

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

### **HCO POLICY LETTER OF 20 OCTOBER 1966**

Remimeo Issue 11

All Executive

Hats

*Admin Know-How Series I*

### **EXECUTIVE AND GOVERNING BODY ERRORS AND ANSWERS**

Anyone in an executive position must be in possession of information concerning his post and the functions of the organization or unit he is heading. Lacking it, he becomes the effect of post and organization and begins to create unreal orders and situations which result in down statistics all around.

In principle, anyone in charge of anything should know the workings and functions of every unit, item or action of which he has charge. If he lacks such, he should be careful to take advices from his juniors before issuing any order to make certain it can be carried out, is necessary and conforms to workable practice.

Anyone while learning an executive post and yet acting as that executive should spend the bulk of his time in study and should issue NO orders and approve of NO orders until he has taken up the matter with those who will be affected by those orders before they are issued.

Eventually, as one learns his post after months or years, he or she can begin to issue orders independent of taking advices first from those the orders will affect.

In this way, an executive not yet well trained or experienced can keep things going while he is studying his position and those things under him.

An executive cannot call himself fully competent or informed until he has studied all literature, past orders and policies which affect his position or any activity under him, and can handle any machine or operation in any unit of which he has charge.

Until then he had better adhere closely to the rule that before he issues any order he had better consult with all those it will affect.

However, in doing this, he must not at the same time issue only popular orders or orders tending to break down the existing structure just to reduce labor or hours on the job or raise pay.

A great many persons fail as executives solely because they

- a. Do not proceed as above on a new job or promotion or
- b. Fail to hold together and control the activities in which they find themselves in charge or
- C. Use their position solely to buy popularity or
- d. Form a clique for their own self-protection against the mob.

It takes a very sensible person to succeed on a new job as an executive without previous experience or previous study; but if a person follows this advice as given herein, he or she can win and hold the statistics up and even raise them.

### **GOVERNING BODIES**

Any council or conference or board becomes bogged only for one of the following reasons:

I

A. It is inactive or

B. It seeks to solve the wrong problem or

C. It fails to notice and nullify arbitraries that have been introduced.

A. The inactive council or conference or board may be inactive for a number of reasons.

It can simply be inactive.

It can be inactive as a governing body while individually very busy issuing orders. This is quite fatal as such orders will conflict with orders issued by other members of the body also acting individually. The consequence is that the activity so governed will then seek orders elsewhere to resolve the confusion of conflicting orders from members of the governing body-this is how mutinies and revolutions occur and also why some activities will suddenly create dictators. To use one's status as a member of a governing body as an individual authority, and yet not see that it is the body that governs, will surely bring about mutiny and revolt and new leaders.

The remedy is of course to permit no orders not agreed to in the actual conference of the governing body and to reprimand and cancel any orders issued independently.

If the body is simply inactive and won't become active at all, despite everything, it should be disbanded as a governing body and its powers delivered to a single individual. A body inactive that won't act as a body must not be permitted any power. For example, if an Ad Council is actually inactive, it should be disbanded and its powers individually delegated to its individual Exec Secs. However, if this is done, no powers may overlap. Some "governing bodies" exist only to satisfy the law and have no power at all.

B. Solving the wrong problem means also neglecting to locate the right problem. There is nothing wilder than orders to remedy situations which are not the real problems or the vital problems of an activity.

When a governing body is bogged, a well-schooled administrator should be able to see if the body is working on the right problem, and if not, to shift that body's attention to the real problem they should be solving.

An example would be a government seeking to resolve heavy spending when they have no earning. The real problem is lack of money. Conversely, a government can seek only to earn more money when they may have a real problem of fantastically foolish expenditure. In either case, by working on the wrong problem that government can fully crash a country.

A governing body can ride prejudices rather than handle existing problems, which is another way to solve the wrong problem.

C. Arbitraries can be introduced which thereafter require constant and changing solutions which even then do not improve things.

When this happens, one must locate the arbitrary itself that is causing the need of solution and abolish it.

