FEBC-Tapes

WELCOME TO THE FEBC

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This is the seventeenth of November 1970, a first talk to the FEBC students. Basically I just want to say hello; I can't talk. Just basically I want to say hello, well that's better. That's better.

And you, some of you have been in a state of study away, without talking to Ron about your troubles, and I thought it was about time that we broke the ice here a little bit, and gave you some inkling of where we are going to and why you are here. You probably know that already, but I know better why you are here, and I knew previously.

We are in quite a year here in 1970. We are in quite a year. This year didn't look like it was going to amount to much, when 1969 was busy expiring, and the amount of admin and dev-t that has been going back and forth across the lines here didn't look like things were going so well. But the wild part of it is that 1970 has been about the biggest breakthrough year in terms of administrative technology, and in terms, in actual fact of auditing technology, that we have had since '50 easily.

I'll give you some kind of an idea. I was just breaking through nine and ten OT levels. You've never even heard of them, but our lower level technology is now putting into view an ideal and a dream which we sometimes see, but which doesn't work out consistently in organizations. And we feel that by processing an organizational staff member's efficiency and ability to get his job done will be improved. And we've often dreamed of that, and we very, very often see it lay an egg. And we audit the guy, and he doesn't, you know, he feels better, he's happier, and he still turns out a product that's an overt act.

So, there is in the works right this minute, and is in test on Flag, a relatively simple technology which puts that dream well within your possession at a fairly low level of auditor training. And now, when you're working in the field, and when you're working in orgs, you don't necessarily; well actually it's probably completely impossible to read all of the material that comes through your lines, or to keep jenned in on what is going on. You actually have the public banging on your front door, and you have all of the generated noise of the disorganized, unrecruited, undermanned, misfiled organization in your vicinity. And you have all kinds of demands coming in; one day somebody counted these and said there were twenty-nine command channels into a single org. You were talking orders, and org was taking orders from twenty-nine separate sources. And that would be enough to; that alone would give you enough noise to distract your attention from the fact that something is going on other than that fight. And there's been plenty that's been going on.

Now you come here to Flag, and you find that in the sunny, calm atmosphere of now-here much, this noise drops out of your ears and off of your eyeballs, and you have a chance to draw a long breath and put your attention on what is going on. So you're actually jumping a considerable gap, and so on. There's a considerable gap.

You've seen some of this information which you're getting here come through your lines. The opportunity to see it assembled and coordinated has been practically zero. To see it in action, and see how it all fits together is quite another thing.

Now you're here at a time when, and this will always be true, where organization is being improved. And organization command channels at this moment are just now going out into a very smoother, much smoother state of organization. For instance, just now I've just pulled out of my traffic here a dispatch from the data bureau Los Angeles, and they, head of the data bureau said, "We are now able to provide you any information you care to have on any U.S. org." Wow, see? Now that isn't just information, that's evaluations of information. That's condensed packs. They're in business now to be able to give us extreme condition packs on anything. Well that's, that's a terrific advance.

The officers of some of the areas of these liaison offices have just now left. Three of them left this morning. And the org board of the bureau's just now been hung up, so you're here at a very opportune time. This is the time this is being exported.

Now the pattern on which we're operating is something that you should have some information on. And this pattern itself is of importance, and it will serve you in your stead. There is an FSO called "Expand and Control", and that gives the sequence of expansion. And that is we'll put a Flagship here, and the Flagship puts a Flag org here, and the Flag org puts control points in continental areas, and those control points in continental areas put orgs there. And the orgs put a public there. I want you to look at this as a sequence of action, and perhaps it'll give you some idea of what's behind some of the things you see going on.

Now as far as you in your future position, you will be putting there what there is where you are. And from that firm position, will be putting there an extended position. Now that even applies to divisions. You put there a stable terminal from which you can expand, by putting in stable terminals to expand to. Now this, then, makes a sequence of stable terminals. Now you're looking at it here on Flag on a planet wide basis. In an area you look at it on an area basis, in an org you look at it at a divisional basis. And it all works the same way. You will only get trouble from those areas where you have not taken those steps. And if you're getting trouble from any area, then you have not taken those steps.

So, you go back and you set up an office, and then from that you set up an HCO, and from that you set up this division, that division, the other division. And all the time you're doing this, of course you have to cope with anything that is going on. It's about fifty percent organize and fifty percent handle what's going.

Alright. Now let's say something goes wrong. Let's say something goes wrong, and you just don't seem to ever be able to get in the public divisions, and the next thing you know you're out on the street handing out cards. An org board not only reads from left to right, an org board slides from left to right. And you can slide down that org board faster than scat.

We have a standing joke on ships of me trying to figure out, while singlehandedly conning the ship, how to also stir the crew's soup. Now that is a matter of just sliding down org boards.

Now the sequence is one that is often missed. And the reason why it gets missed is an individual has his attention way over there, and he seldom puts his attention right here. Now we've all seen the housewife who has a great deal to say about their neighbors. And then one day we open the closet door, and last year's diapers and everything else falls out on the floor. We don't even dare open the front door of such a house. Now it is one of the things that we do on Flag consistently and continuously, is reassert the idea, if we can't make it go right here we have no right whatsoever telling anybody else elsewhere to make it go right. And that's a good maxim anywhere you operate.

So one day you find yourself sliding down the org board. By all means handle the situation, but always put in two other steps. Is your house in good order? Are your lines straight? Does your in basket contain stale dates? Are your lines running smoothly? If you straighten that out, why you will also be able to organize then the area which you're having so much trouble handling. So cope, there is always cope. And the other steps are put your own immediate area straight, and organize and put there the area you're having trouble with. They're coping, you're coping in your own area, that will continue. There's always a little bit of cope.…Campbell's Ivory Soap, ninety-nine and forty-four one hundredths percent pure. I don't think we'd ever get so organized that we wouldn't have that remaining percent impure. It would still be cope, because there's in any expansion this trick always occurs.

It's a horrible thing. You think you've got it all organized, and then because you've got it organized, expands. And any expansion will find every weak spot you've got, and there will be a blow up at every one of those weak spots. And you could actually go in some kind of a wild cycle like this, if you weren't completely organized, and if you didn't know instinctively exactly what to do about any given situation. You're doing alright now, you've actually got your cash/bills ratio so it is in some kind of a state. You know what it is, and you're actually getting in some traffic. The org seems to be viable, and then suddenly you get more traffic. And the more traffic catches you without an expansion potential. You didn't have anybody in training to take over some of those extra spots. You didn't have any backlog of auditors that you could call on. You, lately the academy hasn't been graduating many people, there aren't many auditors to grab onto, nobody has been trained in case supervision to take over that course, and it goes bllbllblbl!

Now if you're on the ball, if you're on the ball you will able to organize it sufficiently so that it doesn't go backwards. But the cycle that's liable to happen is the additional traffic and additional business hits you, all the spots around the organization that are slack or sour, or could go sour that were just barely functioning, blow up. And you retract. You don't expand, you contract. So you try to expand again, and there's more traffic, and it blows up the remaining spots, and now you really contract. And you don't do a job of expansion, you do a job of starting to expand, contracting, starting to expand, contracting. And if you do that, actually you go downhill, because people get tired and they wear out.

So, what you do is you have to be sufficiently on the ball that every time such areas blow up, and they will blow up, you're right on the ball and you know exactly what you've got to do at this particular stage of the game. And you beat that area up so that it copes and organizes quickly to take up the slack, and you hold that expansion. And the next time there's a little bit more expansion and things start to blow up, you're sufficiently on the ball so that you cope with it, get it organized, and it'll hold. And that is the cycle actually which an FEBC student should realize he's being trained to do. He's not being trained to be a good student. He's trained to be somebody who is on the ball, so that at any given instant why he can cope and get organization steps in to it fast.

There's two horrible errors that you can make. One is to do nothing but organize. And you can go on doing nothing but organize; you know the art definition, the definition of art? Or communication? It was acceptable communication, you see? And you'll get amongst artist perfectionists, and they never do release one of their pictures. The author never does publish one of his stories, because it isn't perfect yet.

Now you can get that same frame of mind in the field of organization. And it is absolutely gruesome. The organization isn't ready to go yet. It isn't well enough organized, they don't have enough auditors trained yet to really put out the publicity, because it isn't well enough organized. That's a wonderful way to die.

The first Los Angeles foundation, not under my control, the first Los Angeles foundation at twenty-six hundred South Hoover failed, because the head of it, who by the way was a rear admiral and retired from the navy, closed it for ten days to find out if the legal organization was correct. There was no threat, there was nothing happening, but it just wasn't well enough organized. And they accumulated an indebtedness from which they never recovered. Their payroll was too high, they just shut the doors for ten days.

We have organizations in South Africa which close their doors a couple of weeks a year, or used to, and went on a holiday. And all of that was great, except if you just look over their stats you will find out that it takes them ages after that to get the stats going again. An organization's a running machine. And when you hold it up it seems to get sand in its wheels. Now it's perfectly alright for people to go on vacations, but what are you doing not being well enough organized that half the organization can't go on the vacation, and the other half go on the other vacation? I mean, why aren't you organized that way, see? That's all a point in organization.

So organization is basically foresight and prediction, and putting in stable terminals that will handle the flows. Now there are better definitions and more precise definitions of organization, but if you study from that point of view you will have a lot of success. What belongs where?

You will be interested to know that a lot of propaganda set in in the last few years concerning policy. Policy tended to drop out of sight, it tended to vanish. It wasn't given adequate importance, and just as happened in tech at Saint Hills, people began to say, "That is old policy." They, I don't know, maybe they were like auditors that thought technology was simply a process, and you simply read the process off the bulletin, and then somehow or other auditing occurred. But they didn't know why it occurred, and they had nothing to do actually

with the session, except to mouth these magic phrases. The truth of the matter is that the admin tech is a thing not which you learn by rote, but which you get the theory background of. Why is it? Let's weigh. And all of a sudden somewhere along the line in study of it, your wits will suddenly congeal and you suddenly know how to play the piano. It isn't that you are being told how to play the piano by applying certain policies, your familiarity with that line of country, and your familiarity with that basic line of country at any given instant will go into play.

I don't know if you ever rode a bicycle, but there's something funny about bicycles. There's, you can't ride a bicycle, you can't ride a bicycle, you can't ride a bicycle. Boy, there's more skinned knees and bruised knuckles, and sister being impatient and all that. And then all of a sudden, you can ride a bicycle. Well that's what you're trying to do. That's what you're trying to do. And you won't ride this bicycle if you have to say to yourself; it's a good thing to know where this material is, let me tell you. But, if you have to say to yourself, "I think there was a policy covered this situation, and there was some regulation there. And of course our mimeo, but we haven't had anybody in mimeo files for some time, so we haven't got a pack of policy. And I wonder what it was," by that time there's footprints all over you.

Now what you're really trying to do is get enough background know how so that you know how to put an organization there, how to organize something, how to square it around, and you'll be able to know whether it's on policy or off policy, and so on. And you know basically that if it doesn't work it's probably off policy. Or there's somebody got some kind of a wild idea. And it isn't a matter of memorizing a fabulous quantity of material, you have to know all the material, but it is a matter of being able to both know it and apply it, but apply it in such a way as you develop the instinct of it. It has to be down to instinct level, not lip reading level. I mean, you're not, not you know, put your tongue in between your teeth trying to, "Well I wonder if there wasn't something that had something to do with this. They seem to have the, some kind of trouble in the; I wonder if there isn't something somewhere in policy that says how you solve the, ah, hm. And stats were down last week, and…" You'd be in a bad show.

Now you have be able to dish it out, you have to be able to dish it out fast, you have to be able to dish it out off the cuff. You have to be able to whip up an organizational structure at the drop of a hat. It's very, very interesting that the Flag bureau org board, which is just being published just now, is the 1966 compilation seven division org board. Now also, don't get in a frame of mind; and if you've seen it around, banish it; that runs like this. "This policy letter is very vital. It should be re-issued." What's this re-issue? We've had one or two FEBC students show up, and tell us that certain sixty-five policy letters should be re-issued, because they're still valid. It's very funny, but the first run down of organizations that was ever written up in 1950, oddly enough is still valid. I was reading it the other day, I was quite amazed.

Now, so here's a seven division org board. Now the only thing the Flag bureaus will do with that org board, is just like it says in policy letters, it's just like it says. It says the production division can be any production. So what's the production of the Flag bureau? Production of the Flag bureau is data, action, communication. That is what it is doing. The data bureau of course brings in its data, it makes its collection, condensation of the data, evaluation of the data and distribution of the data. That is what it does. And when that's done it goes to

the action bureau, which does planning, briefing and firing. And then when it's already to go there, it goes to the comm bureau, which is the external comm bureau; there's, HCO still handles its internal comm and internal transport, and so on. But this is external comm, and external comm has the traffic outgoing, has the missionaire outgoing, has all of that outgoing, and everything that's incoming. And that's its production. The end product of that is management. the other divisions all have to be there just to back it up. It's an interesting little clock, if you look it over.

Now you in an org don't have anything to do with putting that together particularly, but one of these Flag bureau org boards belongs in the department of the LRH comm. The whole org board belongs in there. If you have a liaison office section in your org, that is the org board he will be operating on, which is quite remarkable. That org board was the summation of the experimental org board; all the other divisions; was a summation of the experiment board of 1965. And when it was all whipped together and we changed everything, Mary Sue, actually, wrote it up. They actually lost one of her divisions, treasury division. We're having to re-write it at this particular time. Fortunately somebody copied it, with variations, and it's preserved, so she can put it back. But we've still got this org board.

Now that org board was running at the heyday of Saint Hill, when it had very, very high stats. When they started moving off of this org board and it started getting lost, and people started talking about policy getting old, and, "Oh, this technique came out last year. We don't use that anymore." Yes, here's all of your material, but we don't use it now. That was what got going. "Yes, well that's old. The only reason you're studying the Saint Hill course is for historical information." It's true, true. I'm giving you actual quotes, I'm not even exaggerating.

The tech was driven out, and that was basically why things went down hill. They lost the tech. But why run any shame, blame and regret on it? The truth of the matter was that we got it back. Now we're getting some protests about so many changes. Yeah, we're going to change it. I don't really see how this is such a remarkable change, to get back everything we all had. Doesn't seem to me to be reasonable.

The other day, with only a couple or three paragraphs changed, I reissued power processing, as it was originally done and written. And it was received with vast acclaim as a brand new development. So all of a sudden, here we see the '66 org board, the seven division org board. We looked everywhere, did anything we can. We have had some of the wildest org boards here, on bureau org boards, you ever saw in your life. Nobody could make head nor tail out of them, and they didn't dove tail. And finally, why I was able to push into place the old seven division org board, and it fitted. And that works, and that's going in right this minute.

So you see, the material you're studying is not of historical interest. It's the very thing which you need at that desperate moment when you suddenly find out that you have a hundred and twenty-nine pc backlog, which has carefully been hidden from you for the last two months. And this arises because the public divisions are doing nothing. And finally in desperation, you ask somebody in the public divisions, "Why aren't you carrying out your routine functions?" And they say, "Well it doesn't do any good to promote, don't you see,

because we just more pcs in, and they can't be audited, so we don't have to work here for some time. We've done our work."

Now you all of a sudden have a problem. You've got three auditors, it's dwindled down somehow and nobody noticed. You've got three auditors and a tech sec, and there are two people in qual, and you all of a sudden have to deliver seven hundred and ninety-five hours of processing tomorrow. How do you do this? That's the type of problem that will all of a sudden hit you in the teeth. It's actually in the field and area of rather interesting discoveries. Discoveries like, there hasn't been an internal comm run for the last three days. And we can probably teach you not to issue an order like, "Get in internal comm. Start delivering internal comm." That's just your cope order, it's just a correction of an error, an omission or an out point. That's just a cope order. Your organizational action is entirely different.

"How come we didn't have any internal comm for three days?"

Now, if you don't have the expertise you get into heavy ethics. When HCO isn't on the ball, and the people in HCO don't know what they're doing, they inevitably will make the product of HCO ethics. And that has been going on now for about two or three years, and this year I called a halt. In other words, it's easier to hit than to hat. It's much simpler to hit than to hat. Comm-ev him, you know? Shoot him, fire him. See, it's much easier. It's much easier to do that than to investigate. Much easier to do that than to draw up the check sheets and put the hat on somebody. Do you follow? So you get the thing of an irreducible minimum, the principle of the irreducible minimum. It hasn't been written up yet. You'll see this around, there will be talk about it around here. The principle of the irreducible minimum of a post.

A post tends to reduce to only its visible points. Let's take, let's take a steward now, not worry about an organization, found that restimulates you, I wouldn't want to do that. And we take the steward, and now the steward has the job of doing bow-wow and bow-wow and bow-wow, and they're supposed to have the wow-wowf and that the linen is supposed to wow-wowf, and they're supposed to know where to get that. And there's supposed to be certain check sheets and so they do, and there are certain reports which they fill in, and so forth. And there are many preparatory actions necessary to being a steward. It isn't just the cups and saucers and so forth, or something like that, appear on the table.

You all of a sudden will get a cave-in in this area, and you won't quite be able to figure out why. And the reason you can't quite figure out why is the visibility is still there. You've got cups and saucers sitting on the table. The job has dropped to its irreducible minimum, below which it will be noticed. And you'll get this tendency, it's a rather consistent tendency. It's a horrible tendency.

So HCO is liable to drop to the irreducible minimum at internal comm. Somebody would notice that. Do you see what the principle is? In other words, all of the hidden or not too visible actions, or which is to say the preparatory actions that makes a good product, tend to drop away from a post, and tend to drop away from an org. And you are wind up with the irreducible minimum, and that is merely the visible.

Now this reverses. When you try to get the thing running, all the things that are out are invisible. So I assure you, you really have to know your business, because the visibilities are still there. There are people at their desks. Mail does get opened and distributed.

Now if you really don't know your business and know what all these little points are and how you have to prepare an action before it becomes a production and so forth, this org could completely baffle you. There can't be anything wrong with it all. It's in flinders and in shambles, its stats are going out the bottom, but people are at their desks, and everything you seem to look at seems to be there alright. Don't open a file drawer. So what you've got is a reduction to the irreducible minimum. It just can't be reduced any further, otherwise it would be noticed. And you'll find out this is a tendency, so that sort of thing is, it's not the willfulness of people, it's actually the lack of full hat. It's a lack of people being jenned in and trained in. They don't quite know what the job is, so they just pick up the visibility.

You know, they bring the mail into the org, but they don't log it. And then you madly are trying to find the missing money that came in from Mrs. Shultz. And where's the mail log, and somebody looks at you and says, "Huh?" Or somebody looks at you brightly and says, "Oh yes, well here it is." And every day there's one entry, and it says, "Mail received."

Now it's out of these things that disaster is made. Franchises can make a great deal of money, but they do not make a great deal of viability. They do not stand up over a long period of time. One of the reasons they make a great deal of money is because their prices are very often much higher than org prices, and there's a lot of other things with this way, and you say, "Now look. Here's all this money," remember there's no viability goes along with it. To run an org you have to run it at higher volume. And you have to run it at a very high volume, and you have to run it at a very excellent product. And if your product is excellent and your volume is high, you will be in clover just pocketing all of the loot in the world, with all the quarters and so forth. But it has to be high volume. And when you get into high volume you get into sophistication of organization. The receptionist can't sit there and keep it all in her head. So, therefore we are going in to the higher level of sophistication of how you run an org, and it can expand. And an org can expand on up the line. And if you follow the principles of organization it can stand on up the line, that would make Standard Oil look like a filling station.

And if you don't know the principles of organization it just won't expand, so it doesn't get up to the point where it can pay its staff members enough. Doesn't get up to a point where it can afford the things necessary to do. Nevertheless, even as they exist at this moment, they are very viable. We haven't lost any orgs except those which we ourselves closed out. Fantastic. Quite a record, actually.

Now, been a lot of hard work, there's been a lot of tears, there's been a lot of sweat has gone into keeping things running. Now there's a way to run these things, which makes them much more remunative, which makes it much easier and so forth. And now is the time.

Now I might as well tell you why it is that we are suddenly launching; it isn't just the technical breakthroughs. I'm putting together organizational material and making some breakthroughs, partially in self defense, partially getting stuff together and so forth, so that we can teach an FEBC. There have been many series's of things released here. There's the personnel series, the org series, part of it's the PR series, the organizing series. These things are quite vital information. And it isn't because they're newest and best. People around here very often are saying, "But you wrote all this in 1958." I say, "Yeah, I know, I know, I know." But

it's put together in a cohesive package, and there had been here and there an improvement in the communication of it. And the improvement in organization is the communication of it.

Now if I'm writing now, and you get a big cognition on the fact that the, that it's putting an org board together is a matter of products; it's a product, it's a product and a product and a product, and so forth. Look at the '66 org board and you'll find out that its items are all expressed as products, but it had not been stated. Learning how to communicate something to somebody else is very often a bit of a breakthrough in itself, so you'll find some of this material has never been communicated, but is inherent in the policy which you are already to some degree familiar with.

I don't wish to get you clouded up on this. It isn't that the materials are not valuable which are being released, but they are an extension of the materials which already exist, and are being gotten together, and are being used, so that they will communicate. I discovered about eight or nine months ago that there were certain chaps around who just couldn't seem to get the idea of what an organization was, or what organizing was, or what did organizing consist of, do you follow? And I just found out that I just was not getting that across. Didn't find it out in an org, I found it out in an engine room. And so I just started tentatively trying to improve the communication of what an organization was, and then found out that I was in conflict with think. I found out there was an identification between a suggestion, an order and a comment, and these were all the same. That broad policy that covered all situations was exactly the same as some casual comment, no difference. And I finally figured out that well, we had better find something about logic.

And about April I rolled up my sleeves and tackled this subject as a subject, and they've written an awful lot about logic. It's a formidable subject. If you want just an exercise in headaches, open the Encyclopedia Britannica and read what it says about logic, just the Encyclopedia Britannica, I mean condensed version. Man didn't know what logic was, he had no idea what logic was. He had some formulas for logic, each one of which could be thrown aside by the disarrangement of data. Ah well, if the whole subject of logic could be thrown aside by data, what was he doing studying formulas when he should be just studying what is data? And that made a breakthrough, and that pushed us ahead quite a bit. So that was a complete development all by itself.

You'll find in an organization that your trouble is as simple as you have people who cannot distinguish an order from a comment, a policy from a suggestion, these are A equals A equals A, don't you see? Well how do you pry this apart? Actually we have the technology by which it is pried apart. It's relatively simple technology, fortunately. And we haven't published a final text on this yet, actually it's sitting here on my desk, because it was advertised before it was complete, and I hadn't realized anybody had offered it for sale. That's somebody really putting the crush on you. I haven't finished this subject up, and they say, "It's all for sale." Yeah, great. Oh boy.

So, the subject of logic has a great deal to do with the subject of communicating data. And you find out it makes a wild to-do when you all of a sudden find out that they're putting all the typewriters on the floor and so forth, and then you find out that somebody simply casually remarked that, "If they wanted to clean the desk tops, why they could put the typewriters

on the floor." See, a suggestion. The guy says, "We never can mop these desks," you see, and so forth. "Well, why don't you put the typewriters on the floor and so on." You come back in and all the typewriters are on the floor, and they've been on the floor for about a day or two. And somebody says, "What's your letter stat," and it's gone and, "Why is it?" "Well we can't type lying down here on the floor." And you say, "Who issued such a silly, damned order as this?" And they say, "You did." You'll just be very interested that the communication factor between an executive and a staff can be so balled up that you will not suspect why you are working yourself to death. It's marvelous.

You think I'm kidding. I have found such orders kicking around this ship as, "The commodore said that the fathometer had to be left on all the time." Which, traced back, extracted from a casual remark during a watch on soundings, that is to say where the fathometer would read where the water was shallow, from, "You ought to leave it on." It was taking a fellow fifteen or twenty minutes to get this thing tuned in if we wanted a sounding. And it, "Well, you ought to leave it on." They omitted the time span out of that. The time span wasn't understood, and so there we had a fathometer. Anyhow, this kind of thing is, is kind of weird. But you'll be absolutely dismayed how often this occurs, and how this sort of thing is responsible for some of the flubs which you see.

The communication is out. It isn't that you haven't said it, but it has been understood in an entirely different context than you thought it was. And this can be so baffling that it absolutely ruins your temper.

Now if you really know your business and know what this is all about, it is true that you sometimes have to blast things through, but if you know what this is all about, you will recognize that communication and relay of information may very well be the factor which is missing, and which has caused an upset in some area. And you'll be looking for some culprit, and if HCO is not really on the ball, it'll be willing to hat only when it is hit, and you can get yourself all stirred up about how bad it is and how bad these people are and that sort of thing, when as a matter of fact there's just simply a communication breakdown.

Now administrative skill is what I hope to talk to you about a bit before we, before you go back. It's just this basis of administrative skill. It's not a subject which I'm willing to write up forever and nigh. You will see this everywhere in your studies of administrative technology. But it's a special skill, administration. It's actually, contains the establishment of the communication lines, and the flow lines, and the information lines and so on, so that you can get team operation. And unless you know that you have to have a communication line on which to relay information, why the information won't be relayed, and therefore you'll get a team breakdown. And an organization which does not have good administrative guidance can often look very suppressive.

There are two points in the organization which are of equal rank, and each one of them has an entirely different idea of how something should be done, and nothing is going to flow between those two points. Simple thing, like memberships. You just never can mail a membership. And you can curse and damn and swear, and issue orders, and stamp up and down, and say, "Mail those memberships," and it still doesn't happen. And eventually there's a sudden surge and a breakdown, and you find out that five thousand membership cards have just

been mailed, blank. And you say, "What a silly fool!" See? And that actually, you're fighting with phantoms.

These are all phantoms. You had two points of equal rank, and they were not in communication, and they didn't have a senior who was enough on the ball to see that the communication line flowed between those two points, and that those two points were inadequate agreement. So that membership is saying that it has to have an invoice before it will make out a membership card, quite rightly. It's always marvelous when you look into these things to find out how right each post was. And you'll find out that cashier is saying he has to have an actual file, to know who is renewing their memberships and who isn't, and that he cannot take this money and write an invoice on these things unless membership will furnish him with this or that or the other thing. You see, I'm just making one up. Although I ran into one like this, it was actually simpler than this. And they just can't get into agreement with each other on how they make out one, and both of them can be put in such a box as he feels his head will be cut off if he does anything about it at all. Now this is what is known as a bugged order, or a bugged project.

Now if you don't understand that communication has a great deal to do with it, a lot of your projects and orders and actions will get bugged. You have to know how to talk to people, and you have to know how to ask them questions. And sometimes this can be very, very dismaying. In Washington one time it took me two weeks to find out why nobody could go from the registrar to testing. I, nobody could go. I mean, that was it. I used to say, "Do you send people from the registrar to testing?" I was getting so into that frame of voice, you see? "Do you send people from the registrar's desk to testing?" "Oh yes, yes, yes." "That's good. Oh god." Up to testing, "Do you, do you receive people up here?" "Yes, oh yes. Registrar sends them up." "Do you test?" "Oh yes, yes, yes, and get the results out instantly." "Fine. Why in the name of god won't this line work? Why won't it work, why won't it work?"

A few weeks later, when I'd completely given up on it, somebody asked me for a ruling on something. They said it wasn't right to leave this money under the blotter on the registrar's desk in an unlocked office. And I said, "Well what do you mean it isn't right? It'll only be there for a few minutes." "Oh no. It's often here for a couple of weeks." And at that moment the penny dropped. They only tested on Monday. So if somebody came into the org on Monday afternoon they could not be processed until the following Monday. Pardon me, couldn't be tested 'til the following Monday, even if an auditor was available. The miscommunication was to testing, and that is they were supposed to have just a little two minute test. Actually a meter check sort of thing. That was all they were supposed to do. And that had never been communicated to the testing post, so they just tested everybody on Monday morning. And naturally it didn't matter how many pcs came up from the registrar, they still had to wait 'til Monday morning. So somebody had dropped the time factor out, and it made a psychotic situation, but there's a mis-communication. Guy didn't know what his job was. Guy in testing didn't have a hat that was complete. Now he was doing what he thought was right, and believe me, it was costing the org a fortune and it was breaking tempers and ARC breaking pcs all over the place, and we just couldn't find where this line is.

Alright, so communication, you can talk all you want to about technical know-how on admin, communication is still part of it. Is the hat complete? Is it real? You have to realize

that somebody isn't just defying you if something isn't happening, that it's bugged. And you have to be able to understand that it may be the communication which is bugged, and you have to clear this up, or you have to have somebody in personal enhancement who can clear it up. This post isn't running right, what doesn't the guy understand about it? What is the condition of this post? Other things of this character.

Now you're actually working with a communicating entity, and that communicating entity makes a team. And if it isn't communicating, and if you are not communicating to it, and it isn't getting the data, why it won't operate as a team. Simple as that. It isn't how good their morale is, it's just that they're not in communication with one another. So you see a recent innovation of such a thing as a Flag bureau data letter. It has no command value particularly, it is sent around for information, but it can give you the program of an area, it can give you the evaluation, it can give you what's happening in Keokuk, and why Joe Blow was removed and why somebody else was appointed. It's just an information bit.

Now you say, "Well you can clutter the place up with information bits to such a degree that nobody will read them, because you've got a jammed communication line." That isn't necessarily true. An informed group will operate as a team. A group which has communication lines will operate as a team. And your agreement between posts is essential. And these are some of the skills of an administrator. How does he get those lines flowing? How does he get these guys into communication?

Now you see this great, wide world out here of super industrialism, and you say, "Well how is it operating?" I'll let you in on something. It isn't. Money is inflating, inflating, inflating, inflating. Now what is back of money inflation? Partially political, but the other part of it is, is those cats produce those ornate fronts, and those beautiful, swank offices, and those hot and cold running vice presidents at such enormous expense in comparison to their production, that they are not viable. And you're looking at a whole civilization that isn't viable. Look at what your dollar bought last year, look what it buys this year. It's going right up in smoke. Well that is because production is not being done efficiently. That would be the first thing that you would say about it. Actually it comes, it's so gross that it isn't, it's being politically interfered with, and every other thing that you could think of is in the road of a proper, smooth running activity. And the world is actually carried on the backs of a few desperate men, and a poorly administered area is carried on the backs of its poor, desperate executives.

Now if you really know your business, you can de-bug it, get it to flow, get it to expand. If you really know your business you will get absolutely fantastic amounts of cooperation from your staff. It is very, very interesting. I have seen somebody who knew a division, whose personality you'd say was quite poor, whose this was bad and whose that was bad, and whose charm and whose this and that wasn't all that good. And I've seen him take over a division from somebody who was an absolute charmer, a hale fellow well met, and so on, and seen the whole division brighten up, become very enthusiastic and on the ball, and production go up through the roof. The difference was know how. The guy who knows is respected, and the guy who doesn't know can use all the PR in the world, and he'll still fall on his face.

So, with that I have given you as much as you can assimilate at this particular moment, with the whole course staring some of you in the teeth. You'll find out that you have

some new study technology which is being handed to you. Some of you are really going to be put over the jumps on this subject, not because you are a bad student, not because you don't know your business, but so that we can speed up the ability with which you can assimilate information. And the ability to assimilate information is one of the finest skills an executive has.

Now the enemy is just about ready to give up the ghost. He has given up several ghosts lately, very spectacularly. They have risen in the air. Enemy press and that sort of thing is getting desperate, and so on. We're getting ready for the big push, so we think it is time we grooved in the heads of organization and its principle executives so that they can put an organization there that'll really run. And we think it is time that we prepared for the kick off, because that kick off time is now. Thank you. Thank you. OK, back to the old salt mines.

PR BECOMES A SUBJECT

How are you? (Fine, thank you.) Well some of you are alive. Now what happens here, this is the eighteenth of January AD 21. What happens here, very often, used to happen at Saint Hill occasionally, is the developmental line would exceed the write up line. And that essentially is what has happened here. And I found it best to give you a very rapid rundown of the, one of the several developments which have been made in the field of administration.

The area of administration is comparable to auditing on the third dynamic. And where an auditor has one pc, an administrator has a whole bunch of them. And he audits on standard procedures, and he audits at a very rapid rate.

Now if you can perceive administration in this light, as having a great many procedures, but all of them very standard, you all of a sudden get a new look. In the field of PR, for instance, the main trouble is that no one uses standard PR. It's practically no one. There is a textbook on the subject. One of the reasons why the textbook is not completely applied is the discipline is poor in this field, because the subject itself didn't have any great use. Well we'll touch on that this evening, but I just wanted to give it to you as an example.

So that here is a field, there are certain standard procedures. Now hardly anybody but a Scientologist would know what you were talking about if you said standard procedure. Says, "Oh yeah, well yeah, blaoah. Textbook, yeah, you read that in school and then, then you go out and you do something. You know, textbook hasn't anything to do with it." That's the truth. And one of the difficulties the world is in right this minute is they've thrown away the textbook of economics. And there's a couple of Hungarians, not that there's anything wrong with Hungarians, but it's a great oddity that a couple of Hungarians have been for the last decade or two wandering around from government to government being employed by prime ministers, and they give him a whole bunch of squirrel economic technology, and the country goes broke. It's quite a system. And I'm not joking, actually this has been going on. The last place they stopped was England.

A little earlier than that there was fellow name of Lord Keans. And Lord Keans, he had some, he was part of the Oxford movement I think, and he was part of the Fabian group, and they had peculiar sexual ideas and so forth. They were very strange people. And Lord Keans took the textbook on economics and wrote it backwards or upside down, crossed it with the manufacturer of fire crackers and the burial of dead rats, and began to teach this very broadly so that in the early thirties we begin to find Keansian economics being practiced very hard and fast and furiously, and by the professors only, at Harvard. And from Harvard it swung out into the remaining American universities, and went out into other" universities in the world, a completely untried, ivory tower professorial approach to the field of economics,

the central theme of which is create want. So that if you create want, economics all solves itself. Only he forgets that he is simply squirrelling on the law of supply and demand, doesn't state that, forgets anything having anything to do with inflation and deflation, and now we as a group actually are confronted by an escalating inflation. And this inflation subject is a very nasty subject to have much to do with.

Inflation is predicted through the seventies at the rate of about eight percent per annum for the U.S. dollar. Well, that's just another method of placating the public, because it's been escalating, rising much more rapidly than that in the last few years.

Trouble with inflation, if anybody looked at the basic textbook on the subject, is it goes in an upward, swinging curve. And the curve gets steeper and steeper and steeper, until it gets vertical. And at that point, that's it. You bury your money.

Now it's happened with several countries recently, and these countries have bitten the dust, and they have not been the same country afterwards, they were in different hands. So if the primary financial income of our movement is from the United States, and somebody is tampering with the United States dollar on the basis of a squirrel textbook; people have suddenly woke up to it. I mean, it took them long enough, 1930 forward, you know? People suddenly woke up to the fact that they're dealing with squirrel economics. There's beginning to be a fairly good hew and cry on the subject actually. They've traced it back to Harvard, and it sort of, there's a book just been released on the subject exposing it all. Actually I collided with it a few years ago and wondered where all this came from. Found the rest of the world didn't know where it all came from, and did some tracking down on it myself. Somebody who was a suppressive decided to ruin a lot of economics, and they've succeeded in doing so. And this gives us a problem.

Now how does this come in to what I'm going to talk to you about tonight? Well it comes into this because I'm presenting you, there's an actual problem. Money will be worth less and less, but probably under the weird duresses of the thing there will be less of it. Worth less and less, and be less of it.

Now therefore, a movement which is expanding requires certain things. It is expanding into; we are actually expanding into a world which is to be, make an understatement of the age, a bit mad. And we have to exist within the economic framework of the society. If we don't exist in the economic framework of the society we'll have had it.

For instance, it might amaze you, but that SMIRSH, the World Federation of Mental Health, the National Association of Mental Health Network, is having an awful time. We decided some time ago" to cut off their supply, and we are doing so. They nevertheless have all the government appropriation there is in the field of mental health. They are dependent only on the bayonets of the government, really, and to the degree that they're supported by governments. That makes a very weak movement. Makes a very weak movement. The wheel turns, the political wheel turns, the political fashions fade, because they're not delivering anything, which brings us closer to our subject tonight. Their product is death.

Now anybody can produce that, without going to a university for twelve years. I can see Amathea Hood right now requiring her certificate that he has studied for twelve years… Now this is not into an unsavory line. They are badly organized. They appear to be fairly well

organized, but they're not. They're badly organized, they're badly financed. A group such as our own, going into a world which is not too orderly, succeeds to the degree that it is efficient, that it has workable, useful technology, and to the degree that it stays alert and handles the situations as they arise. Those three conditions are necessary to a forward movement and an expansion.

So it has been my basic work here in 1970 to bring forward enough administrative information, and enough administrative technology to bring the field of administration into a par with auditing, which as you know is terribly precise. Now that has been accomplished in the theoretical and in the practical aspects, both. Now therefore, the FEBC and the material which is being taught at this time leads up to these breakthroughs in the field of administration. You are not dealing now with somebody's idea of how the thing should be, you are dealing with some natural, basic laws. It isn't because I have an idea that if you say, "Do you have an ARC break, ARCU, CDEI. Is there an earlier, similar ARCU, CDEI? F/N." It isn't because I say this works, or that this is true, or that the mind should operate this way, that is not that. It is a basic discovery, it incorporates many parts, but these things assembled come into flying a rud. Now there's theory merging into practical application with which you are all familiar.

Now this can be gorgeously abused. This is for a pc who has an emotional upset. So if the pc is sitting there with a high TA, we say, "Do you have an ARC break?" Misuse of the tool. So, the auditor struggles around, and nothing much happens, and sometimes he actually makes it and gets the TA down by some other means which is disguised inside this subject, but the truth of the matter is, is after he's done this with this pc a few times and so on, you'll find the pc is now ARC broken about ARC breaks. The technology is sufficiently good to obtain a recovery from that too. But this is a standard technology.

Now what is this? Basically the situation is that there is a situation. That is the first thing one has to be able to recognize, that there is a situation. Now to know there's a situation one must have a familiarity with an ideal scene and with" the existing scene. And he finds the existing scene is different from the ideal scene, so he knows he has a situation.

Now the situation can be analyzed by taking the data related to the situation and narrowing it down, and then we find what caused the situation, which we call a why. And having found that, we can remedy it, and the pc recovers from the ARC break. Oh you thought I was talking about administration, didn't you?

Now if you put these two things then a frame of reference, you find out that we now have in our hands a superior administrative technology, still in a developmental stage, as all progressive or dynamic technologies are. Progressive and dynamic technologies actually do not cease to develop, they continuously refine. That staggers somebody if he doesn't realize that what is being refined is the progress being made by the basic law, not the change of the basic law. They think the law of gravity keeps changing because somebody eventually develops a method to make anti gravity, don't you see? The law of gravity has not changed.

When you have isolated the basic laws you get a continuous refinement. Some people are idiotic enough to call mixing a bunch of chemicals in a test tube and getting soup instead of dupe basic discovery. No it isn't, what it is is simply development from basic discoveries

which are made. There probably has not been a basic discovery made on the planet for the last twenty©five years, except perhaps in our field. This is pretty interesting. All we get is a developmental progress, whereby people refine what they already knew. There were several basic discoveries made in the early part of the century, and the last of them probably was how you tickle the tiger's tail and plutonium, to cease to exist at rapidity, and then how you managed to make hydrogen de©hydrogize at vast violence. Those took some basic and original discoveries which were not new at the time, but the developmental line exposed them into a practical application.

So anyway, there hasn't been any basic discoveries to amount to anything. Nearly all these discoveries which you see around, they're not, all these developments which you see around, the faster automobile and so on, is simply the refinement of something. So you can continue to expect refinement from the basic discoveries which have been put together here in the last year. And actually within the last twenty©five years in this field, because it's been under investigation.

Now these laws which we're working with now are not resident in just last year's work. You will find them spattered all through the OEC course, these fundamentals. Now as these fundamentals are put together you approach something that appears to be a standard procedure. A standard procedure is subject to refinement, just as you get a further workability. In the field of public relations itself, we have just started the subject. The subject actually did not exist, except in somebody's imagination, as an applicable technology, because they didn't apply it the way they should have" applied it, and they didn't know what it was for, and they didn't know it's basic laws. It's very amusing, but public relations just began. Now every professor that teaches public relations would contest this madly. "Oh it began back in the, 1911!" And I would say, "Professor, for the love of Christ, will you please research your subject. It began in Rome with political campaigns, painted on the outside of the coliseum." I don't happen to be kidding right now. But as far as our written technology of public relations is concerned, it goes back, way back. And as far as the written technology is concerned, it belongs in Rome. And it started out there as a formal subject to get senators elected.

But there's been very dim fumblings all the way along the line. Now what would you do if you suddenly took this subject, if you took this subject in so many wads, and all of a sudden it had a precise, exact role that you couldn't get along without? What would happen? All of a sudden it wouldn't be something that they hired six guys in this hundred million dollar firm to exploit and to monkey with, and they sit in the back room and figure out how they can do this or that with this or that. If any of these guys use their standard technology they'd probably run, run well. But it's very difficult to get these fellows to use a standard technology, because they really don't know their own textbook too well. There is a textbook see, but it's some technologies. Now what are they for?

As a result, they have let an entirely different part of the university walk off with about fifty percent of their subject. I can tell you what public relations is for. What is this subject for? Public relations is for the handling and control of human emotion and reaction. Ah, we've got a subject now. Yeah but look, they gave fifty percent of this away to the psychologist who fumble©dumbled it all up and applied it to rats. Now there's something coming adrift. So they split their subject.

It's a third dynamic technology. The psychologist moved it all over onto another dynamic. He tried to get it over onto the first dynamic, and this, that and the other thing. So what is the central subject itself? It's the handling and control of human emotion and reaction. Good. Well now you have to do quite a bit with this subject. Immediately you have to do quite a bit with this subject. Ah, we're away now. Oh this is what this stuff is for. Good.

Alright, now what parts of what do you have to use in order to do this? Well, according to the public relations technologies, you've got one that runs something like this. You do a survey, and on the basis of this survey you put together a program, and you use your various communication media, word of mouth, newspaper, magazines, loud speakers. And with this various communication media, based on this program, you alter human emotion and reaction. Actually it's such a failure the way it has been done, that in the public relations textbooks they say, "People who say they are molding public opinion of course are just silly. Newspapers think they" mold public opinion. Ha, ha, ha," you know? In other words, they're laughing at their own subject. In that little line it says, "This subject has failed."

Let's go back to Science of Survival and see how this thing works. We do a survey, we put the exact arithmetical number on each question of this survey in its response. Alright, let's ask this question, "Do you like dogs," and the fellow says, "I hate dogs!" We put.5. You got it? Science of Survival, put it down arithmetically, you add up that question and its arithmetical values, and number of people it was asked. You could do it as crudely as then divided by the number of people, and you find exactly what tone scale point you are working with. To control a tone scale point you move; old law; you move half a tone to a tone above it. Your campaign must then be half a tone to a tone above it. Instantly and immediately you have a successful campaign, which molds public opinion, which controls human emotion and reaction.

So there we are. Yeah, but how do you get these questions, I mean the question, that's it. That's very simple. There's nothing much to this question. Three questions, one is the equivalent of be, one is the equivalent of do, one is the equivalent of have. Very good. Be, do, have, three questions. Above and below it why, you could have a couple of null questions. You're trying to find out if somebody on the assembly line likes automobiles. He's building them, does he like them? Well that's an easy one, because it's already a human emotion. "Do you like automobiles?" Well lets' find out if he's going to work on the assembly line. Let's make it a little bit tougher. Now we're going to find out, "Are you going to work on the assembly line?" Alright, we go around and ask the public relations thing, "Are you going to work on the assembly line?" The guy says, "No," and the next guy says, "Yes," and so forth. You're no place.

So therefore you take the questions you want to know on the subject of be, do, have, and you encode them into human emotion, using the ARC triangle. We don't care whether you put A or R or C after each question, you're going to translate the basic question that you know into human emotion, in order to obtain involvement. And you immediately have involvement. So you get the true answer, don't you? But the target of your subject is of course the control of human emotion and reaction. So if that is the case, then you would have to have involvement in human emotion and reaction.

So how do you put this question together? Let's go right back to battery now. This subject is the control of human emotion and reaction, so therefore the questions of your survey have to be what you want to know, transported over into a human emotion and reaction. B, "Do automobiles exist?" translate at once across for an A is, "Do you like automobiles?" Now you will get then an emotional response which can be plotted.

Now why all this? Now you see I'm teaching you this backwards. " I'm moving back. Now the penny drops. The primary barrier to production is human emotion and reaction. The primary barrier to production. All at once we know where PR lives, there's its use. Not in getting somebody to become a man of extinction by drinking Seagram's Whiskey, to aid and assist advertising, which would be a minor use, but actually to sound out the public to which the campaign is addressed, so as to handle the human emotion and reaction.

Alright, now I'll trace it back through the basic laws that we're involved with then is, the primary barrier to production is human emotion and reaction. Public relations is the technology of handling and controlling human emotions and reaction, so you have to find out what is the human emotion and reaction, so you get an encoding of the question. Three questions, one be, one do, one have. You translate those over into an emotional question by adding the ARC triangle, you plot that now, you get your human emotions in response to these questions. You add them up, you put your program together against the tone scale, one half to one band above. You will have a pretty uniformly successful method of reach.

Now are you willing to argue with me that I all of a sudden tell you that PR has suddenly become of age? So the subject has been around since Rome, and it does have its own technologies. But the most ignorant people of its technologies are some of the PR guys with whom I've worked. Now I've been trained in this field, and the oral tradition of the field does not contain a great many of the textbook solutions. The textbook technology is missing to a very marked degree in much of what you call the oral tradition, when you're taught verbally by these fellows. They know what to do, kind of, but they find themselves often adrift.

I went back recently and read the textbooks of this subject on its developmental line, mostly accumulations of experiential application. And I was struck by the fact that very few people use, in this field of PR, very few people in this field actually use standard approaches. They're a little bit squirrelly, but there is a standard approach. Ah so!

Now, why don't they use a standard approach? Well the subject wasn't oriented. What is this subject for? So the dumb fools go and hire a psychologist. They're the birds who control human emotion and reaction, so they hire a psychologist. I think this is marvelous. Right in their own technologies. Now these were then insufficiently exact as procedures to impress the practitioner. They were insufficiently exact, insufficiently precise. So he thought he had some judgement involved.

But if you know Dianetics and Scientology, and you move into this field, you will all of a sudden find that they mourn the absence of a science of the mind in their own field. Like how can you do anything with this subject unless you have a science of the mind? That remark is made in their textbooks you see, types of remarks" like this. They mourn their lack of success, and actually they don't even know our communication formula.

Our communication formula is vitally necessary to the practice of this field. Vitally necessary. It's as simple as cause, distance, effect. If you take just the short handed formula, cause, distance, effect. Their public relations are communication media, and they think of themselves as a communication technology, they do not have that of cause, distance, effect. They don't have it streamlined down like that. So, when they say, when you make a survey, they actually have missed. If you go into some of their textbooks, they've actually missed certain points that were vital.

There's an FO right now which gives you the proper cycle, and it does not agree with the textbook cycle because the textbook cycle has simply left out a couple of steps, that would have made somebody fail. I needn't go into it any further than that, it's just there's the reason why, why one was turned out, which was a public relations form for submission for an OK. And it follows a definite cycle of action which is based on, actually, the communication formula and so forth. It's highly precise. And that was because they didn't have the communication formula, so they couldn't write it up in their textbook as to what you did exactly, so they missed out a couple of points. And then, those two points of action would bring about a failure.

One of the reasons why managers sometimes throw them out the front door and won't have a public relations firm anywhere around is they very often popularize a flap. They don't pre©survey. Somebody just gets killed in the plant, newspaper reporter calls up, "What's this I hear about somebody being killed in the plant, Bud?" You know, in good English like they use. And the public relations man gets on the phone and he says, "No comment." See? Or he says this or he says that or he says something else. And he mishandles this, and then he assumes that there is a situation, that the people in the town are going to be very alarmed because somebody has been killed in the plant by poisonous gases or something, so public relations at once gets out a campaign saying how these poisonous gases are not very poisonous; they didn't bother to survey. Was there a situation? You see what point was missing?

So public relations very often is involved in handling situations which don't exist. And they very often find themselves involved in bringing about situations which didn't exist.

Let's take a fellow who isn't good textbook in the field of public relations now. He glanced at the textbook on his way through class one day, by accident. Now he goes out, and he's worked alongside of some guys who are old timers, and they know best. And, frequent change of auditors is one of the reasons why the firms they go to work for fail, by the way. It's actually just that. The company account, your company's account is handed through so many account executives, and the turnover of account executives is so rapid, that the service being rendered from that account is poor. And" this is traced as a primary reason why you shouldn't use an independent, outside public relations firm. Frequent change of auditors. Goes back almost to an auditor's code, don't you see?

