank and other Companies.

MR. C. TURNOR, Agricultural Expert.

Others

working in conjunction are:

SIR THEODOR GREGORY, Economic Adviser to the Government of India since 1938, and previously Sir Ernest Cassel Professor of Economics in the University of London.

THE LATE LORD ALLEN OF HURTWOOD, of the Fabian Society.

MR. HAROLD MACMILLAN, M.P., Minister Resident at Allied Headquarters, North West Africa.

LORD READING.

MR. WICKHAM STEED, sometime Editor of *The Times*.

THE ARCHBISHOP OF CANTERBURY.

*These lists, of course, are incomplete.*

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