The only mistake one can make is calling any rule an arbitrary, thus destroying form. One has to isolate a real arbitrary that is causing needless solutions. When found, it should be removed.

However, one can be so sweeping in doing this that it simply gets unreal and wrecks the lot. For example, one's laziness or unwillingness to confront can condemn something as an arbitrary which, when removed, causes one to collapse. It is not then an arbitrary but a form or necessity.

2

An arbitrary, by definition, is an **interjected law or rule** or decision which does not fit or is unnecessary.

Such things can cause a governing body to box about for years and eventually fail.

Here is an example of an arbitrary that caused endless solutions and which when not removed destroyed a nation. "Our currency must not circulate beyond our borders." This was kept unwittingly in force. As money depends for its value on its scope of potential circulation, the money became worthless and the country caved in. Literally millions of governmental and individual solutions became necessary after that one arbitrary was introduced.

So an "arbitrary" can be said to be something which actually violates natural law and which becomes, when held in place, an enforced lie. This causes endless board or governing body trouble wherever it occurs.

Here is another example. "Unions have the right to strike." This was assumed and is not part of any law code as it says, "A body of men has the right to injure business and property without at least civil recourse for damages by the business." Protection racketeers assumed the same right. This arbitrary is a lie since nobody has that right. It laid France open to World War II, for instance, as France through the 1930s was one long strike. True, *unions* have improved pay and working conditions. But there is no right to damage businesses which support one. By introducing this arbitrary without seeking sensible means, the Western world was opened to inflation, unrest and conquest by lawless political elements.

So an arbitrary must be something contrary to the general scheme of things, and while a lie, is yet held in place by law or public ignorance.

Arbitrariness are usually introduced by those who aren't quite bright enough to achieve a result through wise measures. And otherwise wise men thereafter can spend decades and invent whole law codes trying to handle the problems so set up.

#### BOGGED ORG

When an org is bogged after a period of success, it is almost always true that an earlier program or order has been dropped or forgotten.

I have always been able to trace bogs to skipped orders.

An example is the Qualifications Division program order. Outer org recovery was planned so as to improve Qual in each org, then to get staff training in, and then to improve the Tech Division. This order was at first executed, then was not followed up and the beginning recovery slumped again. The remedy was to reinstitute the original program.

Ordinarily one doesn't need new programs but needs the follow-through on programs that have not been complied with.

When I see a slump occur, I first ask what program wasn't executed or got dropped. I always find it; and when reinstituted, things surge. *Then I* find who dropped it and reorganize personnel with nondroppers.

In this admin failure the dropped program is seldom a little one. Recently at Saint Hill when statistics slumped, I found the program that was out was selling the Saint Hill Special Briefing Course. It was being taught but never mentioned. Yet it, not Power Processing, was the mainstay of Saint Hill.

Look for the program or orders that were dropped or forgotten before you start originating new ones. You may find the dropped one is so huge that nothing could remedy it. In many orgs the dropped program was the original one-to put an org there! Of course no other order will revive the place as the org wasn't put there in the first place, and people think they are *running* an org whereas they didn't finish up putting one there to be run. It's often as simple as that,

#### DEV-T

An administrator (any executive) who does not know and enforce dev-t policies is letting the org down severely. It isn't just his own basket or office, it's the fact that Dev-Ters are annoying *other staff* too if they are into an executive's hair.

A towering in-basket is always a sign of an executive not enforcing dev-t policy. The whole org will sag if executives don't enforce these.

#### WHOSE HAT

Once you have dev-t in hand, your basket traffic shrinks but you may still be overworking by reason of another factor-wearing, unknown, the hats of others.

I always look up every month or so to see whose hats I am wearing besides my own.

If I find I am wearing hats not mine, I begin to look around the people and areas that *should* be wearing those hats.

If I find the people whose hats I am wearing have seniors below me but above them, I then examine the work areas of the seniors.

I always find one of two things:

- a. The seniors are not active at all or
- b. The seniors are doing something else than their own hats.