So this guy, he fumbles around, and he gets himself some kind of a; he's got a job. He's sort of trained experientially in practical aspects of it. Maybe he gets up as far as TR0, see? But, practical aspects of it he puts into practice. And these various practical aspects are some little rules that have sort of been made up, and he manages to go through. Whereas a matter of fact, a matter of fact, there was a procedure in the textbook, if he had studied it,

which probably would have brought the situation off. So he goes off half cocked on some kind of a campaign on somebody's hunch, "I'm just sure that these characters will like these Wheaties with green tops instead of red tops." Get over in the field of market research, you see? "I'm just sure of that. Alright, now we're going to have you tear off your mother©in©law's head and send it in, and we will send you a box top," or something, you see? And he lays a god awful egg with this campaign. The company puts out a hundred and twenty©three thousand, seven hundred and ninety©four dollars and sixty©two cents, and they don't get any mother©in©law's heads at all. And then somebody goes back and he says, "Say, what do you know?" He said, "We did, you know," he gets a tip some place or another, you know? "You should have asked people first. You know?" "Yeah, I guess I shoulda asked people first."

Actually, they might not even get as close as a formal survey. But they might get this close, "Well alright, we'll call up the Gallup Company. And after this, when we talk about mother©in©law's heads we will get a survey made out in the public as to whether you like this sort of thing or don't like that sort of thing, and that costs another two hundred and twen-ty©five thousand dollars." And they get a whole Gallup Poll survey done, and guys go around in the streets and shove microphones at people, and knock on doors, and they get all written down, and send letters to selected publics and oh, they're very expensive. Anyhow, then they find out this survey, when it was all put together, seemed to be very reliable, but now they said to tear off the bottom of the box which is now purple, and that they would, the company would send the family their mother©in©law's head, see? And then this campaign doesn't work either, and somebody then gets a vast research project together and they finally find out that people on surveys don't tell the truth. And now they've got the bug©boo.

The bug©a©boo of a survey is that people say what they think somebody wants to hear, and they say, "Oh yes, I love Wheaties," whereas a matter of fact, they smoke Lucky's, you see? And they find out that the lie factor is so great that they have to put a lie question into the survey, in order to, and so on. Well I'm clowning up a series of examples here, but I think you comprehend some of these examples. And this is what it finally amounts to. This is what it finally amounts to, that they didn't know what their subject was for exactly. Didn't know what their subject was' ' for, so it is sort of being oddly used, and it's sort of off its own standards because it isn't oriented. So if they had the definition that there was human emotion and reaction, they wouldn't go around with questions that didn't elicit an emotional response. In the first place they would have to know a great many refinements.

Now I'm not ignorant on this subject. I was actually trained by Midwest Rogers one time, when I innocently walked in with my wide blue eyes open, pulled in as a writer to the California Centennial, 1849©1949. And they had to get a hold of a writer, and they had to have somebody who could write up the little history books, and so forth, that they needed. And so I said, "OK, yeah, I'll do that. I'd been up in the Mother Lode country, I know all a-bout that and I can look it up and you've got a lot of books, and we'll put them together and we'll give you your little manuals and so forth. So fine, alright boys?" and so on, and they said, "No." And I said, "What's the matter?" Said, "Well we have a rule in the Midwest Ro-gers that anybody who is working anywhere in, around centennials or things,"; see they're the outfit, wild name, Midwest Rogers. It doesn't say anything, don't you see? They want to re-

main anonymous, I think. But they put on all of these big centennials like the sesquicentennial of Texas, and all of that sort of thing. The big boom shows, you see?

And they say, "You've got to study the technology and so forth of how we work, before you can work with us," which is great. American firms have this down pretty pat. Two advertising agencies, or an account executive in the advertising agency and his staff talking to the company advertising contact man, put on about the wildest show you ever wanted to see. Well, one of them is educating the other one into what we do, and then the other one will turn around and educate them into what we do, and they get a feel that; they're good at this sort of thing. They've got a lot of these little gimmicks. They do have technology, see? They don't quite know where it fits a lot of times.

So here, they say to me, "Well yeah. What do you think, you're just a writer. And you've got to study what we do, so you come to school," and the next thing you know, I'm sitting there listening all about, and doing the clay demos on exactly how you throw together, exactly how you throw together a centennial. Now don't think there isn't technology in this field, because a Midwest Rogers man walks in with his little grip, and he's got a few little things in there. He's got some tickets and he's got some other little things, with very little money in his pocket. And he walks into this town, and a few months later they have the centennial. It's absolute creative magic, if you ever saw one. This is promotional par excellence.

He organizes the various contests, he gets the businessmen, the local chamber of commerce, it all goes off almost by checklist. You do this, you do that, you do the other thing, and then you do something or other, and then etcetera, and then when you've got' ' that the beauty queen contest and so on, and then the tickets are sold in the stores, and that's the votes for the beauty queen. And you do the bla©bla©rwof, and the Midwest Rogers man, he gets the hats and whips. What's this?

Actually I wouldn't be able to tell you too much of the technology, because it's all super technological. We could be criticized on the same ground. They've got their special names for everything. Hats and whips, that's the souvenir business. So the guy who organizes the whole thing, why the Midwest Rogers man, he reserves to himself the hats and whips concession. So he sells out this hats and whips concession, and that's how he gets a side payoff from all of this, and they wind up with the doggondest, biggest, wildest centennial anybody ever heard of.

So when I finished with their course and got all set with that, and took my examination and etcetera, I was getting all ready to sit down to my typewriter and write about the dear old days of '49, when Black Bart was preventing the digging of gold, why they said, "Say, how would you like Sacramento?" And I said, "What? What are you talking about?" "Well," they said, "you're one of the best agents we got here," and so on. "You've got the highest grades, and wouldn't you like to go up to Sacramento and take charge of that sector?" And I said, "No, I'll sit here and write your stories. Thank you very much." But they do have technology. There's lots of technology in the field.

Now that's public relations technology applied to promotion. You would apply that type of technology to a congress, or something of this sort. Then there's the other old daily grind technology. But what are you trying to do with all of this? What are you trying to do

with all of this? You're either trying to create or generate, handle, control and so forth human emotion and reaction. The whole field of public relations, no matter how many little compartments it got, is actually occupying that zone and area. And that is the subject, if you've got to have one, called psychology. That's what the psychologist should be able to do. That's what a general is always trying to grab ahold of his psychological warfare staff and say, "Bring the enemy to their knees so we don't have to expend all this ammunition. We don't mind expending troops, but firing these guns is expensive, you know?" So he's always asking psychological warfare. Well actually, it's just simply a job in PR. Enemy, job in PR. Friends, job on PR. Just different publics.

We right now could take a survey of the enemy, we know them name, rank, serial number, where they live, why their grandmother had to marry the girl. We know all about them, all we'd have to do is take a survey of them on human emotion terms. Plot it up on the tone scale, launch a campaign to them, mold their opinion.

Now you are mainly dealing in a world where the war for men's minds is rampant. Russia is fighting a war for the minds of men. And America, and every company in America, and the British Information Service are all fighting a war to capture the minds of men. To do' ' this they use PR technology, we don't care whether it's called propaganda. We have here Our Northern Neighbors, published in Canada, December 1970, number one fifty©nine. It is written in Moscow, it is published in Canada. It's a fantastic tour de force. Here are several copies of it, different months. July, August, September, October, November, December. "Here's Popov the Clown and his goat. They're world famous, they'll be delighting lucky Soviet kids this holiday season. For a personal look at the sunny clown in the Soviet circus, see pages fourteen and fifteen."

We open it up, contents, "Big mystery of human growth. The best year yet for us. Sex, seventy©three thousand Dr. Spocks." A very intriguing sort of thing. The cover page, "When they speak about sex, how they're ending farm pollution. Will you go short of power and heat, you people in Canada? Well we've got lots of it in Russia. USSR has nine big problems." This is an amazing, it's an amazing tour de force. Fantastic. They have a technique of counter point. Everything that is publicized in the American press is counter pointed in these magazines that it's good in Russia. "You have juvenile delinquencies in the United States, and we don't have them. In the United States you have to have women's freedoms movements, and in Russia we've had them for years. Women are perfectly free in Russia, in fact they're the only ones who work."

"Here is the champion just before," a champion weight lifter. "Just before the world heavy weight lifting champion Jan Tolz left USSR for USA to take part in the tournament at Columbus, Ohio, the international federation bosses stripped him of his title and record, and handed the title over to Robert Bednarsky of USA. Here's what Tolz did to those cheats." And we find out that all the other competitors were on speed, they were on amphetamines. Bet nobody knew that. And nobody listened and so forth, and he really did win after all, even when he lost.

"Are Roman Catholics turning to the left?" This is PR. Fantastic. I isolated three systems in use in this. Mary Sue was, did an analysis on it. And I isolated three systems of pro-

paganda which they use. Very effective. Three isolated, technical systems. I gave you one of them, I won't bother with the other two.

"You got dirty streets, Russia's are all clean streets. You havin' troubles? If you was in Russia you wouldn't have these troubles. Western youth, they have acne. Russian youth, no acne. Soviet doctors have cured it all. They found out what it is, yes." You get it? Counter point, counter point, counter point, counter point. Effective, but somewhat defiant, so therefore it's not very smooth. But this is dialectic materialism at use, which is their mental technology. All ideas result from the collision of two forces. These say it differently, then they implant thetans they use a positive/negative.

Now just as we're sitting here with the undercut of dialectic materialism, we're sitting here with an undercut of propaganda. Now if you use the existing standard technologies of public' ' relations, and if you use the standard existing means and media, and if you gave them just that little bit of refinement necessary of an orientation of the subject and what is this subject for, and you do it right, straight down the groove, and then the people who use it know what they're doing, that is the important point, you have an impingement on the society. We're being treated to a counter propaganda campaign the like of which nobody ever heard of.

Now somehow or another we've got to move up to the front with this, and we don't have the news media under our control, and so on. We're being treated to a counter propaganda campaign, and have for a long time. This isn't the press talking, this is the people who make the press talk talking. We have had innumerable wins, they are never reported. The enemy never does have any wins, they have hope. Did you ever analyze all of their news articles, and so on? Hope. But they have a news office located up someplace in England, and so on, which is a hand out PR office, and it just sends off all these things you read about, "Psychology is new hope for the," you know, "Mentally retarded will no longer be if certain things succeed," you know, "Hope." And we find out that by our survey of the British departments and ministries that they think the public is terribly; well I actually had them surveyed to find out what they thought was bad propaganda so I could give it to them. And they answered up, and we've got it all written down in the bag. If I ever wanted to machine gun them, why there it is, because their PR men would go mad. And they'd just listen to what the PR man says inside the line up.

What is public opinion? Public opinion are what is written in the newspapers and what your PR man says. That's as near as a politician ever comes to it. A government is peculiarly susceptible to clipping newspapers.

Now let's go back here to this Soviet deal. This Soviet published magazine, perfectly legal. They have some agreement with Canada and so on. This Soviet published magazine is given the fantastic job of doing what most embassies and so forth do, in the field of overt intelligence they call it, which is clipping magazines and newspapers. They have to do all this covert. To find out what is being said in the American press and in American technical journals and that sort of thing, it's necessary for the Russians to use their satellite states, and to actually smuggle the stuff, and so on, and just to get what the New York Times says. It has to go back in a diplomatic mail pouch to Moscow, for this stuff to be written. So they do a

splendid job, really. There isn't anybody in Canada writing this. Russia export an editor that's permitted to write something in Canada? Oh no.

So, all the material that goes into this is taken from intelligence sources. They have a fantastic network then, just to collect this material. And then this material has to go to Moscow and has to be edited and put together, and the stuff written. Now then it has to be turned around and exported, and all this rapidly enough for it to be timely in order to hit the presses of Northern Neighbors,' ' published in Canada.

Now we're really getting down to pay dirt. PR requires organization, and it requires pretty hot organization. And if you ever wanted to see an organization have to function it's a PR organization. You really have to know administration left, right and center to do PR. There are very few PR men who are ever trained in administration, yet it's essentially an administrative subject.

It is the failure to keep their clipping book up to date that causes many a PR man to fail. Who organizes all of the stuff that brings this stuff in from, covertly, to diplomatic pouches to Russia to get it spilled out, to get it digested, clipped? Who keeps the office running there? Who supplies it with enough personnel that can speak the language and write it? Who organizes the route back into Northern Neighbors and takes care of the PR to keep Canada happy to having it published. It's quite an organizational tour de force.

So that propaganda of any kind requires organization. That is why, by the way, we knew extremely well, we knew very well that the enemy that we were confronted with was not a few random newspaper reporters, but it was extremely well organized, because the timing on it, and so on. And I made some interesting discoveries on this because searching for it in the field of organization, I can tell you now just about exactly what kind of an organization they have, and about where it sits, and about what it does, and so forth, just by knowing the organizational requirements. And they stink. They stink. They couldn't run a kiddie car. It was just failing to find them and failing to estimate what they were doing and why, is what kept us being hit by the thing, and also they had, they were there first and they had all the, what they call the mass media under total control and under their thumb. So of course they could say anything they pleased, and we were not in a position to say anything we pleased.

So how did we reverse all of this? Well now, there's one little sector of technology, and I've been going along this sector of technology showing you that you can make a breakthrough in a particular field, and give you some sort of an idea of it.

Now PR comes into its own in the field of production. And the reason I am talking to you about PR is the primary barrier to production is human emotion and reaction. And as you move forward you will find you're in collision with human emotion and reaction, almost consistently and continuously. If you don't understand some of this that I've been telling you about PR, you will have an awful time of it. If you think PR is going around and being a nice fellow, or talking somebody around in some fashion or another, why you might as well forget it, because PR is not being a fellow, a pleasant fellow. ARC is only one little portion of PR. PR is a technological activity. Now it always had technological procedures, so we've moved it up onto the front burner."'?Now I'm not trying to sell you anything here with PR at all. I'm trying to give you an example of a technical breakthrough. Now from the basic little laws

which I gave you on the subject of PR, definition and scope of subject, you can now develop technical applications, and you can develop practices which are based on these basic actions and laws and formulas, and which utilize anything known about the subject to date. And it puts you in control of human emotion and reaction in your immediate vicinity.

So, there is a piece of technology, and as a piece of technology it has considerable value. But it gives you where you go when you make a basic breakthrough. We happen to be in the field of human emotion and reaction, and therefore we are in continuous collision with this particular field. Being in continuous collision with this field we'd better know something about handling it. And therefore, one of the adjuncts that a production officer would have to have would be a PR arm of some type or kind. So if he moved it up into the upper story, and he was really working at volume, he would actually have to be supported by a PR man. If he weren't supported by a PR man he would come a cropper. Unless you know something about this, and unless you know that a subject exists; I'm not talking to you to suddenly know this whole subject, but you've got to know that such a subject exists, that it does have technology, and that it has found its basic and primary use, which is an adjunct of production. And if you know those facts, your interest in it would be adequate that when you start running into the problem of human emotion and reaction as a barrier, you would know that there is a technology that can move ahead with this, and handle the human emotion and reaction you're running into, as a barrier to your production.

We have a whole world right now to handle. It will eventually go out, something along the line of a forward action. Ahead of where we are there will always be a sort of a PR outpost, or a small PR action going on, in advance of where we are working. Now the enemy has been trying very, very hard, with very knuckle headed PR, which overran itself and began to overrun itself and got mixed up along about the time of the Melbourne inquiry. And ever since that time the enemy has been making the continuous mistake of hitting it too hard. About that time he went too far, and you'll find out there's been a press revulsion, but long before that there was a press revulsion there was actually was a public revulsion. So the enemy, in following through various formulas of what he thought it should all consist of, and following them through very badly, has done a very bad job of it. He has made our name known.

The recent "lost" suit in England was worth easily a hundred thousand pounds in advertising. Easily. We couldn't have bought it. It demonstrated that the government had no case against it, and it demonstrated that a member of parliament can say what he pleases. These are disrelated facts, didn't have much to do with that. But that we've attacked the government apparently made us very popular. "'The formula of revolution is as follows: The person who is antagonistic toward the government joins anyone who opposes it. They ask no questions about who they're joining, they only know that they want to blow down eventually, or change or alter a government. Anybody who attacks the government then, that's how a revolution begins. And that's why revolutions are usually betrayed. The people who join revolutions are usually betrayed, because they never ask the question of, "Who am I joining?" They just join whoever's agin' it. That outfits agin' it? Good. Must be a good outfit, join it up. That formula just went on in England. The psychotic up there, Minister Crossman, he's a real spinner. He's quite mad. And that's not just a casual insult. He runs the new statesman. He thinks the Scientologists are some sort of a revolutionary group that are not as bad as the Yippies, or

something. And you read this over, why you know you're reading a guy who thinks the Martians are after him, but he wouldn't be able to differentiate who we are or what. He has already decided that we're against the government. As a matter of fact, it isn't even true. But when they; that we lost in suing the government was not the point. That we were against the government was the point. You seldom get a chance to make a statement, "We're against the government."

Now people who are looking for a raw red revolution of course would liable to be disappointed when they came to us, because people are misreading the whole situation. Left and right, misreading the situation. We have a PR situation. First and foremost we have a PR situation. Therefore this is part of the technology with which we're operating. This technology should be known to you, but there is a method of proceeding into the public, there is a method of handling and controlling human opinion. If you don't understand that, then your own hopes of expansion would be greatly curtailed.

Administration and organization is very complex, but there is a method of extending your own basis of operation into the government, into the people, into the this and even into the enemy. And that you should know that that is that. And come off a rather silly approach of just trying to be good, and eventually they'll recognize your worth. That doesn't work at all. Just has no value.

In the field of PR, good works well publicized is one of the definitions which they give in a textbook on the subject. That's supposed to be the perfect definition of PR. It couldn't be further from the truth. Effective cause, well demonstrated. You see, they've made a few little refinements. Then you can make forward progress.

Now all the organization you do in the world is not going to do you any good unless you're making forward progress into the environment in which you find yourself. An organization must only expand, and an organization which contracts dies. That happens to be the way the universe is built. It isn't because I say so, it's because it's true. And so therefore, you must look considerably to your" various PR factors, as you move on out. And these should not be neglected.

Now in the shininess and brassiness and newness of the technology with which you are now dealing, and the administrative technology which you're now dealing, we haven't yet begun to fight along this particular line. I mean, we're, we're really with it. Why, if you don't know that there is a method of handling human emotion and reaction, and you don't know that that is the method by which you will extend, and you don't know that, that that fancy mailing you are getting out and paying a lot of money for, if this wasn't based on any survey, ha©ha! Had no project back of it, had no campaign at all, didn't do anything. Might as well have been thrown in the toilet, because it wasn't put out along technological lines, do you follow? Therefore the technology of PR is necessary, because it forms one of the larger items in the budget of an administrator. It is big, and when it is neglected you fail. And when it itself is bad you also fail.

So, I am PRing the subject of PR to you, and I'm telling you that there has been a breakthrough in this field. I'm telling you that there is a technology, and I'm telling you that you will find it absolutely vital, and that you certainly somewhere up the line, in handling

product and organization, will collide with a situation which can only be handled by PR. And try as you will, you won't be able to get any further without the PR being handled. And you will have a hard enough time handling it, even using all of PR. So when all seems too grim and you can't seem to get your point across, and you can't seem to get your product, and it just won't organize that way, then you do have a tool. And that tool is called PR. And it has its own technology, and we have made a breakthrough in this subject, and I actually respect the fellows who have worked hard in this field to make standard technologies extant. They are most overlooked by their own brethren.

So, all the technology there is in this field is adaptable, providing you know what the subject is for, which the PR man doesn't. Isn't that remarkable? Alright, let's take a five minute break, huh?

THE ORG OFFICER/

PRODUCT OFFICER SYSTEM,

PART I

7101C18, SO FEBC #3,
18 January 1971

Alright, this is the second lecture, seventeen, eighteen January. Second lecture eighteen January, 1971. And this is the product org officer system.

There has not been at this time, sufficient time, I have not had actually sufficient work time to write up all of the material which has been developed in this particular field. And the material is considerable. There has been considerable development which is not at this moment recorded. You will find then, at this time, that what I am giving you are the basics, and these you will not find changing. These basics are not going to be changing, but you will find that this area will develop.

Now the first facts of the case are again, that a small group which is well organized, has good technology, and has good data collection and services of that type, and applies what it knows, can not only survive but can make considerable progress. But I again tell you that organized technology.

Now the technology we have, without any thought at all; we can make the sane saner and the insane sane, and the breakthrough which exists here technically is so strong that it actually cuts though the normal protective mechanisms of the mind, wham, wham. And that the use of this material by any but a well organized, well disciplined group would be very fatal, quite lethal. And therefore we're in the peculiar position now of not being able to export all the technology we have, because the areas into which we would export it, and the orgs into which we export it are insufficiently organized to be able to handle and control it.

Now our organizational technology suffered mainly by not being known. People say, „There must be something wrong with the org board if something or other, something or other," and then you go around and you ask the staff, „Where is the org board posted?" and they look at you, „Org board? Oh yes, oh we have a good org board. Yes, it's uh…" And you go in and you find something that's a year out of date and not general use, it was the ignorance of the subject. So it is ignorance of the technology which we have which is our greatest bug bear.

To overcome this we have improved tremendously now, merely by assembly of what we already knew, the technology of how you teach a course. The course supervisor check sheet that has just been developed, and certain things of that character are direct and immediate improvements, which make it possible for an area to train its auditors better, and train them so they can get results. And then when they have gotten results with the material they have, make it possible to put in a special department, a department of special cases. It doesn't matter how many, by the way, departments a division four has, you see? A department of special cases in division four, and then new auditors can be brought on and trained, not the auditors who were there in the org at the time. I'm very sorry, you will find that they are very, very necessary because no technology disappears under this. A new set of auditors can be brought in, trained up, auditors can be graduated up and so on, and they become your class ten special cases auditors. They can crack any case that walks up the walk, if he'll sit still, or if anybody can hold him down long enough to get the cans in his hand or tie them to his feet.

Now some of you here have had something of this new technology. It came actually from the OT grades. Why, it answers the question of, „Why does an OT restrain himself and cease to behave as an OT?“ It works best in that band, but it also works at the lower end of the band. That's why we're pushing a crew up at the present moment, all the way on up as fast as we can push them up, so that when we give them the technology they can go for broke. It works better at the top end of the band than it does the bottom end of the band, but it works at either end of the band.

So, I doubt any of you have had the questionable pleasure of being insane, and so you probably would not be able to experience the tremendous resurgence which a person gets when he suddenly turns sane. It's quite miraculous. But that is residual in this technology, and occurs rather routinely. And I think we're probably the only group in the universe, as far as I know, knowing the back track, who can do this. Now that is on an individual basis, so you have individual technology now which turns the sick well, the insane, turns them sane, and make a one life being, immortal. Otherwise the technology doesn't have very many targets.

Now we're actually sitting here with this technology. Now what do you do with the technology? Of course you could go off and forget about the technology, and that would be about the greatest overt that anybody ever pulled. The overt of omission. We happen to find ourselves on a planet which has a rather unsavory reputation, and amongst planets would be looked upon as a sort of an Alcatraz, and was a dumping ground. So there is a tremendous need for such a technology here, but it is actually going into the teeth of a planet that is not entirely sane.

About ten to twenty percent, unbeknownst to statisticians, and I can't tell you exactly what the percentage is out in the general public because I haven't surveyed it, but I would just say by estimation it's ten to twenty percent of the at large, walking around population is stark, staring mad. The other eighty to ninety percent, whatever that factor is, are quite sane, but are so caved in by the mad ones that the society has an awful time getting off the launching pad. And you get a cultural boom/decay cycle, which has been going on now for many thousands of years. A culture just about gets going, and then a few of these mad men swing into it, and the next thing you know, why she goes up in smoke. It's just the madness of the later day

Roman emperors is an example of this. And the Roman culture of course caved right on in. And it was supplanted by religious culture.

Now we've got a boom/depression then in terms of cultures. At this particular time and place we have an opportunity because of many factors which have combined. We have an opportunity to make a very definite line plunge, to use football terms, or to make a very definite forward push in this. It is rather optimum at this particular time. We're in, for some reason or other, a period of peace, and it's the culture is on the way down, and it's just a little bit touch and go. They give us several, we've had several of these little touch and go things. Like there are a bunch of guys monkeying around with this peace/war button, you know? And should we have a war or should we have peace? Well, they've moved in on the button again, and then they go off of it. Well of course, a war would just finish any human communication and cultural lines on which anything can travel. So therefore, we don't really have all the time there is. We can't really sit around on our hands and do nothing. Furthermore, the planet could be expected to resist any such movement, because the most resistance you get toward being cured by anyone is an insane person. An insane person will resist being cured harder than anybody ever heard of, because he knows everybody is Martians and they're all out to get him. And he knows there's no help, and so on. Of course, that's what makes him insane.

A certain number of these on the planet, in high positions, bring about the conditions known as war, and so on. Now recently we traced, by the way, how a person moves from the lower stratas of the society up to an executive position or a political position of magnitude. You can see the pattern of it can be seen in your own org. A person cannot hold the job of central files clerk, and he argues and argues, and finally moves himself over to some other portion of the org. There's very few people in that portion of the org, so he gets an IC, in charge of something, then there isn't anybody else around, and he seems to be very active. And he becomes a departmental head. He becomes a departmental head by accident, and he actually is pushing himself up.

Now he has, he doesn't have the motivation of helping others, he just has the motivation of protecting himself. And the higher he rises on the pyramid, the more he thinks he will be protected. That's part of his insanity. You get up to the top of the pyramid you spend ninety percent of your time ducking bullets.

But the facts of the case are that there is a sort of a system by which a person who can't hold any post winds up with a very high post. I don't, for instance, know what the current president of the United States would be able to do in a law court, I don't think he's ever been able to do anything in a law court, but here he is in the political arena. Most of these fellows who are in the political arena have never studied government, never. They wouldn't know what you meant, they wouldn't know you're talking about. Yet there is a technology of government. But these are politicians, why are they there? Usually there for their friends, and so on. This makes a rather queasy scene in which to operate.

Now the answer to this operation is to be as efficient as all god holy hell. And you have administrative technology which is sharp as the teeth of a bear trap. And what you're doing with your own technology must be very effective indeed, and you must be able to pick up and use data available, and control the human emotion factor in your immediate vicinity.

In other words, if you're tremendously well organized you can not only survive but you can expand. But what you have to know in order to do this, and what the technology has to consist of, and how well you have to know the technology exactly determines the amount of expansion you are going to attain. Given the technology, it will only be because you do not have total knowledge of it, or expertise with it, that would cause one to fail.

Now you can have a staff which isn't hatted, and no matter how clever you are, they'll manage to make you fail. They don't really know there's anything there. So therefore, it isn't enough for you as an executive to know how to do all this, you've got to be able to relay it, train it, check people out on it, and handle it. So a general knowledge, a particular and very broad knowledge is required of any person who is regulating any group.

Mary Sue got together some estimates here, and she says, „Based upon recent figures in relationship to the training of executive directors, it takes approximately three hundred and sixty hours to make an administrative expert in nine divisions. Therefore, it would take roughly the following hours to train various organizational personnel. One hundred and twenty hours, an executive secretary or expert in three divisions. Forty hours, a divisional secretary and expert in one division. Thirteen and a half hours, a department head and expert in one third of a division, three hours, a section head and expert in one fifth of a department. With staff training hours of two and a half hours per day, it would roughly take the following number of days: An executive secretary, forty-eight days, a divisional secretary, sixteen days, a department head, six days, and a section head, two days. But therefore you'd have to be determined that these fellows do get trained, and you would have to have some program by which these people did check out, and you'd have to have some system by which they did have some understanding of the hat and duties they were wearing.“ Is that agreed? You'd have to have that, wouldn't you?

Well supposing you did all this. And you use this scale, and you got everybody in your org hatted. Almost unimaginably, almost unattainable. You always have one or two guys sitting around someplace that can't find their hat and never did have a hat.

Now if all of this was going on, and if somebody was putting their hats on and that sort of thing, I'm afraid you still wouldn't have anything, because the other side of the coin is production. Now what is all of this training and so forth about? Is it to attain production? That is what that is all about. So, the other half of this coin, production, supported by the first half of this coin, organization, gives us the coin. And we have what you could call the product officer/org officer system.

Now undoubtedly this will be shortened up. We can't call it a PO system because that means purchase order. We might very well hear it called the prod-off system. But I've simply been calling it the product officer/organizing officer system.

Actually however else these things are stated, or what words you used, it is exactly this. It's the product officer, not the production officer. These are the niceties of it. The product officer, and the organizing officer.

Now the first thing we run into by the introduction of this system is the question of, „Is production necessary?“ The org series, as the org series goes back it speaks of this, and I've had a letter or two and a DR. It makes it look like a very exhausted world would be the

result of this. Nobody ever says anything to me that bluntly. There's just a little bit of a curve on it. And this idea of production unfortunately carries with it the label which has been given to it by the communist who has tried to get at the bosses of their existing society as production monsters, who are sweating the last drop of production out of the poor, suffering worker. And we have gotten into a period where that orientation occurs. And now I'll tell you the cream of the jest, the jest has real cream on it. It's the primary production problem of Russia is how to get production out of the poor worker! And the Russian is now going mad, and he even brought a whole bunch of guys back from Siberia and so forth, because they knew something about production. He started going mad. And the top men in the Presidium these days are ex-production officers, because it is such a crucial problem in the Soviet Union. Kruschev, he'd sit down; I don't know whether he would have talked to you much about politics, but if you had mentioned something about the electric light plants he would tell you exactly how you should get production out of an electric light plant. Brrrr.

Now the capitalist society deifies the money lender, or the money haver, and tends to down grade the producer. And the production man, by title in a plant, is not the general manager, he's not even the general manager's assistant. The plant manager has a production man. It's about eighteen echelons down the line, because for some reason or other, the guy who inherits the money was king. Throughout the nineteenth century the social stratas, and so forth, are not quite straight.

The whole field; you get into this in a non-production oriented society. The whole field of psychiatry and psychology and so on stunk to high heaven, simply because they had no production orientation whatsoever. They merely had status orientation. And the thing that makes these guys insufferable is they have status. One of the things that makes a Spanish official rather insufferable is he has status. And they have status and they look around, and it's status, status, status. But it's status based on nothing. A Spanish engineer gets a certificate as an engineer and he never has to engineer for the rest of his life. That's what's wrong with these birds. I'm a line man, I think there was one once that graduated some time or other that did produce something. They produced revolution.

But here, here is a subject. Now the reason I'm making these little comments on it, it has many ramifications. And in studying the org series, and in studying this which I assume you all would have done up to this point, since this is additional org series material which I am giving you. You, possibly the question has passed you mind, „Production, well it's not too popular. It's, I wonder. It seems to be a strange orientation." So you find yourself in a position actually, if you're trying to get production you will usually face to some tiny degree some little resistance to production as a subject, because it has been subjected to so much propaganda, and because it sometimes requires some sweat. And the guys who are objecting to this are the birds who hoped that they would be able to hide in the coat closet while everybody else worked anyway.

This then, there are social or human reaction factors connected to the subject of production itself, just as a word, as a name, or an activity. You must face that. It is a subject which is able to paralyze the economy of the United States for months on end, is paralyzing right now the subject. The entire British postal system right at the present moment, labor management relations, General Motors in the United States, weeks or months of strike. The lar-

gest business in the United States totally paralyzed, tied up. Management's saying, „Produce," and the worker is saying, „Wages, wages, cash, cash, cash."

Now one of the things that you will run into perpetually and continuously is you're talking to somebody about production, and he's talking to you about wages. He's talking to you about return for production. These subjects do not necessarily have anything whatsoever to do with each other. They are a non-sequitur. And that's why there's so much problem on it, because the term opterm really doesn't match.

Now what is this subject? What is this subject that doesn't have to do with wages, and company contracts, and then what the hell is this subject? Well now, you hold your head, hold your head on, because this will blow it. Production is the basis of morale. In the absence of production you will have problems in morale. The cure for morale is production.

Alright, now let's give us some actual actions here. What has happened? Some things that have happened here. Cases and staff morale, the PL, the F/N, VGI PL, they're perfectly true. But that's out of the field of first dynamic tech. Now because it says staff morale tends to throw it over into third dynamic tech. Cases and staff morale is perfectly true from the viewpoint of a C/S. The number of people that you have doing F/N, VGI at the examiner's will, to a marked degree, determine your staff morale. And after you've got a hundred percent F/N, VGIs at the examiner, you have accomplished staff morale on the first dynamic. And your organization is liable to be a bogged mess.

So we say, „Alright, we will have to get on," you see to have no staff auditors of any kind whatsoever would be fatal. So, we say, „We'll have to get on some auditors, and they'd better audit the staff and get all the staff up to F/N, VGI status." So we do that. And the org falls apart. They got morale on the first, but not on the third.

Now the funny part of it is, they really don't have morale on the first. They just have morale about that part of the first which is their case. Now it works this way on the management cycle. If they're having a great deal of trouble with their case trying to pull them up much further than that is very difficult. So you start with the first factor of the management cycle having to do with where you're really having trouble as an org officer, dealing with the person's case. That's just the beginning. That's the first step up.

Now let me give you, let me give you the sixty-four dollar punch now. Hold your head. If the individual is auditing, the auditor is auditing a pc and he has a win, the auditor's morale is good. Right? Do you agree with that? Hm? Alright. Now if he audits the pc and he has a lose, the auditor's morale is bad. Right? Alright, good. The monitoring factor is clothed in this ugly word production. He's accomplished something. Production is the evidence of the demonstration of competence.

Now after you've gotten all the case gain there is, how do you get any other gain? That's an interesting question, isn't it? Well actually it goes case gain, right up on the line to a cross line, and from there on it is competence. Competence is what gives the case gain. And you say, „Well look, somebody flying around out here on a, doing a good job on a set of water skis and so forth, appears to be very happy and so forth." He is merely engaged in the exhibition of competence. His morale is up because he is making an expert demonstration of water skiing. When he falls in front of the large crowd…

I saw the sorriest sight I ever hope to see in my life. It was a command performance before the queen. And there was a clown who had waited all of his life; he was a tight wire clown; and he'd waited all of his life for a command performance. The lights went up, the drums rolled, the clown with his umbrella and his baggy pants climbs up. Gets onto the tight wire and starts across the tight wire. There he is, total exhibition of competence, twirling an umbrella between his legs and over his head, and dancing on the wire. And at that moment the apparatus collapsed. They killed the lights, and in that dark blackness removed him from the scene. Seen afterwards in the dressing room he was one of the saddest, sorriest looking fellows you ever saw in your life. Exhibition of competence. Production is an exhibition of competence, an exercise of competence.

Play can become eventually very boring, because it has no cycle which proves the competence. No cycle there at all. So, he skied on water skis, so the crowd cheered. So he had to ski on water skis so the crowd cheered. What's he got? Nothing. But his morale went up because he exhibited competence.

Now production actually confirms it. One time in a bunch of actors, a bunch of actors were under training. And they were just hammered and pounded, and pounded and hammered. These were Hollywood actors, starlets and that sort of thing, going to be the stars of tomorrow and so on, in a theatrical training group used by the big studios. And they hammered and pounded those poor guys. The most invalidating, mean, snarling; my god, no stage director would ever be as mean as those instructors were. Sarcastic, weird mimicry, awful. After about three months of it, these actors became utterly impervious to it, and were able to exhibit competence to their own complete and their group satisfaction, regardless of what anybody said. They got so they knew competence. They knew competence in themselves. Their morale came way up, they became very cocky. So their morale wasn't necessarily built by everybody being nice to them.

PR is not necessarily being nice. To bring people out of apathy the PR campaign would be fear. Demonstration of competence. Now I've had a couple of busts by commodore's messengers here. They were tricked by a piece of electronic equipment and so on. And you never saw anybody look so woebegone in their lives, and drag around for the next day or so. But these young characters actually have their own concept of competence. It is fairly high. You don't often see some of the hills they're put to climb. You probably see them going back and forth sometime, you see them, they go down the ladder and that way, and then they come back. And then they go down the ladder and that way, and then they come back. And then they go down the ladder and that way, and they come back. And then they go down the ladder that way and they come back. Have you ever seen this? Maybe some of you have been subjected to it. What is actually going on is they're being asked to accumulate data, ask questions, find out what the score is, get an order across, find out what's happening, and be able to relay the thing back. So that a situation can be estimated, and if there is no situation, dropped, or if it's there, handled, or some future planning.

Usually a CO or executive director hat is basically a planning coordination hat. A planning coordination hat is the real place where planning belongs. It belongs in the executive director's lap. And the coordination can only be done from that status. So you've seen one of these characters go back and forth, back and forth. Now, very few, and there've been quite a

few on that post, failed to eventually get a certain amount of aplomb. And their aplomb and their morale and so on, rises considerably out of proportion to their age. You've just seen one go out of here on a mission. Now I imagine there was a little ripple of shock through the ship when all of a sudden, „That little kid is going out as a missionaire." Well that little kid can confront more dumb explanations and more bad data, and more false reports and know what to make out of them. They got together one day and they put together a little roster of everybody on the ship that didn't know what they were doing, because they never gave them any kind of an answer but an explanation.

Their confront on the third dynamic is very, very high. They continuously exhibited competence, and it reflects in their morale. Now one or two have tried to make the grade, and they haven't actually gotten into the run yet, and their competence didn't match it. And they had a rough time. Momentary, we'll catch them some other time. But competence doesn't just go, your case gain goes up to this line, and then from there on up it is competence. Actually the competence sets in coincident with the case gain. Then the demonstration of competence is the basic factor of morale. And production is the evidence of competence.

So in production one gets an exhibition of competence and its evidence. If you want a high morale activity, get them to produce. If you want a low morale activity, have them skip it. „Oh we're just going to be nice to you fellows, you don't have to work. Nobody has to work around here, I mean we don't work." And you wonder, „Why the hell are they all falling apart?" Why? I'm telling you this because it happens to be true, not because I'm PRing this subject of production. That's the truth of the matter.

Now a guy can run, run, run, run, run. Actually it won't be until he runs into a failure that you'll see his, begin to feel tired. And begin to want a lay off, and begin to do this and that and the other thing. Because people involved in this sort of thing are running bodies, there are just so many hours they stay awake, and there's just so long they run without having their gas tanks filled or their batteries recharged, or whatever type of body we're; oh, it's eating. Yeah, that's right. It's just so long that one can run, and so it is that a sustained period of production normally should match the fact that you're running an intermittent type of body. A body is intermittent, it's on and it's off. Do you see? And that comes basically because you have a sun situation, which is a single sun type planet. There's daylight and there's darkness, and there's daylight and there's darkness. In earlier times nobody wanted to move around much in the darkness, so they started sleeping and so forth.

And you'll get some people get this blown out, and they start working in the darkness and sleeping in the daylight, and so on. They get this all out of phase. I have a perfect cure for insomnia, by the way. A perfect cure for insomnia. Get yourself from the bookstore a whole bunch of fairy tales, down from the bookstore just get some fairy tales of various types, fairy tales of different countries, and that sort of thing. And sit down and read yourself a fairy tale, and you'll go right to sleep, bong. Marvelous. It restimulates having been put to sleep with the same stories for so many lives. Don't count sheep.

Alright. So a body is intermittent, so therefore a long sustained period of production requires some intermittency, and that's about the only way you'll get into trouble. But, if you try to get an enforced intermittency, and the guys are right in the middle of a cycle and you

make them break off, you've had it. So your intermittency can only take place, really, at the end of cycles, because the completion of a cycle of action is the other major factor in production. But when a team cycle of action has been completed, or one or two or three team cycles of action have been completed, it's about time somebody said that, if it's all, all the returns in, „Those who have got them all in now, go on a twenty – four hour break," or something. In other words you're matching up, this is not necessarily native to anything but bodies. And people were horrified when I was trying to give a plan out here. I imagine it was received with complete horror that fifty percent of AOSH DK should be whipped up port and starboard, fifty-fifty, and every weekend one of those port or starboard watch, why took the ship out. And I imagine this was received with some horror, and so forth. Actually it'd be a marvelous thing. So that every weekend why, the fort was held with the port watch, and the starboard watch got themselves a break and they could go for a sail.

This is the type of thing which you have to engage upon with a high production crew. Now hold your hat again. You have never seen production the way you will see production, with the product org officer system. In the first place, it only functions with a team. It functions as a team action. So your product org officer system then will speed up the velocity of flow to such a degree that it approaches peak load for the individuals concerned, particularly a product officer, which is really something. But morale matches it. You'll never see so much motion, and you'll never see so much high morale, and you'll never see so much velocity, if you run the system right. So it is not a slight breakthrough, because it combines right over into morale.

How did we used to have high speed organizations and here and now have low speed organizations? The difference is, the high speed organization was producing, the low speed organization isn't. That's the only difference between the two organizations. It has nothing to do with what you hired on only suppressives or something, that's the difference. You hire a hundred people, you're going to get fifteen or twenty suppressives. I mean, that's inevitable. But the high speed organization and the low speed organizations, the difference between them is production.

Now when I write about this, this product system, do you agree now that there is some coordination between production, getting something done, and so forth, and morale? You can see that.

Alright. Now when I look into this, writing this up, and when I tell people the rules of the product org officer system, they get the words without the music. And you can talk to them, and you can tell them and so forth, but unless you tell them, „Listen, there's some music to be gotten here as well as the words," and unless they've actually gone into an experiential action on a short term product as part of a product officer org officer team, why you'd miss the whole boat. You could read all about this, well there's a product officer and an org officer. Yes, they have those in General Motors; they have strikes there; and, you know what they do in General Motors, by the way, on the assembly line? They carefully take away from every worker his product. We found out by the way that the product officer claims the credit for all of the products produced, and gives no credit of any kind to anybody else producing any of the products for him. And if he just continues to take the credits all by himself, his team will go to pieces. If you put men on an assembly line, they're just tightening a nut and

tightening a nut, and they keep talking about the final product, the final product of the auto-mobile, final product of the automobile, they're immediately glossing over the fact that this guy that's right on that assembly line has a product. He has a seated car, or a tightened bolt, but he has a product.

They never let them have part of the product, so the morale is bad, advertisedly. I don't know that it is, I've never worked on an assembly line. But therefore it is necessary to let the people have the product, the credit for the product, even though the product is sold or walks out or does something else, they've got the credit for that piece of the product. Now we have to redefine then what is a product. And a product is a completed cycle of action, which is then, can be represented as having been done, by definition. See, you'd have to know Scientology, you'd have to know things like a completed cycle of action you see, for it to make any sense. So don't think you're studying General Motors's.

So what have you got here? You got a machine that'll run away with you. Just that. If you don't know your OEC, if you don't know your org board, if you don't know everything there is to know about where should be what and who should go which, and how many beans should be over there and so on, and know this thing cold, you'll never make an org officer. And, if you never make an org officer you'll never make a product officer, because a product officer by definition is a good org officer.

Now the first thing that you have to know about a product officer, he has to want the product. Second thing, he has to be able to recognize the product. Maybe I've got those in reverse. Maybe he has to be able to recognize the product and want the product. But that's for sure. If those two things are missing, skip it. Nothing else is going to happen. You have to be able to recognize the product.

Now this is an interesting skill all by itself, because you could walk down a line of ty-pewriters, of people pounding a typewriter, and not recognize what the product is. It could be done, but it would take a little bit of doing. But if one is very airy-fairy he would say, „The product is answered mail, you see. For the whole, for one typist, answered mail. For one ty-pist, the org's mail answered." See? Now let's get more airy-fairy, now let's go way outside the whole thing. Of course answered mail is a product, but it is a sections product. See? We have to recognize whose product it is, and to what does it apply.

Now we go outside and we get some airy-fairy statement like, „What is your product," and we're talking to some clerk. And he says, „Communication lines around the world." Oh boy! He's a telex typist. He's working on the wrong product all the time. He isn't out there putting in communication along the… piece. He's producing sent and acknowledged telexes, one by one by one by one. He can actually be producing the telexes having to do with one cycle of administrative action, but that's what he's producing.

Now if his communication line is just to produce, is just the product of an acknowled-ged telex; he got it through to the other end, and he knows he got it through to the other end. If that is his product, you may find that he will be too, he's too lonely as a member of, you see he's too lonely as an individual with that product, to have that product be a total exhibition of competence, because he… You get the idea? He isn't looking at this as his product, he's thin-king of something else as his product, the usual messed up thing. That telex operator would

have to be part of a team, and it would have to be part of a briefed team. That's what's important, part of a briefed team. He'd have to know why he was sending the telexes, and he'd have to know what the telex network is and what these telexes did, he'd have to know a great deal about, about the organization he was operating for. In other words, he'd have to have an organization hat, and he'd also have to have a division hat. He'd also have to have a section hat. In short he would have to be part of the team.

Now when you try to run a bunch of individuals as a product officer on their individual products only, you will find that you are getting into very serious trouble. They are a bunch of individuated people, they are not a team, they are not operating in a team action. Production is essentially a team activity.

Now you've got the stellar star who can water ski beautifully. Very good. It is interesting, and it makes a lot of other people want to water ski too. Actually, the audience is doing a participation, as they watch him water ski. Well, that's enough status and enough expertise, and is rare enough and so on to have other things, so this guy's sitting there. You will run into it often. The reason the telexes don't get answered is because the guy doesn't recognize what this product is, he doesn't know what he's doing with this product, he doesn't know what he's forwarding with this product, because he's not a part of the team. Do you see?

So, he's part of several groups within one group. The product officer then has to be sure that his, the team he is operating with, is a team, and this brings in the org officer. When they cease to be members of the team, there is the first point where the org officer will find himself with a problem. Guy isn't a member of the team.

Now a fellow can become, cease to be a member of the team through failures, and you can explain it in numerous other ways. Actually if you want to really crash somebody's morale, is remove him from post. That's a very, a very cruel, wicked sort of an action, but in his own estimation. Sometimes necessary to do it. And then you'll find out something interesting as an org officer, that a guy's job is valuable. And so we look further into this universe and this world, and we find only those places where people are unhatted are they unhappy.

So your first action of the org officer is hattedness, as a member of the team.

THE ORG OFFICER/PRODUCT OFFICER SYSTEM, PART II

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Now your product officer has to be able to recognize a product, and he has to want the product. And the org officer has to be able to make somebody a member of the team, and give him enough expertise so that he can demonstrate his competence. And if he gives him enough expertise so that he can demonstrate his competence, he becomes a member of the team. So these are quite different functions, aren't they?

Now as an executive director running an org officer and a product officer, you will run into this immediate problem – you won't know who to give orders to. You will become foggy, you will sometimes give the product officer the orders which should go to the org officer, you'll sometimes give the org officer the products which should go to the product officer. Now I'm saying this, I'm not putting this up as a possible aberration for you to shoot at, I'm just telling you that this point exists, otherwise you'll make ducks and drakes out of this system.

Now we could write all about this in cold words and you still wouldn't have the music, because the music is a speed up beyond belief. When you start these two actions together it's something like mixing fire and dynamite. You get a speed up. Now as you get that speed up, all those portions of the area, first all those team members who are not really part of the team and so forth, and all those portions of the area at large in which you're running this team will be impinged upon by the team, because you're running at a much higher velocity level than the area is running, and it inevitably will happen. There will even be a thought like, "Maybe we ought to slow this thing down." It's something like this, it's the old, old story about the salt mill. And the salt mill started grinding out salt, and it perpetually ground out salt, and nobody could stop this thing from grinding out salt. Part of an old story. And it ground out so much salt that nobody could put any of the salt anyplace, so they threw it in the ocean, and that's why the ocean is salty. It's still down there grinding out salt.

But, there's some thought like, "Hey," somewhere along the line you say, "Any product officer that," he all of a sudden, it'll be if he wishes to trace it back, he's just had a little failure ten, fifteen, twenty minutes ago, or that morning or something. And you'll trace it back saying, "You know, I ought to slow this thing down. Let's, let's slow this thing down a little

bit, you know? Because this is starting to roar." Now that is the music that goes along with this system.

Now look at the, look at the factors which are stacked up here. The scarcest thing in the universe is a hat. And you will find first and foremost, the org officer will find at every one of his blunder points an unworn hat. The person will have not quite taken over the hat, the person will have really just left the hat. The person is not wearing his hat. Well now, that not wearing his hat is insufficiently expletive, or it doesn't explain it enough rather, for the org officer to handle the situation. He just goes in and he says, "Wear your hat," you know? No, no, no. The org officer has got to be an expert mini-hatter.

Now you can run through an organization as an executive, and you can actually hat people without any hat check sheet or pack. You can tell them, "There's your post, there's where you are on the org board, there's the division, this is your boss, and you're supposed to sit there and do so and so." But that's, that's just a lick and a promise. That's about as good as any business ever does, and then the guy is there for a year or two, then he finds out what his job is, maybe. He actually has never been hatted.

Now this rapid hatting is always your first action of the org officer. It isn't ethics, it's just a rapid hatting, because the guy really must have some kind of a doubt or misunderstood, or he didn't quite know what he was doing, or he didn't quite something or other something or other, and he'll get killed in the rush. And it's only kindness to hat him, and hat him rapidly, because he's something like a soccer player that has thrown himself across the shins of his fellow team mates. And they not only will get some sore shins, they will start getting mad at him. He becomes a social pariah, very quickly. And so therefore the org officer has to be there to catch the ball, putting the guy back in the team line.

Now he can always put a better team member there, he can always put a better organization there. Now you as executive director, if you're operating with an org officer; you'd have to have a pretty big sized org to be operating with a product officer and an org officer. Normally speaking the executive director would be the product officer. He'd be both the product officer and the planning officer, and he'd have an org officer backing him up. You get a little bit larger, he's the planning officer, coordinating officer, he's got a product officer, he's got an org officer. And you get a little bit bigger than this, he has to have a messenger, and he has to have a PR man. And the product officer actually is the person who handles the PR man, and then the org officer will use the results of the PR, and so forth, because you're doing rapid survey, because what slowed your production down? Human emotion and reaction. So PR suddenly swings into the line.

Now I clarified PR with you first so that you wouldn't have a misunderstood, thinking you should be nice to people or something. By all means be nice to people, but it isn't, it isn't the substance of PR. PR is that technology which handles human emotion and reaction.

So, that's what you're going to run into. Now why isn't this guy hatted? Well he could be unhatted by ignorance, which is the charitable fact, or he can be unhatted by human emotion and reaction. "Yeah, I'm not going to play, I'm going to sit over here on the side lines," and so forth. "The last time they went down the field they kicked me in the ribs, and they're still sore." So the org officer is actually in the business of picking up the pieces and putting the team back together again. And the product officer is only interested in products. And you

as executive director have to be able to get these two things untangled so that you just know them instinctively. Pongo! Or, a product officer has to know these things instinctively. Both of them have to know the organization inside out.

There's a system by which you do this, and which I advocate. In org series ten, The Analysis of Organization By Product, we find there are four products. These four products are the establish machine, the machine's product, the corrected machine and the corrected product. In other words, there is the established machine and the corrected machine. Just think of a generator, see? It's putting the generator there, and then there's repairing it. See? And then, the product officer, he doesn't have anything to do with this machine, except just saying what speed it's to be run at and so forth and so on, because he's not interested in the machine, he's interested in what the machine is producing. It's either producing power delivered or it's producing electricity, or it's producing something. So that is what he's interested in, see?

So actually your org officer has the established-ment, the establishment. He's got the establishment, he establishes the establishment. And when it goes a little awry, he corrects the establishment. So he has products one and three. And then, we've got the product that the establishment has, or the many products which it has, and then the correction of the product, as two and four. The pattern that is followed on this is when the product officer finds himself, this is the law governing it, when the product officer finds himself with product four, which is correcting the establishment's product, he immediately shoots it over to the org officer, organizationally at three, who tries to get it back to one. So it goes four, three, one. You follow this now?

The org officer is finding out, he's having to, "What-what-what, where the devil is the wmfh? And waof and waof and waof and waof." Well he goes right ahead and gets that. He doesn't try to put the establishment together. He doesn't try to correct the establishment any. He can grab anybody that's passing by and say, "Tally onto this waof and produce this waof right away." Do you see? But at the same time he's doing that he's got to make some kind of a notation in passing, and slide it back, "Hey, the waof cutter wasn't here." And that goes to the org officer. And now the org officer has some how or other got to get that corrected, see. And these two guys work against and with each other, on entirely separate things.

Now the org officer does not work for the executive director or the CO. The org officer works for the product officer. The first product an executive director or commanding officer is a product officer. The first product of the product officer is an org officer. The first product of the org officer is an HCO area secretary, and the first product of the HCO area secretary is an HCO. HCO continues the establishment.

Now, with that in train, and keeping that in mind, and tracking back to it when you find the system is going loyadle, now you just concentrate on products, as the executive director or a product officer. You just concentrate on products. Just products, that's all. You don't take your attention off of products and say, "I wonder why the organization didn't get its FP into the woggle bogs, and why we didn't get any raw materials into the fuel spits, and so forth." Keep it on product two. Product two, product two. Each time you slide into the corrected product of the establishment, slide it to the org officer and say, "Hey, hey, hey. There's no waffle cutter here. You know? We're cutting waffles over here, we don't have any waffle cutter."

Now this makes the org officer go a bit out of phase, so he has four things. He has the immediate action, he has the medium range action, he has the long range action, and he has the very long range action, which is, "What's this place going to look like two years from now? What's it going to look like in six months?" And what are we going to have here in six months, that's your long range action. The medium range action, organizationally and so forth, well that's maybe a couple of weeks. And the immediate, that's anything from five minutes to a day, or something like that. Usually in actual practice, probably about ten, fifteen, twenty minutes. "I'll get you a wog cutter," you know, something.

So these operate one to the other, and the org officer; let's go back to basics now; he has to know a product when he sees one. And he has to want that product, and he has to get that product, which is the third line. That product he's got to get. He might not get it on schedule, it might not be as fancy as it was, it might not be as big as it is, but he's got to get it.

Now one of the greatest training mechanisms which you can go through with this system is to get a short term, close up organizational action. Training in a Flag bureau or a liaison officer, you actually are on a very hot line yes, but the product is not as visual in its final accomplishment. For instance, your product is a project, which is sent out, let us say. Alright, that's fine. It doesn't give you as neat a view. It gives you a plenty good view, and they work great as teams, as working with something, "What's my product?"

Let us say, let's take a ship, voyage. "The product I'm working on is a voyage." Now the voyage product, somewhere here I've got a sample of trying to get a voyage. Yes, here we are. Product, a voyage. Now this was the write up, this was the write up which ensued in trying to get this product called the voyage. It's actually Flagship order 201. It's investigation and remedy of sailing delay. All of a sudden I noticed that we didn't have a product. Now I'd decided this was a good time to get my hands dirty on the subject of product officer/org officer system, so I stepped in. And much to the dismay of everybody involved and so forth, operated as a product officer without an org officer, for about forty-eight hours, just to find out what this was all about and do it. Working on a tied up product like a voyage, that's the product.

Well we have to get the product started, and the product wasn't starting. There was all kinds of wild things going on. Now because I wasn't operating with an org officer, some of those cycles are still going on at this moment, that came off of this, although this date is one January, which was eighteen days ago, making it a medium range project.

So after I got all this I wrote it all up. And, working on this, trying to get the voyage started; the voyage had begun fifty-eight minutes late, and the faulty product of course was traced down. Why? How come, how come, how come? Actually it had to do with not getting cleared, and somebody had let a customs official and the agent go ashore, to come back later. And we found that an outness there was that there was an apparency of a person scheduling the sailing of the ship who shouldn't have been. In other words, we found a counter-policy.

Now by getting that out of the way, and somehow getting the voyage started, and then carrying on that voyage to complete that voyage as a product, and nothing but a product, and then working on a product at the end of that line I was able to get a hand, first hand knowledge of this system. These were the products which I worked on. One of the first things I found out is you have to be able to recognize the product you're working on, with no nonsense.

You've got to state that's the product. It doesn't matter whether it's in a policy letter or not, it's the product you're working on at that moment. You'll find yourself working as a product officer on a typing typist. See? I got a product here, I got a typing typist. This is the product, you see. And you'll start working on a typing typist and suddenly realize that you're working on an org officer's product. Do you follow?

So you hastily, you find yourself, you can't get these mimeos out, so you've got a product in your lap which is typing typist, that's an org officer product. So you promptly would get a hold of the org officer and say, "For heaven's sakes, give me a typing typist so I can get my attention back on this mimeo." So there, you would be a little bit late. But if you couldn't identify what product your attention was on, you might find yourself working with the wrong product, which belonged to the org officer. You see what I mean?

So, now what would have missed then is, you were trying to get a mimeoed project, and you were trying to finish this up so that you could say, "Period to that. That is the product I'm working on." And all of a sudden, you find yourself in four. You're having to do something to correct this thing, and it's not coming out in the org line. Then you just shift it over, it's obviously a three. So it goes over to three, you say to the org officer, "Get me a typing typist." And then the org officer can do that right away, and then try to get the establishment back into line on a medium range thing, like get enough typists in mimeo, you know? And that might become a long range of trying to employ some and so on, and it drifts around that way. But they'd have to know what they're operating on.

So, it is necessary for the product officer to make notes of everything he passes to the org officer. If you were the commanding officer in this instance, you'd write up something like this product, a voyage. And it goes on and on and on and on and on. And then this is passed over to the org officer. And he can jolly well repair all this, and patch it up. Now what got in the road of this is the fact that the two orgs split. This thing has not been totally done yet. Do you see?

Now the way you get this in line is to drill yourself as an executive director on this thing, is to write product one, the establishment, product three, the corrected establishment, product two, the establishment's product, and the corrected product of the establishment is four. Alright, now you get those cards, you could put them down on your desk. That's product one, two, three, four, with these wordings written on them. And then you put down volume, quality, viability, on three separate cards. And every action you do, just turn these cards to the right one. And all of a sudden, all the clouds will come out of your skull on the subject, and you'll be able to hand the rights things to the product officer and so on. Product officer can do this, "What am I working on?" See, each one of the products has volume, quality and viability.

Now this whole subject goes along on this, that an intermittent or Un-uniform; now an intermittent flow is one thing, but a non-uniform flow is quite something else. And what will really get in your hair is non-uniformity on your assembly line. So, one of your main things of a product officer is spotting non-uniformity, so that he can hand it to the org officer to get uniformities.

Well I'll give you a weird one. We have a staff hat, fifty percent of the staff members have one staff hat, and the other fifty percent have another staff hat. Entirely different. They

tell them to write their dispatches in an entirely different way and route them in entirely different routings. You've got a dog's breakfast at once. Now that would be a gross, silly example. Yet we have a tech services just twenty-four hours ago, who had some of their auditors writing up their sessions immediately after the session, and the bulk of their auditors writing up all their sessions later. Some of their auditors came to tech services to ask for a pc, and some of the auditors have an arrangement whereby the pc was sent to the session. Now you see what I mean about non-uniform flow? In other words, you've got a non-uniformity which is so great here that you can't get a team function. When people are unhatted entirely, you get almost total non-uniform flows, and total non-uniform flows can become so great that they practically overwhelm an org. Yet at this time that I speak I doubt there are very few orgs which have staff members which have done a staff hat. Just the basic staff hat. See? Practically none of them around. It's almost an unknown action at this immediate time. So you see, by not having in a basic staff hat, or a basic division hat, or a basic section hat, a department hat or a section hat, if you don't have those things you'll get a non-uniform flow. So your production line won't run. And now you've got trouble, trouble, trouble.

So as far as the group is concerned, it's the non-uniformity of flow, and different systems at work internally which then sort of block it all up. And if the individual gets across the track of the team members, or the department gets across the track of the team members, when it isn't wearing its hat. So just remember, there are two types of hats. There's the hat of the group and the hat of the individual. And if you don't have a group that is fairly uniformly hatted, you're going to run into a certain amount of trouble. They have to have some kind of a group hat.

Now with that you can get a tremendous amount of action out of all of this. I'm trying to give you the music. You can read all the rules and laws, I'm trying to give you the music that goes along with this thing, see? It's a wham, bam, bong. You have to be right on the ball. You have to be right on the ball as a product officer, and as an org officer.

Now one of the ways a product officer keeps track of the org officer is everything he passes to the org officer he says date, item, date, item, date, item, date, item. He can say more than that if he wants to. Now he keeps a record of this. He keeps a notebook. He's got to keep a notebook of this so that he knows if the establishment is improving.

Now how would he know if the establishment is improving? Because the notes he gave to the org officer in the week from the first to the seventh, should be different than the notes he gives to the org officer between the seventh and the fourteenth. And if they are not, then the org officer's being ineffective.

Now there's an immediate check of course, instant check on a well staticized org, on the product officer of that org. Oh, it is a marvelous check. It's the stats.

Now I hope we don't change the method of reporting of our present stats, because they give us, in some mysterious way, they are not just volume stats. And they interlock in such a way that they're subject to an analysis of the whole org. Whereas the product of each department, or the four final valuable products of the org, or something like this, if they were simply staticized you might not be able to get a total picture. So volume stats which do not give you any idea of viability, and no idea of quality, can give you a false picture.

For instance, we had some very, very high hour stats, without any completions. Now let me show you how an org officer could change that picture. It's rather fantastic, by the way. I can't give you the exact to the hour and minute, I just had a report on it, because I'm not sure how far we are into this week. What is today? Alright. During the previous week, stemming back from last Thursday, they had six completions at fifty-eight hours each. Uh!)From Thursday 'til Monday period, after it had been worked over product officer wise and so forth, it had improved to I think something on the order of sixteen completions at about sixteen hours each. Now what's the quality of the completion? Well the policy is fairly well guaranteed, because there isn't any completion permitted to go through the lines that is not an attest. And we haven't put down a success line, but in your machinery if it was put down also as a success line, if the success line was well in you would have your quality check.

Now it could be very, very misleading. This organization audited four hundred and one hours. Well you say, "Great." We've got one right now. We've got an org which has a very high rising stat of very well done auditing hours, and a reducing stat, almost in danger, on completions. What they doing? Well they could easily be repairing repairs, and doing all sorts of things. But I was just showing this that there is a stat change as a result of the product officer's intervention, backed up by an org officer. See? That sure changed the hell out of that, didn't it? Bongo!

Now these things run very fast. These things run very fast. And you get into the most amazing tangles, and you get into the most wild jungles you ever heard of, and it's enough to discourage most anybody, and a fellow just ought to quit, of course.

But what we're trying to do, what we're trying to do of course is bring about a product, and that product has got to be of good quality, and then we've got the factor of viability. Now what knocks people's eyeballs out is viability does not necessarily have anything to do with money. What coin is the division spending? An HGC spends an auditor's hour. The student hour and the instructor minute are the coins being spent by a training division. Now what do they buy with it?

Now if they owe too many, here's your backlog, they can be bankrupt. And a lot of orgs right now are running on, they're bankrupt with auditing hours. There's a lot of orgs right this minute are bankrupt on auditing hours, has nothing to do with cash. They owe far more auditing hours than they have any possibility of delivering. Well, what's an exchange money system? You owe more money than you've got, brother, you're bankrupt.

Now let's look at this in the form of economics. Let's move it right out of the field of money, and you'll find out that the economics of this situation open the field of economics wide open. You've got a subject of economics opening up in front of you. We haven't touched it. But economics actually is not the buck that is published in a printing press someplace, it has to do with viability. And there's in internal production viability, the like of which; you start studying this thing, you become absolutely amazed.

For instance, how many minutes of the MAA's time buys a product of a corrected situation? Now if you add the number of corrected situations that the MAA has engaged upon, an investigation leading to a correction, and you divide that into the number of work minutes of the MAA, you have his viability.

Now you take the number of situations which exist that aren't corrected and the average amount of time it will take to correct them, and you may find yourself with a bankrupt MAA. Just like that, see?

Now what do you owe and what do you got? Now an over manned post, an over manned post could also be expressed this way: You have three MAAs and you have two situations a week, so the number of MAA minutes which you are spending to handle the two situations, it may be that only two situations exist a week. The police solve this, by the way, very well. They just go out and make the situations. But we don't go in for that sort of thing, but there we are.

So viability to a product officer is what has he got to spend, for god's sakes spend it, and what can he buy with it? And don't owe too much of it that he can't supply. In other words, these are factors that are involved with the economics of the job. And the economics of the job is, what is the coin of this division? What is the coin of this section? How many does it owe, how many does it have, what is it buying with this coin, and so on.

Now oddly enough, you'll find all this translates directly over into money, if you're in a commercial society, or it would translate directly over into shoe coupons in a communist society, because the basis of money is; of course money is an idea backed with confidence, or enforced confidence, and is actually a representation. The basis of money is eggs and beans, it is not gold. Gold is a complete non-sequitur wrong item, because when inflation occurs, what do they drop back to? When an inflation occurs, they drop back to barter, they don't drop back to gold. So therefore, the basis of money is barter. And what does an org have that is barter, eggs for hams, milk for shoes? What does it have to barter with? It has minutes, production minutes. Do you see? So actually, the internal economics of an org is what have you got to spend, are you spending it, do you owe more than you could have to spend? If you just regard an auditing hour, for instance, a coin. If you regard the PR man's time and staff time, what he is buying with the number of surveys, what they're buying with the number of campaigns, what they're buying with the number of releases and so forth against this. Ignoring totally the amount of cash involved you will have the actual ecology of the PR department.

Now the product there might wind up in a final product which has value, if they're working on campaigns to sell something, and so forth. The sales and the investment of time and the number of products that it took that much sales, gives you the economy of the PR man. Now if you want to reverse all this back to short handedness, sloppily, you can; I said sloppily; you can translate it across to money in each case. But it's very sloppy.

PR costs us six thousand dollars a month, and that's what it costs us, six thousand dollars a month. And let's see, we had three stories published in the local newspaper, and therefore those stories cost two thousand dollars apiece. Well there's some fact in this. There's some fact in it, but it's sloppy, sloppy, sloppy. It doesn't take into account anything about the efficiency, or the cleverness, or the anything else, and so forth.

Now if there was one PR man there and he got three newspaper stories published in a month, he wouldn't be doing too bad, providing they weren't just death notices or something. You see, he wouldn't be doing too bad. If he had page two, page three, blurbs of some kind or other. Somebody, some actor's PR man would be deliriously happy with this, don't you see? It might cost quite a little bit to do so, but maybe it required a tremendous amount of clever-

ness. So quality went into this, didn't it? So what was your final product? It was printed publicity in the mass news media, or the TV minutes, or something like this. So you figure these things out.

You could get quite dizzy doing this. You could get quite dizzy doing this, until all of a sudden it becomes very real. You'll find out such thing as the auditor who didn't audit today has just cost you five auditing hours you will never get back. It's a decaying coin, it isn't anything could be put in the bank. That's five hours that were never spent, so they didn't buy anything. You get this kind of thing. And you say, "Wait a minute. What the hell's going on here?" See?

Now you turn over to the org officer, "What's going on there?" something like that. Or you gets into some kind of a program of action. Then you can figure out the economy of something. What is the economy of a section, a department, a division, an org? You can get too tight to this, but if you don't follow it through from the valuable final products; the valuable final products – well that's pcs, students, different types of students, course supervisors, money, these are valuable final products of an org. Valuable final products, because they translate into the society. Now we're into a completely new subject. They translate into the society for the wherewithal to survive.

A valuable final product by definition is something that can be translated into the society for the wherewithal to survive. Just by definition. Therefore you could run an org in a communist society, so therefore we've jumped up ahead of the economic pattern which we have been occupying before. Not that we intend to go into a communist society, but you do have, it does translate.

Now what do you know? We had some people in Washington and so forth, who are trading furniture for auditing and that sort of thing. That's a barter. A barter action. But it translates up into money, and because the furniture doesn't then translate into food, it's not a very good deal. So no staff members can eat, and unless they could translate the; so it isn't a barter economy, it's a cash economy. You walked into the Safeway with an over stuffed chair and it didn't buy a thing. It would in Russia. Rubles snubles, who wants rubles? Where's my shoes? "A man told me three years ago they had a five year plan on shoes, and it ain't up yet, so therefore I got to go two more years with no shoes."

Anyhow, do you get something of what the product officer's working with? So he's actually working with an economy. What is the production? What did the production cost? These are the things which he is asking for, but he isn't asking for what did the production cost in dollars, he's asking for what did the production cost in terms of the coin of what was producing it. And what is the coin? So a product officer has to recognize the coin. And the org officer has to make it valid coin.

Let's have an auditing hour. Oh boy, that's general. And they're not delivering any auditing hours to amount to anything, because the public doesn't come in anymore or something or other and so on. How valuable is this coin, an auditing hour? Well a bad auditing hour would be a very bad coin. Somehow or another the org officer would be required to increase the value of the coin, an auditing hour. But the product officer has also got to work on the value of this coin, by getting it better applied. So there's where they get their heads to-

gether, because they're both into it with the economy. One's got it to spend and the other is spending it.

It's the product officer that says what this division should be working on in the way of its product. So the validity of the coin and the value of the coin and so forth, can be disturbed by working on something that isn't very valuable as a product. So just as there are various nuances and changes in an economic system, so there is in this product officer/org officer system. They've got all of the economic values, they're right there in the middle of the org.

"We produced a grade two release today." "What'd it cost?" I can hear it now, "What'd it cost?" "Well actually, it was a very tough pc, and it cost fifteen auditing hours. And seven hours in review. Yes, that's what it cost." "What'd we get for it? How much are we selling an auditing hour here for today, and so forth?" Well that was how much the value of that thing was. And they all of a sudden will find something amazing, if you follow that back, that we're on a slightly wrong track. Selling auditing hours doesn't pay. Too valuable. I'll give you a wild economy. This is not an org's economy that we operate on at Flag. We don't operate here, neither does CLO. It operates on a different economy, because it's got one more via. It's what can it make the org make? And can it make the org make enough to afford having made the org make it? Do you follow?

Now I'll tell you something shocking, and what is, introduces this whole thing. I can tell you a great deal more about this. This is a ball. There is the subject of economics. And you want to work it out, you fool with it in your head, and all of a sudden you'll say, "Well, what, what, what?" You know? "Gee whiz, god. How can we make this place more viable? How can we make that division more viable? Well, you could make the division more viable by actually filing this stuff into the CF folders instead of letting it occupy floor space. And then it would have something to spend."

So, you could go on with this considerably, along the economic lines. Don't let me detour you too far, because the basic thing is the product officer gets the product, and the org puts the org there that gets the product, and the product officer is senior to the org officer. Why? Well, that's because the product of the org is not the org. But you've got to have an org in order to get a product.

Now the way you'd increase the quality, the way you increase quality is increase the organization. And that is a basic law, that isn't just a comment. You increase the organization. You increase the quality of the organization, you increase the quality of the coins the organization is spending. And you will increase the quality of the product. So the pcs in the neighborhood that you're auditing are not feeling very well, and they're not happy with their gains, and so forth. How do you increase that? Do you do in and yell at the auditors? No. Some of that will serve. Yell at the C/S? No. You have to sit back and project this. And you will find out there's something wrong with your organizational assembly line, which is another subject entirely different. There'd be something wrong with this.

The pcs come in at reception at the registrar, and the registrar sets their schedule in auditing, and then having set the schedule in auditing there isn't much, there's no auditor there at that time. Anyhow, you have thirty-five auditors who are delivering some of them two and a half hours a week, and; you get the idea? Your assembly line's just bonkers. So, there's no tech services, so that nobody can find the pc's folder, so he's audited without one. This

just gives you some of the horror stories that you might run along. "We don't know what to run on this pc, so we'll run anything that comes to somebody's mind." This is terrible, see? So you increase your organization. You increase its effectiveness. You may have to increase it numerically. You certainly refine the steps, and you certainly uniformize the actions.

One of the first things to increase the efficiency of an organization that happens is the most obvious one, which is the org officer simply walks up to the registrar and says, "What is your hat?" And the registrar says, "Scheduling pcs." Well he's, he's got it solved right there. The org officer's got it solved right that minute. It's all solved.

"Now let's take the misunderstoods out of this. Now here's a meter, and you sit there and I'll sit here. And now, what does the word registrar mean?" You could go at it that crudely or, you could go at it that thoroughly, or you could do it a number of different ways, but what you're trying to do is get the registrar to wear the hat of registering and selling packages of this and that.

Now one of the things that you run into in your team work of trying to do this, is sometimes registrars think they're selling pie in the sky because they're totally unfamiliar with what product there is. They sign it up on this end of the line, and the internal briefings of the organization are so scarce and so rare, that they don't really know what comes up out of the other end of the line, particularly if their re-sign up line is out. So they don't know what's happening. And I've had registrars think they were just selling pie in the sky when the preclears were just happy as jay birds, totally out of communication. So the registrar feeling guilty of an overt every time they sold some auditing. I've actually had this happen. Actually in two orgs, not just one.

So, I put the registrar back on an information line, of the success story line. And that looked very practical, like the registrar is sitting there with a packet of success stories. "Well," they say, "well I can read these to the pc, or something like that. Somebody wrote them and so forth." But she obviously is not a member of the team. In other words, you haven't got a team operating.

Now that was true right here. We had some public division people who did not know actually, and we were actually producing some miracles, at a low level here, in qual. We were actually producing some absolute miracles. People had come down from here and there, and we were auditing them up, and all of a sudden they didn't have to have their epizudicks cut out, and so forth. And, they never got in on it. And they didn't get in on it to the point where they never mentioned it to anybody. Here you would think your promotion people actually didn't know what product you had, so they of course were not very enthusiastic about pushing the product, because they didn't know what the product is.

So an essential in any team is briefing. The people have to know what the hell's going on, that's all. And the product officer, if he had a PR, he would have a sort of a cheerleader who kept everybody informed as to what was going on. And you'd get the PR function of interpreting the policies of management and so forth, being used as briefing staff, and so on. So you'd get an org magazine, and so forth. Well usually this falls off to a total banality. It's the quality of difficulties you're having with products which would determine that, because your public involved of course is your staff. And there's too little briefing, people are too poorly informed. When you have a staff meeting, why people nya, nya, they want to know

about the new water stand that's going to be put in in the hall or something. That isn't what they're for. It'd be to keep them informed as a team.

So essential, first, last and always, it is a team. Now how does an org become a team? Alright, well I'll tell you that very rapidly. The deputy secretary is the org officer, the secretary of the division is the product officer. There is an org officer and there is a product officer for every division. And then, there's an org officer and a product officer for the org. So the org officer has all the product, he's got all of the number one, org officers, under him as a conference. And the product officer has got all of the product officers under him as a conference. There are two conferences. The product conference senior to the org conference.

So the product conference lays it out, "This is what we're going to do, and this is how we're going to get the products and so forth." And they write up the projects and products and plan everything out as to what they're going to do in order to get this thing out. And then they make sure that they keep that machine running that way. And the org officer, with your org officer conference, they've got a certain deadline and they're coming up to the planning of the next fifteen days, and so forth, of operation. "And that's the org actions which we're going to have to take, because we've got in front of us the product conference. The product conference has decided this is what they're going to have, so therefore we're going to have to put in this action here in order to back this up."

Now those projects would be immediate, which are done verbal. Maybe with a note in a notebook, maybe on a scrap of paper, but it'd be hot line. Then they would be medium range, and then they would be long range, and then they would be very long range.

Now that makes a team. When you get a fair sized org that's the team you're working with. There'd be an executive director, and org officer, a product officer, the deputy secretaries would make up the conference or organization, handling products one and three, and the product officers which, of the secretaries, would be handling the products which they have to push out.

They would find all sorts of things. But their team work would involve by deadline. And team work is established by time deadline, within some reasonable facet, so that your org is always working on your immediate, medium, long and very long range. Very few orgs even work on medium range. It's usually immediate. Well you want to get out of immediate if you possibly can. That's what makes it a team.

Now naturally your product conference has to occur before your org conference has to occur. And it isn't a question of whether or not the product conference can order and/or the org conference can rebut, and it isn't a democratic problem at all, it's the product conference orders the org conference, and the org conference tries to cope with the things that they can't move ahead with, with their project. So it takes a double project situation.

Now in your targets, in your target series it's the org conference would be handling the primaries, primary targets. So the product conference could write something up that they wanted in that division, and the org officer of that division would have to write the primaries for it. But the primaries can appear actually as, on a separate issue.

Now what determines all of this? It would be determined by the planning officer. The planning officer should then be terrifically well informed. You can't have an executive director, or an executive director serving as a product officer, sitting in an ivory tower.

Now a product officer's best friends are his feet. It's just run, run, run, run. Here, there, so on, up, down, back and forth. I can keep three messengers, four messengers busy around the clock, when I'm running along this particular line, and so on. And then I myself, pulling back off this line and getting more service and more communication lines, have not done as much moving about as I might have. But when I started to become a product officer I found out I was running my messengers to death and I was running too.

So, it's based on the reality of the situation. And if the data isn't coming in to you, why you don't have it. Now the data is a stat. The data is a stat. That is the data. That's the data you've got to have, it's a stat. I'm repeating that several times because it's really, really, honest to god, it is pathetic how people will fall for what we could call laughingly; we shouldn't use the word in this because we've gotten the thing dignified up; just PR. It's amazing, it's amazing. It's heartbreaking actually to trace back the reports you erroneously operated on, because you get into a wrong why. And you all of a sudden have removed Gertrude, when her stats were out the roof. Do you see? And you've promoted Gus, and the next guy onto the post finds out there weren't any files there, that he was raising rats. Do you see? And what tells you is stats, but stats must be real. Stats must be actual. Stats do not always represent quality, and they do not also represent viability. For instance, you hear an auditor say, "Why I had fifty-five hours or something last month," or something like this. Now we put quality on it when we said, "F/N VGIs at the examiner." That determined the quality of his auditing. It doesn't always determine the quality of his auditing because the auditor can end the session, and the pc's so relieved he gets F/N VGIs at the examiner. But it does straighten up. And it does keep the line. And all of a sudden, auditors had to start producing. And better tech started coming out of the assembly line when that was the criterion.

Now the number of lost hours you get are also important. And if you don't see those on a stat, they could overwhelm you. So you have to know how many auditors are auditing for the stat to be real. See? It could totally overwhelm those well done auditing hours. I mean, so they got fifty well done auditing hours that week. Well that's great, great. There were five hundred and twenty-five expended. What kind of a field are you going to have very shortly?

So, your stat has to be a real stat. You have to know what this stat is. You have to be familiar with a stat. You have to know the tricks of a stat. It isn't that you see an up stat and you say, "Well it wasn't good quality so you can't have the stat." No, that's your fault for not having a good stat there that also represented the quality.

Alright, now how much can organization improve things? We're a very long way from being perfect at this stage of the game. A very, very long way. Yet we are vested in a great deal of information, technical data, training expertise and so forth, and we certainly have technology that hasn't seen the light of day before. So we've got all the tools in the world. All we have to do is know those tools, and get those tools applied.

All organization has value to the degree that it brings about production. An organization tends to get into trouble, I don't care what organization it is, if it doesn't have a product. If it doesn't have production. You can say all you want to about, "Well, there was a so on, so

on, so on." Actually there was one organization which ruled the planet which had the trickiest valuable final product that ever existed. Marvelous. Marvelous valuable final product, 'cause nobody could count it. Nobody could count its stat, and nobody could count the valuable final product, nobody could count the stat in either heaven or hell. The valuable final product of the Christian church obviously was souls gone to heaven. Marvelous, marvelous organization.

So you don't even have to be very good to succeed. Did I suddenly give you some margin? You don't even have to be very good to succeed.

Now when you actually add it up to where you really have a product, and when you really got the laws and rules of organization that put the thing there, and then you've got a team, and then you've got a product system, and you've got your product/org officer combination as it runs it up the line, and you know the ins and outs and ramifications of this sort of thing, god help the planet. Thank you. OK, don't be fooled by the clock. It's four o'clock in the morning. (Thank you.) You bet 'cha.

HOW TO POST AN ORG

7101C23, SO FEBC #5, 23 January 1971

Hello. (Hello.) In view of the fact that the lectures the other day were popular, we decided we would repeat the performance just for your special benefit. It's the twenty-third of January AD 21, FEBC Flag.

Now the reason why I want to talk to you however is not just to see your pleasant, smiling faces, which I am always happy to see, but because having cleared up this thing called a product officer, we are, as you would suppose, up against the next barricade.

Now the product officer's first product is an org officer. The org officer's first product is an HCO AS. The HCO area secretary's first product is an HCO, and the first product of the HCO is the establishment. Imagine my horror during the last seventy-two hours to find I was dealing with people who didn't know what an establishment was. Horror. And I think it's because people get their attention stuck on bodies.

Now many years ago we used to have some drills which were extremely interesting, which was pat your body, and feel your body, and look at your body, and look around the room and look at your body. You know that sort of thing? I think you'll have to run it, because all I find out an establishment consists of is some bodies. That of course would make a mortuary the ideal establishment.

Now this is so gross that I think actually it's one of those points that has to be cleared on an org officer, because until some of these points were cleared, we did not find operation by the org officer effective at all. And when these; we already have a little case history on that; when this point was cleared, and why then it started to work out very well. So we've had a positive and a negative run on this, and the positive run in the Flag bureau was good, and the run actually that has occurred in the tech division FAO just now, was not good, by a long way. But, what happened was, we were letting the Flag bureau clarification of these points go along to see if they worked out, and since that time, why they have worked out. And, it has not been cleared up in the FAO, or the, that's the Flag admin org, or the FAO division four, that's the tech division, has not been cleared up in that sector, and it is running, you wouldn't believe it. So therefore, what I'm talking to you about is of very great importance. It is not slight. And the reason I called this lecture so suddenly was as I say, not to look at your bright and smiling faces, but to give you some information which you cannot live without.

If you try to use this product/org officer system without this data, you're going to come a cropper as an executive director, a CO or a product officer, or an org officer, or an HCO sec, or an HCO, and not know why it all isn't working somehow. But it is something on the order of the auditor has forgotten to turn on his E-Meter. I mean, it's a grossness, but it appa-

rently is something that needs pointing out, it is something that needs clearing, and it is something that needs drilling.

Now the product officer can get confused enough in trying to differentiate between his job and his org officer's job, because of course he has a legion of problems and so on, which are bouncing up along his lines. He will find himself however running on a short term cope per products, and his products will get worse, and he will have more and more trouble, and he'll get very exhausted, and he'll eventually say, "This system doesn't work somehow, and it's too exhausting and it's too horrible." And he won't be able to sleep at night, and will be found prowling the streets or sitting in parks with his head in his hands, with over loads and ARC breaks, which can't be audited because he's too exhausted.

The product officer Flag bureau and I had a talk about this when we saw, in the wee, small hours of the morning, when we saw that there was something wrong with this line up. And we discussed it, and kicked it back and forth, and used the practical experiences and applications which we had already had with regard to it. And we finally isolated it, and this is apparently it. And you see, we found the why, and now when we applied the why did it all work out? And the answer is yes. So I'm giving you a valid, tested result.

Now this why can't be just brushed off as an org officer's ignorance of organization, or something of this sort. This is no shame, blame, regret on the org officer's side of it. It is just what does the org officer have to know? And what does he have to do? Because you see, he could know a hundred million details, and he actually doesn't have to.

The way we were clarifying this originally is, the org officer was the cheerleader. Oh that shifted your gears in a hell of a hurry, didn't it? Yeah well, the org consists of bodies and hats. Yeah. Let's take a look at this, he's a cheerleader.

Now in our orgs particularly, we are taking care of the problems of the world. Well who takes care of our people? The org officer. When they're over loaded and sick and caved in and need somebody to hold their hands, who is it? It's the org officer, naturally. When they're under paid and over worked, who handles it? It's the org officer, naturally. But to do this kind of thing, the org officer has to have; it isn't that he's just a chaplain, far from it. But that is one of the things he'd have to do. And that was the original little see-through. We all of a sudden saw through in discussing it, this point, of where the org officer might fail.

The org officer, in communication continuously with the product officer can, he would go right ahead and pick up the speed of trying to get it organized in order to keep up with the product officer. That is for sure. And he actually should sort of run along ahead. We're going to increase the load on this division, production is going up, well the org officer should be in ahead of that. It's like your heavy traffic warning. The first one to pick that up would be the org officer. Not the product officer, that would be after the fact.

So if the org officer does not pick this up in the first place, ahead of the product officer, you will get a sequence of booms and depressions, which will consist of this: Over load, lines break, somehow or other put it together, somehow. And over load, lines break, put it together, and so on, because there's no rule that every time loads increase why, those points of your organization which are weak blow up. And we've been observing that here for a long time.

So the org officer is there to do product three, which is the correction of the establishment. Preferably before the fact, and certainly swiftly after the fact. And the org's org officer is there for that purpose. And the org officer of the division is there for that purpose, and he's a product three man. You say, "Yeah, well what do you mean product three?"

There are four products. One, product one, establishment. Establishing the establishment. Product two is the product of the establishment. It's what does the establishment produce. Product three is the correction of the establishment itself. And product four is the correction of the product. Now these are just arbitrary figures and you could figure it all out backwards, and actually should do your org board backwards, you could rename all of these things, but these are numbers and so on. But just recognize what they are, they are simply the sequential numbers, more or less in order of writing the bulletin. I mean, there isn't any particular reason for those numbers. See? You could say, "Well they're one and two and three and four, and so on."

So, there is no point actually in discussing the chicken and the egg problem. What comes first? The establishment or the product. What comes first? Well, what came first, the chicken or the egg? It's pretty obvious, pretty obvious that the egg came first, didn't it? Well the egg would have to come first, because otherwise there would have been a missing sequence that arrived at the chicken. So we have solved that old, ancient problem. Just look over your data series, perfectly true. There would have been omitted, omitted points of sequence, and an altered sequence of events if the chicken came first. So it's quite obvious.

So actually probably, the product however does come first. A fellow goes out and he gets some leather, and he brings the leather in and gets an old kitchen knife and so on. He cuts himself a pair of sandals, and somebody else wants some sandals, so he scrounges some more leather and he cuts that up. And eventually why, making money from making sandals, he is able to purchase a better knife, and he can lay in more raw materials. But that better knife is when he starts into establishment. And then he gets an awl, and he's got more establishment, hasn't he? And he himself is gaining more expertise in how to do this, so of course that is more establishment. And gradually, out of the product arrives the establishment. And the funny part of it is, this is perfectly true. You could probably take a hundred thousand dollars, establish an org in New York City, and it'd promptly fail. We've done it. You wonder why we always insist that an org make its own way? And every once in a while we get; we've only had a couple of these in recent years. Somebody puts in a proposal that Flag pay three thousand dollars a week to support this org while it got on its feet; and we've had a couple like this. And believe me, if you want to run something backwards, do that. That's all great.

Now of course big factories do this all the time, and they don't own themselves anymore. They're all owned by the bank. I wonder how they lost the whole lousy lot? Well they just did it backwards, that's all. And Mr. Henry Ford starts with the, a bicycle factory and winds up with the Ford Motor Company, which winds up with a lot of subsidiaries, so that the Ford Motor Company at any time might establish a subsidiary with the cash it has at hand, and it goes on and manufactures things. And I notice though, as time goes on, the more the reserves are taken out of the Ford Motor Company to establish a subsidiary to do this, that or the other thing, why the less the stockholders get, and the less belong to Mr. Ford. He isn't even there anymore.

The point I'm making is, is there is no point at which the flow can be reversed. So therefore, you could say that product one is really the product. You see, there would be good reason for reversing this numbering. The product, the establishment, and so on. However, it is as it is. Number one is the establishment as a product, number two is the product of the establishment. If you want to work all this out, why just look at a generator, or something like that for a while, and it'll all evolve. And then of course you have to correct the establishment, and then you have to correct the product. It's easier to take it odd numbers, org officer, and even numbers, product officer.

So what comes first, the chicken or the egg? The egg came first, and always will come first. And it's economically unsound not to have it first, the egg as first. In other words, two is always primary and senior. But it's properly numbered after all, because to get anything you have to work backwards. You actually do, you have to figure it all out backwards. So, that numbering system presses this point home. If you want to work out an organization, take its product and then work backwards, and you will wind up with the org board. And if you take the org board and write it up, if you haven't got any product, and you aren't going to have any product, and you didn't have any product, and you aren't going to have any product, and that is all. You got an org board, you got a bad, heavy payroll, you got a this and that.

Org after org after org is sitting out there, and because we have delivered an org board, they've put up this org board, but if they had to really work it out they would figure out what their product was and work backwards to their org board. We can give them the org board that they should wind up with, but it is posted backwards. An org board is always posted backwards. It is not posted in such a way as, we put a name on a post. There's a post, so we put somebody on it. There's a post, so we put somebody on it. So there's a post, so we put somebody on it. That is not how, and is actually pointed out in your OEC as an absolutely fatal way to go about it. And you'd wind up probably with a government that governed nobody and nothing.

So, what do you, what do you actually do to put together an org board, even when you have one handed you? You post the personnel who get the product. And if you're organizing an org you would put on these posts. Alright, why? See?

Now let me give you the valuable products. The basic valuable products of an org are auditors, preclears and money. And they're the final valuable products that are the obvious ones. There are some additional ones, but these certainly are the obvious ones. So therefore, you work it backwards. You don't post an HCO OES, OES, PES in a three man org, who don't also work. Somebody could hold these posts, but it'd have to be posted backwards. You'd have to put on an auditor or auditors, to make the preclears, you'd have to put on the course supervisors, to make the auditors, and then you'd have to put on somebody to get the people to collect the money.

Now if we went at this very straightforwardly we'd find in what I've just told you there's a slight altered sequence of events. So, I'll just show you how neat this is. You would of course put on a course supervisor. And you'd put on somebody, even if it was the course supervisor, to get some students to pay to be trained. That gives you the money. And then you'd put on some auditors who had been so trained, in order to process pcs who are procured, and

that gives you some money. And then you train more auditors, and you get some money. And you've now got auditors who can process more pcs, which gives you some money. And so, you can buy broader promotion in order to more broadly bring people in to be trained, so you about this time you've got to have somebody hot on the promotion line. You get how we're posting this thing now? And one of the little secrets of org failures is, is they don't post the course supervisor first. He's posted as an afterthought. And they don't bother to deliver the course because it isn't a primary posted action. And so of course they don't get any auditors who can audit, so there, when they bring in pcs they don't get audited, and then people don't pay money for no service on a course and no service from the auditor, so of course you run out of money, and it goes backwards, because it wasn't posted backwards. Posted backwards.

Now when we say somebody to train a course, we want a course supervisor, not somebody that once heard of something. When we audit people, we want an auditor. What is an auditor? An auditor is somebody who attains flubless results. Right now about fifty percent of the field auditors, maybe not that great a percentage. We haven't done a survey, but it seems like that, with cases coming back. Why the walls down there in Flag Qual would be charred. Absolutely charred. We're going at a level of certainty which does not say, "Well of course the reason why the session, or the pc, bla-bla, reasonable, you know, it explains easily. I mean, married a long time ago and probably is still PTS to somebody in Nero's time. You know? Ha, ha, ha. So of course, you say there's nothing you can do about it, and so on. And the reason that the chain didn't F/N at the examiner is it didn't F/N at the auditor's end, because it, narrative or something. But that doesn't have anything to do with it, because nobody knows what a narrative somatic is. And…"

So now, let us go over this again. If you want an org you would post it backwards. You would post a course supervisor, not somebody to not be there. Now he would have to have the materials, wouldn't he? And then, when we gild the lily here, we'd have to have somebody counting the noses of students as they walked in and out of the door, and have folders for them and so forth, so we'd have to have some administrative check on all of this to find out of they were coming to class at all. So we would build it up from product to org officer.

Now, the product comes first, but to get the product you have to have organization. So we're back the other way around again. Chicken came first. If you were to crash in a space ship on a god awful desolate planet, and you were faced with having to build the entire civilization, you would probably have to start with a sharp rock, right? And from that, over a considerable period of time, why you would eventually get the metal that bubbles out of the stones that are parked around the fire, and have copper. Now those are the long spans. But even though you might look at this prospect and sigh, and even though you might have done this, there is no reason why it cannot be done, providing you start with a sharp rock. In other words, there is some place to start.

Now when you get to a product org officer line, you get this on your bing, bing. Now somebody's got to get some potential students who want to be trained, who will pay for the training, but the moment that that action starts, the org officer, anticipating a traffic flow, has ought to have procured at that moment a course supervisor, and the materials that the students will be taught, and the tape recorders, and the tapes, and the folder supplies, and the room, with a roof over it so the students don't get rained on, and the chairs, and the tables, and the

clock, and the schedule. "Hey," you say, "what's this product officer doing all this time?" Well, if the org officer's that over burdened, he's putting in a product one, isn't he? He's putting in a product one all that time. So he'd better unload product one because he'll find it very rapidly in over burden. So he forms his first embryonic action of an HCO, even if he just does it by dividing his hat. Product one belongs to HCO, it belongs to the org officer's product. HCO AS.

So what's the org officer do? Well he got rid of it, see? He got rid of it. And somebody's putting the establishment there. "Well yeah but," you'd say, "treasury actually buys this stuff and other things, and the bookstore orders this stuff. And it's all ordered up and down the org, and you haven't got any org." No, no, no, no. Product one, the establishment of the establishment belongs to HCO. "Yeah, but the org officer got rid of that, didn't he? He got somebody there to put in the establishment and so on." So what's he do? He's even got to get a registrar and somebody there to pull the students in, and put this thing together and so forth. But that's, you know, that's HCO, isn't it? So that's immediately at HCO, so it's…"

So what's this org officer do? Well, product one. Product one is his responsibility. But having taken that responsibility he passes it over to somebody. So what's that leave him with? It leaves him with product three, the correction of the establishment. It leaves him with, when the chairs don't arrive, he gets some there. He calls the local funeral parlor and has them, rents some right away. Brezzo, zoom, boom.

Meanwhile, telling his establishment officer HCO ES, "You get some chairs. Buy some chairs." So he doesn't have anybody to operate as a course administrator because if nobody wandered in and it wasn't established, and so forth. That's a three then, isn't it? So he has a friend of his, or somebody that's standing around with his mouth open and so forth, suddenly finds himself kidnapped and on that post, and there's a dreadful row about this because the person's actually the director of disbursement. If he's director of disbursement, what the hell was he doing standing there? Good question. And that's the org officer's rebuttal.

The assignment of the course administrator, the hiring of somebody, the putting of somebody there, under of course the pressure of the org's org officer, is of course the HCO job.

How do we actually get here? There are some other areas that have something to do with this establishment. There is the estate bureau. "Ah well hell, we don't have any estate bureau yet, we haven't even glued up an org board." So it must be, belong to what we call HCO. HCO generates the number one, establishment.

What's it consist of? It consists of the establishment. But what is an establishment? And right away we start to get into the basis of our deepest misunderstood. You ask almost anybody what an org consists of he'll say, "Well it consists of some people and it consists of some hats." And boy, that is about the faintest statement that anybody ever made under god's green Earth. You've got to beat this out and recognize it for real. What does an org consist of? What does an organization consist of? What is this thing called an establishment? We can go on and on and on and on and on. But it has very specific things. If you don't have a place to do this action, you will be training people in the rain, or the snow or something. So if an org just consists of some people, why they're going to awfully wet people. If it consists of some

packs, they're certainly not going to be protected from the weather. There's got to be some safeguarded or protected space there. It's got to have a roof over it, it's got to have doors and windows and floors. And that contains what?

Now I could go on and rattle off a list here of what, but I can give you certainly the basics it consists of. The tables, the chairs, the desks, supplies, the paper clips, the staplers, the comm baskets, the labels, the machinery, the typewriters, the address machines, the CF file cabinets, the CF folders, the content of the CF folders filed in them. It would consist of hats, and it would consist of packs and tape recorders, and it would consist of its various commercial contacts that set it up, and it would consist of; you get the idea. You start looking around, all of a sudden your eyes will open, the attention of anybody you're trying to break in as an org officer will come off of this thing called a body. That's the establishment.

Now you say, "Here, well yeah. Of course this is a, this is a ship, naturally. And of course that's under the ship org." Oh yeah? It's under what of the ship org? There must be somebody over there establishing a ship. So this is all very interesting.

Now that's when you get very sophisticated indeed. Up to the time that it's all out it's all up to HCO. Somebody walks into HCO and says, "Where's the packs?" See? Yeah, but you only got one person, see? You say, "Well, you're division two today, too." That finishes that. Then you got two hats. "Where's the packs?" "Yes, well you see, and we wrote a letter…" and at that moment the org officer says, "God damn it to hell." Now, he deletes that because you must be nice. Remember your PR. "A dispatch is not a product, and it never will be, and it never will get us anything, and it is not anything that ever establishes anything. It is not a doingness, it is a gesture." And the first guy that says, "Well I wrote, I sent a dispatch to HCO…"

I'll tell you an exact situation. A personnel, who is facing internally; here you see, we have an internal/external situation, and that applies to CLOs. There's internal/external. Your org officer actually is operating a little more broadly in a CLO to establish the establishment, unless your CLOs HCO is competent to keep it established, because the org officer is operating internally, but the product officer in a CLO or on the Flag bureau is operating externally. It's a slightly different situation than you'll find in an org, because in an org directly, or in the FAO here, both the org and product officer are operating more or less internally. Their attention is internal.

Now it's very funny, when you have a personnel whose attention is external to the org, and internal to the org simultaneously, he tends to go bonkers. We've already analyzed this and we've had a lot of experience with this. The guy whose attention is out there and in there. The Guardian's Office for instance at this moment that I speak has heroically acceded to our pleas, so that we could teach an FEBC and hold the fort in, all over the world; and it's much broader than you imagine; has loaded onto itself a great many internal concerns. It's also trying to hold the fort externally. Well they can't do that very long, that's why you are getting pressure here, because the Guardian's Office will probably be holding the org, or the CLO out there will be holding the org, until trained personnel get back to that org. And it's not much mentioned to students, because it would harass them, and put them under a worry, and a stress. So I'm telling you, speed up.

Actually the Guardian's Office at this exact moment all over the world is holding its breath, waiting for the FEBCs to come back, because they're holding internal actions. Now they're an external group. It wasn't the Guardian's Office in this instance, but I'm just telling you the difference between external and internal. Their attention is out into the public. Their tech is with the ARC broken pc out there in the public, not in the org. So, the person I was speaking to had permitted, who is an external personnel, I found was holding several internal hats. And I said, "Would you, what action have you taken to fill the vacant post?" And she said unfortunately, "I have repeatedly written a dispatch to HCO." That's what that charred mark is right there, my reply. We'll get the stewards to polish it out. And my order to her was, "You go down to the personnel files, and you look through these personnel files until you find somebody who is suitable, who is not holding a key post, and you take that person and put that person on that post." And the reason I did this is, I'm talking to a key personnel whose product is too valuable to be monkeyed with. And who was permitting herself to have an internal attention. Actually, probably a great deal of percentage of her time was being occupied internally.