On the staff whose hats I am wearing, I usually find they are doing something else-not just inactive.

I then examine the statistics involved. *And* any finances,

I can then clean up this area by reorganization.

As the seniors are being bypassed, I have to assign a Danger condition to them and apply the Danger Formula (ethics action vital).

I get the statistics up and things going in that area and then get the hats *worn*.

In this way only an executive can wear his *own* hats and do his own work.

So if you are training an executive or if you are seeking to get a governing body or council or committee to function, or trying to make an org recover, you can use these bits of know-how.

They are vital senior data which, properly employed, can make organizations run despite lack of training by executives and even very strange governing bodies.

Just apply the data contained herein and magic!-all will resolve.

## **L. RON HUBBARD**

### **Founder**

LRH:rd.gm Copyright © 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: Any *Admin Know-How Series* issue which didn't previously have a series number has been given a series number by the editors of this volume.]

4

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 OCTOBER 1966

Remimeo Issue I

All Executive

Hats

### ***Admin Know-How Series 2***

### **ACTIONS, EXECUTIVE, FOR HANDLING DISASTROUS OCCURRENCES**

There are three steps necessary on the part of a senior executive who discovers a situation which may be disastrous to the org.

The executive's actions are as follows:

1. Issue orders of a remedying or preventive nature instantly by directive, to remain in effect until all data is in. This is called an urgent directive.
2. Appoint a Board of Investigation to investigate the matter, with orders to investigate fully and couch findings in terms of a directive or policy for issue,
3. Pass or modify the Board's findings as orders to supplant the urgent directive issued as I above. This is called the final directive or policy.

### **THE URGENT DIRECTIVE**

To do 1-issue a sweeping order to handle the situation. This is vital as there isn't time to get all the facts. The order may be fair or unfair, correct or incorrect, but at least it does *something* to arrest a deteriorating situation.

This urgent directive may, however, be in fact wide of the mark; but it is only going to remain in force until superseded by orders based on all the data obtained at leisure.

Dictatorships are somewhat successful as proven in the past and they run only on urgent directives. So the system is not all bad. However, for such a directive to remain law forever is obviously wrong as it may be wholly arbitrary and may eventually get in somebody's hair. But not to issue it just because one has little data is to ask for disaster.

So in the face of disaster issue an urgent directive as best you can and hope you are right in your directed action.

### **THE BOARD**

Convene now a Board of Investigation composed of impartial members who will investigate thoroughly.

Order them to turn in their findings in the form of law that can be issued exactly as they wrote it.

Trouble with such boards, they "recommend" in an often rambling way; and as they aren't really writing law, they tend to overlook things.

Democracies have a terrible habit of only appointing committees to investigate without issuing any urgent directive first. This leaves a vacuum of direction and courts disaster. Such bodies may take a long time to bring in their findings. This is a great weakness-to let an abuse go on while one investigates.

#### THE FINAL DIRECTIVE

When the convening authority has the board's findings to hand, he studies the proceedings and findings to make certain that the disaster is fully handled by the findings and that further disasters of like nature are inhibited by these findings from occurring.

If he is satisfied on this score (that the findings are adequate), he must now see that they do not violate the fast flow system of management to any great degree and that they are as adequate as the urgent directive in arresting the disaster. If so, the executive sends the findings through regular channels with all papers to make them into law. Until actually law, the urgent directive is still in force.

If he is not satisfied or doubtful that the findings are adequate, he can convene another board to do a better job. If he does convene another board, the urgent directive remains in force.

The findings actually become law only when

- a. The convening authority has passed them as they are or modified by himself or another board
- b. The findings have gone through all steps necessary to become law
- c. The findings are finally the law.

Then the urgent directive is canceled. It must be canceled when the findings become law and may not remain as a possible arbitrary.

The above is good administration.

Some governing bodies use only urgent directives.

Some use only committees or boards or senates.

To use less than all three in the face of a disastrous situation is poor admin.