Now in the; that's not the Guardian's Office; but in the Guardian's Office matter and so on, why the, Mary Sue is saying, "Where are the FEBCs? Where are the FEBCs? Where are they?" They're perfectly willing to handle this sort of a situation, but you've got policy knowledge and other actions of one kind or another in the Guardian's Office at this moment, holding posts of temporary executive director. USGO is holding a post, his communicator is holding a post in DC, or was 'til a very short time ago and so on. And they're spread thin. They're controlling all of Africa right now, and actually were telexing for help here within the last week or so. So this is an external/internal strain. So you got to figure out which is your external and which is your internal personnel. So you do have external personnel. Who's your registrar?

Now your registrar is working for people to come in and take that course, so that they can become auditors. Right? So she's got time to monkey around with how the files are or are not straight? You want to cut your income to pieces? Take an external facing personnel and give them internal distractions.

Now that goes broader than that. You want to cut your products to pieces? Take an org officer who isn't anticipating or running before the product officer with load lines, because your product officer will have his attention yanked over onto the subject of organization.

Now just as there's external/internal, there is the organization of things and the production of things. The production of things is of course totally dependent upon the clear cut organization of things. But, the funny part of it is, you can produce without a clear cut organization, and one of the ways of stalling a whole org is to go into one hundred percent organize. You go into a hundred percent organize, you'll choke it down every time. You organize while you produce, is the proper sequence. And you produce while you organize is actually much closer to the truth.

Now when you look over this team of the product officer/org officer, you find out that the org officer has to have a fantastically clear idea, and so does an HCO AS have to have a fantastically clear idea of exactly what an establishment consists of. Now this idea that I'm

talking about is just like this. What does it consist of? Well it consists of a building, or rooms, or auditing rooms, of desks, of typewriters, of supplies, of personnel, of hats or hatting actions, and so on. The whole thing. The whole bang shoot. And if they don't have a total grip on what is an establishment, the org officer will not be able to back up the product officer, because he will never detect a decline. He won't see it as a departure from the existing scene. It isn't necessarily staticized. You know, the roof falls in. There's no stat for the roof falling in. But it is a departure from the ideal scene, I assure you.

So, therefore the first requisite of an org officer is not necessarily a verbatim knowledge of the OEC, but the definition and the extent of, and everything that there is in this thing called an establishment. And not only that, but what is everything in this particular establishment. Just like that. Now comes his knowledge of the OEC, because that tells him how it ought to go together and how it ought to run.

Now along with that is apparently you cannot ever have sensible hiring or personnel posting in an organization, unless there is a list of all of the essential hats and duties of those hats, in the organization, which is just a mini list. It's not even a mini list, it's an instant hat list. What do these people on these posts do?

No one in personnel can function at all in personnel unless he has such a list. And where does one exist right now? There is no such list, not even in the most sophisticated personnel offices anyplace. What is this job? Well very often you'll get some big corporation, and it'll have some personnel thing and so on, but you won't find that list. They'll say, "Get me a shop foreman." So they look around to find somebody who has been a shop foreman.

Now why do they do that nonsense? It's actually because they couldn't for the life of them define what are the duties of a shop foreman. Now it might only take three sentences to lay out what the duties of a shop foreman are, but you won't find anybody posting personnel at all sensibly, or hiring sensibly, unless they have a pretty good idea of exactly what each post does. Just in the last twenty-four hours I've run into it aboard here, you wouldn't believe it. I just tried to do a posting to fill in suddenly. Somebody had a class ten as a requisite to somebody to file folders, and to hand them out to people when the name was on the list. You won't believe that; I'm not being critical of this because we're just forming up. "What the hell do you want a class ten for?" "Well, you see, the duties of that post, you find the post there, the duties of that post are, and so forth, will host the CS conference with the auditors." "Hosts what conference?" "Well the CS's conference, you see, with the auditors is held by the D of P." "Whose conference?" "The CS's conference, with the auditors, is held by the D of P." He got the point.

Now once upon a time, the D of P had as part of his hat CSing. Well we have a CS, and I would like to see a class ten D of P who was not acquainted with the CS line of the various cases, trying to hold a conference with the auditors auditing those pcs. That would really be a clown performance. It wouldn't matter how much tech this fellow would know, he is not the CS. So the only person who could hold a CS conference, or a CS's conference would of course be the CS. But we weren't trying to post a CS, we had a CS. We were trying to post a D of P who would make up the programming of the auditors and the pc's lists, to hand to tech services. And to interview some of the people who were being audited who very often have

questions, and walk around in mystery as to why that's being done. There's nobody a CS right now can say, a little side note, "Contact this guy." You can have the examiner say, "What did the auditor do?" but you can't say, "Contact this guy and clarify what his program is." What his auditing program is. It takes the mystery out of it. Well that's what you have to do on public lines, and because we're not handling actually public lines, why that function had dropped out. But it still leaves a whole bunch of little mysteries.

"When am I ever going to get audited?" "What run down am I on?" You see? Guy goes into session with his jaw dropped, where he's audited with the mystery rud out. You get the idea? Well that's just because there's no D of P post. Well there's no trick to it.

Now if confidential materials were at question, that would be something else. But the confidential materials were not at question. The person selected was of the class necessary to handle confidential materials. Also was a trained auditor. There were two such people available, idle, with nothing whatsoever to do, in that very department. Not auditing, not anything, either one of them quite capable of performing this duty. But somebody had to have a class ten auditor to perform this duty. I wouldn't know why. Another duty is to hand the list to a tech page, and get the folders together, tech services, see? Hand the list to the tech page so that he can do this list, and get the folders of these pcs together and give them to the other. This post couldn't be filled I think because the person was slow or something, by reputation. That's nonsense.

Now the situation arose by overload. These are actual org product officer situations. The situation arose by overload. The traffic line went way up in volume, the stat was going way up in volume, the predict would be that these lines will break. And they broke. The product officer of that division became ill, the tech services chief of that division, over loaded and with insufficient help went to bed with a temperature of a hundred, leaving the post empty. But my effort to fill the post on a high express action, seventy-two hours after the first order that the post must be bolstered up fast, was being done on dispatch lines during that entire period. Dispatch lines! What the hell. I suppose the world has lost feet, because it's an automotive age. And when the person was put on the post somebody in HCO developed a policy that any pc's mail incoming should be opened and read, in case it might enturbulate the pc. And the person put on the post which was supposed to hand out the folders and the list, was opening and censoring student mail in the tech division, which is totally, completely off hat and illegal. At that moment there were loud explosions all the way along the line. The person put on the other post was doing the tech services job because there wasn't anybody there to do it. In other words, it's scrambled up in a mess.

Now this is the consequence of not predicting a traffic flow in an organization which is just forming. Now when you have an organization just forming, the many outnesses which are presented to you can completely confuse an org officer. And at that time, as at no other time, must the org officer adhere to product three, correction of the establishment, and leave the establishment to someone to get that one. Get product one. And in a fast running organization, the total duty, the total duty of an org officer is arresting a decline. Product three, halting a decline, or a threatened decline.

So actually it works this way. When the product officer finds himself correcting the establishment's product, which is four, this passes at once to three, who may have it in hand already. That makes an org officer somebody with a crystal ball, doesn't it? I'll tell you just in a moment how he doesn't have to run it with a crystal ball. But it's almost a crystal ball job. By the time the product officer says, "The students coming off the line all seem to be limping in their left foot. You know? And they, when I talk to them and ask them why they don't go write a success story, why they sort of look down at their feet and limp off. And I think you ought to go in and see what materials they are being taught by whom, because I've got some inkling of this because I saw some textbooks on yogi lying around the classroom." Now if that team is really functioning; now of course I'm giving it to you a ridiculous pitch, as well as exposing some of our shames here. Well believe me, it's being straightened out. And things will get straightened out here much more fast as it straightens out. They can go wronger and get straightened out faster than anything you ever saw in your life.

But the org officer hat's working on product three, correction of establishment. If he was very good would be able to say to the product officer, "Yes, I spotted that yesterday. We have immediately somebody coming in here from San Francisco that used to be in the org, and so on. He's taking over as course supervisor. And as a matter of fact, the comm-ev has already been convened on the course administrator for crossing practices. And if you walk into class at this moment you will find one of the HGC auditors who is an HDG, at two o'clock took over the class." That'd be a very lucky product officer, wouldn't it? See? Really on the ball.

A little bit ahead of, a little bit ahead of is what, is what the org officer, that's where the org officer belongs. Anticipating the traffic flows, anticipating their sags, anticipating this sort of thing by reason of the actions of the product officer. So the product officer has to keep the org officer pretty well informed as to what was going on. Therefore, the product officer is always making notes. Anything he runs into, and after he's handled a kerfluffle he always writes it up, no matter how briefly, he makes notes of this kerfluffle, and he passes the thing over, and he usually indicates the organizational action.

Now I don't know if I'm clarifying it for you to any great degree, because you may not believe me. It's just that you may not believe the important point that I'm trying to put across. You may believe you have, if you're operating as an executive director, a product officer, you may have, you may think you have somebody. It's not hard, it's not possible for you to believe completely, probably, because it assaults your common sense, and that's what you want to watch, boy. Common sense to you may appear like complete screaming genius to somebody else. It breaks down on the inability of the org officer to define, locate and establish everything in the establishment, including the duties of every hat in the establishment. And if you're going around in circles as to why you can't operate or why your product officer can't operate, that is the first thought.

So you clear it. You can actually clear it in terms of reach and withdraw from typewriters, and reach and withdraw from staff members. Now we're not talking in a theoretical line now, because when we had this conversation that clarified this point and it gave us a win on the thing, this is; I'm not being down on org officers at all. I mean this is, this is the truth of the thing, and this was what was fouling up the line.

Alright, we get in the product officer's duties. The product officer has to be able to recognize his product, pang!, that he's trying to get. He has to recognize that it is a product, a product of the establishment. He has to be able to recognize that and he has to be able to get that thing out. That's what he's working on. He has to want that product. The two monitoring laws is, is he has to recognize and he has to want it. And the action is that he has to get it. Doesn't even say how. Actually he has to know more about the organization than the org officer, really.

But where you will get a break down will just be on this other thing. That's its other point, this other point. It's just a failure actually to embrace what is this thing called an establishment, because if the establishment itself is not embraced, then no ideal scene could possibly be conceived of, and therefore the org's org officer would not be able to spot a departure from the ideal scene so as to arrest its decline. And he's just in the first business of arresting declines, and passing along back to the person who are responsible for the establishment itself and establishing the establishment, what will be required as an establishment? Now therefore, he can get this thing back up to an ideal scene. But he's working on three.

Now what is product three? Three is the product which corrects the establishment. Three is the correction of the establishment, and it is itself a product. It's a correction. And org org officer who doesn't work on product three constantly and continuously and so forth, will find that the decline of an organization is not arrested. And an organization will run, and your GDS's will all go up, and your GI will all go up, and everything will go fine, and then all of a sudden the GDS tails off, and all of a sudden another GDS will tail off, and all of a sudden the GI goes boom! And the organization goes all to pieces. And you wonder what the hell happened. And what you hit is an un-anticipated expansion, which sought and found and exploited every weakness in the organization, and it blew up. And that is the reason for booms and depressions of orgs. The booms and depressions of org is, as they expand they expand beyond their tolerance level of handling. The increased volume finds all their weak points, blows them up. Staff members become over loaded, over worked, they can't cope with it anymore. The lines are just too much. Things are too internally vrahh, human emotion has gotten in your road, oh my god. And somebody says, "I think I'll go back to Australia and sit under a Eucalyptus tree, because I'm going mad."

What happened is there was nobody watching product three, and detecting and remedying the points of decline, and patching them up, and pushing them in to the people responsible for the establishment, so they could hire it up and beef it up, hat it up, quick it up. HCO actually as the org board sits at this moment would seem to be totally incapable of putting an establishment there, because it has several thing that are not its preview. That ought to be remedied. But HCO could remedy it right now, because they can order, they can order the other parts of the organization. They've got a time machine to make sure the order is complied with. "We predict at this rate of expansion that we will have used up all existing space of this building by July, which is five months from now. You find this new building and your guy's promoting and so forth. Fix it up so there's every Sunday meetings teas and so forth after we move. But you find us a building, and so on." That is not the org officer's action. It's the org officer's spot, but it's the org officer's order that something be done about this. We need a bigger establishment. And that's going to shatter everything along the lines, and so forth.

So, the decline of the establishment is arrested by ordering bigger space and more staff members. But then somebody has got to figure out how to put this bigger establishment in there. So the order is simply that to arrest the decline it is necessary for you to expand the space of the establishment, economically, so that it does not eat up everything that you are going to make by the expansion.

THE ORG OFFICER AND
HIS RESOURCES
PART I

Now the org officer, in a highly idealized org, would have an organizing officer in each division of that org, as the deputy secretary. And would call these cats together, and would say, "This is the way it jumps. Let's have the product here of projects. And what are each one of you guys going to do in order to do this?"

Now the product officer at this particular stage of the game would simply be going on getting more product. Now I do this unreasonable thing whenever I'm in an org, and one of the reasons it's very, very workable in an org; you will see an org go zoom around it. And the reason why is I never take any pity on the organization. I am the most pitiless production officer you have ever heard of. Absolutely pitiless. And if not followed up by an organization action, and compliance with orders to organize, why then I have to start operating to correct the product and correct the establishment, but I do it.

For instance, every now and then you hear of a director of processing or a CS, or the head of, the tech sec saying, "We can't take more than six pcs because we don't have any more auditors than that." And at that moment you will find me issuing an order to promotion, "At once, promote, to get in all the pcs you possibly can get in from everywhere. To the registrar, sign everyone up. And to the tech sec, you've had it. Where is that part of your hat that says you are to employ auditors? How many auditors do you know? Where do you know them? Get them in here. I think probably your peak load will probably come in another fourteen days, so you have lots of time to put on twelve additional auditors. Get them totally trained and grooved in, and your estate bureau, who ever is handling buildings and so forth, rent two more houses."

Now, what do you have to do if you do all this? Now we went back over the analysis of successful actions. Successful actions. And the analysis of successful actions in this particular field is a complete pitiless product officer. He never thinks of the organization, he never thinks of its capacity, except to utilize it to its totality. If he's got an idle piece of machinery that ought to be turning out bunjucks, then by god, had better start turning out bunjucks, even though he has to grab the office boy and tell him to start winding that crank, and send out the

janitor to steal raw material to put through it. Now that takes a hell of a disorganization, doesn't it? So where's your org officer that makes that correction real and that can push it back up, after you've done all that?

Well, the org officer actions which I have done in an org apparently are not repeated by other people in orgs. I have a report from LRH comms that they continually say, "The greatest trouble they have with an executive of an org is to get them to walk through their portion of the org." Now that is a direct report line, and so forth. Just awful, that's just awful. That's treason. Well, what the hell are they doing sitting there? What are they doing sitting at that desk? The executives of an organization…

I'm only justified in sitting at a desk because I have a twenty-four hour messenger watch, and they run like hell. That's right. And I'm not justified sitting too long at that desk, only I have lines of information which come in from all over the place. I make sure that those lines stay in. But who are these line to? These lines are not necessarily; I'm the fellow who violates the external/internal. I don't know, I can do it and I don't find other people can. I don't know why that is, so I've not solved it particularly. But I do know that I resent having to handle too much product three while I am also having to wear some of my own hats. I know that there's some resentment will come up in that line sooner or later, mostly because there are only twenty-four hours in this cockeyed planet's day. There's only so much you can do. Of course that's a bad postulate too, because as I told you before, god couldn't hold this post. Not possible. You will also be saying that yourself, god can't hold this post, unless you listen very carefully to what I am telling you children, the Jabberwocky.

The whole point in the thing is there's ways to live with this. That there are certain ways to do this, and they are very standard. Now I can't imagine, it assaults my R, that somebody in charge of an organization would not be, have all kinds of mechanisms, being familiar with the organization, or that an executive would depend in any way, shape or form on his dispatches. Dispatches are usually to forward information, schedules, things that are written down, need OKs and that sort of thing. Dispatches aren't there to handle things. It would just be impossible, if you weren't in total communication with your organization, to handle it at all. It just assaults my R, it's not possible. And I have a very willing group, and they write me anything that they think I ought to know about. That has the liability that you mustn't act on such reports when they contain too much entheta, and so on. You never act on such reports, without getting a recoil. Once in a while I do, I'm always sorry that I do, but it keeps information up.

I also have the ability to look around without going around too much. And the net result of that is a fairly close finger on the pulse. We go back over successful actions, when I'm running an org as an executive director, at least once a day I walk through that entire organization, and speak to every person in that organization. And as I'm normally operating from a product point of view, I nevertheless, because we had no product/org officer system at that time, take the organization step as well. I'm interested in what their product is, I'm interesting in what they're doing personally. I'm interested in what they need on their post, in order to get their product out. There are some people here who've seen me do this."'? Now I sometimes miss a day, and so forth, but I know when I've missed a day, and I know when I should

get some more information. And the result of that is, that the org officer's function is performed, completely in addition to the product officer's function, the org officer function.

Now, an org officer should make a daily inspection around the org, finding out how the staff members are doing. And noting when they're not hatted or slightly unhatted, and rapidly put their hats on, if there's any trouble with that. You'll find hat is the main thing that goes out. There's evidently a scale of hats, which we've suddenly evolved here. I haven't named any of these things. They've been a spontaneous evolution from some quarter or another inside the ship here. And there's instant hatting, there's mini hatting, and then there's full hatting. New nomenclature.

Instant hatting is a sort of an action you do when you slam somebody onto a post and he's got to take the load of it and so forth, and you tell him what you want him to do. That's just instant hatting. You tell him what his post title is and what he's supposed to be doing on that post. Instant hatting, brrr. Don't get on with it. And then of course, HCO can come along, if he's going to be posted there actually. HCO can come along and the first thing they would do, would give him a mini hat. And if it takes more than about thirty minutes to get on a mini hat, then there's probably something wrong with either HCO or the staff member. And then they schedule him up to be fully hatted. That's the sequence of events. If they're fully hatted they get a certificate for it, so that's always been missing. Who is certified for what as having passed what hat? Actually it should be something that happens and is accounted for in a certs and awards area.

So the org officer, however, is not just unhumanly interested in the organization, the org officer is interested in the individual as an individual, how he doing, how he is getting on, whether he is able to do his job, if his health is maintaining, if that post is over loaded, if it needs help, or if the post is empty and isn't getting any product.

How is this fellow doing? Is he so, has he got nothing to do on post so that he is bored stiff? Has he got too much to do on post and is going down hill? Now let's add this up to detection of a decline, product three. And with a daily swing around an organization, and seeing everybody in the organization, an org officer would of course be in a position; he doesn't take up their time, he doesn't talk to them very long; he would be in a position then to know what was cooking in the place. He would have to know everybody in the place, he would have to know what every one in the place did, so that he could immediately detect any departure from the ideal scene. But he would also be interested in whether the person was getting his pay, whether the person was having troubles.

Now it isn't that this would affect efficiency, it's he's interested in them as human being. And that would be an essential action of the org officer.

Now it's alright to have a chaplain doing this sort of thing, but the trouble with having a chaplain doing this sort of thing is the org officer wouldn't have the information, would he? So therefore he couldn't repair a decline or anticipate a decline. So he couldn't do his product three.

Now as he walks around on that sort of thing, he would also get a look at the rest of the establishment. What's it look like? Now he could determine out of that they didn't have enough cleaners, or people weren't interested in cleaning, or the cleaning establishment was

organized all backwards. Cleaning establishment might have posted themselves as cleaner in charge, and have no product of any kind whatsoever, like clean quarters, or anything of this sort. Maybe all the locks are falling off the doors. Well that obviously means that somebody is, some maintenance hat is totally neglected around here. So here is a needed organizational piece. Well he fills that in. He doesn't go in and look at the org board and say, "Where are some holes in this org board?" As a matter of fact, he might do quite the reverse. In wandering around and talking to the people, and checking them off on his list and so forth on his rounds, he might find out that about thirty percent of that org board is mis-posted. Now he certainly should do something about it. He can leave the org board hanging there, with all those posts held from above that are inactive, or he's got to determine whether or not those posts have any functions and should be filled. He's got to make a judgement. Three. The decline. Arresting the decline.

Alright, from the arresting of the decline he can pass information through so that those responsible for putting the establishment there, who are under his orders, those responsible for it can get together and push it back to its ideal scene, or even raise the ideal scene's height, so that is can handle the traffic. Now do you see how the lines would go there?

Now the production officer and so on is worrying about product all this time, and he will find holes. And he will find what he is doing, so he keeps notes of these thing. And he, while getting his product, passes this information back to the org officer. The org officer, if he's made his tours and he knows what it's all about and so forth, probably knows at that point who's idle, who isn't idle, what he can do to instantly shift this thing. Go over and get somebody by the nap of the neck and shove them over onto that post, and that sort of thing. He knows exactly where his personnel resources are. He knows exactly where his supplies are. As he goes on his tour he also knows where all the spare typewriters that aren't being used are and what state they are in, and the mimeograph machine, and whether the photo offset machine has got any supplies for it, and he's got this and he's got that and he's got the other thing. And he's got his finger on all these points, so that he can detect an incipient or existing decline, get the Now of course one of the things he has to do, and the biggest hole we've got in an organization is hat. And that is the first thing that an org officer detects is wrong, the person's hat. Just like that. "We're having trouble with the, we're having trouble over here with the success stories, and so forth." He doesn't wonder, the org officer doesn't wonder whether or not, he can almost in advance know that whoever is, there is either nobody on the line, or that people on that line haven't got their hat. He can just, just like that. "Well, unhatted, good."

You'll find out that this work work out ninety-nine and forty-four one hundredths percent of the time. Something wrong with the hats and so forth, so he just does an instant hatting, right away quick. "Look, you're supposed to sit here at the desk, and when the people come along and they give you these successes and so forth, why you're supposed to have some paper here, and they write down the successes. And you're supposed not to snarl at them, or frown at them, you're supposed to be pleasant to them. And they write down their successes, and you take those over and you put them in this folder and so forth, so that that can be staticized, and so that those are available for promotion, so they can be counted. You got that now?" And the guy says, "Well, actually, so on, I haven't seen any case gains go through this

org. You see, I don't have any case gain myself. I mean, you know, and I've just been wondering whether or not Scientology works, you see?" And the org officer at that moment knows exactly what to do.

He knows exactly what to do at that particular split instant. He knows exactly where there is a personnel who isn't totally utilized. Within three and a half minutes flat there is another personnel sitting there, and he tells this other personnel, "Now, when the people come through along this line, you have this piece of paper and so on. And there's your ball points and here's a pad over here, and when they write up that thing and so on, why you put in in the folder so it can be counted up. You got that all straight now? Good. Now when people don't come through this line, let's get your hat a little bit expanded now. When people don't come through that line, you go in and you tell the examiner to send them to you, and you put a sign on the examiner's desk. And if that doesn't work we'll move your desk over alongside the examiner's desk. How's that?" The guy says, "What am I supposed to be doing?" And you say, "You're the success officer. You're the guy who is supposed to monitor the successes people have, and so forth. And you have this piece of paper, and don't snarl at them and don't bla-bla, and so on."

What do you do with this other guy? Route him to qual. HGO says, "What's the state of the personnel in this org today?" "Transferred all the left side over to the right side, and the right side over to the left side." No, you've got to inform HCO, and get an authorization for the transfer, and the reason why and so on, and etcetera, and it's all done after the fact. Everything after the fact. Org officer always operates, he always tells people to authorize things after they have been done. He runs totally backwards.

An org officer who sits around and waits for approvals of course is very safe, until you see his stats, because his stats will be nowhere. You get the, the run of the thing?

So what does he do about this person? He routes this person to qual. What does he do? He can now put it on a dispatch line, he can even give the person the dispatch, "Take this to qual." Maybe the person doesn't wind up in qual, but he's got to get another dispatch to HCO and say, "So and so has been routed to qual." Well what's qual going to do with him? That's qual's problem. Qual ought to be well enough organized to take care of that. Person says, "What do I do?" And qual says, "What's it all about?" They can find out. They also would then get some kind of, if the qual sec was part of the product/org scene, or if there was a deputy qual sec as there would be in ideally organized org, he would have the full gen on this, within the next day or so.

Now the failure to publish what goes on is the fault. The failure to publish, and that is what your orders of the day are for. They are really not for those people who have cleaning stations and so forth, and Bessie Ann Glutz was married yesterday and we're happy about her, and so on. That has nothing to do with this. The org officer says so and so, and the product officer says so and so. And they don't have to be gloomy about it all, but they certainly have the dominant point. They have to keep the org informed as to their actions.

Now there's such a thing as keeping an org informed of just what is going on. But certainly, what affects the org would be the product officer and org officer, so that if they don't inform the org of what's going on, why all hell breaks loose, because nobody knows. And

they become very unstabilized. And they go in, and they see an examiner one day, and they see another examiner the next day. And then they go around, and they think they're talking to the examiner, but he's now cleaning out mud boxes or something, and they think he sure looks funny as an examiner all covered with mud. And so forth, well they don't know. They don't know. Sews the place with little mysteries unless it's published what you did.

Now that in itself is quite an action. So, the action which I rehearsed on this thing and so on, because I actually moved in as a product officer, and I've been an org officer and so on, so I'm speaking from first hand information, not from a theoretical workout. Is, I found out that after I had undertaken a product and had begun to get the product, at that moment I had to write up whatever I had to do, in order to get that product, and make it known. Now the ball could only be picked up by other people if that were done. So you're operating on two systems. One is the lineal system and the other's the triangular system. The lineal system would be where the product officer is more or less operating autonomously, and he is writing up his products as he, he got the product, he got it going, and then he made notes while he was doing this. And then he wrote it up in some fashion or another, and then he says what he thinks ought to have happened over in that org area. And it may not be what happens over in the org area, but what he has stated that he ran into will be cared for, because you see, he didn't conduct a thorough investigation. It might be somewhat different by the time it's investigated, but he just indicates what he ran into, and then he passes all of that sideways over onto the org officer's lines. So you keep a running fire of what is happening.

Now he also has notes, and he should mark in these notes consistently and continuously what outnesses he finds. Now he will find a certain number of flubs, and he certainly carries a notation of these flubs. Now the org officer's stats or reputation depends on the reduction of these flubs. If the product officer's notes as of the first week in January are the same as the product officer's notes, carrying the same flubs and names in the third week in January, then the org officer's definitely not doing his job. In other words, the organization is not advancing back toward the ideal scene, because these flub points have not been handled.

Now to some degree you will find that there are always some flub points that don't get handled. It's impossible, just that, absolutes are unobtainable, and nowhere are they unobtainable so much as in an org officer's area, because he has various human elements. He has to produce personnel from nowhere, he has to actually cope with the fact that finance is busy telling him that "There is no possible FP. If you hire two more people you will decrease our pay and we won't be able to something or other, and of course," if you don't hire. Then he can say, "Well if you don't hire two more people you won't have any pay at all." And it goes back and forth, but he has other conflicts and lines which he is trying to cope with in this, so he doesn't always bring it off the way the product officer thinks it ought to have been brought off, because other factors may have been present. Do you follow?

So these things that the product officer writes up are not necessarily orders in themselves. But they are indicators and what he would like to have happen, and what he thinks is wrong. And that gives you a working basis on which to operate. So a product officer, busy getting his product, why it's fine. He at least has to express what he's running into. An org officer, because we're talking mainly about org officers at this time, would be absolutely up the spout if he didn't know what the product officer was up to, and what the product officer

had run into in trying to get this and that. He would not actually be able to do his job very long or very well. I've found that that was definitely the case while I was operating as a product officer, and I could imagine what would happen if a person operating as an org officer was not informed of these sudden shifts, changes, actions, orders, and so on, which had occurred, because it would look to the org officer now; let's take the org officer's point of view; it'd look to the org officer like all the product officer was doing was tearing up the organization as fast as it could be put back together again. That would be the complete conviction an org officer would eventually get into, if the product officer didn't scribble down some notes, and make these things available, and so forth, to the org officer of what he was trying to do.

So therefore, in order to do his job at all, he would have to have a daily cruise around the place, he would have to in that daily cruise note such things as supplies. And you'd have to note such things as the condition of equipment and machinery and whether it was being kept up or not. And you'd certainly have to notice the condition and morale, and the business or lack of business of the personnel involved. And you'd have to notice the condition of the communication lines. And then, the next action that would have to be done there by the org officer, he'd have to ensure, daily, that the org's training program was being followed, and that hatting, on a long range basis, is never slacked off. In other words, is HCO continuing to do a job? Is there a schedule in this place so that we eventually have fully hatted people? Or are we going to go through life with instant hatted people or people on post in total mystery?

A fellow is looking at this stack of folders blankly. And every once in a while he looks over and he sees all that stack of folders, and he's getting kind of allergic to that stack of folders. He doesn't know his post title, and he doesn't know why those folders keep stacking up on his desk. That would be the reductio ad absurdum of the whole show. So he's got to make sure that there is some continuous training action going on, and that hatting is occurring.

He also has the idea of major courses, because as I told you, you begin with a course supervisor, who makes auditors. And then the auditors, you take on some of those auditors and you audit pcs with those auditors, do you see? And he therefore has got to make sure that some of the staff members he has are on some kind of a training schedule, quite in addition to the number of public students who are coming in.

Now in a Sea Org org this becomes vital, because Sea Org members have to be pushed on up the line, and you all of a sudden find yourself organizationally, "Yipes! We got no… We got eight hundred and sixty-five pcs, oh my god. What the hell are we going to do here, because there's no, whoops, no auditors." And then they start hiring auditors, and then the next thing you know why, the Sea Org org is all scrambled up in some fashion or another, and you can't have any Sea Org members in charge of anything because they don't have the technical; that's peculiarly a Sea Org problem. Very peculiarly. You all of a sudden look around, you wind up and you've got a bunch of HDCs, at the most you see, and what you need at that particular moment is class six. And then you can't, you've only got HDCs, so nobody has actually been pushed up the line to become a qual sec. And suddenly you'll find that you're terribly, terribly thin at the top, just because nobody has anticipated a long range training schedule.

At this moment we could use aboard Flag, at an absolute minimum, right aboard Flag at this instant, we could use three FEBCs. Just at this instant, just to fill in the screaming gaps.

And then you'd need some more, and we should have a spare CLO team, all of whom should be FEBCs.

Well, we have to work on a new basis. And we; I mean not a new basis but an old basis. What we do organizationally on long range training and so on, is we always send out people who are better trained than the last team. And we just work on that as the way we work toward the ideal scene. It's always just that, better trained.

The art formula applies here, perfection. You can work for perfection to a point of where you get nothing done, and an organizing officer can do this, oh my god. He can go for perfection before he lets anything go, and so on. Well that is how we do it with; this time it is better than the last one. And it's true. It's worked out over the last couple of years. We're always sending out a better team than the last one we sent.

But to do that, to do that you have to make sure that there's not only full hatting training, but there is also some people who are being full time trained along administrative lines. Or, if you can't do that, certainly part time trained along administrative lines, so that you would get another program would follow in through the back of the hat program. The person would finish up his hatting program, and then we're continuing him on to finish off his administrative courses, like his OEC, his FEBC. And we do that at part time. And then if we had very, very alert organizing officers in the tech division who were thinking of the organization at large, they would scream like banshees at the idea of there being a very few people on major courses. And sure enough, not too long ago, were screaming, and said, "There's nobody down here at all on a major technical course. And there hasn't been a full time technical course student for some time." Well they were calling the shots, and it was perfectly true. So that's part of the organization scene. Not only the hatting, but also making sure that somewhere up the line you'll have personnel qualified, even though you're doing it on a part time basis. So he's got to have some kind of programming for some future organization. And an organization is composed of trained people, it isn't composed of dead bodies.

The Sea Org does a fantastic amount of training. We do a fabulous amount of training. An in compares, definitely with; we used to do a lot of training in earlier Scientology orgs. That training factor of the staff is nowhere near today what it used to be, but I've managed to get it going again in Scientology orgs over the last year. But it's not adequate. Somebody is thinking in terms of, "We haven't got enough money, we don't have enough people world population explosion, we haven't got enough people – bull! I might have believed somebody in 1705. The scarcest thing there is in the world today is a hat. Do you think that for one moment these people on welfare and relief and so forth in the United States or in other areas and so on, are happy to be suddenly relegated to a hatless life? No, boy! Every time you have welfare payments you've got unhappy people, and you've got an incipient revolution. There's people all over the place. But a group has a tendency to exclude, and it shouldn't, particularly a group such as ours.

Well, you raise your, you raise your security standards too high and you don't get any people at all, and you put them too low and the next thing you know you've got some wild ones on your hands. Alright, so somewhere in between is the right level. It not only never has been found, but it never will be found. What it takes is an alert HCO. And by the time the guy

thinks his post consists of breaking ketchup bottles on the funnel and so forth, why you have to do something about it. But you have this problem, you have this problem in orgs.

Now what an organizing officer has to do as he goes around, he very easily detects where recruitment has been, or hiring has been at fault. Now if he's too critical of it, I've seen somebody stumble around for a day or two, and fumble and try to find the staircase and so on, and finally actually wind up with repeated instant hattings and so forth, and informings and so forth, finally wind up so that they had enough familiarity to do the job. I've seen this happen. But I've also seen it happen, they just got worse and worse, and that, short of processing, you see your management misunderstoods. See, the organization misunderstoods cycle there is something that we can pay some attention to. But those who are out in orgs at this moment are not able to pay as much attention to it as we are at Flag, because in the first place we're dealing with a very superior, and not to be snide about it, in Flag we're dealing with a very superior level of flubless auditing. We do it by the book, and nobody gets by anything, and so on, so the auditing doesn't foul up. And also we're dealing with a very superior level of tech, which when orgs qualify they can have. You will be in the clover when you have got an org well enough put together so it can afford an department that could run L-10s.

The standard of field auditing at this present moment forbids it utterly, so we've got to export course supervisors, course supervision, we've got to support all the little tricks and expectancies and so forth that are done on Flag, how we get these results. It isn't that nobody else in the world gets any results, but they've got to be uniformly good, and the flub results must not be tolerated. And the guy must make his flub results in areas of auditing where it doesn't mess up anything.

So you'll be in clover on your organizational misunderstoods the moment that a Scientology or Sea Org org has achieved a sufficient; well there's various eligibility factors with regard to it, and they probably will always exist, probably be varied one way or the other. Certain volume, certain successes, certain primacies, and so on, because the, at this moment you're in clover. Right now your neck is a little bit out in that you can't probably handle the extreme cases, the suppressives, and so forth, who actually get sideways onto your lines, and cause enturbulation. So you are still on a very heavy alertness along this line, particularly amongst new personnel.

Now you don't want to hire fifteen or twenty personnel, and then just keep them on forever. The principle we operate on is hire lots of them, and retain those who make it. And it's up to the org officer then in this patrol; there's two places in his patrol. He notes this, he sees what's going on, and he knows he's got somebody who is good, or he hasn't. And he can get too highly critical about the whole thing. There's another point where he can detect this. In hatting the person never can seem to get his hat on, and so the statistics, the study statistics he's getting off the individual, have some meaning. They are not reliable, it isn't the person who apparently studies very fast is not always the best personnel, and the person who studies very slow is not always the best personnel, but the person who can't study at all is quite something else.

Now this will show up in your hatting actions. So the study rate, or the ability to apply the information which is studied is a factor in selecting personnel, which is often overlooked. So the org officer also, in his long range programs, in his daily study, and so on, should also

have some kind of point stats and that sort of thing, so that he looks at it and sees who's doing well. I wouldn't go on that all by myself. I would take a personal observation of the post, combined with how the person is doing on his studying and so forth, makes a meaningful picture.

So maybe I'm beating that to death, but the study program has, I'll just point it out again. It has two factors that an organizing officer can get out of it. Not only does he make sure that it's occurring, but also is it being, is anybody getting anything done when he does study? Now it is not necessarily true that a bad personnel never goes to study. Now that is not a true factor either. Very often you find a personnel is too drowned on his post, and too responsible for his post and doing a good job on his post, within limits. And he will put his post ahead of his study. Well this, you can't, you can't be too critical of that. But, you can point out that the things he's having trouble with on his post are usually handled in study. And if he will afford a little bit of time to study he might have a little bit better time on his post. PR action.

That is very true. I've seen people struggle and have a hell of a time trying to get out, well let's say a project, something like that, when if, for the love of Pete they had ever spent any time whatsoever on studying the target policies or the data series, why it would all come straight. And the hours and hours they're busy wasting on trying to turn out flubby products could very better, much better be invested in some part time study on turning out a non-flubby product. So there's some point of adjustment in this. But you have to watch the progress of the staff member on his course, as well as his action on his job. It isn't too meaningful on the course, but it must occur. You're mainly interested, is it occurring?

You'll find some sort of silly situations develop. As an organizing officer you'll find all kinds of silly situations like, a person has started eight courses. The way to handle that of course is which one requires the least time to finish. "Go on, finish it. Which is the next one that requires the least time to finish? Finish it." Don't let him start a new course. So you're monitor of that.

Now, the third point that we're making here is the, handle any and all orders from the product officer within the time you're given. Well that of course would be a heavenly dream if one could, but one can try. One can try, and if one does not have an establishment officer as different than an org officer, it isn't likely that any long range program will ever come off. So an org officer who isn't operating with a good HCOAS and so forth, it's very, very improbable that he will be able to; he'll find himself after a while, a third month on the post he will find that he is following less and less of the orders which he is getting. But if he's backed up by a good HAS who's putting an establishment there behind him, as he goes along he will find out that it's easier and easier to do this. And the dream of it is, is you say, "Look man, that product officer says, 'And so Bob, and we expect a hundred and sixty-two preclears in the next week, and very good!" The org officer says, "You better hire a hundred and sixty-two auditors, and they're going to be so forth over the next year, of which you will have something on the order of thirty of them will have to be on the job this next week." And immediately why personnel simply sends them telegrams and tells the people to report to work, and the next Monday why they're all there report to work, 'cause they've already been hatted and genned in, don't you see?

It could be so easy as you simply tell the chairman of the auditor's association that next Monday you will need seventeen additional Class IVs, and they will all be there. You see? Well we're really dealing with an ideal scene. But you see you could work it up to that. It doesn't always have to be frantic.

So that is a duty he has, and he tries to attain, as the org officer tries to handle the orders from the product officer. But the other thing is, is the org officer who waits for orders from the product officer is already four or five feet behind the product officer, and he ought to be four or five feet ahead of him. So he's got eight or ten feet that he has lost, and in view of the fact, which queen was it? He had to run like everything just to keep up in Alice In Wonderland. The org officer has to run like everything just to stay even with the product officer. What he have to do when he gets behind him? See the burst of speed and the demand would be, would be fabulous, so it's; he isn't then just waiting for orders. If he just sits around and wait for the product officer's orders, why right away, and so on.

I always like to be in a saucy position as a subordinate, in a subordinate post. Very saucy, impudent. Actually it takes people aback. It's about the only way you can occupy it. I don't think very many people know how to occupy a subordinate post actually, if the org officer's subordinate to the product officer, it's an art. It's an actual art. And one time I thought I was; I've told you this story before. But one time I thought, "What is this. Every place I go and everything I do, I always wind up in command of it. I'm appointed the command of it. Is there something wrong with me? Can it be…" this was decades ago, you see, and I was saying was there something wrong with me? I mean is there something peculiar, that I have to be in charge of everything, that I have to be the boss? I guess I'd been reading Freudian literature or something. And, "There must be something wrong with me," and so on. And I would think, "Well, I don't know. I don't remember really, I have occasionally made a bid for that sort of thing, but there must be something wrong."

And I was very, very happy one time, because I was physically bunged up and wasn't supposed to be around at all, to be put in a subordinate capacity. And I was a third in command. I found it was a breeze. I was never so happy in my life as to discover I was just an excellent subordinate. It was just a piece of cake. I didn't have to be in command of things at all, and so forth. And in that subordinate capacity I was in command of a ship. Didn't want it, didn't want anything to do with it. Actually that was the mock-up.

But inevitably, and so forth, people come around and ask me if they were supposed to do what the captain said, and so on. I said, "No, man. Cool it off. Don't bother me," and so on. I found out the popular valence at that time was a gold brick, and I've had chief petty officers and that sort of thing say to me, "Mr. Hubbard, you are just about the greatest gold brick I have ever seen in the entire navy." Pride, you know? Admiration. And that was because I've, apparently, didn't ever work, and was able to get my job done on the time when somebody else was eating sandwiches, see? It would just be the speed of internal and immediate organization, don't you see? So it didn't appear to be very stressful. And got all kinds of things done left and right. And the way to be a perfectly impudent insouciant, utterly, completely tolerable, but utterly and awfully left alone by seniors subordinate, where they're very nice to you at parties and so forth, but just a little bit, just a little bit on the keeveeve where you were concerned is, "Oh I've done that. Yes, well thank you very much sir. Thank you,

thank you. Yes, we handled that, thank you." Only it has to be a fact. Your answers to an order are always past tense.

So you see how this fits into an org officer/product relationship? A product officer storms in and he says, "There's going to be a hundred and sixteen pcs next week, and what are we going to do about it?" "Well yes, we actually got them and they're all lined up. All the auditors are lined up, we've got the auditing rooms and so on. We're going to use the preclear's own rented rooms when they come in, for auditing rooms and so on. They're all straightened up. We've got five new people on tech services, and they're being genned in this week. As a matter of fact they should be hatted now, as a matter of fact. So, thank you." "Thanks for telling me. It's confirmed, is that right? Oh good, thanks for confirming it. There we are."

You would just be amazed at what this starts doing, except you have to be on the ball and you have to do your job the whole way. And when you do your job the whole way as an org officer, you're always in that position. Somebody says, "What the hell are we going to do? We're going to have this, this, we're going to have this new bunch of students. We're going to run this special course. And the literature and so on has been mailed, and what are we going to do for chairs and that sort of thing?" "They're being made now, sir." Only probably in the org officer/product officer relationship you wouldn't even use sir. Too close. But what an enviable position, and what a fearsome presence.

Now somebody else tries to occupy your boots, he's got a near impossibility. "Bessie Ann is off her post." "I know. I sent her home. George will be there in about five minutes to take care of it." But operate as a product officer, how would you like to have an org officer that was like that? Wouldn't that be, wouldn't that be a piece of cake? Wouldn't that be a piece of cake, huh? "Our GI target next month, our GI target next month is twenty-seven thousand a week." Alright, that's all the org officer'd have to hear. And he'd say, "That will take so much so and so, and so and so, and that's on, now take some on to A, and we'd better do so and so and so." And say, "The people in charge of financial planning, you'd better get your financial planning jacked up along the line and so on, because the promotion level is going to be so and so and so and so. We're going to send out very heavy mailing, and we need a whole bunch of new people here, their categories are so and so and so and so."

Now the product officer would actually be in his own rights to do a whole write up of how he was going to get that product. A weekly GI of twenty-seven thousand by next month. See, he'd be of his own right, he could plan it all out and figure it out and so on, but he'd have to decide how he was going to render that much service, and the big idea would be expected from him. "What's the big idea you're going to put out into the public that's going to bring that many men in, Mr. Bones?" See?

You just saw one going out of here on and FBDO, and so on. That's a product officer penchant. What's he going to sell, and so on? One just went out of here. It's a big idea, they're all supposed to come in and get checked out for. So on. We've used it before, terribly successful. Would drive the people down on an org. So the product officer's mainly in the business of driving people in on the org. And the org officer's job is to put an org there that'll handle them. And he does that by preventing the decline of the existing org, and forcing the HCOAS to put enough org there to build it up. And that's the way you do the one, two, three.

So the product officer, he's got to go and wham, wham, wham, wham, wham! And he never thinks about how many people he drives in on the org.

And the org officer takes a look at this and says, "Let's see. The GI in January was two thousand a week, and in February it was three thousand a week, and in March was four thousand a week. I wonder why that little drop occurred there in March. Well I know why it dropped, because we'd already doubled our GI. Now, if that's increasing at the rate of two thousand a week it's probably a slight curve. It probably isn't, so we'll just stretch it out the rest of the year and find out what the GI's going to be by next January. Ah, next January at two thousand and so forth, we're going to be dealing with something on the order of about a twenty thousand GI per week, and that takes that many preclears, that many auditors, that many E-Meters, that many book sales, that much promotion money, this, that, the other thing. Well we'd better get on the ball. What actions are we taking at this very moment to train up auditors in this particular area, to go to work for the org?" So that's how he keeps ahead of the product officer.

He can do an extrapolation. He can figure out what is the load, and what is the load going to be, just by extending the curve. Now you also extend the down curve, and he will find out what the load is going to be. It's going to be zero. So he's not going to have any organization at all if he extends the GI in some of these orgs a little bit further.

Alright, now an org officer picks up any outnesses in the establishment of the organization, and handles and reports to the product officer what was done. So there's a back flow here. And where large actions are required he's got to write up a CSW of what was found, and recommended handling and so forth, to the product officer. Now we're still talking about a lineal line flow. That is where the product officer is more or less doubling in brass with the CO or executive director, see? So he would say, "Look, this is what we're going to have," or, "this is what we can't have. But this is what I can put in, and this is what I can't put in." In other words, he's got to give some kind of a back flow here, to inform, keep the product officer informed as to the facilities. And this comes under the heading actually of what you call capability. And the product officer has to have some idea of his org's capability, and some idea of his personnel's capability. Not necessarily to put a limitation on the thing, but so he can improve it or extend it.

Now the capability is in the hands of the organizing officer. What is he capable of? Now that takes resources, and we get into the whole subject of resources. They're already mentioned in the, in I think the org series, and so on. There's resources. What are the resources you have? And that's a product officer's, that's a product officers black dog of Karnak. He seldom has the resources to do what he's supposed to do, so actually the org officer should keep him advised of his resources.

Well what are resources? How many auditors can we hire? How many course supervisors are there? How much auditing room do we have? And that sort of thing, these are our resources. I'll give you an idea right now. I had to solve a very bad problem administratively. A very bad problem. Something came up and so on, some stats were going down. I had to look around at once and do a resources estimation. Now that actually is an organizing officer has to answer up loud and clear, what resources do we have, because the resources I needed was a CO/product officer and an org officer, and an assistant production aid. Now that is an

assistant production aid. And I had, what the devil? Where could we get them? And the resources, we were able to utilize the resources we had at that particular moment to save the situation, and then I actually rewrote the program just last night, to gain further resources. We were going to throw a couple away, so we all of a sudden got those, and we're going to utilize those. So this is resources. Do you follow? What are your resources? The ability to return things to the ideal scene, it's in the data series, the discussion of resources. How do you return things to the ideal scene depends on what resources you have.

THE ORG OFFICER AND

HIS RESOURCES,

PART II

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Now the product officer, as he goes on and stacks up more money; of course we get more and more resources in terms of money, but we may not have resources in terms of trained personnel. The Sea Org expansion and so on is absolutely staggering, in terms of; you know, I actually think you, you guys probably believe that we were doing great in '68, and it's all sort of gone down hill, and etcetera and etcetera. It's very, very funny. What's happened is that our statistics at this particular time, have become divided up. And the statistics are of more individual units and areas. And those statistics, do you see, well there's this type of thing. The Sea Org now is running three AOs, there are now three SHs, there's a great many more Scientology orgs, and there are a tremendous number of franchises which are really kind of orgs, do you see, and it's quite amazing. But when you add up these statistics you find out there's just been a general, you should do it just for fun.

Now there's just been a consistent general expansion, and the stats have been going up, and they're going up and going up, the general stats. But it's because they've become compartmented, they're assigned to different units and nobody adds up all the units.

Now furthermore, if you take the Scientology org income, which has lagged as compared to franchise income, and so on, the truth of the matter is the franchises were financed by the AOs, by FSMs early on. So they've sort of robbed the orgs of their income, and then the orgs haven't kept up on that FSM line that would have expanded them, and they haven't continued to operate as their own reliable selves, and they've tried to maintain establishments and so forth without actually producing the things they should have produced. And it's gone agley. But when you add it all up you find out quite amazingly, 1964, 1965, 1966, 1967, 1968, and then you think maybe there was a bong. No at that time there was a tremendous spread, and it just went right on up the keyboard. It went down, it goes down, it goes up.

But you take our stats as this minute compared to the stats of 1967 and they're way up. And they're way up above 1968. Look it over the you'll see that they are. It's quite amazing.

We are expanding. And the place that it shows strain particularly is in the Sea Org, because in the Sea Org we have a limited number of personnel. And they have already, over a period of time, consistently been stretched so thin; you see we're maintaining three AOs instead of one. We're still making the income of one AO, do you see, but now we've got three establishments to man. And it's just got the lines thin. You'll find that that to a large degree is, the lot of the execs of Washington D.C. for instance were yanked out into the smaller orgs, and so on. There were all kinds of wild personnel tangles, and there was a lot of weight on Washington. And as a matter of fact, I did not want and did not approve the establishment of these tiny orgs. They could only be of service if they were feeder orgs. And they didn't, they set themselves up as independent organizations. Now they're continuously in trouble, but actually they rob some of the income from Washington. So they're harder to manage because there are more of them, but the aggregate income is comparable. And it's been in my mind several times, is to retire some of those places to franchise and force them to feeder service to Washington again. We probably won't do that, we've got a better idea right now. We'll just force all of them to be big.

But I thought I would interject that just in passing, because I found out the general impression was that something was happening with this. No, it isn't. As a matter of fact, the Australian, the attacks on Australia and so on are the most ineffective attacks that anybody ever; they've passed laws and bans all over the place, the police have given us all back our books, and there's nothing. To hell with it. Nobody had anything to do with it, so it sits on the books as a dead statute. It made the staffs timid, it worried them, it upset them, it did this and that and the other thing, but it sure discredited the enemy.