Example: Income goes down like a shot.

(1) Issue an urgent directive calculated to get income up like a shot. (2) Convene a board to find out why it went down and to discover what was dropped out and find how to get it back up. (3) Supplant the urgent directive with the findings.

Where policy is concerned, the channel is longer as more people must pass on it. But directives are also law. So one should not issue a directive in the face of disaster and just hope. One should do all three steps above.

By disaster is meant a circumstance or situation that is crippling and may adversely affect a whole or a part of an org. Low income is a heavy risk that may result in disaster. A heavy

continual expenditure may result in a disaster. Any gross divisional statistic going down and staying down is courting disaster. And such should be handled with the three steps as above. Then the org form and duties if bent out of shape by the urgent directive won't stay out of shape forever.

As a comment, statistics when they change suddenly and go down mean that something has been dropped or some arbitrary order has been given. Stats going steeply up also mean a change has occurred and it can be very disastrous not to find what it was that was so good. So one can also use the three steps to handle a sudden

6

soaring statistic to maintain it rather than stay in the dark. Example: Letters out soars to an all-time high. Issue an urgent directive, "No person or line may be changed in the Dissem Division on peril of a Comm Ev." Then convene a board and find why and get some law on it. Then supplant the urgent directive with the new directive resulting.

This in no way alters the need of a directive to be passed by the LRH Comm or a policy letter to be passed by all specified terminals before it becomes policy.

#### PERSONNEL

Steps 1, 2 and 3 can also be used on personnel where the executive thinks a staff member is the reason. Suspension from post pending investigation would be the urgent directive in this case. However, the staff member so suspended may not be deprived of wages and must be given an apology if found not to be the reason. And no real action may be taken unless there is an ethics action recommended by the board and only if the person is found guilty in that ethics action.

In this case there are four steps:

1. Urgent directive
2. Board of Investigation
3. Ethics action or no ethics action

4. Final directive either (a) restoring the personnel and stating the real causes in the form of a separate directive with long-range actions to handle the situation, or (b) appointing a new personnel and recommending in a separate directive long-range actions to handle the situation.

The steps are four because there are two matters involved: (a) the personnel and (b) the situation. Even if the personnel was at fault, there must be something else wrong too if a personnel got into a post who didn't belong there.

L. RON HUBBARD

Founder

LRH:rd.gm Copyright C 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

#### ***Admin Know-How Series 3***

[Note: HCO PL 31 October 1966, *Admin Know-How Series 3*, JOB ENDANGERMENT CHITS, was amended and reissued as HCO PL 5 March 1968, Issue 11, *Admin Know-How Series 19*, JOB ENDANGERMENT CHITS, which is on page 68.]

7

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## HCO POLICY LETTER OF 3 NOVEMBER 1966

Remimeo

### *Admin Know-How Series 4*

#### **LEADERSHIP**

Leadership is one of the most misunderstood subjects in Man's dictionary. But it is based almost solely on the ability to give and enforce orders.

An order or directive is necessary to bring about coordination of function and activity, without which there could be disagreement and confusion.

In an organization there is more than one person functioning. Being of comparable rank and having different purposes (hats), they can come into conflict and disagreement in the absence of a plan or order or directive. So, without orders, plans, programs, one does not have an *organization*. One has a group of individuals. We see in earlier policy letters that a group composed only of individuals cannot expand and will remain small,

Oddly enough, such a group will also remain unhappy. It will have a low affinity with the public and each other and if you know the Affinity- Reality-Communication triangle, you will realize that all three points drop if one does. Agreement being the basis of reality, you will find a group of individuals will disagree with each other and have a low reality on what they are doing or what to propose and even what to do.

Most people confuse a "taut ship" with a harshly led ship. Actually harshness has nothing to do with it. The right word is *positiveness*.

If a group is led by someone whose programs and orders are very positive, then the group has a chance of going into agreement with one another; and so their affinity improves and so does their communication and reality.