So if at any time, any time you don't continue to pile up resources in terms of trained staff members, if you don't continue to pile up resources in terms of space, why that is what is going to break your back, because you are not on any down trend at all, you're on an escalating up trend.

I invite you to look at the franchise statistics of the last three years, and they're, they almost go double each year. It's not quite that steep, but that's the way it looks. You look at it on a graph, up she went. So don't plan on a level graph.

Your resources are your resources, and they are mainly in terms of manpower. How many people have you hatted? How many people have you trained? How many people in the field do you still have the allegiance of? How many people have you patched up? How many ARC breaks have you handled, and how many members do you have in your auditor's association, and so forth are the only things which will keep you above water, because it's a problem in resources. And the resources are a thing which the org officer has to watch. And if he sees his resources declining; well we just established a new course out in Longville, as a branch course or something from the org. Oh, oh, oh, oh, there goes the trained something, and there goes a trained something else, and so on. Has he got them to send out? So he should stockpile all the resources he can. Money, auditors, books, he should be greedy.

Now the product officer can go on turning out products, turning out products, turning out products, turning out products, but when somebody doesn't do something with these as resources, and get his resources off that line, and stack them up and preserve them in terms of

field people and so forth, they're willing to help out, and somebody might come on staff, and the auditor was trained and he wants to know when he can go working for the org. Those are resources. And everybody you hat becomes a resource. So of course he wants to over hat, always. A person hatted for three posts is better than a person hatted for one post. He's a better resource. So your org officer has the duty of piling up resources.

Now his sudden demands made, made on him a piece of cake. He's way ahead of it. "Oh, need to buy a new building? OK. How much it cost? Alright, OK. We'll look for one. Yeah, good. Only a million? Well aright, poof. Alright, OK." He's in that position. "Oh you need two hundred auditors? OK." Do you see how an org officer gets behind, because his resources are limited. So therefore he gets ahead by increasing and hording his resources. See how it's done?

Now you don't want a miser on the post who holds the resources to his chest and never will let them go, but you want a provident sort of housewife who has a basement full of next years' canned good rations, and doesn't have to go screaming down to the Safeway to buy a cup of sugar every time that there is a guest for dinner. Now if you look this over from the standpoint of expanding by resources you will see that you cannot expand unless you have stockpiled resources, or tried to. Now you should always try to stockpile resources, and that's how the org officer keeps ahead of the game.

How many replacement aids do we have in the Flag bureau already trained, who can be spared on their posts at this particular moment? And that tells you exactly what the resources are. That is poverty, boy. That is right down to the bottom of that ole' barrel. "I'm sure there must be a half a herring left in this herring barrel some place. Somebody get a flashlight." Do you see where she errors?

So now the org officer system should increase resources. And so, when he's called on for one he gets two. And yes, you will eventually wind up, and orgs which I manage by the way generally do wind up, there's an awful lot of old stuff out there that nobody's ever used in the garage. And it probably never will be used now. Somebody says, "Wasn't that a terrible waste." No, no, no. That was just providence extended a little too far. They also don't turn around immediately and look at the rest of the resources that were used. And they're all over the place in full use. And they also don't look around at the bank accounts, because those periods were also attended by very high bank account reserves that went pouring in. And the staffs also were well paid at that time.

So these are the criteria by which an org officer operates. Now he has to know what a resource is. Resources are things like space, furniture, equipment, and the establishment of the factors of the org. Any of those can be resources. But the final valuable products, what happens to the final valuable products after they're final valuable product? So the org officer sort of steps in after the product officer. And that's how he gets ahead of him.

So the product officer, you see he's turned out a lot of his final valuable products, and they're sitting all over the place. At this moment the org officer says, "Heh heh heh heh! Let's get some of these." Got it? Open up an org officer's desk and there's no list of potential staff members for posts and so forth, he's in poverty.

Now, naturally an org officer tries to keep everything on an org board, and he tries to keep it all straight, and tries to keep it this way and tries to keep it that way, right up to the point when the org board gets in his road. And at that moment why he can make do in some fashion or another, and get some approved change so that it can be officialized. That's approval sort of after the fact. Otherwise, as you expand you won't be able to fill in the weak points. So the org board is saying, "Well you can't have an organization without weak points if there's a point missing on the org board that you need to have filled." Do you follow? That's a contradiction. If you have a strong organization which won't blow up at the joints, it's of course going to get an expanding org board. Fortunately the org board, 1967 org board, expands from about two or three people, or one person can operate on it actually, to about a hundred thousand. It's inherent expansion is that great so you really don't have to vary the pattern of the org board much. That was the reason it was planned.

Now the close work with the HCO we've covered, and the org officer moves very fast, and should always move faster than the product officer. Yes. The product officer's going a hundred miles an hour, the org officer will be lost if he doesn't travel at a hundred and twenty-five. If he only travels at a hundred and twenty-five he will be overtaken sooner or later, because he has to stop by the wayside every once in a while to pick up the bodies and pat them together. The best laid plans of org officers aft gangagly. "Yes, we will be able to take care of it. Bessie Ann just ran off with another man."

Now in urgent peak periods the org officer might be required to understudy and be at the product officer's side. In other words, they work as a team, and at peak periods or at tough points they must work as a team. They must not be distant from each other. They just work right there, hammer/pound, and they will get over one of these things.

Now the org officer should be so familiar with his org's personnel that he would at any time be able to say what each staff member is up to, and know what they are doing. And in his operations he of course follows the data already supplied by LRH in CDOs and lectures. Now if you're operating right now at a period of transition, it doesn't change very much, because of 2 August 1965 HCOPL, which lays down a basic form. That is the one which says what the HES does and what the OES does, that is the first borning of this. And when that was violated, something went astray, and orgs became harder to manage. Really, the HES was an org officer, and the OES was a product officer. And if you look under the OES you will find money in division three, you will find auditors, in the student auditors, in the directors of training, and you will find pcs in the department of processing. And then you will find under also distribution, you will find the field and the products which are going out into the field. And up at the beginning of the line in the first two divisions you find the HES and so forth had hatting forming and so forth, and also had the executive division which contained the estate section. So you see, it all works out right, and that's 2 August HCOPL. And it contains the first elements of the system in which we're operating.

Now that was an older system than the '67 org board, but the '67 org board was the preservation of this system, and the '67 org board was very well tried out at Saint Hill, and was functioning very, very well at Saint Hill during its peak periods. The org board was copied with all corrections by Mary Sue, in 1967. And I found that when a section is on the wrong part of an org board you'll get into trouble at once. And a great many of these ad-

justments were made, so the 1967 seven division org board is a fully tested org board. Unfortunately, the division three of that org board was lost, and not published. And the elements of it are still around, and I think we're making some effort to publish this at this time. But Mary Sue wrote it up, and for some reason or other, it just wasn't mimeographed. And I can't imagine what happened.

The fact that we have developed some new principles in the field of PR, and in the distribution division, has tended to throw the distribution division a bit out because its product was not anticipated totally at that time. And its product is Scientologists. That is its product. And these Scientologists, of course, have products of sold books, contacted people, and other, sending people in, you know interested persons and so on. And they also have, the guardian's office is carrying on some of that now, and they have all kinds of committees and that sort of thing stretched around the world, and they use these committees, and so on. That was really an original distribution division function. So that is in a state of flux at this particular moment, and you could either just use what is on the nine division public divisions, use that, or use the old distribution division org board with these elements put into it. But I can tell you right now that the PE foundation is going straight back in the academy, because a PE foundation requires course supervisors, and it's just, it's just a lower level of the same action of a course supervisor, and they have the facilities, tech services and other things which can be doubled in brass to handle these public actions. Because they're not public actions, it's the same action all over again.

You will see something resembling a staff college or hatting college thrown into the line up, and that of course makes a valuable final product, if some of the PE actions also came over to it. At the time I'm speaking to you, this has not been completely released. But it shouldn't give you any trouble at all. Just those public courses and so on, right over there. Right over there, bingo, into the academy or department of training. And you'll find they're better cared for.

When that was that way, by the way, I have reports on when it was that way, the public coming in and running into students who were all enthusiastic and in good shape, and had status with them. Then the public had already managed to reach and withdraw. So the organizational pattern, the organizational pattern with which you're dealing, and the OEC which you study, are all of a piece. And there's nothing out of line with any of these patterns. You will occasionally have, something has moved to another division and will have the wrong department or divisional designation on it. That could even be corrected up, because the functions in actual fact haven't much changed. Therefore there is a tremendous wealth of information and technology which has been developed, all of which is of infinite use to the org officer, and he is rich in terms of theory and technology of organization, and particularly rich with the theory and technology of the org product officer system.

An organization is liable to organize forever without producing anything. An organization is liable to try to produce forever without organizing anything. Both of these things are a hideous crime, because both of them will crash. You can't continue to produce without organizing it, you can't continue to organize without producing.

The general conduct of the org officer is met to the degree that he is familiar with his OEC, he's familiar with the hats, with the expectancies from duties on the various posts, with the resources he has, with what the establishment is particularly composed of. And the product officer, oddly enough, has to know all that better than the org officer. So if you find yourself going too far adrift or too far astray, either as product officer or an org officer, you do have a tremendous amount of material which can be reviewed. And that material is not out of line, and its theories are definitely not out of line. There's nothing, nothing been thrown away in it at all.

1970 was such a stellar year in the advancement of organizational technology that you would immediately expect it would throw everything away. Well, there's a consistency in it all, consistency in it all. It just showed up the importances, and how an evolution of it could take place.

There is another system on the org/product officer system that I must mention, in closing. And that system is simply the triangular system. That is where you have a very big organization, and until you had this unit up to where you were clicking along at around twenty-five, thirty thousand dollar-type org, you wouldn't really want this type of system, because it's a trifle cumbersome. And that is the triangular system by which the org officer and the product officer are handled by an executive director or commanding Now what happens there is that the product officer goes straight along with the duties as he has, and then he has the various problems which he is running into, or what he wants, or what he can think of, or what he's trying to get through. And the executive director at that time is the planning officer. Now I want to point out to you that the planning officer up to that time, on the lineal system of just product officer to org officer, the planning officer is the product officer. He is the planning officer of, "Where the hell are we going? What we going to do?"

But the commanding officer, if he was operating with a product officer and an org officer, would be the planning officer. And he's the planning and coordinating officer. That is the way we are running the Flag bureau. We sort of run a mixture. It's a sort of a half and half. When we take a whole continental area and all the chips are down and that sort of thing is, why then I will step in as commanding officer and planning. And then I will take it up so that we get a plan of overall projects, and so on.

So that it would be, actually, in a lineal system it would be the product officer who did that. He would be wearing, he would be double hatted. And where there is no, where the triangular system isn't in, the product officer is always double hatted as the commanding officer or executive director.

In any org that you're running at this particular moment, the lineal system would be the one you are using. But I wish to call to your attention that at the time when you have a product officer and an org officer, and they are working with a commanding officer or executive director, then you also need the rest of the frills. And the rest of the frills are a PR officer, who is a staff officer. He's not down in any division, he's handling the human emotion and reaction and you're going to start running into plenty of that. And you've got to have messengers or runners. That becomes a necessity. You would have to have an executive director's

secretary who is shared to some degree in use, or as a guidance factor or coordinative factor with the product officer. And you've got quite a little staff.

I'll just name them off for you. There's commanding officer, product officer, org officer, staff PR officer, and messengers, and secretary. The only plurality there is messenger. You can't expect a messenger actually to stay on duty forever. Anybody who tries to put a messenger on duty at eight o'clock in the morning and take them off at six o'clock at night's got rocks in his head, because what he's going to do, he's going to spend periods when he doesn't have any messenger, and if he's depending on messengers and so on, why he couldn't do it. But it takes messengers in order to handle anything rapidly enough.

Of course I'm doing, as usual, the Roman running three chariots simultaneously from a center horse, with the posts somewhat empty here and there along the line up. And that's done because of the expansion factor. I suppose some day it will all be improved, and it will all be perfect. I don't see it in the foreseeable future.

But actually the system which we are running on right now and getting into shape is actually three, a three org system. Commanding officer of three orgs simultaneously, each one with a pair. That is the product officer and an organizing officer. And with a bounteous number of messengers, and with excellent secretarial counselor-type back up. And one of those orgs right now, the ship org, is running solo at this particular moment. That is to say, there's a commanding officer but not; in essence a commanding officer who is not backed up by an organizing officer, and who at this moment doesn't even have an HCO to establish anything. And I don't know where that's going to go, but I know very well from where I look that at any given instant that there will be a small beginning little whistle of steam, which gradually goes into a high roar, because something, something wild will take place unless that is organized up.

You can always anticipate something that, an area that isn't organized to some degree will cave in. So you've got to, as an organizing officer, anticipate the fact. You can look at an area and you say, "That isn't well enough organized, so therefore we can only let it go so long before there will be a boom."

Now any time you try to increase the traffic on a line, and you don't increase the organizing functions on the line rapidly enough, or somebody drops the ball in the process of increasing those organizing actions, at that moment you do get a boom. It goes boom. And these are the periods when you've got to have a PR with his coded questions that can be decoded so we can find out what it is, so we can get a program in the thing while the organizing officer immediately gets a hold of this one and that one, and cools off the existing tempers. And you get instant hatting right away, and comm ev the HCOAS. Fast, fast, fast you see, because when it's let go you can operate on this principle, the longer you let it go the bigger the boom. And that is a definite operating principle.

If you don't believe that, we had it all taped out many, many months ago what we were going to do. And it was for a period there when we did not put an organizational pattern together. And Ken and I were discussing this, and we should really organize this, and we really should take this organizational step. But at that particular time were unwilling to take the step due to some of the scarcities of personnel. And I don't know, I think we let it go for a-

bout six or seven days, and all of a sudden, boom! And now we had to put it all together in just no time at all. And the other principle is, the longer you neglect it, the more frantically you're going to have to work to salvage it. So foresight really pays off, and that's why the org officer should be way ahead of the product officer.

And he gets way ahead, I call to your attention again, by picking got five people here who are eligible to be executive directors in a pinch, and I've got six people who are triple hatted. That is to say they're on a single post, but they've been checked out on all of the hats in their particular area. Isn't that nice? And so on, now if we just check them out on all the hats of a couple of more divisions here, we possibly will have an org officer here. Ah, that's nice. Goodies." And that is the think which has to be back of that which puts the org officer ahead of the product officer. In poverty it is always very easy to starve to death very quickly.

And there's something I must mention to you in, actually in closing. Something I must mention to you. And that is that there's a make/break point of an org. There's a make/break point. And when an organization drops below a certain volume, a certain income and a certain personnel level, it is in the break point. And it not only breaks itself, it breaks the people in it.

Now when you start to getting people trying to blow because of overload, and they can't cope with it and that sort of thing, you are definitely, definitely in the break area. And when you see a lot of trouble and strain and stress, you are in the break area.

Now the break might not be right where you are. It might be on an extensional line. You may have very overburdened lines without recognizing it, which, those lines are extensional outside the organization. Now that would be particularly true of a bureau. A Flag bureau or a liaison bureau set up is peculiarly liable to stresses which aren't easily locatable inside the org, because the stresses are on its traffic lines. Because where it has any responsibilities for organization of outside areas at all, those stresses show up inside the organization. So everything appears to be OK as far as personnel are concerned, and that sort of thing are concerned, but there's internal stress. You're actually in a break area. And that is the time to organize like hell, to promote like mad, and to push up your accumulation of resources at great speed.

Whenever you find yourself in that; and every Scientology org in the world as I speak at this moment is running below its make point. The make point of a Scientology organization where it's really rolling in cream and so on, is probably somewhere in the vicinity of about a twenty thousand GI. And if you're not doing that, then you're under strain, and very, very heavy strain. And the people inside the organization will be under strain. And then you can expect that to dwindle. Whatever you've got will dwindle, rather than increase, unless you take efforts to actually effectively push it up to the make point.

Now it's nothing very serious, you just make up your mind that we're going to expand this establishment up past the make point. For instance, the accumulated actions of an org like the Los Angeles org at this particular time, have not added up to moving itself into any zone of make. It got into the break point, and it's suddenly grabbed from every direction, and they're putting it back together again. But it is the money made by the individual staff member that determines your make/break point. And it's the old qual stat. And it actually isn't a term of sums of money. You can just lay it aside. I said that that was in that zone, and it is in

that zone. You can lay that aside as being, that's only contemporary. Who knows but what tomorrow a barrel load of money will buy a loaf of bread and no more?

The make/break point and so on is dependent on the amount of money made by the individual staff member, and when it is too high you will find yourself in a break point, and if it's too low you'll find yourself in a break point. If you're counting on every individual staff member to pull in fifty-five hundred dollars a week for the organization, you are in too high a band. And there will be a little bit of a crack start showing up along that line, because you haven't put enough organization there to make that much money. And if it's too low, you've got too much and too inefficient an organization there, and its basis are too bad if it's down at the lower end of the band. And I can tell you that through 1969 the point of membership in orgs was sixteen to eighteen pounds per staff member. Let's look that over. That was the international, sixteen to eighteen pounds per staff member. That isn't even, wasn't even good pay for a Scientology org member out in the society. He couldn't even support himself at that, much less support the organization. So, that organization must have been absolutely product gone. They couldn't have had any product at all. Do you see what I mean? I'm giving you the actual data.

Now at this time I instantly became very interested in this network. My ears went up, boom. And this was about, a little over a year ago that I saw what this trend was and I said that they're running organizationally at so low a level that they won't make it. And this is going to crack up somewhere along the line, so we'll bolster it up. And that was the LRH program number one, programs that you saw going out at that particular time were trying to lift that up, trying to lift that up and hold the fort until we could get a better basis of organization which could bring this about. The why of that was lack of products. They were not making products. And the products they were making were very often too poorly costed. Just, just insufficient volume, insufficient quality, and gave you insufficient viability. So that old qual stat will have to be restored.

Now, guess what? I don't know what it is at this exact instant, but all the members of the Sea Org, in orgs or not in orgs at this particular instant; well this is a figure that's taken from some considerable time ago actually measured up; but it counted all the people in the Sea Org and the gross income of the Sea Org, and it was fabulously high. The highest income per staff member ever made in the Sea Org was fifty-five hundred dollars. They were pretty high, heavily under strain too, but they were doing it.

Now the one, when I surveyed the thing, I said at this instant; not true; when I surveyed this last, and I don't guarantee the absolute accuracy of it and so on, but it was five hundred, about five hundred and twenty dollars for every person in the Sea Org on ships, in orgs and everything else, per Sea Org member, not per staff member. Now this shows there must be some outness.

Now one of the outnesses is, is that the Scientology org does not have sufficiently large packages to sell. It is selling right now hours, which might not be wise. It ought to sell results of some kind or another, it ought to sell packages. And it could rescue itself very easily by selling training, which isn't cut rate training.

Do you know that the Los Angeles organization was selling courses for as little as thirty©five dollars apiece, actual cash received? They had internal systems of cutatives, so that there was thisa and thata, and that consideration. And then just a failure to walk around and collect the money and so on. And a whole series of their invoices and so on were inspected a few months ago, and it showed that, that somebody just had rocks in his head. And the org was having a great deal of trouble, and they were selling courses, but having sold the course they weren't really delivering the course. But what they sold the course for was staggering. Through some kind of internal think or arrangements or peculiarities and so on; I'm not trying to brand one org that's being particularly bad. I imagine this was fairly general. You could get a Dianetics course, thirty©five dollars, and so on.

Now how they managed this I don't know. But there could be, even when you have a package, and even when the package will bring in adequate income to support the org, things can happen internally in the organization, so the resource never, the valuable final product doesn't occur. Well that is of great interest.

Now one of the reasons why you have sophisticated technology at this particular time is because of the factors which I have been telling you, and also because of the difficulties of managing from a command position. These difficulties are sufficiently great that they're almost, were almost impossible. So therefore we had to have much higher, much more sophisticated technology, and 1970 was the year in which this was very carefully researched and developed. But your make/break part of your organization is improved to the degree that the policy and technology of Scientology is known and employed in the operation of that organization. And this is your first factor that you have to learn.

With some horror just a few minutes ago, just a few minutes before the lecture, I was looking at an otherwise originated policy letter which caved in a corner of one of our finance systems. And now I have got to run this down, and round this up, and cancel this thing out in a hurry.

Now you occasionally in the field will get an order, rarely, but you'll get them. An order or a policy or a directive or an ED which runs contrary to your production, and which makes your production difficult. You would be very remiss in your duties if you did not instantly call this to attention, rapidly. There is even a policy by which a destructive order can be halted on the lines.

For instance, in the middle of the Dianetics course installation, in the Dianetics course you have a statement, when it was released, "Do not drop any Scientology action which you have at this particular time." A couple of PLs, not written by me, and some directives and so forth went out, and in the southern United States you had a belief; the south western United States there was a belief that if anybody audited Scientology grades on anyone that he was committing a high crime, and would be liable to comm ev. Now who the hell put that out, I don't know. And yet that was into the teeth of the actual statement made on the HDC tape when it was made, and on the ED which released it. And for god sakes, don't drop any Scientology actions you are doing, just because we're giving you Dianetics.

So what was the broad spread action? To drop every single Scientology action that was being done. There was even a couple of policy letters originated that got by and got cir-

culated, which canceled those things out, and which messes it up, oh my god! So you must assume that somewhere along your lines you will have somebody who finds it very satisfactory to interrupt forward progress. The writing of the current fashion, the writing of the current fad does more to destroy your stats than anything else you could do.

Yesterday it was true too, and yet man, because of his immediate concern with present time is continuously throwing away what he has in return for what he hopes to have. And it's a sort of an idiot game. Your resources are policy and HCOBs. Do you know that this moment we have just put on a check sheet, I don't know the date of this congress, it must be in the early sixties. Ken could tell me. The State of Man Congress. That's it, '59. We have just put it on a check sheet for a very high upper level course, The State of Man Congress. You haven't any idea of the, of the, what you could do with the resources. If you don't know what those resources are, why of course they won't be utilized, and you ride off in some high hopes of something. Because all the auditors in the HGC flub a Dianetic session, all of a sudden why some brand new technique is looked upon to solve all the cases in the neighborhood, any one of which would solve if anybody ever read the textbook and taught anybody the textbook on Dianetics in the first place.

The highest breakthrough we have at this moment is covered in full, in the early sixties. And the only thing that's happened with this breakthrough is we have used it to its totality, and have audited it with some new methods of handling a session, which make it come off smoothly enough. Only one new principle has been developed, but there are two new methods of auditing to make it smoother. But the whole theory of it is back there in the early sixties. Now that's amazing, isn't it? Now you're basically in the business of knowledge, as the one thing that you are putting out. And it's knowledge of self. So whatever other valuable final product you have is knowledge. And you would be absolutely startled, but a fellow who is a Class X in training at this moment got stopped by me the other day, and given, when he was asking me questions about why something was happening about a low TA, was told very directly, very directly and very forcefully that he'd damn well better go back and read the Original Thesis. He hadn't ever understood what happened in this session. I've had C/Ss who couldn't audit because they did not know the basic books. Therefore, you then basically are purveying knowledge. So how do you expect to succeed without your mimeo files? How do you expect to succeed without your book store absolutely crammed to the gunnels? How do you expect to succeed without every tape in that place, and packages for sale, that you possibly can lay your hands on? Because you're basically purveying knowledge.

When we went over a whole series of franchises we picked out the most successful franchises. And we asked the fellow to write up what made it so successful. At the beginning of ever meeting that he had with his public on a PE level he read them a policy letter, almost regardless of what it was all about. And he got tremendous, he was just a howling success. So now you start comparing this with empty mimeograph files, with packs with holes in them, and you will see what causes your make/break point. You are not spending your primary asset, which is knowledge. And we're not dealing with the kind of knowledge which was true in '61 but was not true in '62. There's very little of that on the track, and it was all corrected out not too long ago. There are tapes beyond belief, the libraries and so forth which we have.

So your organizing officer, your organizing officer must recognize that his first asset that he looks on as goodies is all that space taken up there with mimeo files. All that space taken up there with packs. And all of that space taken up in the book store with basic books, and so on. There's resources, and that's where his resources begin. His resources don't even begin with people. The people are all over the place, but they're worth nothing to anybody unless the knowledge is put out. And that is the basic business you're in.

And if an org officer mistakes, you look it over, you will agree with me. I'm not just beating drum for anything of the sort. You look it over here, and you'll find out that you've got a guy in off the street, and you put him on as a clerk or a course administrator. Realize that you don't look on him as valuable at all until he has been checked out and trained, and this. Realize that you always automatically and very often very mistakenly make your Class VIII the HES, because he knows more, knowledge. So knowledge is what makes the difference. And the organizing officer is basically dealing with knowledgeable people, and so his basic asset and basic resource of course is knowledge. And he takes off from there, and then he gets that applied to people, and then the next thing you know, he'll see a thirty-two story building Scientology in gold letters across the front of it. It's more the org officer's basic hat than it is the product officer's, because the product officer doesn't look on a book ordered from some place or another as a product, he looks on a book sold as a product. But the book ordered is the organizing officer's worry.

Now of course the product officer could say, "Look, I can't sell any books until some books have been ordered and delivered." New York is failing at this moment. Everyone walking around in circles wondering, "Why is New York failing?" I happen to know the missing books that they do not have in New York, and they're all of the basic ones. They're just not there, they don't have them. We should be at Flag bureau, and probably will be, and there is an aide at this moment in charge of Pubs org pushing like screaming crazy to get a lot of basic titles back in print, and to get them into print in the U.S. The world has all of a sudden decided not only to be exclusive with its currency, but also with its literature. U.S. books can't come into Europe, European books can't go into the U.S. now. Very difficult. They can get in on individual book sales, but trying to get them in in any quantity at all is very terrible, and copy rights go to pieces if you do, and so on. So you're up against this.

So what, what basically, what basically is the basic resource? The individual walks in off the street, until he has been checked out, until he's been genned in, until he knows the administrative knowledge of the organization and so forth, is not a resource. He is just a resource to the point where he may be worth something, he may not be worth something. Now when he's checked out, so therefore knowledge is a dominant factor in the success of an org officer. And I want to point this out, not because of any other reason than when it isn't there he will fail. Time and time and time again this has been proved over and over and over and over.

So in just winding this up I want to put this, put this home. As far as, as far as the product officer is concerned, he won't get anyplace unless he's got some tapes going, every night, every night, every night, every night, every night, every night, every night, every night, every night, every night. We don't care whether he was running an HAS course or PE course

or something, he ought to have some tapes going, every night, every night, every night, every night. Public tapes, on and on and on.

Now, you say, "Well," and so on. Somebody's making a resurgence in an org right now. They've gotten a hold of Ron's Journal '67, and they're just playing it every night. And it seems to me like they're making a terrible scarcity of the situation. But then we found out that the only tapes available were a mixed bag. A mixed bag. There were some excerpts from some various congresses, somebody picks all the cherries off the ice cream, you know? Or just one or two cherries off several ice creams, ruins several ice creams to have three cherries, or something. I don't know what the think is. But we're trying right now at the Flag bureau to do everything we can to bust these lines and to get distribution and so on. It might be done faster, it might be done this, it might be done that. We have certain various logistic problems and so on which we have to overcome. We're trying to make this thing available, but unless somebody at the other end of the line in the person of the org officer recognizes clearly that he is dealing with knowledge, and if he hasn't got it in book form, and if he hasn't got it in pack form, and if he can't make up packs out of any mimeograph set up, he's had it.

Now it's true enough, he could probably get a few sets or one set of an OEC course. He could get that set, and you can see now the trying to do something with this bound set. Well he'd have to have several sets. Well good, so he could have several sets, but it doesn't give him actually the loose leafed stuff that he needs. Therefore, an org officer's whipped at once that he doesn't know what he's doing, and he can't immediately impart and directly and immediately gen in and impart to his staff members rapidly. And of course he could never back up a product officer.

And if you want to know what is wrong with the make/break point of any organization, is Scientology orgs have dropped low on their resources of knowledge that they can hand around and use, at this particular moment, and the knowledge which is in practice and which is available to them as a practiced knowledge in the hands of auditors and instructors inside the org and in their neighborhood. Thank you. Thank you very much. Good night now.

THE HAS

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24 January 1971

OK, this is the twenty-fourth of January AD21. And just as I predicted, and horribly as that may be, sure enough I had to give a lecture now on the HAS.

As soon as we had the system, why I thought, "Well everybody'll understand that, that's very simple." Do you see? You just get a product and the org officer comes along behind you and puts the organization there so he can get that product and straightens it out. That's very simple. And then I found out after I worked for a little while; I'll be truthful, I figured out I'd have to say something about the product officer, because that seemed to be in doubt a little bit. So eventually I worked at it myself to get a good grip on this subject of product officer, and pushed it on through, and gave a talk on the subject, and thought everything would be great, and org officer, and so forth. And what'd I run into then? Why I ran into the org officer wasn't really understood, so I gave you a talk on the org officer and got that straightened out. And then HAS has reared its ugly head. So I'll try to straighten out the role of the HAS.

We are dealing with product one, product two, product three, product four. And product one is the establishment, and product two is the product of the establishment, what does the establishment make? What does it produce? And product three, that is the correction of the establishment. And product four, that is the correction of the product.

Now to look at this very rapidly, we find out that it's necessary when we have a product to get out, that an organization get it out. Now to give you a stable datum, if you want to improve the volume of production you have to organize. If you want to improve the quality of a product, you have to organize. If you want to improve the viability of a product, you have to organize. If you're being served a lousy dinner, seldom, at great expense, the answer is organize, organize, organize. No volume? Well, organize it up so the raw materials come in, so it goes down on a proper assembly line of preparation, and comes out at the other end as a product. If you want to improve the quality, why go down that line, find out who hasn't got the tech of making soup. And you also improve the quality of the steps and the exactness with which they are done, and you will come up with a better quality of product.

And, once more, if you want to improve the viability you have to be able to scout the various logistics involved in the raw material, and you have to take the excess steps and the excess do-less motions out of the line, that finally winds up in a dinner, and you will wind up with a cheaper dinner.

Now the trick is to wind up with lots of dinners, of good, acceptable quality, and a viability of getting dinners. In other words, viability comes down to when it comes to finance, the outgo/income law applies. And if you only ever knew this about finance, why you would actually have it made. There's practically nobody in the world has actually learned this about finance. And it is a very elementary thing to learn. And it is simply that income must exceed outgo. And outgo must be less than income.

Now if you've learned that you become a financial genius. Now from where do we go from there? Where do we go from there? Well then we really get to be a financial genius, and money starts shooting out in all directions, and you don't know what to do with the stuff, and that is to say you; and this is where the production officer functions; he recognizes that his losses are the losses in money he doesn't get. Those are the losses. The losses are not in the paper clip package for two cents when it could be bought for one cent, although that is an economy which is necessary to know. It is the junior economy. And nobody knows this other economy at all. It's a complete stranger.

Every week that your org does not make three thousand dollars and only makes two thousand dollars, you are running at a loss of one thousand dollars. I don't care what you've got in the bank, I don't care how smug everybody looks, if your org has a potential of twelve thousand dollars a week and you only make three thousand dollars a week, you are losing nine thousand dollars a week cold, hard, spendable cash. If your org and your skills and capability and so forth would run at twenty-five thousand dollars a week, and you are only getting five thousand dollars a week, you are losing twenty thousand dollars a week cold, hard cash. When the stat goes down from eighty-nine hundred dollars to seventy-nine hundred dollars, it isn't pretty good, you have just lost one thousand bucks. Now that is the way you handle production money. And what that requires from the production officer; now hold your hat now, hold your hat; it requires a big idea. And it doesn't require somebody sitting around saying, "Well, if we could just make the paper clips for two cents a pack, and we actually are spending now, we could save one mil, and so forth. And therefore our profit will be..." That's what's wrong with capitalism, they're always worrying about profit. Don't every worry about profit, worry about millions. See, worry wrong target.

So when you really know this about income and outgo, now you are a screaming financial genius. Now you really are one. So, look it over.

Now, the realm of income/outgo is what difference is between income and outgo. Now if your income is two cents higher than outgo, you say, "We're solvent." Heh heh heh heh! Oh you nuts! You may be solvent at that existing instant, but you are not viable. What does it take in this universe to be viable? Boy, this is, this is quite a universe! This is quite a universe. And if you look this universe over very carefully you will find out it has all kinds of wild ramifications. If a farmer wants to wind up viable, and he calculates very carefully that he will need twenty tons of wheat to see him through the year, he's a god damn fool if he doesn't raise two hundred and fifty tons. I didn't mean to be profane. You can cut that off the tape. But he is, he's a fool. He's a fool if he doesn't raise two hundred and fifty tons. He needs twenty tons of wheat, so he's, gone.

If I could just get your wits to sort of separate on the idea of what viability is, your org should be able to run without any trouble whatsoever for at least two years without ever making a cent or firing a person. And about then you might have achieved better survival. You got the idea?

People who sit around and live one of these hand to mouth existence is like saying, "Our cash/bills ratio, that's pretty good now. Cash/bills ratio, we owe one hundred dollars less than we've got, and we're doing great." Boy, you died. Death was several months ago. Get your think, get your think different.

Now if you ever wonder about why you don't have enough money to do everything you want to do and bribe all the senators you want to bribe, and buy all the prime ministers you want to buy and so forth, it is just that piece of think.

I'll tell you a great oddity about this world. You think if you would decrease prices you will make more money. Ha ha ha. You can too much increase a price and you will immediately dive your income. You can too much increase a price, you will immediately dive your income. Increase or decrease your prices too greatly, and you mess up your income. If you want to shut your income off, why just raise your prices unexpectedly. But in a world of inflation, money is worth less and less and less, so how are you going to compensate for the fact that the money you are getting is buying less and less and less, and your prices are decreasing consistently? Well that's an interesting idea.

If somebody came along right now and said that an automobile, the X-model automobile cost twice as much as it was going to cost last year, that's horrible. People stay away in droves from X, because they've increased the price of it. Even if you put out model X-1, so you've got to put out a spoofer car. Brand new creation. And it is so great it cost fifty times as much as an X-mobile. Now you get some buyers. Man is not rational where it comes to pricing. People do not sit around and figure it all out.

Now this is no advice, to kite your prices up into the sky and not give any service for it, god knows. You give service of a caliber that would get you ten times as much as you're getting, and you'll get the ten times as much, providing as you don't tell people you've raised the price. So therefore you don't dare raise the price, so therefore you have to do something else. You have to reprice. So it requires re-pricing, repackaging.

Now this is a world of airy-fairy, god 'elp us, because you ask people for a survey on this subject and they give you nothing but lies, so you're never able to establish it. So it all has to be by doing, and you offer this other package of something else, and then you will find out what your pricing is.

Now this might not work in the commercial world of automobiles, except it would. I think the Rolls Royce is the biggest swindle in the world. I do. They do things like lock the bonnet so nobody but a Rolls Royce mechanic can touch it, because it's so fragile. And they give some kind of spring suspension so that the chassis is independent of the body. I've driven them. They've got no pick up. They sure ride nice. An old lady's car. But, they sure cost.

Now they've made a price reputation very high, because the quality is such that the deterioration is very slight. And then they never change their model, so they never build in any obsolescence. So it's nothing to be asked twelve thousand, five hundred pounds for a second hand Rolls Royce. Jesus god, twelve thousand, five hundred pounds for a second hand Rolls Royce! Bah! People would ask you with a straight face, you know? A Buick will run rings around it. It's got name, it's got quality, its deterioration is terrific, and it's driven by the Maharajah of Spangpour. There's status involved in it, and so on.

So there are all kinds of factors in this subject of pricing. But if your pricing is something you can't fool with, you can fool with volume. But you have to make sure that your costing is adequate. And out of all of this that I've just been giving you; this is not a lecture on economics; this is what establishes how big an establishment you're going to maintain.

The products officers' capability of getting the stuff out, and getting it out economically in volume, high quality, can determine the potential viability. Now the usual method of a firm is followed by governments also. And they expand to absorb all of the income. That is the rule under which most organizations operate. Expand internally, administratively, with duplications, to absorb all of the income that is coming in. So there is a counter rule which works on this planet. Why, I wouldn't even bother to inquire. And I've never bothered to inquire. An organization tends to spend a bit more than it makes, and it is the operating rule under which all organizations function. And you will find it is never violated. So the organizing officer's job is to violate it. Do you see?

Now the big idea that the product officer got; you say, "Well heaven's sakes, what do you mean the big idea of the product officer? This is all established by somebody else at a higher echelon, and nobody gets any idea." No look, even a guy in the, even a guy in division two, a bird in division two who is working on his post there, he can get a big idea in the field of promotion.

The registrar sitting at her post, she can all of a sudden get a big idea, and put it into effect without any further nonsense. And people in the assembly lines, they can sit there and look at this, and all of a sudden get a big idea. It's all in the field of A big idea is how to get, usually, more consumption of what you're producing. And an organization doesn't run without these big ideas popping up here and there. Usually they're not germane because they don't apply to consumption. So all the big ideas you get must apply to consumption. So you're always on the outlook for big ideas that have to do with consumption of your product, 'cause that gives you the margin where you can push your product volume up.

And therefore you can maintain your viability.

So if the big ideas which you accept as an executive is for the increase of consumption, and it's direct and immediate of the thing which you are consuming, why great. The promotion people who all of a sudden get out a leaflet that everybody stuffs very, very swiftly into their pocket rather than throws into the waste basket has of course increased the consumption of leaflets. And you'll find out that will go much further.

So all of your big ideas, the real big ideas, have to do with the increase of consumption. And a product officer operating on Flag is how do we increase the consumption of Flag

products? It exactly defines it. And it defines it department after department in an org. How do we increase the consumption of this product?

Now, when it comes down to the final analysis is when an increase of product is such that it starts injuring the viability of the org, it must be an uneconomical product. And it must not have very much to do with the final production, and we're talking about, believe it or not, HCO. We're just talking about how much org.

So the expansion that you're trying to increase is in the field of consumption, and then in the field of production to meet that consumption, and then an economical furnishing of that production in order to meet the consumption. Works backwards, don't you see? It is not the purpose of an organization or HCO to put as much organization there as it, the organization makes. I would say that a safe average to work on to begin with would be about fifty percent. And then I would say just for fun that one should aim toward a third. And as it goes on up in volume, one should be aiming toward a quarter. The cost of the establishment is a quarter of the income of the establishment is what I mean.

Your first and primary target is not one hundred percent, and it never is one hundred percent, and it certainly is never two hundred and twenty-five percent like governments run. So your legitimate target of HCO is furnishing an organization, the total cost of which is a-bout fifty percent of the income. And that would be its initial, primary target.

And now he starts in HCO, the HAS, he says, "Well wait a minute, wait a minute. The HAS, what do you mean? The HAS, the finance is in division three isn't it?" No, it's in the HCO/HAS hat. It's got to be, because he says how much organization you've got. Now you tell me somebody in treasury who ever told anybody how much organization you had? All they do is grumble. You ask treasury, treasury varies. Treasury varies from total neglect to grumble. That is the tone scale band they run. And that's natural. "The staff has not been fed for three weeks, could we please have ten cents to buy a loaf of bread?" Grumble. I mean that's natural.

There are two people you never want anywhere near an organization in control of that organization. Two people. They do not establish management policy. One of them is ac-countants, and the other is lawyers. And this isn't my datum, and it's not built out of my an-tipathies to either of these people. The attitude of an accountant has to be the attitude of an accountant. He had got to make sure that the money due and owing to this organization is collected, and that the bills of this organization are paid, and that there is some money to put in reserve.

Now the various functions of accounts include of course going through purchasing, because they can buy things cheaper, and this, that and the other thing. But accounts is established by FP. And I call to your attention that FP is an activity, FP is an activity which is shared in by the head of each division.

Now you're liable to see something new about FP and divisional heads, and that is each production branch should have the status of a divisional head. Your ad council should be about the same tech/admin ratio of the org. And that should be your ad council. You should not have two tech people and seven admin people, because it'll give you an unbalan-ced FP. You look this over. It'll give you an unreal ad council action. Do you see? There's

not a possibility of; your production division then is totally overwhelmed by the remaining committee action. So that production, nobody has his eye on production, people have their eye only on administration.

Administration is important. If you pull the people off of administration and you put them only on production, why you will find that the org will go downhill. The administrators are vital to that org. But if production, there's two opposite ends. The Aristotelian, Aristotle's pendulum, the two extremes have a mean between them, and we've been running where administration, and administrative divisions thought more and had more say than the production divisions. Well we have to even it up, and we have to bring it back considerably, and we have to swing it so that it doesn't quite go to such extremes.

Now we could swing it so that only production divisions, this would be the tendency, only production divisions may say what we can buy and do and do with our money because they make it. You know what political philosophy I have just described? Communism. The woiker. That political philosophy is so lousy that they can't buy shoes. That's all that's wrong with it. It isn't that it violates the rights of man or anything of the sort, it just is non-productive. It's a non-productive system. And what's wrong with extreme capitalism and so forth is it's non-productive system. And there are two extremes, one, the administrator; not even the administrator. It swung clear over to the guy who happens to have a couple of quick bucks. And then he lives off the interest of these bucks, and he figures out how he can swindle some companies into borrowing some of these bucks so he can foreclose and get the company, and sell it and make some more bucks. And that's capitalism. It has nothing to do with production, it just has to do with bucks.

So similarly, you can get an organization which is run by accountants, and they will talk about nothing but bucks. It's grim. It gets very grim, but they have their point, and they have a very important role. They're supposed to sit there and make sure that that dough is actually collected. And do you know that a lot of treasuries, they don't make sure the dough is collected? Wow! You talk about neglect.

Now, to the degree they don't collect the dough they will enforce economy on the org. So you actually mustn't, mustn't put them in charge of the org. And reversely, the same thing, you can't have a run away org which has no financial checks and balances in it. Now I can do that, by the way, run a run away org that has no financial checks and balances in it, but then there's a hidden, built in computer at work, 'cause I can tell you any org I'm running, I can tell you about what the logistics are of the org, and about what its financial position is, and when the accountants say it is something else I make them immediately go back to their desks and start figuring. And they will come out at the other end of the line, not because I say so, but with a picture much closer to what I've got, because I know what margins I'm operating on, I know how much we should be making, I know how much we shouldn't be making.

Alright, within that framework then I can suddenly tell people to buy things and do things, and that sort of thing, that appears to be uncontrolled, mostly because it doesn't pass through FP or something like this. Well, the statistic involved in the thing is the test of the pudding. Any org I'm running starts accumulating reserves, accumulating reserves, they finally find out we've run out of this bank account because it's too full, and that bank account,

and what country can you put it in now. And that is the way that one ought to run. But you would have to have yourself; I'm not trying to post you up as a financial genius, I just happen to be one. But you, you've got to, when you're running an org you've got to know about where you stay. And then somebody; this is always the little secret computer that's sitting on your desk. You know the financial position of this org, and its bank balances, and what it's spending, what it can afford, and what its costs are, and what is its potential of production and that sort of thing.

You know these things, bang, bang, bang. And somebody comes up to you and says, "We're going to put a new wing on the building. And this new wing on the building is going to house eight hundred and fifty-two new desks of some kind or another, and we're going to something." And I'd say, "What the, what, woah. What is this all about?" In other words, it's the ability to recognize a proposal for establishment which is unreal as far as the production goes, 'cause your eye is on the production.

Somebody walks up to me and says, "Well, what we ought to do actually is put in twenty new auditing rooms, and so on." "Alright, what's the cost twenty new auditing rooms, and so forth? That's fine. Let's work on that. That's great, OK, twenty new auditing rooms." Somebody talks about putting in new service space and so on, "Well great, great, service space. What's the logistics of the service space? Fine, fine." That's all legitimate. Somebody talks about putting in new Coca Cola vending machines along the desks of the typists and I say, "What? Why?" And they say, "Well, I have a friend and he sells these machines, and..." So I'd be likely to do a survey of the thing, and I'd find out that they have to walk two and a half blocks in the hot sun, or something like that, to get themselves a Coke, something like this, so I'll put in chocolate bar machines and a Coke vending machine, and hot drink vending machines and so forth. As a matter of fact, you can remember times when this has occurred. That's just staff service. And they wound up not costing money, and so on, in other words all the factors balanced out and that was fine.

You could furnish a service, it pays for itself one way or another, so on. But I don't ever consider an organization able to afford anything, even burnt match sticks, unless it's got a couple of years of reserve for its total establishment outlay. When I've got that I know I'm working at a bare minimum, and at that moment why I start to get loose with money. And of course I'm not above shooting the moon on this sort of thing. It's not the type of thing that an accountant approves of. And as a matter of fact I have often seen a look of absolute but hidden horror on the face of accountants and so forth, when I have said, "Yes, well alright. Well so and so, and etcetera." And they get hopeful that this will at least go through FP, and it doesn't. And it comes out on the other end that we have put in this many thousand, and we have gotten back at the other end oh my god! Because it would be a project which increased consumption, or met a consumption which could be brought about. So what consumption can be brought about is one of the first thoughts of a production man. Otherwise he will run out of space to put his products. He doesn't care how many products he makes as long as they don't sit there.

Now I'm sure the production manager of the Ford Motor Company never gives a second thought to Fords being consumed by the public, only he ought to. He ought to. If Edsel Ford, which is one of the biggest mechanical blunders of history, and one of the biggest pro-

duction blunders of history was the Edsel. If Edsel Ford had known anything whatsoever about his business, and if he'd ever probably read his grandfather's notes, or whoever, whatever he was to Henry Ford, he would have found that Henry Ford operated on the policy of America on wheels. Small, cheap transportation. And right at the time he was building the Edsel and so forth, America was going into small, cheap transportation, but they couldn't get any in America so they bought foreign cars. It's nuts. He could have built a tin lizzy designed in Milan that would have sold like hot cakes and so on, but he would have had to have looked over his market. What could his market have consumed? So he would have had to have his eye on the main chance of production.

Instead of that, he built something was a cross between a Buick and a Mercury, and it was rather indistinguishable from a Mercury, and it was a terrible lemon. And he built it without any idea of consumption survey or anything else, see? He didn't have any idea. So chains of dealers went broke in all directions. It was a terrible catastrophe. He didn't even run a pilot project. Why didn't they hand build it? It would have been much cheaper. Why didn't they hand build one of these damn things and run it out on the street, and ask anybody if he wanted it? I mean, that's the most elementary pilot project I could think of.

So, you've always got a department function, and it's called the special program section. And if an org doesn't have any special program sections it's goofy. And every time you get one of these wild ideas, you put it into special programs, and it'll wind up not wrecking you.

Well that would have been special programs, Ford Motor Company. Let's hand build one of these things, these monsters, and run it out on the street and see if somebody wants it. And they run it out on the street, and the little boys all throw stones at it. Give it to a good looking young man and he can't pick up a girl the whole length of Main Street. You know, run some practical tests.

And they finally would have monkeyed around, and they probably would have built something like a Milan, Italy designer's horror, with sweeping fenders that come up from the bonnet and a half an inch road clearance between its crank case and any spare rock-that's a Lancia. And build something like this, and thrown it together, and wondered how cheap you could throw this thing together, and find the cheapest motor that you could probably get, and finally find it's a washing machine motor, something like that. And throw it under the bonnet of the thing, and run it out into the street, and give it to the handsome young man, and it's immediately, completely busts is springs with loads of girls. And they try to offer it to anybody in sight, and they immediately starts reaching in their pocket book for a check, or something, buy it with small change and so on. Gee dogs! Do you see? But that would have been through special programs. So, any production action through the org must remember to have special programs.

Now there's a terribly funny story about this. Diana of course has as C/S 6, a special programs section. And early on we didn't know much about how this artistic idea of Celebrity Center would go. A very short time ago, after it's been going for all this length of time, I say, "You know, it's funny. I understand Celebrity Center now has quite an establishment there, and it's got about ten or twelve orgs. And it's branching out, and it's got now ten or

twelve of these, and they seem to have quite a bit of income, and we seem to have people in-volved with this, and so on. Who's got this around here? I mean it doesn't seem to be our account." Diana says, "I have." She's been sitting there as promotions, busy managing this whole network, and she and Yvonne Gilliam apparently just running with the ball and so on. That's the other mistake, they never turned it over to management. Here's this expanding network of orgs suddenly emerging, growing up and mushrooming all over the place here and so forth. She's been doing it quite competently, and Yvonne has been doing it quite compe-tently. Establishing new centers, everything's going along fine. It's still running in special programs.

So if something is successful in special programs, it will force itself on your attention. Yeah, I just suddenly realized it didn't have the main line of command and control. Its re-ports didn't come in through the channels any one expected its reports. Not that we weren't paying attention to it, not that we didn't appreciate it, we thought it was great, but I'd never, it never had an aides meeting on Celebrity Centers or anything like this. I just woke up, all this machinery of control is missing. Who had it? Special programs.

Well now that's a test of success. And it's about time then that management reaches into its hip pocket and brings out its wallet, and says, "Let's turn this thing loose. Let's get this thing going."

Now therefore, all new types of expansions are piloted. They are piloted, otherwise you'll go broke, because you're testing consumption. Now it's one idea to get an idea con-cerning consumption, it's another idea to find out if it is. It never, the idea, the big idea you get is not necessarily sent through special programs, but if it is so strange and bizarre that you don't know what to do with it, and it looks like it has an interesting ramifications, and it doesn't fit any place, why don't go for broke on this thing, put it through special programs, and set up a little unit in special programs and so forth, and let them pilot the thing. And then don't forget about it, find out how it did.

But your big ideas that you get along this line are very often the most banal big ideas you ever heard of. They're just based on how to get more people to walk into the org. But every once in a while you'll get a big idea in the field of production, it will have to do with promotion or what you are offering, or how you will handle this or that, or something of this sort. All of which is perfectly allowable within a framework which you probably regard as perfectly rigid. The framework is quite rigid, and the big ideas aren't. And after you get this all straightened out and tested, why it is time to put some establishment there. So things that move from special programs in, have to be provided for by the HAS. As elementary as that. Things that you move into the establishment as an establishment, and they are legitimately part of the establishment, then those things become the things allowed for by the HAS. And it's up to the HAS to keep the establishment below, way below the cost figure of the income. And a good target is fifty percent.

You say, "Yeah, but the HAS, he mostly has to do with ethics, doesn't he?" No, he doesn't have anything much to do with ethics. Ethics officer has to do with that. Ethics is how you hold the edges. The ethics officer is the god of the edges. "This thing must flow down this channel, and hit these spots. And these spots must be there." And that is sort of

the; he is the last word in edges. That may sound esoteric, but people use him to monitor behavior, and I never heard of anything so nutty in my life. Who cares about behavior? It's pathetic. You once in a while will see somebody in control of things who is very concerned with whether two terminals get along with each other. Well fine, spend some time, have a third party investigate it. So, so what? Very little to do with it. Interpersonal relations are only good in the presence of successful production. And the thing which you want to do is increase production. And that handles all the interpersonal relations you have anything to do with.

No, the HAS would determine the size and type and kind of the establishment which could be afforded. And he would have to have to do with logistics. And he may be running much less establishment than he could afford. His first economy, traditionally, has been very erroneously on HAS itself. And I'm always asking HCO area secretaries, "How can you possibly have too few people in HCO? How the hell can you do this?" It absolutely assaults my reality. It's something like somebody standing up and saying, "This is blue," when it is scarlet. It is a complete and utter and total disobedience of all points of reality. And I'll tell you why. He's the guy who recruits personnel. He's the bird who controls establishment. He's the bird who says how many people should be where. And he comes around to me and he tells me he hasn't got anybody in HCO.

Once in a while, once in a while somebody walks up to you and brags that he isn't doing his job. Well that is HCO's method of not doing their job. That's a brag. "Well we haven't got anybody in HCO. Nobody here," and so forth. "Don't have any facilities, haven't got any. It's tough. Haven't got file cabinets to keep anything in, there's no place to file anything here in HCO." Wow.

Now immediately, out of that one thing, do you have some idea of what the HCOAS should be doing? The ne plus ultra of his not doing his job would be no manned and operating HCO. That would be the irreducible minimum of his job would at least be a manned and operating HCO. That is irreducible minimum. A fully manned, perfect HCO is the irreducible minimum of his doing his job.

Now if he's got that, he should get on with it and do his job, which is put the establishment there. And that is why HCO is the command channel, and you say, "How possibly could HCO possibly build up an organization." Well Christ! It's in charge of the org boards, it's in charge of the personnel, it's in charge of hatting, it's in charge of the communication which gives it the communication lines, 'cause an organization consists of the lines.

And it's in charge of inspection, so that it knows it, and it's in charge of ethics so it can hold the edges of this thing, and so on. And when you've done all that you probably have missed the one point by which HCO builds, holds, maintains, mans and controls the organization, and it's the orders issue section.

Now if you want to know how bad off an area is organized, or an organization is organized, look at its orders of the day and find out whether or not it controls any establishment orders. And if it doesn't contain any establishment orders, then the HCOAS is not building an organization, so who is building an organization? And the answer is nobody. So what's going to happen to this organization? It's not going to exist.

Now how much organization he can build is determined by viability. Financial viability. Limitations on personnel is mostly imaginary. It has to do with, "We don't like people." Did you ever see that marvelous little cartoon of the fellow sitting in the box and saying, "I hate everybody." You know? Marvelous little cartoon. Well you don't want one, you don't want a department one like that. A department one must be prepared to take anybody on, even though they have to shove half of them out through department three.

Now if you have an HCOAS who knows his business, then the orders, organizationally, to put the establishment there, from the data which is given one way or the other through the lines, and the tip offs which are given by production, and the requirements of production and so on, why he can put an organization there. So he's actually an organization builder. And there's the point of the establishment product one builder. And he builds an organization.

With an HCOAS around, and days go by and I don't see a manned division two, I begin to wonder, "Is this guy waiting for an order to put up an org board for division two? What the devil is he involved in? What's he so involved in he can't do his job? Where's the org board, and where's some personnel in this division two? Is he waiting for orders to put an org here?" No, he's got the orders to put an org here, he's in charge of org boards. Yeah you say, "Well he's not in charge of buildings, and he's not in charge of this," oh yes he is. Orders issue section. And when they're issued they can be inspected, and if they happen there's a time machine, and so forth.

I can take an HCO, I can build quite an organization with an HCO. It's what's the viability of this organization would be the only controlling factor. Organization that's new, young, something like that, why sometimes I might fudge over into seventy-five percent, but it would certainly soon be very rapidly down to somewhere around fifty percent of its income would the cost of the organization. And if it really got to running I'd ashamed of myself if the organization was running at any higher cost than about twenty-five percent. Be ashamed of myself. I'd think I just didn't know my business at all. What the hell's going on? Doesn't anybody get an ideas around here at all? You know? What's going on? Production must be zero, consumption isn't figured out, the production isn't matched up to the consumption, do you follow? There's something out of gear here some place. Great big why, see? How come we're spending fifty percent of what we make? That's silly.

Also, walking up and down the org and so forth, and seeing that staff isn't getting more than they used to get and so forth, and they aren't getting more than they need and so forth, that's also silly. What's the matter? Of course we've got the answer to that. We've had the answer to that here for some little time. The income per staff member only sixteen to eighteen pounds didn't mean orgs were over manned, it means people weren't wearing their hats, and there was no production orientation. It's incredible. You can't pay somebody twenty pounds a week if he himself is only making, on the average for the organization, sixteen pounds a week. So if people say, "Well, they pay us badly," who the hell's they? We're looking at they right between the eyes, sitting right back of that typewriter, boy. Why don't you pay yourself better? If you turned out a little bit higher quality letter perhaps you would be. Who knows?

You expect some great god to descend from heaven and magically wave a wand and so forth? What the devil is the expectancy here? A fellow would have to do productive work. And then the production would have to be of a quality and a desirability to bring about consumption. Any way you look at it, I don't care if you're looking at this in a moneyless society, that is the way it works. If this village with its garden plots doesn't raise more than four or five such villages could possibly eat, it will be a bunch of poor, down trodden, starvation, famine faced peasants. They won't even be able to afford bicycles. Maybe there's no money involved at all. Maybe they never see a drachma or a durum or a ruble, from one year's end to the next. But you look around there, and this has been true for thousands of years. And it was true in the Euphrates, and was true in any other zone or district on this or any other planet.

One of the reasons the United States is having problems right now, and it must cause the suppressives just fantastic problems, is one man can now raise enough food to feed forty-seven. It used to be that one man could raise enough food to feed four. And this is causing terrible problems, and has total economic strains on the government right now. It's awful. But the damn fools keep shipping over seas money. Why are they shipping money over seas? They haven't got that. So, that any of these economic criteria just have to do with just these very, very, very plain factors.

You cannot pay a worker more than he makes. And that is all there is to that. So this guy sits there, and he's supposed to punch holes in belts, so he chews up belts, so he throws them out the window, so he throws them in the garbage can, and no belts arrive at the other end of the line, and there's no belts to be consumed and so forth. About that time he starts whinnying about how he's underpaid. I don't have any sympathy at all. I'm not being the hard hearted task master, I just know more about life than he does.

It's fantastic. In the United States you look around and you see some of these young squirts hitting papa up for a new Jaguar or something like this, and so on. I often wonder how long they're going to go. It's sort of like a circus, you see a not too competent performer on a high wire. Which performance and at what point of the wire is he going to go all the way down to the sawdust? It's one of these things.

Now there's been all kinds of Katzenjammer kids running around, telling people lies about economics, but there are other people running around telling people about the poor, down trodden worker. After they get their worker's paradise in Russia they all starve to death. Trouble in Russia right now is they got no shoes to keep out the snow-nicks. Not that you have to have a great deal of shoes, but if you will go around with a body you might as well produce enough to keep it going.

PRODUCTION AND THE RESOURCES OF THE HAS

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Now a group when it gets together, if it's got the idea of where it's going and what it is doing, and if it isn't all individuated one from the next and so on, can normally pull together so that it eventually will make it. For instance, in the Sea Org we've been crawling up toward a two year survival, and we're just making the grade. You see people around, they're not too well uniformed at the present moment, because there's no edge, there's no margin.

We'll eventually make this. We're in the teeth of not only a relentless enemy who, unfortunately we hear his, a death rattle amongst his midst every once in a while. But we're in a world which is very topsy-turvy economically and otherwise and so on, just buying survival. And it's a minimum survival of just two years without making a penny.

You can do that, you'll survive. And during that two years you can get busy. And first, I'll give you an idea of how rickety things can get. For some reason or other cash/bills were so bad over the world that I didn't expect Scientology organizations to survive, as of October 1969. And I don't know who was, who was saying what about which, but boy they certainly were, by anybody's criteria, insolvent. Their cash/bills ratio was crossed, they were in a horrible condition. It was a mess. Ghastly.

Mary Sue originated, as part of the LRH programs, and didn't take full credit for it, FP number one, the LRH ED which is financial planning, program number one. And she put that out, and she rode that hard, and so on. And as of now the stats may not look all that great across the world and so forth, but those orgs are all solvent. She achieved that in seven or eight months of very hard slug. Back and forth, back and forth.

And she was dealing with the cost of the organization in almost every case. And she found out that most organizations had a very unreal idea of how much they cost. They didn't really know how much they cost to run a week, so they didn't know how much money they had to make.

Now if we've achieved that, we will achieve the next step. Which is just this, that it is not good enough to make as much money as you need for the next week, you have to buy survival. And your survival is a minimum of a two year run without a penny ever walking in the front door. And that's a minimum. And that would get you over most political, other crises.

So let's look at this. Let's take a look at this various criteria. These are the hard facts of life. Now you're up against the hard facts of life. So how much establishment can you afford? Well you obviously cannot afford an establishment which doesn't produce.

And you obviously cannot afford people in the establishment which doesn't produce. And you obviously can't afford to harbor machinery which doesn't produce, and offices which have no service use. And these are the things you can't afford.

There was a trick that Johannesburg, in its early forming days when it was under Jack Parkhouse, used to pull, which was, I was horrified at, is they balanced their books by firing staff members. So that as the stat went up and down, they would fire staff members and take on staff members in order to balance their books. Well now that's the wrong way to do this. The way you do is hat, train and get better on post, the staff members you have.

Now a manager always has the responsibility of providing work for his workers. And that is something that somebody had better learn in Russia. Just that. A manager has a responsibility. You find yourself, it works two ways. It's how much establishment, well it's how much production. Now we're back to resources. What resources does the HAS have that can be utilized by production?

Now you think, boy you must be in the airy©fairy world and so forth, and that it must be terribly difficult and so forth. No it isn't terribly difficult, it's very, very simple. Our average income for the last three months was X, therefore our expenditure and establishment for the next three months must be one half X, and our income must be 2X. And you're immediately at a quarter. And you target it and try to strive for it.

So, it's not very difficult to work out. You will find when you first face an organization that it's inefficient in the extreme, and you're not the hard hearted whip master that says immediately, "This many must go because we don't have," the General Motors answer. See? "We're closing five plants now, ha ha, ha ha, ha ha." Idiots. I use the word advisedly. Actually it's an insult to idiots. That's about the lousiest management that anybody ever heard of. Look, they've got that much establishment. Now what; now let's get it worked in reverse. What responsibility does this hand to the product officer of that org? He's got to get it consumed. He's got to get his product consumed, not reduced. You don't reduce production, you increase consumption.

Every time you find yourself thinking in terms of, "Well we've got too many auditors and so forth now, and so on, and therefore," and so on. No, you've got resources. Resources have been furnished to you, you have to quick like a bunny figure out where's this production going to go? So it's one thing just to produce, and it's another thing to produce with some place to put your production. So when you're dealing with commodity of auditing hours it doesn't seem to occupy much storage space, but actually you have a total vacuum. What are you going to do with this? We got twelve auditors, and we don't have any more work than for six auditors. Wow! Wow! We're not going to lay off six auditors, we're going to get the consumption increased for those idle auditors. And that is a responsibility of managing. And a good manager, and a good production officer, and a good organizer will balance these factors out.

Now you go down to the dist division, or you go over to promotion somehow or a-nother, and you're going to increase that, and that is why PR is so very, very, very important. You've got to know reliably what people want. You've got to estimate what they want and predict what they want. Interesting?

Now you don't think we've ever done this. Oh boy, yes we have. What do people want? Well they want new tech. But the answer to wanting new tech is the old tech hasn't been produced. And they don't necessarily want new tech at all, they want tech. And they hope that the new tech will produce more than the old tech. The factor missing there is quality. Quality of tech.

We've got somebody walking around this ship right now being talked to by the master at arms and other people, and so forth. Trouble with her is, is she never had an engram run and erased. Tough problem. Really tough. We got a thirteen year old auditor that would pro-bably run rings around any HDC in the world. She could sit there and run an engram out, ex-cept nobody's ever gotten her to an auditing session by an auditor who would run an engram out. Most of your basic problems of production are never connecting up, see, never connec-ting up the guy who can do it and the guy who wants it. It's simply that, see?

Now you try to connect up a guy who can't do it to a guy who wants it, and you're immediately going to have production problems, boy. You're going to have the fullest qual you ever heard of.

Very funny, recently we were talking about stalled cases and difficulties, and so forth. The failure of quals, over a period of time, was the failure to use the primary tool of qual. And I was, just investigated this about seventy; oh I don't know how long ago it was. Fifty days ago. Now you know that the primary tool of qual is a green form. And the green form was turned out for qual. Now a survey of the situation shows that the use of the green form was used like this. They'd start in at number one on the green form, go to number two on the green form, go to number three on the green form. By that time they're into, they're just into rudiments, see? And then you get an F/N on the rudiments. You try to go any deeper into the green form, and for some peculiar reason or another, why the TA will go up or something like that will happen. The net result is that only the first page and a tiny margin of the second page of the green form have ever been used. And if you look in all of the stuff; now this doesn't seem to you to be a production/consumption problem, but it is. How do we get green forms consumed? Actually the problem was how do we crack some of these cases. I think I was cra-cking cases like this that walk up, you know, and they seem to me awful bad off cases. Boy!

So, a type of assessment was adapted to this which all of a sudden gave us back the green form in its totality. It is do a green form once through, take the best read. Bang, you'll crack the case every time, if the auditor can read the meter. If he then runs the process he's supposed to run for that. Consumption of green forms.

You could actually, on terms of consumption; let's look at this now. Alright, here's a little technical breakthrough. It isn't much of a; it's a breakthrough just to the degree that this 1965 development, or I think it was even before that, is suddenly used. Now we're going to use it. Now do you get this? Do you get this? You've had it all this time. All of a sudden we look this thing over, how are we going to use this? And that is most of your big ideas that you

get in production, is something you already got, and you're going to get the idea of how are we going to use this? You got it? So you look around and you will always find resources of this character. So you start a hell of a campaign. Start a hell of a campaign. Free green form. I'm just giving you an idea. Free green form. Only green form wasn't popular. People got awful tired of these green forms because they never had a green form. People began to shudder when you said green form. So, it's a free case analysis. A case cracking analysis. Dream it up any way you want to. "Anybody who appears at the organization between four and six in the afternoon and so forth will be given a case cracking analysis. Present this card."

Now if you're going to do that, somebody's going to have to run like hell to put the lines in. So that is why your org officer is not your establishment officer. Because the establishment is hard enough to maintain with all these wild hats running around in it, without also having an org officer and a product officer who are getting ideas. So you're going to have to put in some temporary line. It's just a temporary line. You're going to have to beef it up more.

So the org officer of the organization always to ask the problem of, "How are we going to get this temporary line in in order to handle this new consumption of product? So a consumption of product here is vitally necessary. Now how are we going to get these people received?"

They walk in with this card, they show this card to reception. Well does reception leave them there for two hours? No, now somebody's got to have that reception, and this person doesn't know his way around through the organization, so somebody's got to escort him down to this terminal, and then there's got to be an auditor who sits there, and that auditor has to know how to do a once through assessment on the thing. And then there's got to be some PR person perhaps there to say how great that is. But then that wouldn't give you that somebody ought to lead him back to the registrar about this time. So the registrar gives him his results. Well if a registrar gives him results, the registrar can say, "Buh! It'll only take five hours to handle this. Twenty©five hours to handle this." It doesn't much matter what the registrar says. Or the registrar says, "Well that actually, that actually carries along with it the case cracking intensive, which is of no specified number of hours at all, but it just costs X dollars. You're not under any obligation to pay it. Feel better now don't you? Very good. That's fine. Oh you do, you want that. Oh, well alright. Here, sign on the dotted line and so forth, and go on down the line and pay the cashier and so on. I'm very glad you are. Thank you." And you've got to have that line in.

If you haven't got that line in, all the ideas that the production officer gets to increase consumption and get the six auditors busy will fail. We had the most marvelous, marvelous caper one time, it was called a hospital caper. And we had volunteer auditors all over the place, and a certain number of hours of the day they were going into hospitals and seeing patients, and pepping them up and patting them on the back and so forth, and giving them little cards. Marvelous! The person in charge of the project broke it right in half and crashed the project right down through the middle, in spite of the hard work put in by these people for weeks. You know how he did it? There was no reception sitting at the other end of the phone number these people were being given, and the office he had had and was rented, was never manned. They couldn't reach it by phone, they couldn't reach it by feet. So the org officer is responsible to make sure that these lines exist.

Now the HAS would eventually incorporate this kind of thing into his organization. Now he's busily running an organization. So therefore, an HAS has to have HCO expediters who can then put together immediate types of lines and set ups to handle special traffic. They usually send them into file and CF, when years ago they should have had two file clerks in CF. And they're usually used, expediters, to put together what HCO should have long since had as establishment.

Now an HCO expediter is somebody who goes down and gets in the special line and sits in as a special escort who handles the special action, so that you don't have to remove people from key posts in order to fit out these wild ideas. Otherwise, the HCOAS is going to get very impatient with you. "What, you need another receptionist? Well, we'll take one of the letter reg typists. Yeah."

Now he should have some HCO expediters, and if those people are not totally employed all the time then they ought to be studying. So any slack time they have, any slack time they have during the day, then they ought to be studying. If he's going to have any full time people on course who are going to something or other something or other, and he doesn't think he can afford full time people in course, why'd he make them HCO expediters? And then not send them off to fix up a file someplace, but use them, put in special traffic lines.

Now an HCOAS therefore has to maintain the establishment. The establishment is pretty well established by org board. That org board is not an arbitrary which simply sets up, there is, actually was production oriented. And the end of every one of those departments had a   product.   When   we   state   that   thing   loud   and clear, and start to work it all backwards, we wind up with the same '67 org board we had in the past. What do you know? Somebody must have been bright someplace.

Anyhow, so he's actually organizing backwards, even though he's organizing, he thinks, front-wards. Because he's got a canned org board that he puts there, and bang, that org board is spot on is no reason that makes him the first action. He builds that org board back-wards. How does he fill it? He fills it up to the degree that it is demanded by production. So he expands his establishment by increasing the posting of his existing org board. And he too must have resources. And I've given you one of his pools of resources.

Now very often, as you will find in the personnel series, you have personnel people who think each division, particularly the better running divisions, are personnel pools. And if you've ever seen screams go up in all directions, it's missionairing in the Sea Org. This is a horrible chapter of something or other from the viewpoint of people who are trying to hold the organization there and keep it going, because missionaire has priority. And this makes a mad mess. One day you've got a captain, the next day you haven't. You know? I mean it's that kind of thing, it's that ghastly. And don't think it doesn't just rip everything to ribbons. But it is necessary to do so, because production in the Sea Org comes first. Production happens to be Scientology around the world, and it is now expanding to be Scientology around the world. So, a missionaire has to go, has to go, has to go. Well that's that. Alright, the rest of us will cope, one way or the other.

Now actually it puts too heavy a burden on, in the Sear Org, the division is the third mate, the HCO. Now it puts too heavy a burden on him, and so on. But, he should get clever.

He should get clever. There are some old FOs that talk about a missionaire unit. So he's got a second pool, a second pool he has. So he's got a missionaire unit.

Now in view of the fact there's a heavy demand on highly trained personnel, your missionaire unit spend most of its time at home on guard duty and study. And therefore you have very highly trained people, and you can circulate people who are successful missionaires and also holding executive posts, or less exhaulted posts, you can circulate them into the missionaire unit and so on, and take people in the missionaire unit and put them on up. There are ways and means by which you can shift this sort of thing around. But it gives the personnel pool.

So the main problem of an HAS is personnel pools, because his main flub, exclamation point, is destroying whatever organization has been put there.

Alright, somebody is working, working, working, working, working, to put a qual there. And they work hard and they get the people trained in and grooved in, and then next thing you know HCO regards qual as a personnel pool. Or there's another thing, because qual can be doubled in brass with tech in an organization, you get the disgraceful action of, "We've got a backlog now, so I have all the qual auditors and so forth. They're going to have to audit on the tech lines." Oh boy, that's nuts! But it says the person in charge of HCO has not allowed for an ebb and flow of traffic, and does not have any auditor pool. So who does it say is out? The HAS. He did not predict. So he's operating on no resources.

Now what are his basic resources? His basic resources, you say of treasury or money. No, that's also the HASs resources. People, hatted people, trained people, very valuable people, people of all sorts and descriptions, not just this blank file filled up with a body. I told you the other day, you can find all the bodies you want in a mortuary.

So, he must be running some kind of an HCO which is a poverty HCO, because he doesn't have the resources that you would expect from an HCO. So he has to unmock what he builds. That's kind of crazy. A fellow builds a house, then to build a second house he has to take all the timbers out of the first house to build the second house. And then he takes out the… It's nuts. And somebody comes along one day and says, "Say, simple Simon, why don't you have a pile of spare lumber?" "Oh I couldn't do that, I couldn't get that through FP. Yeah well, they can't afford that." Oh I wouldn't say can't afford that. If I were an HAS at that point I would shake my head at every FP meeting, sadly, while looking at the production officer. Sigh. I wouldn't ever say anything.

Any time anybody asked me for anything I would say, "When you fellows get around to producing something you can come back and talk to me. Why don't you produce something with what you've got?" would be my standard attitude as an HAS. "I must have, instantly and at once, twenty spares." "Twenty spare what?" "Twenty spare staff members." "Yeah, what for?" "For having spares." "Yeah I know, but there's only fifteen staff members in the org." I'd say, "I know. I'm tired of transferring fifteen transfers every week. You must be running a thirty-five man org. That must be what's wrong with this place, that's the why. You're trying to run a thirty-five man org with fifteen men. And yet we don't seem to have enough money here to deal with, not making very much money. All seems to be very sad. I

wonder if we shouldn't train up a production officer?" See, this kind of thing, you know? It could get dirty after a while.

But when production is not adequate for the establishment, then the establishment goes poor in all of its resources. And its main resources of course are trained staff members, willing auditors who want to come on staff. It includes the estate being coaxed into looking around and see if there aren't any cheap empty office building around here. It's looking a-round and seeing whether or not there aren't some thisas and thatas, and how can we get a bunch of file cabinets. The wrong way to go about it is to present to FP eight thousand, six hundred and fifty-five dollars for three new steel desks for the product officer, org officer and HAS. That's not quite the way to go about it.

The fellow is now pulling the incredible. And the incredible is, is trying to spend mo-ney you don't got. And it can be done in this society, to show you how clever the society is. They're always willing for you to spend money you don't have. So you have to safeguard that, and we are ourselves and we are solvent, and we do exist and we do still own our souls, and we are not in the pockets of the international bankers, solely because we make everything make its own way. And that is the basic action that; I have heard actually that some members of orgs wonder why I don't pay them better. It will be somebody in Keokuk or Cococomo, see? Why I don't pay them better. I don't know, I'm not even in charge of their board of di-rectors.

The answer to the question of how they aren't; see they're asking the wrong question. The answer to the question is, why don't they wear their hat and do their job in a quantity so that eventually the org will get more money, and they can be paid more? See, elementary. The answer to the question is right on their skull.

Now this is then the ecology that economic, dog eat dog framework, or dogs eat cats and cats eat rats or something, the ecology if this universe in which we are dealing. And the ecology of the universe is that staff members who produce get paid, HASs that put an estab-lishment there that is hatted and trained to function and so forth, has a heavy income potenti-al, and a production officer who is able to spot production and get the production out of that line, and who is able to persuade consumption, persuade those people he has in PR, promoti-on, distribution, wherever he has. If he can persuade consumption to occur as he raises his production, why he is all set. And people will just get paid more and more money, and the next thing you know a staff member is declasse who doesn't drive up in a Rolls Royce. But you have to think in that way in order to bring about that result.

Now in view of the fact that we aren't aiming for Rolls Royces, but we have an entire-ly different target, therefore it goes into the field of volume and quality. Viability will pretty well take care of itself, if your volume and quality is adequate. So your first point that you always; now let me give you a letter reg sequence here. This is for an HAS, what would he be persuaded to do? He could instant hat letter reges. That's going to give you volume. He mini hats them, that gives you some quality. He really hats them, that gives you viability. The first one is volume. And you as a manager always demand first and foremost volume as your first demand. And then when you've got your volume you demand as your second action, quality of the volume. And then your third action you've got to calculate and so forth, as viability.

Now if you don't calculate it somewhat backwards, and figure out what your viability prediction is, you also will have an awful time of it. But right now we have an organizational runaway pattern that is fantastic. It's AOLA, and in just a few successive weeks they have a vaulting height. Their peaks, although they sink from the peaks, the peaks on those weeks give you a curve that says within about seven or eight weeks something on the order of about fifty thousand, within two or three months it says something like about eighty thousand, and certainly within five months it will be hitting a hundred thousand. I wonder what the third mate at AOLA is doing, what he's thinking, what he's worrying about? He doesn't think it's any part of his hat. And, if he doesn't wear that as his hat and take that predicted vaulting, it tells you that the organization reached its make/break point, as far as staff members were concerned, certainly at about forty thousand. And that put that whole staff under considerable strain at about that, because they didn't have quite all of those posts covered, and they didn't have this and they didn't have that, and they really had to get down and sweat to keep the lines running and to keep their quality up. Well that would be a breakdown of the HAS.

So it tells you that at AOLA, within five months they have to have double their staff, double the trained auditors they have, double the space they have, and look, it takes months to get people recruited, trained and so forth. Who is sweating on it? And I'll tell you at this moment there isn't anybody worrying about it but me. Do you see what the prediction is?

So, that is what an HAS has to do, he has to think in terms of. And there isn't any HAS thinking in those terms. Actually there's been no hat written in these terms, because this is your product/org officer system, but this is the hat so there's no condemnation of that. But that is the terms of that, because he has to furnish the establishment. And if he has to furnish the establishment, the wrong time to furnish the establishment is after it's hit. Three times what the organization can possibly handle, and when it's hit that, to do the organization and establishing that you should have done five months ago. Oh god, this behind hand action is pretty horrible.

Now I can tell you right now, we're cracking the roof on Europe. Europe's going to be a run away. We do have a Scandinavian team in training, of four people. That's a Scandinavian team, of four people. Oh. We have got a project going right at this moment that's going to knock the spots off of Europe. All books, courses, we're setting up and we're engineering it one way or the other. We finally found out how the slots drop into place, and how financing, not financing but how we are going to build up to this line. We don't have to worry about the financing, it's just taken care of in a normal course of human events.

We're translating into each principle European language, the lot. An OEC, SHSBC, HAS course, books. Only previously it was not translatable because of the fantastic printing cost that it would have involved. The viability factor then did not forgive it. You could have put out a million dollars translating and publishing books and that sort of thing. It would have been fabulous.

Somebody reaches in his pocket and does this. No, you have to wait for an idea. And think up an idea of how you can do this. Tapes, site translation, like they do at the United Nations. I got the idea last February. It's taken us a while to get us underway here.

Site translation. A site translator can hear the thing in his ear and, when he's really trained, spit it out in the other language. So, it's just going right over onto tapes. Then we can copy the, most tapes, and we can sell tapes. And we make it mandatory for every one of those orgs to buy a complete new set of all of their tapes, every three months. They'll wear them out. We get their promotion projects and so forth going, they're all on tapes. We don't have to translate anything on paper. And so on. We're gearing up and alerting Scandinavian orgs right now in the Swedish area, "Start figuring out how you're going to get your tape recorders, kids. And what you're going to be doing." There will be other projects to graduate them into it. And all of a sudden in their midst, why they will have HAS and other materials, and they'll all be in Swedish. Same thing's going to happen in France, same thing will happen in Germany, and so on. We've busted the language barrier. It's always been a worry about how we were going to do this. Alright, we do it.

Now the only other thing we've got to worry about is how do we get a multilingual LRH comm who is a site translator, can take the dispatches of that organization and translate them on tape, or send it on through for his administrative act. Probably be nobody in the organization speaks any English at all. Dianoutex!

And when we get it into Russian, that's it. Probably we'll put it in Lithuanian, Polish, borderline. So, we're hitting into a boom in this in Russia. Russia's booming on the subject. They're fumbling all around trying to figure out what the psyche is all about. They find out that that's a legitimate sphere of research the government isn't controlling. So into the middle of this boom we simply release Russian Scientology.

So anyhow, we've been trying to figure out how to, how to penetrate that zone and area. Now the only reason you're not making any penetration in some areas is because no materials are there. Nobody has totally translated what we're doing into what we are doing. We're putting out knowledge, and with that knowledge, and with the actions which that knowledge has you can get gain, production, case change, ability and that sort of thing. But the basic of it is knowledge. And when you get it right down to it and do an analysis of the thing, why here is a product called knowledge. And the consumption of that knowledge is guaranteed.

But look, you have to have the bulletins, you have to have the tapes, you have to have the course supervisor who says, "And you read this bulletin now." And then see that the student reads that bulletin now. That'd be something new. And who doesn't assign him a condition of enemy because he doped off midway to, but goes over and asks him what is misunderstood.

Alright, what kind of organizational structure does that make? What is the establishment structure? Did you notice that I included the OEC? It would be fatal not to put the OEC in with it.

Now I can tell you something else that's fatal. You put in a fragment of something, and it'll boom and collapse. So if you put in a fragment of what your org could be exporting with knowledge, it will boom and it will collapse. If you put in a fragment of your product; if I weren't talking to you now about the responsibilities of establishing establishment, I know it seems very rambling when I talk to you about this because you say, "The HAS has nothing to

do with finance." And boy, he doesn't. He can spend you poor, boy. "Well we just, we've got these sixty staff members. I don't know why we're; we got 'em, we got the staff members. No auditors amongst them. Don't have course supervisors, ha ha. No hats. Um, we got establishment, there's sixty staff members." Sixty unhatted people would behave like about sixty enemies, man. To each other, they'd be at each other's throats in no time. So he doesn't have a sixty man staff, he has a sixty man mob. So he doesn't have an establishment. Yes, he has a great deal to do with this sort of thing, so somebody's got to take responsibility for the establishment, and I've elected him it.

Now if the org officer takes responsibility for the establishment across the line, he will cease to help the product officer. And you know very well that if he ceases to help the product officer, the product officer will start falling on his head. So the wrong division of duties, obviously, is the org officer taking responsibility for the establishment. The right division of duties would be for the HAS to take responsibilities for the establishment, and get one there that functioned. And get the people hatted and checked out.

The wrong action for an org officer would be to turn around to an HAS and say, "Give me three staff members at once, because I have got to beef up the empty, fast flowing posts of…", and for the HAS to pick off people off of other fast flowing posts and give them to the org officer. That's nuts.

The HAS would have to look around and find where he had some people. And if he looks around and finds he hasn't got any spare people, he's one of these poor sods that's just standing in a bread line, clear at the end, with only a gallon of coffee and a half a loaf of bread to give out to a hundred men. He's poor. We ought to give him special clothes, you know with ragged cuffs and…

If you turned around to treasury, and you had to run a mission or something of the sort, and you said to treasury, "We need two hundred and fifty dollars in order to pay the expenses of this."

And treasury said, "I'm sorry, don't have any money, because we didn't make any provision for this. And all our money's in the bank, and there isn't any way to do it," they'd say he isn't doing his job. Well look at the HAS, look at the HAS. Resources. What are the realities?" "Now let me give you a little piece of stuff which emerged out of socialism. There's a few bits in socialism which are sound think. The most of it is balderdash. But this is very sound think. "The wealth of the world are the real things in the world. And that is wealth. And money is only a substitute for wealth, and is not itself wealth." And that is true.

Money is only valid to the degree that it can substitute for actual wealth. Money is only of any use to the degree that it can purchase things of value. Value is established by things that are wanted. Value is established by wantedness. You can then fluxuate value by making scarcities and demands and so forth, but it is basically wantedness.

Kensian philosophy, which he tried to say was economics, is valid, unless you put it in the field of economics. It is valid in the field of production, it's not valid in the field of money. And I think he must have gotten a couple of things crossed, but as far as production is concerned, you also have to create want. What you are selling is absolutely priceless. What we're selling here on Flag, I think you will agree, is priceless. There isn't any possible price

could be placed on it. So it's price is what can be received for it. Not what is it worth, but what can be received for it, greater or lesser. So pricing is based totally really not on value but what can be received for it. And that value is totally how much it is wanted. And out of a very, very close knowledge of those, and once you get all of these factors disentangled, and all added up in your skull, you can establish how much establishment the HAS can put there. Has nothing whatsoever to do with any firm factor of, "Well, I'm an HAS, I will now put up an org board. And this org should be manned with fifty people, and we will now put some down the line, and we will put the people, there's blank spaces on this org board. And we'll put the people in those blank spaces, and so forth." No, right thing to do is to put up the org board, and then post it to the degree that it is required to back up production. And you build it up.

Now you'll find that command lines of the org board will go absolutely mad if you don't build in from the top, so obviously the first production man that you put on is in charge of everything, and does the production. You've got one auditor. He obviously is in charge of all auditing while he is doing all the auditing, and he is obviously the production man for all auditing. So it's built from the top to that degree. But then, when there's more auditing, why it must be because there's more demand for auditing. So want has been created about auditing, and that is basically done by the circulation of books. Books always run out in front of the organization. The stats of an organization are actually almost monitored by the degree that the knowledge has been circulated. They are a direct coordination. It's actually not even by the degree of sales talk put out, it's stats of an organization are proportional to the amount of knowledge circulated by the organization.

So the HAS builds, according to the stats he can build by. If he builds an organization at the cost of fifty percent of the income of the organization, he's really doing great. A rich HAS is one who has reserves, resources.

Now the wealth of the world are actualities. An HAS is wealthy to the degree that he has trained staff members, that he has trained staff members in reserve. "Special products is being asked to please find work for five fully trained auditors we are not using at this moment on the production line." How would you like to hear a remark like that? Wouldn't that be remarkable? But that could be a statement which is made by the HAS. "I got five auditors, I don't want to assign them into the administrative lines. Haven't you got some kind of a project where they can go out and audit ARC breaks or something? Do something? Or can't you think up something, or something?"

Now you can run it the other way too. "Look, I want to have here a fifty©five man organization, and we've only got a thirty man organization. And at the present moment we can only afford a thirty man organization. Can't we increase production, or demand, or something in some way, so that we can increase our numbers organizationally so that we do get up into a zone where we are running where we have a few reserves, instead of just asking me to pull musical chairs every day, any day of the week? That would be a very comfortable position, so please can't we get the income up, huh?"

I noticed when we were collecting stats last week, I've got it here. Where is this stat here? Yeah, oh yeah, hm, yeah. Letters out, letters out dropped. "Yes I know, but we're trying

to get quality in." Ooh! First you get in volume and then you get in quality, and then you will have viability.

Now he's dealing with some interesting coins. How many auditing hours can the organization furnish? How many instructor minutes can the organization furnish? How many student hours can the organization furnish? How many public courses per unit per person can the organization furnish? And that would be a resources survey of an HAS. How many hours, how many hours. Well that's monitored by how many auditing rooms, how many auditors, how many this, how many that and so forth.

So, an HAS should know the resources of his organization. He should know its actual wealth. That he has fair resources or additional resources depends upon his knowledge of the existing resources. Never saw such a silly thing in my life as a set of graphs come in here one day. An organization had about ten auditors who were auditing six hours a week each. Oh, who's kidding? There must have been somebody in that area that was just throwing the gold coins of that organization right over the side.

Boy, he was just throwing them into the sewer just as fast as he could pick them up and throw them away. Six auditors, count 'em up. How many auditing hours should six auditors furnish? That's a hundred and fifty auditing hours. Or six auditors at twenty-five hours a week. Very well done auditing hours too. Resources.

This organization can furnish that, these auditing hours are worth this much, unless we're selling by packages. So we ought to be selling by packages, we shouldn't be selling by hours because it's too expensive, and it appears too expensive to the public to sell these auditing hours in this fashion, so we probably should sell by packages and so forth. So therefore the package selling, and so on and so on and so on.

But nevertheless, the coins, the gold coins which that organization is spending and has to spend are auditing hours. And if they're not spent this week, they can't be spent, ever again. Funny money. It's real wild money. If you don't spend it you haven't got it. How many student hours can this organization deliver? Hours of students on course. Alright, there's only room for twenty students in this organization, if you jam them in with a shoe horn. Now each student is going to spend eight hours a day on class. So each student is worth eight hours, and they're going to be twenty students, so you can furnish what? In a day, how many student hours. Those are your coins.

Now do you understand why I say the HAS is very poor if he does not have resources? Those are his resources. Supposing he's got a hundred and sixty staff members, and he has as organizational production coins, twenty-five. Twenty-five auditing hours. Supposing he has one instructor for seven courses. Now that's instructor minutes per course. Now you subtract that down to instructor minutes per potential student. So he's got one course supervisor, and he's got one auditor, and he has a hundred and sixty staff members. Does that sound crazy to you? Well I exaggerated a bit so that it sounds real crazy. The organization'd be broke in no time. Do you see that? Uh! There's nothing to deliver. How the hell could he deliver anything?

THE HAS AND THE COINS

OF THE ORGANIZATION

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An organization which would leave, an organization has so many registrar minutes to invest. And the registrar minutes it has to invest determines the number of sign ups which an organization has.

Interviews with the registrar, two hundred and eighty-four. Is somebody kidding? For one registrar? No, no, no. Figure it out for yourself. There's two hundred and eighty-four interviews during the week, then how many registrar minutes could there have been spent with each prospect? And you'll find out that it couldn't have been at all. They must have dusted off a chair in the waiting room, or something. Do you get how you figure out the coins? This is the internal economy of an organization, and these are the real factors of economy.

Now it's the HAS that makes them available to be spent. He's in charge of the personnel, he's in charge of the lines, and he's in charge of the spaces, so he also must be in charge of the potential coins that the organization has to spend. Not dollars, they're worthless. He's in charge of how many auditing hours the HGC can furnish, how many instructor minutes can be furnished, how many interviews done, how many typist minutes, which contributes directly to typist letters. You don't sit around all the time wondering about this letter stat. Get real. It's typist minutes. How long does it take a typist to type a letter? And you will immediately see exactly that you have a ceiling.

Now the letter registrar that is dictating the letters is that many registrar minutes, but that required a certain number of folder actions, and you can immediately determine how many letters out the organization can achieve. Now this is economy. I'm not now talking about this corny Hungarian stunt where they go around and tell Wilson, "Well all you got to do is borrow a hundred million, billion from the next international banker that comes." That's not economy, that's crap. We're talking about real things. We're talking about real things. We're talking about typist minutes. And you sit down, it's an elementary exercise in arithmetic.

What's your letters out? Well if you're going to have to do letters out, and if somebody wants the letters out stat up there's going to have to be another typist. And then to keep her busy why there'll probably have to be two more typists to keep a letter registrar busy, so you're going to have to hire an entirely new team of two typists and a letter registrar. And then that's going to keep central files in a worse turmoil and so on, so we're probably going to

have to put somebody on to central files as a liaison. "You want more letters out, I have to have four people." Central files clerk, additional central files clerk, additional letter registrar, and two additional typists to keep up with this one letter registrar. Now you got production. Now you got letters out. Now the degree that the HAS sees that their hats get put on, the quality of that production will get very good. They can bang out any old kind of a letter. We've received one of the funniest letters here, I; once in a while a staff member or somebody, an aide or something's name will appear of course on some old organizational CF or address file. And they will get, they will get a letter from this organization, see, in Cococomo or some place. And they quite often are quite good. Don't worry about that. But we received one one day that was hilarious. The letter said, "Dear blank, You are invited. Signed." Marvelous letter. Oh! Their quality could be improved. But with that short a letter I imagine their volume was pretty good.

So anyway, the HAS can go at a slip shod basis and just hope that it all happens in some fashion, and sit there with a total cacophony, and mess going around in his vicinity, and the lines just all going so on. Listen, if it's enturbulated in an HCO then the HCO does not have control of the lines of the organization, obviously. So where would, should be the first point of calm in an organization? The calmest, most orderly place in the organization should be HCO. If HCO is woof woof and wow wow, and zom, zoo, and then the line's are going and there's mobs of people busting in and so on and etcetera, and… I won't give you much for the rest of the lines in the organization. They couldn't possibly be under control.

Now here's one for you. Here's a product/org officer datum. The product officer and the org officer separate right at the point of line. When the org officer zone is entered, it's at the point of line. The product officer who finds himself handling line is already into the province of the org officer. 'Cause the org officer, and essential part of organization, is the lines. A simple thing, like the dispatch that gets from here to there, and so on.

Now a product officer of any sort whatsoever is running without lines. He doesn't have any lines. He doesn't have any lines at all. He's going around as basic observational actions mainly. But we get into a thing where a line; I'll differentiate this exactly; it's where a line has to be formed in the organization, where a line has to be formed, at that point and at that exact point an organizational line has to be handled or put in, you have now entered the province of the org officer.

You could, out of self defense as a product officer, get somebody to do something that had to be done at that moment to go through. But the second that you have to transfer this person, or do something like that and so on, you're into the province of the org officer. You often find yourself in that province in production.

Now the basic lines of the organization are in the control of the HAS. And those lines all have to be neat, and so on. So, it is nothing for a product officer to find something out with the lines. This is the main thing he finds out. So therefore, an org officer ought to do dummy runs. And there's two types of dummy runs. There's just plain dummy runs, you just go through the organization's public lines one way or the other, try to get hired or something like this. Or try to take advantage of this new free offer. And go into the proper point, and so forth, and just try to get it. You sometimes find yourself in practically a fist fight.

Well what you find out is passed to the HAS. That's passed to the HAS as a direct signal that his lines have to be established at this point. The other type of dummy run is a bull bait. And you take a whole bunch of questions, take a whole bunch of questions which the public would be prone to ask, and you'll be surprised how funny some of the questions are. And you just dream up these questions. "Well I have a check here on the Farmer's Bank of De Moines, and it is for two thousand dollars. And I owe you two hundred and sixty dollars, so if you could give me the change why then I would be happy to buy the fuff fuff." And so forth, and see what your cashier does. See what he says. See if he handles it at all. And you find out the bulk of the cashiers just sort of say, "Get out, get out! Yah!" That's not the proper public response.

And therefore, your bull bait, your bull bait dummy runs pay off, because the bull bait dummy run tests the personnel. Just the plain dummy run just tests the line. Does the line exist? Even if you say things to the personnel, does the line exist? But it takes a bull bait dummy run to test the personnel.

So, the organizing officer in his spare time could very easily throw in plain dummy runs and bull bait dummy runs and so forth, and he'll furnish a lot of the material for the HAS. So if the HAS were on the ball he'd run his own dummy runs, wouldn't he? It's actually an I & R function to do a dummy run. Form one, dummy runs, that sort of thing.

So, is there an establishment there is all the organization, or the organizing officer's trying to find out. Is there an establishment there? Now the HAS of course is being fixed firmly with the responsibility for putting the establishment there. And you're going to get all kinds of vagaries, and he's going to get in all kinds of trouble, and he's going to get in all kinds of arguments. And he's also going to get all kinds of wins, because one of the arguments he's going to get immediately is, "We can't afford it."

As a matter of fact, in Washington at one time there was only one thing that was ever came out of any finance lines and so forth, "We don't have any money." And they had found this as the pat pattern answer to anything that was brought up by anybody, and they found this always worked. And this was how, not to give any…, I forget who was, who was handling money there at that time, but it was just that. And I kept hearing this coming back on the lines.

"We don't have any money." It was an errant lie. I think at that particular time for Washington we had a fabulous reserve, and we were running along great, the staff was well paid and everything of the sort, and, "We don't have any money". Well it was no R because it was a lie, but this was how it could never do anything. So that is the wrong answer, we don't have any money. But he will run into this, he will run into inferences like this. So he should always prove his point. And the way he proves his point, to show the coins he has. These are the coins which we have. And the coins are the volume, potential volume of production per department, for the final product of the department. Not necessarily the final valuable product of the org. But these are the coins which I am furnishing, and we should be getting so and so, and if we're not then there's something wrong some place else not me… Somebody is neglecting to bring about a demand for consumption. The created want isn't there. And if I can furnish one hundred and fifty coins called auditing hours per week in the HGC, and I'm not

being asked to furnish any more, then there is something wrong. Therefore sales and delivery must be very out.

Now it isn't up to him to manage the thing, it's up to him to hat things. It's up to the production officer to say what can be produced, and to bring about a consumption of the product.

So, by the way, that's why you will eventually have to have a PR man as a staff member of the, see it's a PR/advertising type liaison as part of the production officer. I'm just neglecting to mention, it's part of that person's duties to bring about actions which increase consumption. He'd create want, and so on. So a production man couldn't actually operate too long without PR assistance, whether he was doing it himself as I used to do, or whether it was being done for him. That's why he has a PR man.

The rest of it is, is he's handling human emotion and reaction inside the organization, but remember he has a public outside. And that public outside is actually of a senior importance to the public opinion inside. And he's got to test that, and he would know what tone scale to launch his campaigns and his ads at. And he could collect old successful campaigns that were successful, and where the people came from that bought services some earlier time, and all of this sort of thing can be done. So therefore, it puts a production man in charge of consumption to know this.

But nevertheless, it's the HAS's responsibility to furnish the coins which will meet that consumption. For instance, he could actually go down department after department, and demonstrate how many hours of production, how many production coins that is to say, how many auditing hours, how many instructor hours, how many this and that, how many student hours. Pardon me, instructor minutes, student hours, how many bulk mail mailings, how many letters out, how many this and so forth. And he could cast up the immediate stat of the organization.

Now an organization that just runs accidentally on stats is not being run. That organization is running the person. It's running the HAS. And of course his area'll be very confused.

He should, and could, carry a shadow line on a graph, which would tell him immediately who to hat. He knows what the well done auditing hours of the organization should be, because he has that many auditor hours to expend. So, the very well done auditing hours and so forth, or well done auditing hours ought to be the number he is furnishing. It's very simple, he's put the coin there to be spent, has it been spent?

Alright, so the well done auditing hours are twenty-five, and he has potentially got himself a hundred and fifty well done auditing hours, it shows up on the stat at once, the stat of the organization. So he knows it's sour. So he knows he hasn't got an establishment, doesn't he? He's got a flub.

So who does he hat? What does he find? Of course it's quite obvious what he'd find in that particular case, he'd find a registrar. And he would then find a tech sec. He would also look at how many were done and how many were well done, and he finds out that eighty were done, a hundred and fifty could have been done. Eighty were done, and twenty-five were very well done. And out of those figures he knows who to hat, who to demote, who to promote,

and what type of personnel he's got to have at once. So he is in control of the establishment, isn't he?

So, for every department he could have a stat. And that stat would tell him exactly how many letters could be gotten out, how many this could be done, how many that could be done, how many students could be handled. He could map the whole establishment, the whole establishment's stat ceiling, and that you could call a stat ceiling. That stat ceiling per department would give you exactly what the potential of the establishment was. If it was not running close to that potential then it was running inefficiently, and there was something wrong with the production officer or the org officer. Now let's say nine tenths of these stats run great and the other stat doesn't. Well this would be a matter of a conference on that point, wouldn't it?

So, by stat ceiling you could measure your establishment. And if you haven't measured your establishment by stat ceiling as an HAS, then you couldn't possibly have any idea of who was doing what with this car. Now it's one thing to put a bus there, and it's another thing to get it driven. And surprise, surprise, he could still handle, he can still hire bus drivers.

Now the actual potential and capability of a production officer would be how many of those coins are spent. There's the stat ceiling, how close is the stat to the stat ceiling? And that is the effectiveness of the divisional production officer, the divisional secretary, or the production officer of the org. What's the stat ceiling?