So if one issues *no* orders, a group will remain a group of individuals out of agreement with each other. will do little, and will remain small or at least nonexpanding.

Bill, of equal rank to Joe, cannot give an order to Joe nor vice versa. Thus no orders exist between them. Occasional agreements do occur; but as their jobs are different, they rather tend to disagree on what is important.

A person with a senior standing to both Bill and Joe can give the two an order and this becomes the basis of an agreement.

The order doesn't even have to be liked by Bill and Joe. If they follow it, they thus "agree" to it; and being in agreement on this, they get reality and communication on it as well.

Even poorly thought out orders angrily given, if issued and enforced, are better for a group than no orders at all. But such orders are the low end of the scale.

Positive, enforced orders, given with no misemotion and toward visible accomplishment, are the *need* of a group if it is to prosper and expand.

8

The group is full of "good fellows." This does not give it success.

The group is full of plans. These do not give it success.

What it needs are positive orders leading to a known accomplishment. Many obstacles can exist to that accomplishment, but the group will function.



We call it "leadership" and other nebulous things, this ability to handle a group, make it prosper and expand.

All leadership is, in the final analysis, is giving the orders to implement the program and seeing that they are followed.

One can build this up higher by obtaining general agreement on the how, why and what of programs. But to maintain it, there have to be orders and directives and acceptance or enforcement thereof-else the group will fall apart, sooner or later.

Positive orders and directions on positive programs inevitably cause expansion.

Being wise or a good fellow or being liked does not accomplish the expansion. People in the group may be cheerful-but are they going anywhere as a group?

So the whole thing boils down to:

Positive directions and their acceptance or enforcement on known programs bring about prosperity and expansion.

No or weak orders bring about stagnation and collapse.

The ideal is to have programs with which the whole group or a majority agrees fully. Then to forward these with positive orders and obtain compliance by acceptance or enforcement.

But regardless of the enthusiasm for a program, it will eventually fail if there is no person or governing body there to issue and enforce orders to carry on the program.

Thus we have the indicators of a very bad executive whose group will disintegrate and fail no matter how cheerful they are with the executive.

Bad leaders

1. Issue no or weak orders
2. Do not obtain or enforce compliance.

Bad leadership isn't "grouchy" or "sadistic" or the many other things Man advertises it to be. It is simply a leadership that gives no or weak orders and does not enforce compliance.

Good leadership

1. Works on not unpopular programs
2. Issues positive orders  
and
3. Obtains or enforces compliance.

These facts are as true of a governing body as they are of an individual.

A typical example of a bad governing body, at the present stage of its formation at least, is the United Nations. It has great ideas about how better Man should be perhaps, but

I . It issues a confused babble of orders when it issues any  
and

2. It issues orders for which it can obtain little or no compliance.

Note that it is also insolvent, at war within itself, and that it has not made a dent in its prime program-the prevention of war.

However these things came about, they are nevertheless true. It is a very poor governing body and far more likely to vanish than expand.

You can count completely on the fact that an executive or a governing body that does not adhere to not unpopular programs, that does not issue positive orders and does not obtain or enforce compliance, will have down statistics.

And you can be sure that an executive or governing body that formulates or adheres to not unpopular programs, that issues positive orders and that obtains or vigorously enforces compliance, will have up statistics.

Wisdom? Popularity? These unfortunately have little or nothing to do with it.

The way to have up statistics, a prosperous and happy group, is far more simple than complex Man has ever realized.

L. RON HUBBARD

Founder

LRH.jp.rd.gm Copyright © 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

10

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 NOVEMBER 1966R

Remimeo Issue I

REVISED 9 NOVEMBER 1979

*(Revisions in this type style)*

*Admin Know-How Series 5R*

## **STATISTIC INTERPRETATIVE**

### **STATISTIC ANALYSIS**

Ref..