Now people could get right puzzled with me when I keep crashing in to tech services and saying, "Hey hey hey, hey, get this point on," and then not beef it up or something like this. See, something wrong here, something's wrong. Looking around, looking around, looking around, looking around. Well that's because it hasn't approached the same number of hours as are available. You look down, you find out we have five fully qualified auditors on full time training. Uh uh uh uh uh! Uh! Five fully qualified auditors on full time, ahh! We find that we will be needing a whole bunch of HDCs who are OT 3. But, I find all the HDCs being trained as Class VIs, and are not spending their time on advanced courses. Uhh! You get the idea? So these are the criteria by which you operate.

Now if you've got a stat ceiling, and you've got your stats, no matter how big or how small the organization is, what have you got? You got the effectiveness of the HAS, the effectiveness of the product officer, and the effectiveness of the org officer. The effectiveness of the HAS is in question only to the degree that he's hatted people. What's his hatting and training? What was his recruiting? That's how that brings his in question. The utilization of that time, that brings in the product officer. How many products are turning off of this line?

There's things like completions. Completion gets into the airy-fairy land. Now the product officer who can turn out more completions per unit of auditing time without going quicky, he's a good product officer. "How many of these courses can we finish up?" Right now I could do a horrible thing as a product officer, particularly here. There's a lot of people who have come to the ship and so on, who have an awful lot of incomplete cycles in terms of courses. All you'd have to do is survey how many courses they had, and then survey how close they were to the end of which. Which course were they closest to the end of? Which grade or which this or which that or which other thing, in other words you do a full, full survey. So

you had all the courses, all the grades, everything else. Do this, sit down as a production officer, shoot his completion stat by simply making everybody finish up that one that was closest to the end on the courses. Get all of these, all of these, all finished up, see? Brrr! You would have actually an instructor minute situation, which was minimal, and you would have, you would have this fantastic completion stat.

Now a very dirty trick would be to move off then and put another product officer on the job and say, "You see?" And then for years later say, "Well, when I was product officer of that org…" Actually he would have done well, because those people should have completed those things. But you can always, you can always find some products lying around. The only point I'm making.

Now therefore, there is a difference between the product officer and the HAS. The HAS has got simply the facility there to produce the product. He's just got the facility to produce the product.

By his hatting he can handle the control, that is he can control the quality of it to some slight degree. To a considerable degree actually. But actually it's the product officer who can play ducks and drakes with this line up, and he could either make it look awful or he can make it look terrific. And it would be the product officer who, to a marked degree, monitored the size of the establishment. You got that?

If he's going to have much of an establishment he's going to have to do an awful lot of PR, advertising, survey type actions. He's going to have to really know, boy. And he's have to have his, have to have that special programs units over there pocketa, pocketa, pocketa, pocketa on special project pilots, pilots, pilots, pilots, pilots, pilots. Let's see if we can't; why don't you approach some old ladies? I understand that there is a hotel outside the city which has a lot of resident, let's put an auditor in there. Sounds mad, see? It doesn't matter. Out of all of this all of a sudden one pays off. The total cost of running all these special programs is peanuts, and the income of one of them is a half a million bucks. Do you see? Well that takes care of all the rest of them.

It's, the product officer doesn't keep shooting the whole organization into, and every time I release a piece of tech, organizations unfortunately try to shoot the whole of their production line into this new action. I could shoot them. I could just shoot them in cold blood. They keep doing it. Why do they do it? I don't know. I think it's a peculiarity, which also shows itself in some FEBC student applicant, some time or another will move aboard the ship, and he will say, "It's a fascinating bulletin, even though it is several years old." He wouldn't say it if he knew what hilarity it produces. The rebuttal to the thing is, is the law of gravity has gone out because it was discovered in 1649. You get the point I'm making?

Now even with all this product system and so forth, we haven't antiquated the org board. What org board did we fall back to? We fall back to the best production org board we had, which was '67. You won't find there's very much violated along the line. We're putting the cream on top of this cake now. Alright, I'm not trying to make fun of FEBCs, don't look so contrite. But it is a nuttiness, and I'm just talking about it because it is a nuttiness.

Yesterday's process we can't use anymore, because we've got this process. I'm sitting here right now playing a mean trick, just because of this. A mean, vicious, snarling trick. Ac-

tually I'm not. The truth of the matter is we're handling such dynamite in this new rundown which we have, that it actually couldn't go into orgs that would flub. Any; we had somebody over list the other day and knocked a case, just a little tiny flub like that. Poof! Straightened it all out yeah, but ooh.

No, I'm not necessarily, although it will look so, determined that they will use what they have at this time. The real reason is because it's got to be a very, very groovy org indeed before they can handle this, otherwise it'd just blow them right off the face of the earth.

So if you look into this, if you look into this with care you will find out that the product officer will make all of his cash out of yesterday's development. And there's where he gets his overages.

Now I told you the trick of making somebody finish up the course. He could really shoot the moon. And he sends somebody out on his PR line, or the person who is serving PR in the org and so forth, "Will you please go around and survey how many courses people have started that they have not done. Now we're going to get all those cats back in, and we're going to finish off their courses." "Yeah, but you can't get any money for that." Oh yes you can. You've got your nerve making anybody given a course; I'll show you a product officer goof. There was no product officer there, but this is a goof to end all goofs. The eight course got longer and longer and longer, and longer, and finally I think the person has to be an eight, the more newly graduated eights are all ninety years old. Well do you know what's contained in that package? This is wasting the facilities of an organization now.

So the HAS puts them there. Now they can be wasted by the product officer, or they can be made capital out of by the product officer. So I'm just showing you the relationship between the two. The HAS, he's got the coins there to spend, how do they get spent?

Let me show you this goof. There was an eight course. It took us three weeks to teach the eight course. We taught it with ferocity, we shouldn't have. Probably made engrams all over the course. I know it's been successful ever since. "Well I was thrown overboard five times on the Royal Scotsman." You can hear it now, it's actually the badge of the eight. In a huge survey it was only mentioned twice, through eights and so forth, and one of them had distracted him so he couldn't pay any attention to the course. But, all due respect to that. You'll have to cut all that out 'cause it's very bad PR ever to bring up a flap, you know.

The main strength and awkwardness of this is, we had a course. Why didn't people go on teaching the course? Oh no. They added every bulletin that came out afterwards to the eight. Every bulletin, every bulletin. Yeah, the eight course checksheet got bigger and bigger and fatter and fatter. They were still selling it for the same amount of money. Now what would a production officer's reaction to this be? Student hours, instructor minutes, he was throwing them away. Throwing away student hours and instructor minutes. He was also throwing away cash.

Now let's add to it this one. Everybody who comes from an SHSBC taught in this, has to be retrained, so we retrain them before we teach the eight course. And then the eight course of course includes all the bulletins which have been issued in the line, from '68 'til '70. Gee-zus Christ! Viability goes out the window at this point. Why?

The price of the eight course is now covering, in terms of instructor minutes, it's now covering an SHSBC, an eight course, and all the stuff since. And do you know what the course line up really is? It should be an SHSBC retread, for which that SH should be charged, full price by the giving org. Auditor comes in, class VI, can't audit, that's it. Retread. We'll run a retread course, we'll teach you how to audit, that's it. The bill immediately for an SHSBC goes to that SH. And boy I'll tell you in very short order they will cease to give flubby SHSBC courses, right?

Alright, the eight course is three weeks long. Guy comes in, goes home, he's an eight. Now it is something to be an eight. If you don't believe it, try to work with a six on eight technology, who isn't an eight. Or try to work with a person of upper technology above eight, who doesn't know the eight technology. Uagh! Horrible! So, the guy really never even had a chance to become an eight, see, because he was so interested in coming here. Actually there's an auditor band which starts just before the exteriorization run down, and runs up to about the middle of 1970, which is a nine. And believe me, there's plenty there. There's plenty there, there's plenty to know about that stuff. And starting then, for sure, we have had to specially train stellar eights and guys who were nine, had to specially train these guys to make them tens. So it isn't anybody trying to merchandise something. You want to know why somebody can't do, give a class IV an exteriorization run down. Well… They just make a mess of it. Exteriorization run down should be done only by nines.

There's a bulletin out which brings this about, but I haven't seen the courses emerge yet. Every moment those courses are not publicized, every moment that those courses are not in at any AO, any moment, every second that they're not in is costing the real coins of the organization, which is student hours. Do you know that other organizations sending in somebody to an organization cannot afford to send that person months and months and months. Can't. Afford to send them for three weeks. The fee is not the totality of it, it's the loss of his services to the organization. That's the real thing that is lost. And the fee for the course is not it, and even in terms of money. It's keeping the guy there during that long period of time that's expensive. So your viability goes out the roof. The second that a production officer takes his finger off his number and says, "We are not selling something at its proper price," the price in his terms being what is the coin the organization is paying. Then all of a sudden what happens? Then the organizations, the little organizations can't send anybody to the course to take an eight course, because he won't come home until he's ninety-nine. Do you see? So that's, that's bad production thinking. Alright, it's being changed right this minute, but I'm giving you various instances.

You could make a fortune right now. A guy blows from a Dianetics course. I turned out a little project, didn't even think about it very long. But it would have been a winner. That organization which did it, I don't know if I have any reports on it. It's just to the effect of who, who blew? Who didn't; no, no. This one is different. Anybody who's had any Dianetic auditing, anybody who's had any Dianetic auditing should come in and take a Dianetics course. Now that might or might not work, because you would get failed cases and so forth. But you could fill this in with this kind of promotion. The promotion that could be thrown into the line up very easily is very often people do not make good gains, or make all the gains possible

out of Dianetics intensive, unless they've had a Dianetics course. And then you quote several success stories to that effect. Now that would be the production gimmick on the thing.

So alright, you've all of a sudden got course minutes. Now it's easier to furnish course minutes than it is auditor minutes. But once more, if an area does not have very many auditors, it's got to furnish course instructor minutes and student course hours, because it can furnish those, up to a point where it gets some auditors, in order to function.

So what do we look at here? That is the spending of these coins. But who puts the coins there? The HAS puts the coins there. And if he doesn't have enough coins there, and if he doesn't have any reserve pools by which he can get more coins to spend fast, he's always in a mess. Therefore the post is almost unhandleable. Almost untenable. 'Cause he's the guy who puts the coins there to spend.

A good HAS will rub his hands together and say, "I'm going to put five hundred auditor hours per week as coins into the HGC, and we're going to fix up the lines, we're going to fix up the tech services and so forth, and we've got to C/S and train, we got this, that and the other thing. And the plan and form of the organization are so and so," and this he tells the production officer. "And this will all be ready, and my schedule on the thing is something on the order of about sixty days I will be able to have this. Will you at the end of that period of time, will you have those things consumed please?" Brrroom!

Now there's another method of looking at an organization, isn't it? So the burden of the HAS is very, very heavy indeed, because he's got to furnish the coins which can be spent. Then he's got to have reserve coins that he can spend. And the real coins of the organization are not the dollars. An organization that doesn't make dollars is going to be up the spout, or around the bend.

Now as far as the lines of an organization's concerned, and an HCO which is enturbulated and so on, there is this kind of thing. Do you think a pc would be enturbulated if you started a process on him and you never finished it? Do you think the pc would be enturbulated?

Now we get into the real field of third dynamic auditing. Administrator handling the group. He has what is called administrator TRs, that cut through the noise, the chatter and the aberration, and get the action done that he has specified to be done. And it works on the basis of, it works on the basis of everytime, stable datum in a confusion, Problems of Work. And youshould know that little check sheet backwards and forwards, because the hatted person can stand up to the confusion, and the unhatted person can't. So how do you back off the confusion out of theorganization, is you well and efficiently and accurately hat the people.

So, the HAS who wants to get an organization whose own HCO is grrr, and enturbulated and so forth, would have to have pretty good administrator TRs. They're being written at this particular moment, and all the FEBCs are going to be run on them. And they'll wish to god I'd never invented them, probably. I think you have to wear padded shoulders and knee pads to get through these TRs.

It's the inability to confront a confusion that wrecks the administrator. So he squirrels. What would you think of a D of P when the auditor comes down and he says, "You know, this

pc is running very badly. What do I do?" And the D of P says, "Well, you do so and so." And the person, the auditor goes off and he comes back and he says, "I did that." And we actually had to have a patterned action for that. The patterned action originally was "What did you do," and you find out the guy did something entirely different. What was out? It was TR0, TR0 in that auditor. By the introduction of TR0, that was the end of that. We didn't have that problem in organizations, I mean in auditing anymore.

Alright, well you're seeing the entrance here of the same thing, only it's on the third dynamic. What confusion can you confront? And into what confusion can you hat? And that is the test of an administrator, and would be the test of an HAS par excellence. What confusion can he confront? Because if he can't confront it he'll just blow off of it and squirrel. "Oh I see, you really can't have anybody on that post, and the line can't go that way because aah, ahh! Alright, anyhow. Blll! Ooh! God, I got out of there." See? His administrative TR0 is for the birds.

So he walks in on this post and this post is so on, and they say, "And we can't handle this, we've got the backlog because it's time look at all the piles that go into the…, it's all the boxes, you see? And we can't have of, there's no bla, you see?" And he says, "Gee, oh well. It's a mess, I guess." And he walks off, back to his desk.

You would be surprised what a commodore's messenger goes through. Flag always has about two or three stratas of Sea Org in progress simultaneously. And it has the new recruit strata, and it has the student strata, and it has the old timer strata. Well you'll get sensible actions and so forth, but with this admixture of personnel around you get a certain amount of confusion, because there will be a recruit on a post where you will expected a veteran every once in a while. Well you can always tell this, 'cause you usually get an explanation. And the commodore's messenger has become, actually they look like little kids, and they fine, and so on. Actually they can probably do better administrative TR0 than anybody in the game. I just sent one on a mission, by the way, 'cause I knew they'd have to do some confronting. So I sent somebody up there who could confront. See, simple. Messenger walks up, and he says, "Would you please turn on the heat on A deck?" That's the message. But…, that's of course a carried intention, don't you see? And you get, "Well it's on, and it's on," and they've just run into somebody who's just taken over as an I & R, and they're a new recruit because the ones we had have already been sent out to take care of some other ship or something of the sort. "And you can't turn this valve because of the valve, and it doesn't in the other jiggydoazit and so on, and shchevom, yeah. Got it?" Commodore's messenger says, "Turn on the heat on A deck."

Sometimes if they can't get it through at all they come back and they say this, "He's explaining." I say, "Who is it? Ah, so." So on. So, just run it up another echelon, because I know I've run into a recruit who is standing a watch point. You'd be surprised. These characters have the got whole ship taped. They know exactly the degree of hattedness of everybody on this ship. The hattedness is usually excellent. But they know where it isn't. Why? Because the administrative TRs in.

As you go through your organization, and you find out there's a confusion, and all the chairs are lined up and there's nobody sitting in the chairs, but the people are outside and they

should be inside sitting in the chairs. And there's somebody behind the desk, and he's got a whole pile of invoices, and he seems to be counting something. You say, "What are you doing?" "Well I got to do…, and there's an emergency action here, and we've got to get in the financial planning, and the amount of stat which is coming through, and so on." "How about, what's your post?" "Oh I'm qual reception, I & I. And so on, I got to get this…" "Now wait a minute, wait a minute, wait a minute. How about these…" "Well look, I've got this all, this is all, it's very easy to understand because if we don't get the stat in by two o'clock, and so and so." "Hey, how about all these people?" "What people?" "All these people. They're outside. They should be at least in here in the waiting room, and so on." "Oh those, yeah, well I got to get the…"

Look, you're just looking at a bank. A bank expressed on the third dynamic. Some lines are out here. And it isn't up to you to invent a new solution, it is up to you to gets done on that post what is supposed to get done on that post, just like it is up to an auditor to get that command done. And if you've got that down, that's all really you need to know about getting an organization in. The HAS would have to have this in par excellence. He would have to have this in gorgeously. He would have to be able to confront any god's quantity of confusion, and he'd have to know his organizational technology enough to know exactly what hat to put on, how fast, at which instant. He knows what's supposed to be happening in this particular zone and area, and he puts that hat on. The person says, "Well I can't wear this hat and this office is all…" "Put the hat on." "And the bla bla, coming down and lying on that, there's eighteen different sizes and so forth."

Hat! "What are you supposed to be doing on the post, what are you supposed to be here, what are you supposed to be," and so on. "Oh well, yeah. Well yeah. Oh, you mean I got something to do with these, with these dispatches? Oh." And you get the reverse. Total dedication to a dispatch line. All hell breaking loose outside the office with somebody comfortably handling his stale dates, as slowly as possible.

So the basic requisite of an HAS, and certainly even much more so of an executive director, production officer and org officer, would be his TR0, and his knowledge of what was supposed to be happening there at that time, his knowledge of confusion and the stable datum. And he knows that if he gets the stable datum in, which is the hat, the confusion will go off. He doesn't stand around and argue about this, that and the other thing, he just gets the hat on, and it belongs there at that time, gets the line connected up that should be there, yes. And then he goes back a half an hour later to make sure it's still there.

Now one of the things that happens to a Sea Org mission occasionally is that it goes into an org, the org does what it says while it's there, the Sea Org mission walks out, and the org does exactly what it pleases at once. In other words, the ethics presence was not extensional. That has happened more often than once. Now that would mean actually that the place couldn't confront its own confusion. So to that degree you have to teach an organization to confront its own confusion.

You're about to see bull baited administrative TRs. Such a TR is trying to get a piece of paper put from one table onto another table, with three people around the first piece of paper, and three people around the second table. With the three people at the second table

completely unwilling to receive any piece of paper, and the people at the first table complete-
ly unwilling to part with the piece of paper. Bull baited putting somebody's hat on, meaning
by that, just a cardboard hat. All the reasons why he can't wear this hat, why he doesn't want
this hat, and hasn't got anything to do with this hat. That's actually what it takes.

But an HCO brings order, and that is the drill that brings order, because what are you
dealing with? You're dealing with hats, lines, you're dealing with space, you're dealing with
certain products, in terms of motions which produce production actions. Dealing with organi-
zation actions, filing actions and so forth. One has to know what those actions are. One
doesn't have to have it down perfectly, one doesn't have to be super pleu perfect, and when
one doesn't know what a unit is supposed to be doing and the unit is getting along alright, one
should have enough sense to back out quietly and close the door. But a unit that isn't running
alright, and its stats are down and so forth, one shouldn't go in to hear the explanation and
then back out and close the door. That is the one thing that is wrong to do.

So anyway, the HAS then has the job of putting an establishment there. Well, estab-
lishment is an orderly arrangement. It is an orderly arrangement, so therefore everybody in
HCO should be capable of bringing about an orderly arrangement. If HCO cannot bring about
an orderly arrangement, it will bring disorder into the org.

Now all of this may not be expressed in old policy, but what do you know? It doesn't
violate old policy, the old policies which were written yesterday. These very interesting poli-
cies that are several days old, that should be issued again.

Truth of the matter is that unless you have a center or a focus point in an organization,
which is a stable point, which is then bringing order to the remainder of the organization, you
will only have an enturbulated organization, you won't have your production coins to spend.
So, one of your jobs is getting something to spend in terms of the real wealth of the organiza-
tion. And the real wealth of the organization of course is basically knowledge, and then the
time and actions of bringing about what that knowledge can do. And that is the real wealth of
the organization. And when you keep your eye on the main chance that that is the wealth of
that organization, what do you think will happen to an office in San Francisco, as we had ma-
ny, many years ago, calling themselves the Psychology Consultants? It went broke. But it was
a horrible disorder, because the information that they were exporting wasn't even being used
where they were. They were very individuated out from things.

So what do you, what do you basically, what do you basically have in an HAS? You
have just what its motto says, "Bring order." But what is bringing order? Putting in stable
data, and stringing the lines, in spite of the confusion. Many an HCO, if it is doing its job well
would feel like a lineman, a telephone lineman, in the middle of a battle. But a telephone li-
neman can string a line in the middle of the battle. The point is, does he string the line, or
does he suddenly Q and A with the battle? So you would get your administrative Q and A.

You'd walk into the thing and the registrar is supposed to be registering somebody,
but isn't, actually. Is engaged at this particular time in arguing with, of all people, arguing
with the mimeo files clerk. And is arguing about who would have what lunch hour, or some
other unlikely subject. Alright, what is the action there? The Q and A is, is to settle who has
the lunch hour and walk out. You're asking the pc from where could you communicate to an

elephant. Somebody walked down, a very funny HCO, I mean a very funny examiner report I saw here the other day, just as an interjection. Somebody walked by and they'd been doing a long list, and all hell had broken loose and their cases falling apart. When they hit the term elephant they walked up and said to the examiner, "I'm an elephant release." They were doing fine.

Now supposing this auditor had come along and the person said, "I don't particularly care to run that item." And, "Why don't you particularly care to run the item?" "Well actually I haven't, haven't received a letter from my mother lately." "Well what about your mother?" "Uh…" You've seen this happen.

Alright, let's look at this administratively. Let's look at an HAS who does this sort of thing. "We've got to get in the registration line here, and so I'm going down and get in the registration line. Very good. Now what is the trouble with this registration line?" He's already opened himself wide open. And somebody says to him, "We really don't have any carpets." And he says, "Well what about these carpets?" "And well, it wouldn't get through financial planning, because Bessie Ann wouldn't agree to them." And the HCO sec goes off to see Bessie Ann.

Now if you just multiply this about five hundred times over during a day, an HAS sees that his life is utterly unlivable. HCO will eventually be ducks and drakes. The whole organization will be walking through HCO, it'll look like Grand Central Station. If I were an HAS and somebody came in to see me in the middle of a traffic period and so forth, and wanted to know when they were going to, when they were going to get an answer to their brother's petition to have free rehabs, I'm afraid I would not answer with a Q and A. The PR factor would have to be preserved, but in essence my action would be, "What is your post? What are you supposed to be doing? What is the traffic on it right now?" And that would be the answer to the brother's petition about his free rehabs. And then somebody would say, "HCO doesn't give service. Doesn't give me answers that I should be getting from the registrar, or from the letter registrar." Do you follow?

Now, HCO, a personnel would have to know routing, and so does every person in the organization has to know routing. And do you know who has to know his routing best? The executive director of the organization has to know more about routing in the organization than any other person in the organization, because about ninety percent of an executive's function is routing. Not only routing, but establishing the route to be routed on. A tremendous quantity of stuff early on on any post will come through, and all it requires is routing. Almost everything in your pending basket is mis-routed, and doesn't belong to you. And just on that basis of "this isn't mine", you can take a pending basket and route it. And not cruelly or crudely, you look it over and you'll find out that it's all mis-routed. So you didn't know what the hell to do with it, because of course it wasn't yours. And all it tells you is that routing is out, and there must be some other people around who don't know routing, so your action would be to get everybody checked out on a basic staff hat, and Chinese school on the org board, and a few more elementary things of this character.

So we do have the processes necessary to resolve the confusion. They do exist. Who runs these processes? The HAS. He's the auditor of the org. Only there's the thing called a

sane establishment, and he mustn't go in the same direction that an auditor goes. An auditor reduces the bank to nothing. Let's not have an administrator reduce the org to nothing. He's not trying to run the org out, he's trying to put it there.

Therefore I'd say an HAS who can't do creative processing won't be very successful. And his TR, if his TR0 is bad so that he Qs and As in any way whatsoever, he won't be very successful. So these are the various requirements of it. But, if he can mock things up, and if he can hold a position in space, and if he can fix things, and if he does know confusion and the stable datum, if he's determined to bring order regardless of what, if he's determined to make the lines go on out and straighten out, if he's determined to put the organization there and bring order in it, and if he can confront a confusion without Q and Aing, if he can hat somebody, why, he's quite a guy. He's quite a treasure actually.

HCO personnel are so rare, because these abilities are rare, because he's basically an auditor to the organization. He audits out all the confusions in the organization, and that's how he brings order.

Now what are his duties? To put the establishment there. How much establishment? How much establishment can he afford to put there. How does he figure out this establishment? Well he figures out the establishment in terms of production that will result in the greatest return to the organization, so he can put some more establishment there. And why does he put some more establishment there? So that he can put some more establishment there. Why does he put more establishment there? So he can put some more establishment there, of course. And what happens while he's doing it? He's got all kinds of people that don't know what he's trying to do, and doesn't know why he's trying to put the establishment there, so they say, "I've got a letter from my mother, and she has just said bongledong, and therefore I must gagob," and he says at that moment, "That's very good. There is the mail clerk. See if he has any letters for you. There is the mail clerk." "Yes, but my mother…" "Good. There is the mail clerk. See if you have any letters in." "Yes, but I'm in grief about this…" "See the chaplain. Messenger, take this person to see the chaplain. And come back and tell me if the chaplain was on post. Heh heh."

In HCO they think they're messengers who carry the mail around. That's because nobody is using it as a central hub from which order is brought. You can't bring very much order over a very long period of time unless you've got some messengers, I can assure you of that.

So, this is where the thing goes. Now I suppose next I will be talking about the HCO department one, in sections, department two in sections, three, four, five, six, seven, eight, nine, and eventually chase it all the way on off the other end of the org board. But that would be sort of greedy. I would be taking all of your goodies away from you. It is you I expect to chase it all the way down, off the other end of the org board. All the confusion you have had in the past, with order following all the way along the line, viability rising, and the planet in our laps. Thank you very much. Thank you. Thank you very much, good night now.

AS YOU RETURN TO YOUR ORG

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Good evening. (Good evening.) This is third of February 1971, AD21. This briefing is convened here tonight, and is arranged because this is the set of directions which will be given to, and is being given to the departing product officers, org officers, FEBC graduates, to take back to their orgs. And consists in essence of their, of the mission orders of the executive director, product officer, org officer set up.

Now the Flag bureau has been working very hard, and very long and hard indeed, to get together the basic projects necessary to make an org roll on up the line, and to make it a great success. Now you must realize that if you were returned to an org, and while you've been gone of course why must of the staff have blown, and so on. And you've got these one and a half staff members that were hired yesterday, see? And that's all you have left. And you open up this suitcase and you have about twenty-seven, twenty-eight projects, or something like this, there is some large number of things. And you'll run out of people very rapidly to hand these people out to. Now I don't say that they all blew during your absence, I hope they didn't. We won't make that postulate. But quite the contrary has been going on during your absence from the org. A lot of good people who have been working very hard to keep the show on the road, while you sailed around southern seas and admired the palm trees. Listened to the native girls dancing, and learning to beat drums, and so on. And they've been working hard, while that is. And so you come in, and you're going to change everything they've been doing, and you're going to change any line they have accidentally gotten together that runs right. And I will sit here, and I will look at a stat for your org that will be going at a reasonable, bare survival level, or better. And it will of course go down.

Now there's been an org there for a very long time, in most cases. And it has had its ups and it's had its downs, and it's had its attentions, which it sometimes regretted, and its neglects that it sometimes approved of. And it has not been nothing, nor are the staff members which you left behind totally occluded on everything that is going along, because you will find that some of these policy letters and so on have already been received. They have been put to some slight degree into action. You will find that there is a certain clientele involved, there is a certain backlog to be taken care of, and they have managed to work out that if you stand down at the corner of Wupf and Yak Street, and every few minutes somebody will come by, and they hand them something and some of these people show up, and they will be able to get somebody to come into the org every now and then. And they have a certain route, and there are a certain number of people who have promised to come in, and there are a certain number of services, and there are a certain number of people on the course, and a certain

number of blown people that they're trying to get back. And somebody's got an ARC break program of some kind or another, and so on. In other words, it isn't all bad, by a long way.

Now, what if we just walked in and changed everything? Now yes, we say this org which should be making twenty-five thousand dollars a week; and that is true of any org you are going back to. I would be ashamed to run an org at a lower level than that now; is only making fifteen hundred a week, and thinking it is doing well. People are getting born and going aberrated faster than they're being processed right now. You've got a situation there where some people are at very hard work, have been able to keep a very low level of survival going, and it is up to you to take advantage of that situation, and push that income up. And that would be your first order of business.

Your first order of business is to find out what is going on, and get it paid for and delivered. And that would be the first order of business of a product officer. And the next order of business of a product officer would be to look around and see how he can increase consumption. Now the poor PES who has suddenly been relegated to secretarial level, or something like that, is in actual fact your PR. And you could do far worse than to just put him on as a PR type of action in addition to his other actions in the public divisions, to figure out how consumption can be built up. And turn over your distribution division to somebody who is competent to take it over, and keep going the actions which they already have going there. Do you follow?

Now I wouldn't even recommend that or insist on it, but because your personnel varies. But you will sooner or later need somebody who exclusively sits around as a product officer, and figures out exactly how you're going to increase consumption by the uses of the new technology of PR. And you will find out that that is a staff job, that is not a divisional job. And then you as product officer are going to go caroming around through the org and banging off staff members as you turn the corners rapidly, and you will have a certain amount of human reaction to handle. And that is a staff job.

So, your PES can continue to do his public divisional work, which must go on, or I assure you, C/S 6 will become very upset. And you can find somebody and groove them in as a PR. But in any event, that is going to be a point which has to be watched, because the increase of consumption is a necessary adjunct, if you're going to increase the income and delivery of an org. There is nothing sillier than a canning factory which keeps throwing the cans out the back door, and they don't get used. And eventually they don't can anything anymore. Well the breakdown of that particular point is consumption was not built up. So you're going to have to take care of that.

Now what you are up against is the fact that you're going in to an area, which is to some degree running, and it has its own tradition of how it makes things run better, and the product officer has to take what's lying around and start making it into products. And that's for sure. So his first order of business of course is to go in and say, "Hi." And, "We got great plans, and everything is fine, and everything is doing that you've been doing around here is fine. And we're just going to do more of it." And the staff at that moment is going to groan, and they're going to say, "Well we can't do anymore than we're doing, because we're totally overloaded now." And at that moment you say, "Well, we will have an org officer to take care

of that point, so that your overload doesn't particularly worry you." And then you go ahead and do two things. You've got to get the income up, and you've got to get delivery going. And if you search around you will find all sorts of half finished thingamajugs to push out, and you will find all sorts of things you can sell, and so on.

In other words, it is a going concern. So your first action is a survey on your return, in your new found knowledge, a survey of what they've got right there that can be delivered now. If I walked into an org at any given instant, I would look the place over, I would probably move all the executives out of the service space. And that's usually my first action in an org. I'm not kidding you. I move all the executives out of the service space, and that's my first day. And work with their creditor set up so that there won't be foreclosed on the second day. And by that time I have looked over enough of the situation, and I get a big idea as to what we can offer right now, and we offer it very promptly on any open communication line that is. And you have a special project number one, which you will be given, which is a; that's a special project. That doesn't include with the FEBC pack; it's with your pack, but it's the big idea that you can do right now. And it's already under a bit of flight, this particular one, and we haven't got the full results on this yet. But apparently it's producing people, and they walk in and they actually do start moving through the org lines. So you've got a special dissem project number one, which is a good idea.

Now maybe that isn't all the good idea that you will need. And maybe you have to get a local good idea. But don't get an idea that on Monday, and then not executed on Tuesday, the usual fate of good ideas; the staff is already overloaded so if somebody comes in with a good idea, and that's just what they don't need. What they need is execution. They have had several good ideas during the last year, and none of them got executed. And so that you will probably find that you have in addition to getting your special project number one underway, which is a sort of an all hands evolution and will get things going, you will undoubtedly find that there are some other ideas in progress which you can push.

So your first action is actually to look the thing over, adjust it up a bit for production without disturbing anybody particularly, and then get some promotion out, get some delivery being done, look around the academy or the school or something like this, and, "How many of you cats can graduate today? We're not speeding you up, you know, and so forth. How long you been here?" "Two years." "Well that's…" And go into the crowded waiting room, and where the preclears wait for their sessions, and go and see somebody and ask them when they are going to hire an auditor or something. And about that time, why you will be aweigh. In other words you start to get delivery, you get promotion, you get delivery, you get income, and you get the show running, because remember you are trying to get final valuable products, namely money, student completions, and pc completions. And your area has probably got tons of pcs that could just be completed, but that won't necessarily bring you in a great deal of money.

So anyway, you will see what you will see, and it is necessary to understand completely, utterly, and totally that a production officer is there to get the final valuable products. And getting those final valuable products is quite a trick. And now you're being asked to get these final valuable products without building for the next two years at vast cost a large establish-

ment at all. You're not thinking in terms of that at all. You're not thinking in terms of any of this, except how are we going to get these things going.

Now once you start this I can assure you that your first few days will be very difficult, because after you've talked to the staff, and told them what it's all about, and tried to get the show on the road, and played them some tapes concerning this, which you will have, and what you are trying to do, the machine will start running. Even though it's a little machine, it will start running. And you have already started, if you know your business at all, if we've taught you your business vaguely, the salt mill will start running. And you know the story of the salt mill. I have already told it to you. It was in Holland that this horrible thing appeared, and it started turning out salt. And they put it under mattresses, and they put it in the attic, and they hit it with hammers, and it just kept on turning out salt. And it turned out more and more salt, and there were tremendous piles of salt all over the place, there was no PR came with it to get consumption, you see? And they finally in disgust and horror, threw this thing into the sea, and of course that is why the sea is salty, and why we have to buy water at such vast expense in these ports. So, you have started something going. And I can assure you that at that point you will feel yourself very over strained, very tired, and very knocked about.

Now the test is to live through that period, and to keep running ahead of the storm from there on out. Because at first, guilelessly, you will sink back into it. You start the thing running, and then you say, "Well, we've got that." And now you have started something going. So now you're going to have to back that up, and the longer you are there without your org officer five feet ahead of you, trying to get products out, why the more difficult you will find it. So that the natural solution to this is, the first product of the product officer is an org officer.

And the org officer will hastily start throwing some lines together and so forth, and getting some old scratch paper and so on, 'cause they hadn't had any invoices in this org for two years. And your product officer will keep insisting on some delivery, but there is no place for anybody to lay any money down. And the org officer has to fix a place for the money to be paid down, and then there's this matter of paper, and how do you get the promotion because the printer, you see he hasn't been paid for a long time, so you have to find another printer in order to get; that's the org officer. And then the auditors, they haven't got any place to audit now, because the executive offices have been, are all using up all the auditing space. And the org officer'll have to move all those out, and so on. And here you go, and the org officer now; your tongue is already hanging out, see? Get the products, your tongue is already hanging out. The org officer came on bright, fresh, able to confront the world and so forth, three days later, why his tongue will be hitting the floor and he'll be tripping over that. So now you have to remind, now you have to remind an org officer at this point that the first product of an org officer is an HAS.

And the HAS will come on, "Oh that's easy. That HCO? Well we've got an HCO. We have some comm baskets out there in the hall, we've got an HCO." And about this time, why the HAS will be discovered to be not quite sure what this thing called an establishment is. And is liable to give you a definition of an establishment something on this order. He's liable to give the org officer a definition of an establishment as somebody with a hat. And will have to be reminded that establishments contain typewriters, carbon paper, ball point pens, comm

baskets, floors, ceilings, and numerous other machines, appurtenances and whirly gigs and typewriters, and front doors and door locks, that actually lock, and safes that you keep money in, and invoice machines, and other odds and ends. And he says, "But that isn't the province of HCO." You say, "Listen to the three hours of tape again on the HAS."

Each time he comes back, your safest thing is to just tell him to listen to the three hours of tape, and so on, and to check out on his basic staff hat. And to get his HCO checked out on a basic staff hat, and to hire an HCO and to put an HCO there. And what do you know? He's got projects to put an HCO there.

So where does your FEBC pack come in? Now you've got your mission orders. There are, for the product officer, there are actually mission orders for the org officer, and there are orders for the HAS. And these are part of your pack. You have two projects. One of them, special project one, which is dissem, and special project two, which is tech. And that's how you deliver the business which you attract, with the first one. Alright. You've also got the business the org is already doing, which you mustn't neglect.

Now, with the product officer's first action, he will find, just to give you a slight review, he will find that it is vital that he have an org officer, and that is in the natural course of events.

He can't live without an org officer, and people are going to tell you that the org officer's actually the HCOES, and she sits back with the same duties and the same job and same hat as the HCOES. And you say, "No. Listen to the ten hours of tape which we brought back, and omit to listen to tape one, which is PR, because we want production."

Now, at that point, at that point it could be expected that you have enough income, that you are going forward sufficiently, that the HAS can now actually put an establishment there. And he would continue to do so, almost totally independent of the product and org officers of the org.

Now the way he puts together the FEBC pack is he takes existing staff, which is already in that division, or is supernumerary someplace else, but not using the area that you're using for delivery at that particular point. You want to cure him of that fast. You carry a ruler around to slap people's fingers when they reach for personnel in a working installation. And one of the org officers brightest tricks has probably never been mentioned, is if he notices a displacement of line, and that sly reach from the personnel which he has desperately gotten into the line up, producing, is to slap somebody's knuckles quick. Do you follow? Otherwise your working installations will be dismantled faster than they can be put back together again. So the rule of thumb along all these line is the org, and the org is a personnel pool to the degree that it is not engaged in direct production, and one never dismantles a working installation. That is something you have to teach people when they're engaged in putting ships together. Do not dismantle a working installation. "Well yes I know, but we're never really going to use this hoist here, and wouldn't it be nice if…" "Ah ah ah ah! Is it a working installation?" "Yes, but it isn't used for anything just now." "Well yes, that's fine. Leave it alone."

But let us define a working installation now, in terms of an org. And it will make more sense to you. A working installation is any group which is delivering the adequate and adequate production of that product which they're supposed to deliver. And you leave those alo-

ne. And you don't, you don't monkey with them. And as soon as you see a working installati-on under those definitions being knocked down, you're going to find that you are making three steps forward, and unlike the communists who only go two steps backwards, you will be going four steps backward.

Did you know, by the way, that the communists these days exercise all the children in school to go three steps forward and two steps backward? And they go around marching this, to teach them that that is how communism is going to win, you see? And they have them walk three steps forward and two steps backwards, and three steps forward and two steps back-wards, and three steps forward, and demonstrate to them. And do you know, they don't even have a certificate to run SCS? It's no wonder they're squirreled up. Anyway, I can imagine the guys doing this, busting the auditor's code all over the place.

So the upshot of it is, the upshot of it is that you can actually go three steps forward and four steps backwards. The production officer's getting his production, and the next day the production isn't there. What happened? So the org officer looks it over, and then they look over and they see that the HAS has just got through transferring Mary Lou. Well lightening should strike twice, if it happens twice. So, what you have to have there as a production of-ficer, and what is being put there as an org officer is being done independently of the HAS building an establishment. You say, "But gee, that's impossible. I mean, you've got this thing coming in from one side, and then he would need the personnel which you're working with." No, that's just the whole point. And that's why you have to have income.

He gets these personnel. Now there's only one or two areas that I know of off hand who have a such a superfluity of personnel, with such a missingness of production, as to make the whole org fair game. There the product officer's job would just be simply to walk in and tell who was ever supposed to be doing something, to do it. You know, an auditor, they've got twelve auditors or something like this, or four auditors and so forth, and their well done audi-ting hours for the week are six and a half. And they actually will graph it as six and a half, just as though this amounts to something, you see? I mean, it's marvelous. You will find all kinds of odd ball situations with regard to this. And they will tell you why you can't get production. But that would be in only about three orgs that I know of. The rest of them don't get produc-tion mostly because they haven't got any people to produce.

So, as you get production going as a production officer, and as this is being backed up, well what do you do with these FEBCs? Well you certainly; with these FEBC projects? Well you certainly put them into the hands of people who are not at that explicit instant engaged in desperate production on something else. Do you follow?

So your HAS is mainly involved in either appointing, acquiring, hiring, kidnapping, shanghaiing teams. And every one of these projects will undoubtedly have to have a total team acquired for it. Trained in it, hatted to do it. And he just keeps moving in the depart-ments, as trained teams. So he practically has nothing to do with you at all. He practically has nothing to do with an org officer.

Now the sequence in which he moves those teams in is very interesting. And you will find out that this is the sequence that you had better move these projects in. And these pro-jects are moved in in this sequence. Number one is HCO, number two is tech, number three is

dissem, number four is treasury, number five distribution, number six qual, and number seven executive division.

And you're going to have a picnic. You're going to have a picnic, because your org's going out of phase. But that is about the only way you can do it. There'll be some cats producing before some other cats are producing, so the sub-products to the final valuable products will start stacking up, and now you will move into another phase somewhere along there where the production officer is trying to coordinate between what he's got going and what is going on. And you'll find out that they will phase in very nicely, and you will just get more and more of it, and you will get more and more production.

Now I will go over the exact sequence of events that will appear on the mission orders of a production officer. And the first one is, get fully briefed on Flag as to what exactly you will be doing when returning to your org. I'm doing some of that job of briefing right this moment. Now you bring with you to your org the Flag FEBC project package, and a copy of the org board you will using, and adequate copies of LRH EDs and programs as per the projects. You will have with you your FEBC tapes, you'll return to your org and you will assume the post of executive director/product officer.

Now, you will immediately choose and appoint somebody as your org officer. The first product of a product officer is an org officer. He has another set of orders. Now your next action would be to quickly hat him, using the FEBC tapes, which you will have. Now you cope like mad, together with the org officer, to build the income and delivery up. And to do that you have these two special projects, special project one, dissem, special project two, tech. You can use and get these in on a sort of an all hands evolution. That's just to stimulate some business, but that doesn't mean to knock out everything that's going on in your org.

Now your object in building up the income with anything you can find lying around, old belts and so forth that you can feed into the machine somehow or another, that will wind up at the other end of the line as a delivered product, and will produce an income for the org, by having built this up between yourself and the org officer, you can appoint an HAS. As soon as you've got it going, not necessarily when you have built it up to hundreds of thousands, because you won't, you, as soon as you've got things going and so on, why you appoint an HAS. And then, to this point nothing's been done with the FEBC package, except special project one and two. That's the only thing you've used of the package.

Now, this HAS will have to have his hat put on pretty heavily by the org officer, won't he? And he will have to get some kind of an idea of how to check people out on things and so forth, won't he? Because he now gets presented with the entire FEBC package. And in the sequence of department by department, he gets ahold of teams, trains them in, and gets them producing what they're supposed to be producing, according to the package. And you'll find out that that will coordinate with your org board.

Now you realize that you cannot hire people and keep people on, or anything else, if you haven't got some money. So that is why you must run like mad when you first get back to make sure that your org income goes up very nicely. You can try to get your GDSs up very nicely. You can do anything you want to do very nicely, as long as you get delivery and income. And if you've got delivery and you've got income, your

org income will rise. And there will be enough money there for the HAS to hire and afford the luxury of being able to actually groove somebody in on the project, not whiff it across, underneath their nose, get a small boy who can't read, and say, "That is your project." So you would building a solid org. 'Cause these project will build a solid department.

So, as soon as he's made some progress on these project, you will start issuing the rest of the projects as I have discussed. And as I've told you before, your sequence and so on will be noted down as to what projects or teams he's busy grooving in and training up. You understand? He'll probably still have some people there. But if you are very, very clever you won't take any of the existing org except just these two or three orgs that are very supernumerary. You won't take anybody that you're using on your product lines at all. You won't disturb the org that is sitting there, and that you've gotten into action. All of these people on projects and in departments will be all brand new, won't they? And wouldn't you be clever, wouldn't you be clever?

"I wish you guys would catch up, we got the GI up to twenty-one thousand now and you haven't got any of those projects working, and so forth." If you could build a situation like that, why you would be doing great. Once more, why it's, the sequence is HCO, tech, dissem, treasury, distribution, qual and executive division.

Alright. Now the HAS can get this done by hiring and appointing and hatting them, and so the HAS is busy building the establishment while the product and org officer continue to get the income up, any way they can. Income and delivery. You've got to achieve the products of students, pcs, and the valuable final product of money, whether you have those projects in or not. And you'll find those projects will just move right in, and start doing the same thing, so it's actually a reinforced action. So until all of the products, projects are in in the org, you are in a state of cope. And both the product officer and org officer is in a state of cope.

Now if you see this, due to habit pattern and so forth, that the org officer is the HES, who occupies the HES's desk, and handles the traffic of the HCS, and passes dispatches over to the OES, who sits at his desk and then handles that, and if those posts you feel have to be covered, and it's absolutely vital during your cope period that they be covered because people keep coming in and saying, "Where's the HES," 'cause it's an old line or something, well put somebody there. Just put somebody there. You know, say, "Well your desk, there we are." And so on, he's got a desk. "Handle the dispatches. And keep a list of who's writing them all." But don't you get sucked into that line. No sir.

An org officer should actually carry a pedometer. Now a pedometer is an instrument which is hung on a belt, and it is used to people in the field of engineering, walking, hiking and the army, to find out how far one has walked. And it has a little weight in it, and every time that you make a step, why this little thing goes click, see. So it measures the steps. Actually, to perfectly adjust a pedometer, you have to go out and measure off a hundred feet, and then find out how many paces you have in that hundred feet, and it has a little dial in the back of it, and it is set that many inches. And you set, your pace then is let us say twenty-seven inches, or the old Roman pace of thirty inches, or if you're out of that habit maybe even thirty-two inches. And the truth of the matter is, that both the OES, product officer, and HCOES,

org officer, should have a stat based exactly on that pedometer. All joking aside, the job is done with mileage. The job is done with mileage.

Now I am in a somewhat favored position. I have actually four splendidly trained and very accurate messengers. And I should hang pedometers on those, and I would probably get a part of my mileage stat. But they, they really, they really run up the mileage, they really run up the mileage.

Now what are they doing? They're looking into a situation, getting questions answered, trying to find the bug in the situation, giving me the answers to the situation, and we eventually will evolve this thing and get the thing straightened out one way or the other. Now that is a substitute for the same thing. But there is no real substitute for it, and if you were running it hard as a product officer; you see I've already done some time here as a product officer. Otherwise I, and I've done a tremendous amount of time as an org officer. And my org mileage as an org officer is very, very high, because one of the duties of the org officer is, for instance, this is just an incidental duty, one that you sandwich in between every other duty, is to see every person in the org every day, from two points of view. Is he busy in wearing his hat? And on a personal point of view, is he doing alright? Because you get an org running like this, I shudder at what might be going on in one of our orgs right now, because it is on an escalating affluence trend, and I know those poor kids have got their tongues hanging out. They must be just running like salt mills themselves. And if somebody isn't taking care of them, and somebody isn't paying attention to what their life is like, why the next thing you know, you'll break them down on such a system as this. And that is the only real liability of a system.

The fact of the case is, a person moves up in terms of velocity. And they might not move their personal life up in terms of velocity, and they certainly don't move up their care in terms of velocity. And so it tends to drop out of phase a little bit. And there in the first few days or weeks of something like this, why you can expect one or two or three guys to drop out of the line up with epezudicks or something of the sort. And you wonder what's wrong, well don't be too mystified. It is simply that they are not getting the adequate personal care that they should get in proportion to the amount of attention which they are exerting. So this is an important point.

Auditors are peculiarly like this. Auditors are like race horses. They actually, there's hardly anybody ever stands around and rubs down an auditor, but they ought to. They ought to. They ought to stand around and rub them down, and pat them on the shoulder, and feed 'em oats, because the truth of the matter is, the truth of the matter is, they only really fade out of your line up because they have not been given themselves adequate care and attention from an organization point of view. And I remember the old London org, a phrase was given to me one time by the HCO sec London, and I said, I came back, I was gone for a while. And I came back to the org and I said, "And how are the auditors getting along? And have they gotten the consultation rooms which were ordered?" And so on. And says, "No." And I said, "Well what, what kind of shape are they in? What kind of treatment do they get around here?" if I remember the conversation rightly. He says, "Treatment? They're treated like chaff!" I noticed they didn't have many auditors on staff either.

Actually there was a period there when we very, very fancily fixed up a whole bunch of consultation rooms for auditors, and they each one had his own private consultation room. And actually there was probably two sides to the desk, or something of that sort. They were their auditing rooms. And I think that we doubled those auditing rooms, so that there was two auditors to an auditing room. But they had their certificates on the wall, and a nice, soft carpet, and a good looking desk, and they had their own personal effects around, and so forth. And things went very well. But this is just personal care.

So that you've got, your basic actions here as a product officer is, you shouldn't have to think of this. There's a reverse for you. Your org officer should be so good that the org officer takes care of all that. Now I can tell you an actual instance where a whole division was totally mystified as to why I was making a fuss, and why my messengers were in a blur, going back and forth and back and forth, and around and around and around. And why a PR was showing up. And it was a very interesting thing. The PR survey, which I had conducted in that particular area, was marvelous. There wasn't one single person in that immediate area who was aware of the fact that the key post of the area was empty that morning. No traffic could have flowed. So an action had to be taken, and it had to be taken now! Because that post was about to be empty.

I had received the information to this effect, and I had taken the actions necessary. And the actions had been looked upon as an arbitrary action. And the PR survey disclosed later that the misunderstood that lay all through the area is nobody spotted what the actual basic situation was. It was an actual human emotion situation, because people got very upset about this. They went through this, that the lines kept going, but nobody had noticed. Now a product officer should not have to think of that. This sort of thing should be taken care of.

Now a typical product officer action is, "You've just been told by the D of P that he can only have eight pcs a week. Oh, is that so? Well isn't that interesting. Immediately let's cut these lines up because I want you to get about twenty. Right away now, twenty, twenty, twenty. And hereinafter you must never take any orders of any kind whatsoever from tech as to the amount of traffic and volume that they can handle." It's in a policy, I think you've probably read it.