*HCO PL 9 Nov. 79\* HOW TO CORRECTLY DETERMINE A*

*STAT TREND*

*HCO PL 3 Oct 70R\* STAT INTERPRETATION*

*Rev. 9.11.79*

*HCO PL 6 Mar. 6611 STATISTIC GRAPHS-HOW TO*

*FIGURE THE SCALE*

*HCO PL 5 May 71R 11\* READING STATISTICS*

*Rev. 9.11.79*

*This policy letter has been revised to fully clarify the correct method of reading stat trends under the sections "Backlogs" and "The Dangerous GrapW" and to reference the main policy letters containing data on reading stats and stat trends.*

The subject of making up statistics is probably well known. How one draws one. But the subject of what they mean after they are drawn is another subject and one which executives should know well.

Things are not always what they seem in statistics.

## BACKLOGS

A backlog caught up gives one a high soaring statistic which promptly slumps. To call the soar affluence and the slump emergency is an executive error.

When you see a leaping and diving pattern on something that can be backlogged, you can be very sure it has been.

This activity is working in fits and starts, usually only occasionally manned.

For a long time nothing is done or counted; then suddenly a month's worth is all counted in one week.

*So when you see one of these, realize that the one surge in stats is averaged out with the smaller peaks and the depressions. You have to visually average the peaks and valleys and note the trend the entire stat is taking.*

## CAUSATIVE STATISTICS

In any set of statistics of several kinds or activities, you can always find one or more that are not "by luck" but can be directly caused by the org or a part of it.

An example is the "letters out" and "completions." Gross divisional statistics.

## II

**Whatever else is happening, the org itself can improve these as they depend only on the org, not on "fate."**

So if you see the gross divisional statistics generally down or going down for the last couple or three weeks and yet see no beginning upsurge in the current week in "letters out" and "completions," you know that the org's management is probably inactive and asking to be removed. For if they saw all stats going down they should have piled in on "letters out" and "completions" amongst other things as the least they could do. They *can* push those up.

So amongst any set of statistics are those which can be pushed up regardless of the rest, and if these aren't, then you know the worst-no management.

## ENROLLMENT VERSUS COMPLETIONS

If you see a statistic going up in "completions" and see a falling "enrollment" statistic, you know at once the body repeat sign-up line is *out*.

People who graduate are not being handed their certs and awards by a Registrar but are being given them by Certs and Awards or in mass meetings, or in some way repeat sign-up is not being procured,

Thus the 40% to 60% repeat sign-up business is being lost.

This also means, if continued over a long period of time, that bad technology is present as poor word-of-mouth advertising is going around.

Look in such a case at a third statistic-Qual collections. If this is poor or very, very high, you can be sure that lack of enrollments is caused by bad tech.

A very high Qual collections statistic and a low enrollment statistic is a terrible condemnation of the Tech Division. Gross income will soon after collapse as tech service just isn't good.

### COMPARING STATISTICS

Thus you get the idea. Statistics are read against each other.

A statistic is a difference between two or more periods in time so is always comparative.

Also, two different statistics are comparative, such as in examples above.

### PREDICTION

You can predict what is going to happen far in advance of the occurrence, using statistics.

High book sales mean *eventual* prosperity. Low book sales mean eventual emergency all along the line.

High gross income and low completions mean eventual trouble as the org isn't delivering but is "backlogging" students and pcs simply by not getting results. Carried on long enough this means eventual civic and legal trouble.

Low FSM commissions may only mean no FSM program. But if there is an FSM program, then it may mean bad tech. So a low completion and low Qual will mean an eventual collapsed FSM statistic also, as the FSM's own area is being muddled up by failed cases.

High book sales, high letters out, high Tech and high Qual statistics mean the gross income statistic will soon rise. If these are low, then gross income will fall.

### I

Bills owed and cash in hand are read by the distance between the two lines. If it is narrowing, things are improving; if widening, things are getting worse. If they are far apart and have not closed for a long while, with the cash graph below, the management is dangerous and not at all alert.