Do you know that an arrangement will normally occur between tech and the registrar? And do you know that a registrar at the drop of a hat will also start to schedule people for tech? Well, this is very wonderful when you look this over, because what you've got there is not a determined effort to reduce the production, but you've all of a sudden had an arbitrary ceiling put on the amount of income and the amount of delivery which you can do. Whereas the actual function which should be performed is, the D of P ought to be on that telephone, and that D of P ought to have an awful thick notebook of all the possible auditors within the three hundred mile range around there who can be called in, and brought in on the job. Part time, full time, any old time. That's a proper function of a D of P.

Now therefore, the product officer will be driving this thing on up. And one of the things which the org officer will have to do is to keep it cooled off. And that is one of the reasons why you will also have to have a PR sooner or later.

You can get into the most remarkable puzzles as to why this, that or the other thing won't function. And the basics of them are a lack of understanding of what the situation was, and the unworn hat. And if you take those two things as the two things which get in your road as a product officer, you've got it made. So therefore, you should tell the staff when you arrive back, what is going to happen. And you shouldn't leave them in any mystery concerning what is going to happen. They will agree with this, I am very, very sure, without any difficulty at all. But your final action on the thing is of course the production and the income. And if you can raise that income and you can get that delivery going, any old way that you possibly can manage it, if you can get that going, why then you will have enough wherewithal to build an establishment.

I want to point out to you that cobblers who become vast shoe companies started working on an old tire or a slab of leather, and thonged it in a couple of places, and they probably sat out in the open or in a shed in their back yard, and they didn't have any establishment. In this particular case, the egg always comes first. And you can eventually get yourself a chicken there, but it costs money in this case to put a chicken there. And you have to make the money to put the chicken there. Let me point that out to you. If you sit back and wait for this machine; now let's go at it the other end too. Let's just, you go home and organize everything. Along about six months from now you will start to see some production. The mean time you will be getting telexes Flag saying…, and you will be saying, "But I'm trying." And that's because you're trying to get the chicken before the egg.

We have now got two actual case histories of trying to get the chicken before the egg, and both of them are horrible flops. So we're not now talking out of no data. We already know that the mistake you can make is go back and organize everything. The right way to go back is say, "Get busy, we're going to deliver now. Now the show is going to go on the road, and so forth. And you guys have been doing great, and we're going to extend everything you've been doing and back you up, and you will find it'll all work out in the long run." Because that is the truth.

Alright, so much for the product officer. Now let's take up the org officer's actions here. And his mission orders consist of roughly the following. Listen to the FEBC tapes brought back by the executive director, then star rate on them with him. It's a very, very lucky executive director who has an FEBC org officer. Get yourself hatted as org officer immediately, cope like mad to get the organization needed by the executive director/product officer in getting the two special projects done, designed to drive in lots of business. Along with that will be preserve the organization and production which is already there. Together with the executive director/product officer, build the income and delivery of the org up. It doesn't say a blasted thing about building up the establishment. I don't care how you build up the establishment, I don't care what house of cards you've got. One card over here on the edge, and another one standing up cross wise to it, and so forth. And you say, "God, at any moment that's going to give way." Well, it hasn't yet. Be optimistic.

Now, you've got income coming up, and delivery occurring. And at that time, why an HAS is appointed, and you give him the HCO FEBC projects, the org officer does. And as soon as the HAS has made some progress on these, hand him the rest of the projects for the other divisions. And you give him the implementing sequence which I've already given you,

and ensure the HAS builds up the establishment of the org by hiring appointed personnel, and hatting them, using the FEBC package. Continue to back up the executive director/product officer in any way you can to get the income up, while making sure the HAS is busy building the establishment. So actually there are some teams that can be driven with one hand, but the org officer is driving two teams. It's quite a stunt. And he can easily get these things crossed, where he just goes in, "Oh it would be so much easier if I didn't have to instant hat every time I walk in those two or three new auditors, to show them where to take their pcs. If we could just get HCO straightened out so it would take over that…" Wrong answer. The org officer goes right on instant hatting, and gets mini hatting when he can, and clears up the misunderstoods in passing. That's one separate action.

Now on the other hand, with his left hand he's got an HAS who today tried to transfer three auditors to become HCO members, 'cause they were experienced class VIIIs. And on the other hand, is not insisting on any security amongst people he is hiring, and you look up and find out that the hair, quantity of, which is moving into the area of HCO is obscuring the desks. And other things of this character. So it's not necessarily a smooth thing to try to run an HAS who has his own troubles. But nevertheless, that is what the org officer's doing. He's driving a mad elephant with his right hand, and a full twelve horse chariot team with his left.

And the above utilizes what you've got, and has an org officer, and puts you into a financial betterment which permits the organizational steps, and this way there will be no trouble at all in implementing these FEBC projects. And those are the org officer's orders.

Now the HAS will probably look at these, turn them over on the other side, look at them and read them on that side, and say, "Well well. These guys have got it pretty easy. They were all trained, at least one of them was. And what is this thing here that says major target?" Nevertheless, you've got to take it from there.

Now a wrong way to do this, a wrong way to do this would be to spend a year and a half training the HAS so that he could put an HAS there. And another wrong way to do it would be to expect that he instantaneously had a total grip on the basic staff hat, without ever having read it. Knows nothing about hatting people, knows nothing about target policies or anything else. So therefore there has to be a bit of a check sheet that this appointed HAS has to go through, in order to accomplish what he is supposed to be doing. And that would be of a vast assistance to him, one that would save you a great deal of time.

So your production and your org actions of course are instant and immediate. But you can afford a little bit of time, not very much, but you can afford a little bit of time to get your HAS hatted. And his orders are listen to the FEBC tapes on org/product officer system brought back from Flag by the executive director. Get star rated on them by the org officer. Fully accept the HCO/FEBC projects given to you by the org officer, start implementing these per department with teams. And he's going to say, "Where do I get these teams?" And the org officer says, "Now there is certainly some data here on recruiting and hiring personnel." And the next action here is get very busy hiring and appointing personnel, and hatting them to man up the establishment of the org, using the FEBC projects.

Now at the same time, if you count on HCO to perform the functions of HCO, while it is trying madly to get an HCO there that can perform the functions of HCO, you're asking the

HAS to do the org officer's job. And we've now made that mistake two or three times, and we needn't keep making the mistake. There is nothing whatsoever wrong with the org officer calling Los Angeles and saying, "The crew of the Bolivar will report." Do you follow? I mean there's no place in these orders is the action of the org officer in getting some people to get the production out or anything else, or in getting them hatted. Nowhere does it say that these are done through HCO. They don't necessarily, an org officer doesn't have to go near HCO from one day's end to the next, except to get the HAS on the ball.

Now eventually it will start to work, but remember you haven't got a machine yet. There's no machine to run yet. So the org officer will have to do those actions necessary to put enough establishment there, only he's not building an establishment. He's building a Jerry rig house of cards. He's wise if he tries to build it on the org board pattern, and he's wise, he's very wise if he tries to get the lines in on policy, and he's very wise if he does this, that or the other thing with regard to the OEC and so forth, he's very wise, but he's not ordered to do so. He isn't. It is no part of his lines sitting comfortably at his desk, to pick up the intercom through the org and say, "Give me personnel." He would be all too often surprised to have no answer at the other end of the line. It would be up to him to eventually put a personnel there. But how would he do that? By putting an HAS there. Elementary.

So, the establishment will occur. But an establishment rises proportional to the wherewithal necessary to resolve the case. So nearly all org officers make the slight mistake of putting a dependency on HCO.

Now the mistake that can be made by the product officer is to not inform the org officer what he's up to. The product officer's got to keep a running action. And those, he doesn't even have to brief the org officer, if he just hands him the notebook every once in a while, that the notebook will communicate. But ordinarily, after he's gotten something straightened out, he writes up what he did, so there's some kind of a record of this thing, otherwise this gets very confusing.

So, it also works in the case of an org officer. An org officer who makes no record of anything he's doing, when it is totally in contradiction to what HCO is trying to do in the same sector, your going to get a very interesting ridge. But that ridge is broken down to the degree that the org officer merely keeps HCO informed as to what actions have been taken, which might possibly impinge upon HCOs basic establishment action.

And then the other mistake that can occur, is HAS gets confused and thinks the org officer is the HCOES, who is his senior, who really is the ethics officer of the org, or is part of, and so on. So you want to get that mighty clear, because an HAS who confuses what the org officer is, and thinks of the org officer as his senior on whom he depends utterly for his orders, no, no. No, the org officer isn't his senior, it's org officer is his nightmare. I mean…

There is seniority there, the org officer definitely is senior to the HAS, but is not in the relationship of senior that you would ordinarily expect. A senior would be responsible for the area and zone. The HAS is responsible for the establishment, and not the org officer. The org officer is responsible for the production. The org officer is responsible for enough product, usually product three, to get the production officer supported so he can get products out. And there's where he lives. And if he has an HAS that's going to come around every morning and

say, "What are your orders, sire?" and doesn't just get on with it, why he's going to be in trouble. Do you get how these things figure out?

Now they do disturb traditional relationships in an org. And they disturb those relationships so badly that a staff that is grooved in in some other way is liable to be a bit confused. And as I told you earlier, if they feel better having an HES and having an OES and a PES and so forth, why that's fine. But certainly they've got to have a distribution sec and so on. And if they feel better that way and it looks better that way, if they've got to have something like that you can always put somebody on there. It doesn't matter, it's just three more names on an org board.

But you'll find yourself immediately into some kind of an interesting situation. You'll find yourself in an interesting situation. You're trying to go through an EC committee authority, and you're trying to do things in an orderly fashion, and production is always done in a disorderly fashion. Order is the exception. And that is why you have a whole officer, the HAS, devoted to bringing order, in terms of putting an org there which can run in an orderly fashion.

So, that is as far as your orders go. Putting an HCO there is a, quite a job. It is a sufficiently hard job that there were one and one half HCO personnel in England one year ago. One and one half HCO personnel in the whole of England. Isn't that interesting? Must be very hard to put an HCO there. We had them counted. I often wanted to see that half HCO personnel. That was a year or so ago, and it was a period when the org started to sag a bit.

So what does it take to put an org there? Money. It takes income, loot. That's what it takes. And how do you make loot? You deliver, and you get people to come in and take advantage of the delivery which you are accomplishing. And you develop the consumption. And that is how it works.

Now you are immediately going to collide with the proportional pay system which is being abolished. Now as soon as we can get this backed up and straightened out, a new financial situation is being arranged for Scientology organizations, as well as Sea Org orgs. It's more or less running this way in Sea Org orgs now. The exact form that it takes is probably still open to some adjudication. There are some people who have a say in this line. People run these finance networks, and they have their own ways of doing things. And you can't be too dictatorial and mandatory about the whole thing for the excellent reason that they also have a working arrangement.

So the exact actions are based on this formula however, that the org has an allocation, which is a minimum allocation. It's bread crust survival. It covers the rents and the lights, and it might cover a little staff pay, pocket change. And they make all of their money on production bonuses. And it's the degree of production which was brought about by the org which determines their allocation. And going in on an FBO system, and it runs simply like this. Financial planning is done on the basis of necessities, and along with that is the state of production for that existing period, and that is passed through to the division three and so on, and it's an ad council action. And division three has a checklist of the necessities of an org, and they check this off and they see that if it's within rights then they do what financial adjustment or financial planning is done in the field of financial planning. This is then forwarded to a finan-

ce banking officer, as a submission for allocation. The Flag finance banking officer; you notice the title has been slightly shifted; then makes an allocation. All of the income of the org is picked up and banked by the finance banking officer in probably two separate accounts. They are management accounts. That money which is allocated is then given over to the normal banking system which an org follows.

The adjudication as to the rightness, wrongness and otherwise of this is done quite fairly. That adjudicatory function, when all becomes too horrible and so on, is given to the Guardian's Office, so that if this situation goes completely out of gear, or injustices are occurring, or something like that, there is a local submission that can be made so that the Guardian's Office can adjust it. Guardian's Office has an excellent record on cash/bills.

Now, the management debts of the org, or the management part of the org, or management costs in managing the org normally come out of the management accounts, so that the org does not have to be too worried about that. In that fashion, a reserve is built up, and expansional actions can occur in the org without the income being consumed in day to day running operations. And that way you will get an establishment. Otherwise, I can't conceive of any way you will get one.

So, if the production is there, the allocation of course is quite good. And if production isn't there, it is barest survival. And in that way why we have already got successful actions in this. There's a lot of background in how this is done, but it has never been laid down as an exact formula on how it is done. And you could expect that formula from time to time to be shifted. But the formula is simply that there is a basic allocation to the org. And that basic allocation keeps it from getting into the sherrif's hands. And that's about all. And the org, to make any income and pay and do other things of that character, and pay its payrolls and so forth, that org would then have to have certain production. And these are called production bonuses. But they aren't bonuses to the individual, they're bonuses to the org.

Now that would influence financial planning, and might very well act in this fashion. The product of such and such a division was practically nil, therefore the requests for FP and so forth by that division and so forth, would get a rather jaundiced eye from the treasury sec. And it would certainly get a jaundiced eye from the finance officer. Fifteen staff members producing nothing. So it doesn't get a bonus, so that division would stay on a starvation level until it got a production. And in that way, then you don't have your throat cut as a product officer of having all kinds of consumption of the valuable final product at the org in such a way that you cannot build an establishment, 'cause you'd find yourself just stalled on a plane, unless such a system were introduced.

The proportional pay system has served its purpose. As long as I was managing orgs fairly directly people actually received more money than they ordinarily would have received, on the proportional pay system. That has not been the case for some time. And the proportional pay system was to maintain an org so that it did not become insolvent. And we have maintained these orgs, now we're ready to boom them, and so on. So the proportional pay system, people are thanked for having been on that system, as horrible as that system occasionally worked out to be. But they have actually served their purpose. They have kept the beach head.

Now of course, the valuable final products of the org are on the FEBC, on another subject here. The valuable final products of the org are on the FEBC org board at the bottom. Or should be. And I can read them off. Now there are products, and there are valuable final products. And although the valuable final products of an organization are; let me say one more thing about the finance system. The thing that you will run into in the finance system is not understanding it. And the reason people won't understand it, it's too simple. Actually you're running on a much more complicated finance system now.

THE FEBC ORG BOARD

AND ITS VFPS

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3 February 1971

Alright, now let's look at this. Product, product. Each department would have a product, each division theoretically has a product. And these products are, in the most part, sub-products, if you want to be very technical about it, because they build up into a valuable final product.

Now a valuable final product is one that you can exchange with the society for the wherewithal which the society has. This is by definition, by definition. It is something for which you can exchange the services and goods of the society, and if you want that.

Now of course that would seem to be just money. And the truth of the matter is, to a large degree, the society, not really delivering and not really serving, has to count totally upon money. But a trained auditor is a valuable final product because he's an interchange with the society around you. A preclear is a valuable final product because he brings about an interchange with the society around you. And money is a valuable final product because is brings about an interchange with the society around you.

In even a communism, where money is outlawed but they have income tax; you didn't know that about Russia? One of the Russian's main problems today is income tax. You didn't know that? Well anyhow. They invented it, they ought to get it, boy. Overt/motivator sequences. But you in actual fact, on this type of economy, and thinking in this particular way, you would see that a preclear, receiving service, actually does bring about an interchange. An auditor out in the society receives an interchange. And if you look over, if you look over economics as, well look it over from the standpoint of barter and you will understand far more about money than they understand in Switzerland. That's a dirty remark, isn't it? The only trouble with Switzerland is that's all they understand, that money is money, is money, is money, is money, is money, is money, is money. Now they understand pretty well how to is this money to here and is the money back again, and so on, and one day it'll all as-is and they'll wonder what in the devil they're doing.

The truth of the matter is, that barter is a better expression of economics any day of the week. Why? Because when money inflates and goes bad, people resort to barter, so barter must be the basis of money. So therefore that is something which you should keep in mind. If

the world all of a sudden goes communist, or socialist, or fascist, or something else where your money factors go out, you still have a barter type system which can function.

It's, a barter system is clumsy. And I'm not saying that barter is the thing you should engage in, I'm just showing you that there are different coins than cash. There are different coins than cash, products which you have, themselves, could probably be dignified if you changed the economy you were operating with as valuable final products.

But the wherewithal which you need in the society in which you will operate is money. And the way to make money is to turn out valuable products in terms of money, and receive the money and convert it into an establishment your way. It's the relative simplicity of the system which lends itself to use. But there are other systems, and you can work them out and so on, 'cause basically what you're trying to do is interchange. You're trying to get services for service. And if you understand barter, and how service could be translated directly into commodity, and you understand that that can occur, you'll all of a sudden realize that your service has to be real. And that every product that you put out has to be an interchangeable product with commodity, potentially. And that doesn't mean a mis-audited, flubbed up preclear.

Now you go out and try to trade a banged up can of beans for a nice, sleek, new can of soup, and you will see at once that your product has to stand up. And money obscures the fact that delivery must be of good quality. And that is the thing which you must remember. And doing a product officer job, that your delivery has to remain of good quality.

So therefore, therefore, you probably have a hill to climb in getting up quality. A stat actually should consist of volume, quality and viability. And the quality must not be neglected. But you can try to push the quality up so high that you get no interchange at all. The art formula applies to production. In the case of the art formula, which is, you see, that it is a communication, you could actually push the perfection of art up to a point where it not only doesn't communicate, it's never released at all. I sometimes watch a C/S grooming up a pc with life repairs, and I wonder if he's trying to repaint Leonardo da Vinci's Mona Lisa.

I get them across my desk every once in a while. The guy has certainly gone as high as he possibly could go in this grade, and if we repair him just once more, or if we groom him up just one extra auditing command, we have had it. So there's a time when you let go of the product. You see? So communication must still exist. There must be a transfer of communication particles called products, other words they've got to flow. So your quality is something that you rise, and so your letter registrar can sometimes tell you, "We are working here, why didn't we get any letters out this week?" "Well actually we're checking out everybody in CF, and we're filing up CF perfectly, and we have got the quality here, and we've got to raise this quality because we've had two letters in the past year which have criticized us for our lack of quality. So the hundred thousand letters which we expect to get out in this year must be of good quality. And the four hundred and sixty-two replies we get every week are neglected, because they aren't complaining," or something. I mean, it's as crazy as this. You just get a crazy explanation.

No the way to do it is you get your volume, and then make it of quality. So you will have to do this of course with technical delivery. So this, it's true of all of these products, eve-

ry one of these products. Get it up in volume, improve its quality. And if you do that, you will achieve viability. If you try to improve its quality without raising its volume, you will not ever achieve viability, nor will you achieve volume. So it goes one, two, three. It goes volume, quality, viability. And one of those things extends from the last one. So you think in those terms in production, you think in those terms with regard to all of the products which you have departmentally. And I'll just read you off rapidly so it'll be a matter of record, the various products of departments, as they exist as of this particular time, and reserve the right to improve this list, or improve the wording of these products.

And that is, department twenty-one is the technology of Dianetics and Scientology and its products. In other words, that is the knowledge with which you are dealing. But, it's the technology of Dianetics and Scientology and its products. "Well that's great," you say, "but really, the office of LRH, and Ron is on Flag and so forth…" No, you've got a department twenty-one in your org.

Now policy knowledge is going to leave the Guardian's Office as a function, and is being moved over into the office of LRH. And this was one of the old hats, one of the old hats of the LRH comm. And you'll find an old time LRH comm knows his policy backwards, and forwards. So, that's putting it out. "Yes," he says, "but really he isn't keeping the mimeo files, how could he do it?" No, that's knowledge.

Now if your department twenty-one isn't putting out any knowledge in this direction of any kind whatsoever, or offering anything and so forth, why it's not doing its job. What was the LRH number one EDs? And why was the LRH comm trying to put those into orgs? It was directly and with some asperity in cases, trying to put knowledge into the lines. Right?

Now, department one is effective personnel posted and hatted. Now that is posted, of course includes an org board. And effective personnel, you'd have to get some personnel. So of course it includes recruited personnel. So there's a sub-product of that, is hired, recruited or acquired personnel. But the end result of this, the actions of that department are effective personnel, posted and hatted. You don't have any personnel, you know what department to look to.

Now the odd part of it is, is a very valuable commodity in the society is a staff member. And this is sufficiently valuable as a point of interchange, although you really can't get any money for it sometimes. I first hit this when I found out why I was losing secretaries, way back in the early fifties. The fact that a girl had been my secretary was an adequate recommendation to become an executive secretary to some millionaire someplace. And I lost more secretaries. They were trained up. And it was very funny, but my secretary in a South African country, was just an average stenographer until I got her trained up, for a very short period of time. And what do you know? She was hired by the richest man in Malawi for ten thousand a year. Why? Well, they knew administrative systems. They knew the basic fundamentals of administrative systems, and so they went into a category called executive secretary.

Do you know that you lose people all over the place to businesses? Your orgs actually lose people to businesses. You look around and find out what they're doing now. Those staff members who have been well trained turn up in the most remarkable places. I remember one time in London, somebody called up some big corporation to talk to its president one day, and

they wanted to know what they wanted to talk to him about. And they said, I think the person calling said, "Well I want to talk to him about Scientology," and there was a click and a whup and so forth on the phone, and a voice came on the phone and said, "This is Mr. Blank, Scientology consultant." And the person doing the phoning was talking to his junior of last week. Now this is one of the reasons why we've instituted in the department of training a hat college, because it's apparently a valuable commodity.

Just look amongst yourselves, how you fight to keep, or connive to acquire an experienced, trained or hatted staff member. Now tell me they're not valuable.

Alright, department two is communications easily accepted and swiftly delivered. It doesn't need too much embroidery, but it's just that. Now it of course could have volume, and it could have quality, and oddly enough can have viability. Don't mail the mail for a couple of weeks and see how broke you go. Well of course that's pretty, pretty blunt. But the truth of the matter is, you will hear occasionally somebody who is trying to raise the quality of the letter registrar; I've had this happen; raise the quality of the letter registrar's letters. True enough, they can be ghastly occasionally, but somebody, somebody is busy trying to raise this quality like mad, and you say, "Why?" Well this stuff just pours in from the org you see, and people in the field don't like it or they don't accept it. And do you know that a survey proved entirely the reverse? Even when they didn't answer them that the bulk of the people around, and so forth, were very happy, and a little bit honored to get communications from the org. You see, you only hear from the people who complain. And the other guys sit out there and they receive them, and they're very happy to receive these things. Once in a blue moon, why you'll get a complaint.

A six thousand circulation magazine editor once told me, once told me that people in the field didn't like the hard sell that was in" the magazine. And I said, "How many people in the field?" And she scraped up every letter that could be scraped up, and there were twelve. What a batting average! Twelve out of six thousand? Unfortunately, that state of mind prevailed, the magazine went soft sell, and the org's income started going out the bottom.

Well this is not necessarily that, but this is just mailed communications, easily accepted, it says. So a communication which is a dispatch in its proper form is easily accepted. A dispatch, anything that is mailed that can be accepted. And the truth of the matter is that a quality factor enters in there, and a person can object along that line, to the quality. And we used to have things called comm inspections. It could easily be extended over also into quality.

So, department two is communications, as I said, easily accepted and swiftly delivered. And department three is an established, active and ethical org. Well, that's the product, so that is the product of HCO, so it's the product of the last department of HCO. And look what that department contains. It contains inspection, it contains stats, and it contains ethics. And you couldn't have much of an establishment unless it were an ethical establishment, and it argues back and forth against itself, so that is the product.

If you don't have a product, why then somebody must not be using the expertise of stats, and that sort of thing, with regard to the staff, your staff stats, and so forth. It may be

nobody even looks at them. Neglect any place along the line and that department will wind up with not having one. So that, you can say, is the product.

Now department four is effective promotion pieces printed and sent out. So, notice it says effective. Wipes out a lot of mimeo magazines. Puts in a lot of surveys. It actually changes your operating line, because effective, effective; what is the definition of effective? Well you can sure figure that out. It would be something that was answered, and preferably answered with a body. So the org mailed out a thousand promotion pieces, and only nine hundred people came in, what the hell's the matter with that department? But that is the ratio on which you would be operating. How much went out, how much came in? You could probably figure the percent.

Department five is have course packs and tapes, plus these valuable final products of the org: Sold and delivered books, sold and delivered tapes, sold and delivered meters, sold and delivered insignia. You probably some day or another will see that product neated up, but if you just keep up, if it gets neated up and those disappear, you'll have had it. The funny part of it is that a sold and delivered book does not cease to be a valuable final product of the org, because it is out there, read and read again, and read by somebody else, and so on. So when you don't have books out there, you of course are not exporting knowledge to the society.

And tapes, when tapes disappeared once out of a whole continental area; a tiny one; the whole subject went bad. And it was a why, a why was eventually found, in this terminology of that day, and it was found that they hadn't played a single tape anywhere in that area for two years. When they played no tapes in that area for two years it went bad. And when tapes were played again, why everything got fine. So it was just the fact of communication. There was a factor of communication which had been dropped. So if your org isn't selling any tapes, da da do do. If you don't have any tapes being played down in the distribution division or someplace, or somebody isn't playing tapes, or there aren't any study groups playing tapes, and there's no tapes, why you will develop some trouble. Not from us, you will develop some trouble from your field.

And of course, sold and delivered meters, and over the dead body of numerous individuals who seem to make it their dedicated possibility of holding their withholds absolutely secret, and if I were them I would, you know. We're still selling meters.

Now sold and delivered insignia is not done anywhere near enough. But look, I wonder why, I wonder why your org doesn't sell the student the materials of his course. You know, I think it's a shame that he doesn't. And I wonder why somebody can't have his hat when he goes away. I should think he could. And I wonder why an SHSBC doesn't have every SHSBC tape he ever listened to, I don't know why. In fact, I don't know why you haven't got a total archives in your org. See, I don't know why at all.

So you start, you start looking this over, you say, "Hats, course packs and tapes," the truth of the matter is, it's just, we're just being big hearted. And we've never looked at what you can do with hats and course check sheets and course tapes. We just never looked at that.

We used to have a rush project which was very interesting. After every congress the tapes of that congress were instantly available to any attendee of the congress. And we used to sell an awful lot of tapes. Now that, that to some degree, is neglected as a valuable final pro-

duct, so a product officer, shopping around inside of all this can very often find some that aren't even listed down here. But before you distort the org too much, make sure they're valuable enough to be bothered with. Can they achieve a volume is one of your questions. You can sometimes spend more administering something than you can be recompensed for.

Now number six, hold your hat. It's the income greater than outgo, plus reserves. And that is why the invoice department is being shifted directly and immediately to six. The invoice machine is going right over into six. I found out oddly enough, the reason why a management org must have a service org alongside of it was great interest to you. Anybody in a liaison office would find itself extremely embarrassed if it were too distant from an actual working org, because they'll lose the scene. And the scene disappears from before their view, and the familiarity ceases exist. And therefore, orders and corrections can be quite unreal.

Alright, so I found out that you can't get an invoice system in to tech, if it runs through cashier, strangely enough. The business of the cashier is to, is to handle the cash. And where an org has credit, and an org inevitably has some kind of credit problems; as long as it has qual it will have credit problems of one kind or another; so that any credit invoice, or any debit invoice, or any other kind of an invoice has got to go into department seven, and it's got to be address plated, foldered, statement sheeted, and so on.

People are always sending this in. We try to get out of the credit business, we can never make it. And people are always sending in a hundred dollars too much, and what do you do with it? Well, you put it into the statement files, and the guy now has a statement, he's plus a hundred. When it gets upsetting is in the book department when they consistently will send in another dollar or two. And you will go down in a book department and you will find that they very often have a little credit file. And people are always leaving money on credit in the book department. And you go down there and you'll find out there's a complicated little file that's being kept by somebody who is shipping books or something, and it's the most remarkable thing you ever saw in your life. It'll be twenty cents extra, and a dollar and a half short, and two bucks extra, and things like this. And if you don't keep it up people get upset, too. "But what happened to that seventy-five cents that I sent you?"

Alright, so income greater than outgo plus reserves is six. Now that means that the registrar occasionally is going to have to hump, but then the registrar will have various functions and things in the registration department, which will function. Advanced registration is a total flop, in actual fact, comparison to what it could be by depending on division three to do the collections, because division three does not have the files or the knowledge of this, nor the advanced registration books with which to continue to send it out. So we all of a sudden have a plating, address plating action occurring in department six. Anybody who's advance registered and put five dollars in on a course immediately gets a plate, and he gets a bill. And you just keep billing them, and so it has to go out as a billing. And the advance registration only breaks down when this isn't done.

Alright, department seven is all funds collected for services and sales. That's all funds collected for services and sales, and so on. Department seven doesn't have anything to do much with viability or anything else, they've just got to collect all the money in sight, that's

all. That's the way they do it. They set themselves up administratively to collect all the money in sight. If it's money, they collect it. If it's owed, they collect it.

They collect it. So if they're not set up to collect, why they've had it. In other words, you become unworkable, the org becomes unworkable from a viability point of view One whole org at this particular moment of, not one of the lesser orgs either, is falling on its head right at this minute, because its invoice and collections set ups are so poor that it is being paid thirty-five dollars, seventy-five dollars, twenty-six dollars, for Dianetic courses. And they wonder why they can't pay their staff. Well the advance registration, the deposit on the course, that line is out. So we'll just put it back the way it was originally, and let her roll.

Now department eight is subject to great misinterpretation. And it's pleased creditors. They're a product. Now of course you could please them by over paying them, but that isn't expected. And as a matter of fact, they wouldn't be pleased if they were over paid, because it wrecks their bookkeeping system. But occasionally some printing firm will make a nice try, and after that be very withholdy. They will send you three bills, and then send you the summary bill of the three bills, and then take payments for all four bills. And after that you find them very hard to live with, so they're unpleased, because they've now got a withhold. But pleased creditors.

Department nine is adequate and well cared for materiel. The word adequate means it has to get issued, and well cared for, and so on. There is an additional function in there. They've got to be able to get together their balance sheets and so on, unless that is adjusted on the org board. But that is definitely provided for, that division three should get something out that has to do with its basic quarterly summaries, and so on.

Now department ten is adequately supplied courses, rapid, efficiently scheduled, routed and handled students and pcs. And that is of course tech services. And we have learned recently that for some reason or other this department will, with a completely straight face, try to get its quota by having forty-five percent of its auditors idle, and making fifty-five percent of its auditors work double their normal auditing hours. This product can really be goofy. So, when it comes to bonus systems and so on, that department actually loses bonuses for all idle, non-quota auditors. It can lost its bonus and its pay, the way it's set up right now, 'cause they will leave people unscheduled, they will leave people un-called in. And there is where your well done auditing hours goes to pieces. You will find that something peculiar is being done with scheduling.

Now one of the ways, you say, "Well the D of P draws up all these schedules for pcs, and those are all traditional, so what could that have to do with tech services?" No, the way tech services does it, it's tech services gets the list. And then as the auditors come in, tech services stands aside while they argue about which pcs to take when. And that can make such a balled up mess as you wouldn't believe it. One of our high stat auditors by the way just takes the pcs, just in rotation as they're handed to him. And the others shift the pcs, and change their positions, and change the appointments, and adjust the schedule and so on. And in the process of doing so they don't necessarily lose hours, but they lose their whole day. And then you ask them, "Well why don't you ever study?" or something. There's a lot of abuses can

come into this particular tech service department, and most of your trouble in trying to get out delivery and so on, you will have with tech services.

And tech services, they will invent lines to try to get tech services in. The basic lines of tech services are in policy already, and tech services actually worked the most smoothly, and so on, along about '65, some time like that. And you find out an org which you have right now, they've probably got some invented tech service line that knocks out your production.

The worst case what I have ever seen was, an org had thirty-five auditors. And some of them audited two and a half hours a week. You mean full pay, full time auditors, and some of them audited two and a half hours a week? Why? How? Well the why in this case was the registrar was doing all of the tech services functions, and the D of P's functions. The registrar was scheduling the pc, with this simple additive: "When do you want your sessions?" And then this would be sent over to tech services and the D of P as, "This person demands his sessions on…", and all we changed was remove the question. And we told the pc to be there Monday. That was that. And thirty-five auditors instantly started to audit their full quota of the day, and the income went up right up through the roof, and my god, you never saw so much money in your life. They were going mad in the; they were running out of invoices and everything else. It was terrible problems over in department seven. They couldn't keep e-nough invoices in the place. Machines kept breaking down from over use, and you know, cash drawers kept breaking, bottoms fell out of them. That's the kind of problems I can have. But the simple switch in this particular case was removing one question from the registrar's reper-toire. Interesting, isn't it?

This probably would bring up the question, when does the product officer cease and the org officer begin? They begin on the subject of line. Whenever a product officer finds himself in the field of line, lines, or adjusting a line, why he has got hold of something that belongs to the org officer. And he should turn it over. He can handle it if he wants, but he won't get anyplace trying to do the org officer's job.

Alright, so department eleven is a valuable final product of the org, and a valuable fi-nal product it is. Effectively trained people who can skillfully apply what they have learned, and will apply it. Do you notice it doesn't say certificates? An auditor who cannot audit is a liability. He's not a valuable final product. And we've got too many of them being taught right this minute, and boy, we have to put them over the jumps when we get them here. Boy, do we put them over the jumps. And what do you know? It takes two-way comm, and actual case supervision, and no evaluation from the bulletins, and just like it says in teaching a cour-se. And the way to get a valuable final product there is get the course taught, the way it's sup-posed to be taught. And that's all you have to do. Difficult, isn't it?

It actually isn't difficult at all. I don't know how anybody makes a lousy auditor. I think it's almost, almost impossible to make a lousy auditor. So, any time you turn loose an auditor who can't audit, why you've cut down your field, and you've cut this down and you've done that. So that's not only a valuable final product, that's a product that can recoil.

Now it's been true of department twelve, HGC. The valuable final product of the org. But its product; now hear this product; is the wins of preclears and pre OTs. Its product is wins. It actually is trying to move itself up to the persistent F/N. It is not trying to, as far as

the public is concerned, and as far as basic tech is concerned, it is not trying to reform people. It isn't trying to do all the multitudinous other things that you think it could do. But as far as the HGC is concerned, it is simply wins, quantity of. And they are expressed actually by the width of an F/N, so they're even on a meter. Somebody who ends the session with a quarter of an inch F/N, well done auditing session, it might have F/Ned if the examiner had examined the pc on a meter. I'm sorry. I'm sorry, actually my ribaldry sometimes is prodded into existence and so on. I've had too much to do with straightening out lines, and so forth. And recently we've been straightening out some lines. And you're getting some real production. But the production which you're getting is absolutely fantastic. And the amount of persistent F/N and that sort of thing, which is turning up on these lines, is practically unheard of.

Now the exactness and the stress and duress which it takes to achieve this, and the exactness of the auditing and so forth, comes from the; it's only doable if you have of course a trained auditor in the first place. Now when we haven't got a trained auditor and we have to retrain the auditor, and we have to retread him, and we have to recram him, and we have to do this with him, and we have to do that with him, and so forth before we can put him on to auditing, then that shows there was something wrong with the instruction in the first place, and it just wasn't done according to the text book, that was all.

But it's wins, wins. Every once in a while I get something from a C/S. "Actually this person has not done the three last processes of this particular grade, and the F/N won't stop so that we can do them." Now this is why this is couched, in terms of wins. Now how many wins can you get? You give quicky lower grades, all in twenty minutes, and you've got one win. Whereas there are, in actual fact, about thirty or forty wins that can be gotten in that area. So how do you milk this for wins?

This will kill you. I had a case that was all mucked up, the other day, and so on. Case came in here from some place. God awful. Been audited upside down and backwards, and so forth. And I took a look at this case, and I audited him on a disused power process. I got a win. It's a power process that patches up auditing but isn't generally used because nobody ever gets into that far, or into that much trouble on power. So I just said, "Well it's doing no good in that package, let's pull it out of that package." Run it on this pc… So how can you coax a win out of a situation?

This case was hopeless. It would have been a hundred and seventy-nine hours of life repairs, been self auditing for the last eighteen years. Gone all the way to OT 6 without having read any of the materials, except to sort of glance at them, shudder, clinch, get away from them, quickly attest, nicely restimulated. Now how do you get a win out of that? How can you shake it down for wins?

Well you can give a case a win by straightening them out, and when it is straightened out recognize that you have straightened it out, and the case has a win. Now of course you've got the whole parade all the way from Dianetics to OT 6 all wide open, to get wins on. The way the case is handled. How many wins can you get in this case? Not how quick can we finish the case, because that's a completion. You offer completions, you can say completions on a stat, but the way the examiner is rigged up now, he'll register it as a win. You got it?

So from the product officer's point of view it's how many wins it that HGC getting per capita. And if he can just keep that flying, why the enthusiasm will go out in all directions.

Now, department thirteen, and there's, it got shaken up when we put in a thing called a hat college, and it sort of tried to drop out of existence, and a bunch of things like this. And various things happened along in this line, and when you don't understand what's happening it's a good thing to just hold onto what you've got. That's a good maxim. And department thirteen, department of personal enhancement is effective and well trained org staff members. Well that's fine, but they would have to program them, and so on.

Now to some degree this is probably susceptible to a modification if the hat college has this. But it isn't likely that the hat college would have this. These people would have to be programmed and handled and qualled, and so forth, in order to make them that. And the STO functions have not been dropped out of the org. So that is just a fancy way of saying STO.

Alright, department fourteen is more efficiently produced org valuable final products. So you've got a built-in, an establishment correction machine. There is a built-in product three, org series ten. And that doesn't relieve the product officer or the org officer of any of his responsibility, and it probably however will cut quite a few miles off their pedometers.

Now department fifteen is corrected org products, and its earned certificates and a-wards. Now actually, these don't necessarily verify or coordinate with the stats. We have a stat action, and this is where this comes up. We have a stat, a series of stats, which scatter down through, somehow or another give you the volume of production, the quality of production, and the viability of an org. And that OIC set of stats, when you're used to reading them, will give you all three of those answers. Whereas, if you just took all of these products and they became the only stats you had in the org, you might or might not wind up with it.

Now success stories and the gross income divided by the number of staff members, are the traditional earlier stats of qual, and since we dropped those stats, why qual has not been as well off as it has been in the past. So that again, this is measuring something up by wins. You can expect some minor change in this area, is the only thing I'm alerting you to. But when you have the minor change, why you will have it. And right now you have the fact that the product is the corrected org products. In other words, the product of the org corrected, and that would be too successes, and its earned certificates and awards. They of course are very valuable to the people to whom they are issued, particularly if they are earned. And if they are very, very well earned they are very valuable to people. And it's quite a valuable final product to the individual.

Department sixteen is effective PR and advertising actions that attract members of the public to become Scientologists. So now we've gone external. Now if you want to understand the distribution division, the distribution division is external into the public. External. And the dissem division of course is internal. But you've noticed that there has been a shift of empha-sis here, given by these products. We have effective PR and advertising actions that attract members of the public to become Scientologists. Fine. That's your outside advertising. When they dropped advertisements in books in England, there was trouble. They didn't have the flow they had before. It was simply an advertising campaign. You drop advertising campaigns

of all sorts and descriptions, and of course your consumption drops, naturally. So this is actually where you're counting on your consumption of new zones. New consumptions.

Now you've already got old consumptions, and things to consume oldly, back in the second division. That's dissem division. So your new consumptions, and new frontiers, all come from that area.

Department seventeen, hold your hat. Department seventeen, this gives you an entirely different think in the standpoint of public divisions. Department seventeen is hatted Scientologists. And some PESs will look at that, and some public division people will look at that, and they will say, "Certainly changes things." And you will expect the VGIs, well they'll probably come in two or three days later. They suddenly get it figured out, and they're away.

Department eighteen is active field Scientologists. Now of course that then is furnishing these people with sold books, distributed materials to; actually if you look over these people very carefully, you will find out that a Scientologist in his personal' ' contact does the majority of your selling for you. There was an old campaign, sell a book and make a friend. The bulk of your distribution of Scientology materials, and so on, could easily be done from that particular sector, providing these people are given assistance to do so. So you've got actually the book store sales over there become very active and tremendously swelled up if you've got department eighteen functioning out there, selling. And if there's groups out there of them, and things of that character, and that's what it takes to make an org expand. You've got to open up new consumption areas. The people that'll open these up are hatted Scientologists, department seventeen, who turn into active field Scientologists in eighteen. Right?

Now department nineteen is a viable org. And of course the valuable final products of the active field Scientologist, have bought books, disseminated knowledge, environmental control on a cleared planet. So that's how you do that. So they're hatted in eighteen, they become active field Scientologists; now nobody's talking about a field staff member. Active field Scientologist, they could also be one of those. And an active field Scientologist, if he has the valuable final products of bought books, disseminated knowledge, he will then get environmental control, and he'll get a cleared planet. And that's how the job is going out.

Now the department twenty is of course the office of the controller, which is really the Guardian's Office with all Guardian's bureaus in it, and is usually manned in an org by an AG, and will often have an AG finance. This has the valuable final product of acceptances of Scientology. It's acceptances, and you will find out that translates several ways from the middle. It translates in numerous directions. It would consist of combatting an enemy propaganda action, it would consist of getting in good press, it would consist of quite a few things. But the end of all of that is a product, and its acceptance, so you could actually measure up numerically, acceptances. And that too governs, to a marked degree, the viability of the org at large, so of course it adds into all of the other products.

Now if that office is basically external, and while it's busy trying to straighten out the groof-floof of having hired sweet Betsey from Pike, who turned out to be, and is trying to handle that, if they're out there in the society faced outwards, and handling things on a long run and an external reach, then you'll get acceptances. So actually it detracts from their product to handle internally, orgs. And one of the things that's happening right now is the Guar-

dian's Office has had to take over several orgs and several sectors, to make up for the slack of FEBC students out. And it is one of your duties to get the place running, so the Guardian's Office doesn't have to be walking up and down with a Sherlock Holmes cap, through the corridors of the org. Get 'em extroverted. Don't give them trouble, and don't get them distractions. Give them reassurances, "We'll take care of the org here." And of course, as we have already given you here, the 'teen was of course a viable org.

Now the office of, the org board you're working on here, has the offices of the executive director, the product officer and the org officer, and the executive director, who is really the product officer's PR, and the executive director or the product officer's messenger, has several; the valuable final products are of course the product officer, of products one; the executive director has products one, two, three and four, org series ten. He is basically, when you get it out into a triangular system, the planning officer. And he is the fellow that the product officer and the organizing officer meet with, in order to plan up what they're going to do. And then the basic team action which occurs, occurs after a planning action of this particular character.

Where you have the product officer, who is also the executive director, he is also the planning officer. He's double hatted, and you shouldn't lose sight of the fact that he is double hatted. And the product officer of course has products two and four, which is the correction of the product of the establishment, and of course the product of the establishment. And the org officer has products one and three, and that is the establishment and the correction of the establishment.

Actually, product one is delegated, but is really just delegated, to the HAS. But then so is everything else delegated from these. And you've got the full, broad span of it.

Now a finance office will sooner or later come into establishment in department twenty-one, and it will have as its product, reserves. But the facts of the case are that the org itself accumulates reserves out of its own allocated funds, and the cash/bills ratio is reported, just in case the point ever comes up, is what the org has, not what might be into the management reserve accounts. There's been some confusion on that recently.

So therefore, you have a list of those products. And it is germane to this particular talk I'm giving you what products you are going for. Now the product officer of course has all of those products, and the org officer puts the organization there to attain the products. And as far as the establishment itself is concerned, that is put there by delegation by the HAS. The FEBC projects and so forth, if teams are put together to run those, you will find out that they very smoothly move into the org board as being the actual department and its function.

What do you do when an FEBC project is completed? What do you do when an FEBC project is completed? Well, you start in at the major target, and do it all again. And this time you do it bigger and better. And you can always do a project more perfectly and more voluminously than you did it last time, and from time to time you will probably have amendations on these projects, based on your own experience with these projects, and they will be released as an R after the ED number. And you'll notice each one of these projects is numbered, and so they can be referred to in telex, they can be referred to in correction, and they can be reported on in MOs.

Now the facts of the case are that when a person is on MOs, a person is supposed to report. Now what is your relationship to a CLO? I can give you that very, very briefly. A CLO is there to collect data for Flag, and to get Flag projects executed, and to handle immediate emergencies which are necessary to be handled. The CLO is not there to send out work parties, it is not there to hold hands, and it's not necessarily there to shoot people. It is there to give a hand, to give advice, to relay data, and for that reason in department twenty-one you have another post, which is liaison officer. He's the bureau liaison officer.

Now all of your communication to the bureau should go through a bureau liaison officer. And all the communication from a bureau should go to the bureau liaison officer. And any communication from an EC, any communication of any kind whatsoever from an EC has to be cleared through a bureau, and is part of a bureau's functioning. And it is done in coordination with, and under the supervision of a production aid or assistant production aid.

The exception to this is the Guardian Office communication lines, which travel directly of course to the Assistant Guardian of an org, and travel back. And those lines, although they will go through the communication lines of a bureau, do not necessarily clear through any other terminal in the bureau. They are there for relay. They would go there, they would go to external comm actually, and external comm bureau would forward them straight on, either to ECWW, or otherwise, or an Assistant Guardian can actually communicate directly to Guardian WW, or communicate directly to Flag.

And in addition to that, another set of communication lines exist in the vicinity of the finance office. And the finance office goes directly from Flag to the finance office.

There are three hats which exist then in the department twenty-one, and those are your basic communication hats. It's the LRH; they're the basic, through this terminal communication hat, except as I have just given you on the Guardian's Office. And this department twenty-one, you have the LRH comm. Now basically that is my communication line, and I hope after this is all set up to actually have a communication line into the org, because now that LRH comm is so double hatted, and so otherwise out of department that it's sometimes difficult to get a communication into the org, and get a communication back from the org. So there are three basic hats there, just speaking organizationally. That's the LRH comm, who is the department head, and then there is the liaison, bureau liaison officer who is the basic communication terminal, through which the bureau communicates to the org. And then there is the finance banking officer who is part of the finance network. These three things, it would be such stress that I certainly wouldn't advise it, but it actually could be a triple hatted post in a small org, to begin with. And one of the first things that he would probably get rid of there would be the finance banking officer hat, in one awful hurry, because of course this is your final terminal for FP, forwarded there from the division three. And he'd have to handle all of that.

But nevertheless, those posts you will find, it would be very good to man them. And when you can get up big enough so that all three posts can be manned, this is the thing to do. So therefore, the mission communication goes out of the org actually through the bureau liaison officer, to the management aide of the bureau, to Flag. And that is the communication line for mission orders. So if you're a product officer, an executive director or an org officer, or an

HAS who is on mission orders, and has occasion to report on those mission orders, then the communication line is actually via, the triple hat can exist, LRH comm, bureau liaison officer, finance banking officer. You will find out that life will become much more bearable when he is just a bureau liaison officer. And that is the proper hat for that order to report it through. That order goes to the management aide, and you would have to direct it. It says, "Management Aide," and that's the nearest CLO. And then that will wind up here on Flag, because they report. Their data bureau has a valuable final product of collecting data for Flag.

This does not pretend to lay out for you the valuable final products of bureaus. But the valuable final products of Flag consist of things like workable projects, that increase the volume and quality and viability of an org.

The final product of a bureau liaison office would be a project successfully completed, which increased the volume and the quality and the viability of the org.

So actually a bureau, if you want to know what they're really supposed to do, a bureau sits there with the collected data sent to Flag as their valuable product, as from Flag's point of view, and from their own point of view, even though it goes through their own data bureau, and even though it is for and used by their people in order to know what is going on, which certainly has to be done. They're just solving this in LA, and it's in a terrible scramble, or it was, and now it's been more or less smoothed out. And that data coming through and sent to Flag is a valuable product.

Now, on the reverse way, it's completed projects. It's not actually written, developed or anything else projects, it's completed projects. And those you would find normally that have the priority of Flag projects completed. So a bureau of CLO is not likely to be showering down on you with a bunch of internally originated projects, which are in conflict with your FEBC projects.

But, the way an action bureau operates is something else you should know. An action bureau is the last report, or the last port of a bureau. The management aide will write and say, "How is project woof woof going?" And he won't hear, and then he won't hear, and then he doesn't hear, and then he doesn't hear. Well, a report a day keeps a mission away, because of course his action is to turn this unreported series of stuff straight over to the action bureau.

The action bureau'd be operating in a highly understandable fashion. Be operating basically on the thing of trying to find out what the bug is, find the why in the situation, find out if there is a situation, find out the why of the situation, and if they can, remedy it on the ground, or refer it and report it, so that it can be remedied. They have an observation function, which is only fair to mention.

So, this is the way the lines are being smoothed out, and that is what you could count on from the bureau. A bureau is also there, they can give you advice, they can give you help in various ways. We are very, very helpful indeed, but we have been so helpful in bureaus that the basic personnel of liaison officers has just been stripped down to practically nothing, sending out work parties, to hold people's hands, or file up their CF, or do things of that character, and it's actually a little bit out of character for the bureau to do this, so we are frowning on it. We won't necessarily stop this with a sudden, grinding halt, but we will certainly slow it

down, because an org is actually not made competent by being continuously babied or helped. And we are trying to make competent orgs that can stand on their own two feet.

Now that is the extent of the FEBC package. This is what we are trying to do with the package. This is the clear intention of what we intend with the package, and we're not at this stage of the game trying to do anything else but to steer you clear of various rocks and shoals that you might run into with maybe over enthusiasm and so forth, with regard to something, and trying to go in and getting in things too fast. And doing the other action of getting them in too slow. Now you will set your own pace to the degree that you can make it go. Your own competence is what will demonstrate that. After that, it's up to you. Thank you. Thank you. Good night. X