### THE DANGEROUS GRAPH

***When all statistics on one set of graphs show a sinking TREND line, it is a dangerous situation.***

***TREND means an inclination or tendency toward a general course or direction. Thus to get the trend one would look at several weeks worth of stats.***

***To read the stat trend, one needs to visually average the peaks and valleys over a specific time period on the graph, It is done with the eye,- there is no internal system of lines that can be drawn to assist this. One sits back and looks at the pattern as a whole and there is a definite pitch or slant that one can determine by this. That is the stat trend.***

***If all of these stat trends or most of them are down, the management is inactive.***

### FALSE COMBINATIONS

When a Continental Org includes its own org on its combined graphs for area orgs, it can have a very false picture.

Its own org's stats obscure those of the area orgs which may be dying.

Thus if you include a big function with a lot of small ones on a combined graph, you can get a very false idea.

Thus, graph big functions as themselves and keep them out of small functions of the same kind.

The Continental Org should not be part of a Continental Exec Div's statistics. Similarly, SH stats should not be part of WW's.

A combined statistic is, of course, where you take the same stats from several functions and add them up to one line. A very large function added into a combined graph can therefore obscure bad situations. It can also obscure a totally inactive senior management as the big function under its own management may be wholly alert and competent, but the senior management is masked from view by this one going concern, whereas all its other points except the big one may be collapsing.

### THE BIGGEST MISTAKE

The one big god-awful mistake an executive can make in reading and managing by graph is *being reasonable* about graphs. This is called JUSTIFYING A STATISTIC. This is the single biggest error in graph interpretation by executives and the one thing that will clobber an org.

One sees a graph down and says, "Oh well, of course, that's . . ." and at that moment you've had it.

I have seen a whole org tolerate a collapsed completions graph for literally months because they all "knew the new type process wasn't working well." The Tech Sec had JUSTIFIED his graph. The org bought it. None thought to question it. When it was pointed out that with the same processes the preceding Tech Sec had a continual high graph, and a suppressive was looked for, it turned out to be the Tech Sec!

Never JUSTIFY why a graph continues to be down and never be reasonable about it. A down graph is simply a down graph and somebody is goofing. The only

13

*explanation* that is valid at all is, "What was changed just before it fell? Good. Unchange it fast!" If a graph is down it can and *must* go up. How it is going to go up is the only interest. "What did we do each time **the last few times just before it went up?** Good. Do it!"

Justifying a graph is saying, "Well, graphs are always down in December due to Christmas." That doesn't get it up or even really say why it's down!

And don't think you know why a graph is up or down without thorough investigation. If it doesn't stay up or continues down then one didn't know. It takes very close study on the ground where the work is done to find why a graph suddenly rose or why it fell.

This pretended knowledge can be very dangerous. "The graph stays high because we send out the XY Info Packet," as a snap judgment, may result in changing the Dissem Sec who was the real reason with his questionnaires. And the graphs fall suddenly even though no info packet change occurred.

### GROSS REASONS

Graphs don't fall or rise for tiny, obscure, hard-to-find reasons. As in auditing, the errors are always BIG.

Book sales fall. People design new flyers for books, appropriate display money, go mad trying to get it up. And then at long last one discovers the real reason. The bookstore is always shut.

A big reason graphs fall is there's nobody there. Either the executive is doublehatted and is too busy on the *other* hat, or he just doesn't come to work.

### STICKY GRAPHS

Bad graphs which resist all efforts to improve them are *made*. They don't just happen.

A sticky graph is one that won't rise no matter what one does.

Such a graph is *made*. It is not a matter of omission. It is a matter of action.

If one is putting heavy effort into pushing a graph up and it won't go up, then there *must* be a hidden counter-effort to keep it down.

You can normally find this counter-effort by locating your biggest area of noncompliance with orders. That person is working *hard* to keep graphs down.

In this case it isn't laziness that's at fault. It's counter-action.

I have never seen an org or a division or a section that had a sticky graph that was not actively pushing the graph down.

Such areas are not idle. They are not doing their jobs. They are always doing *something else*. And that something else may suddenly hit you in the teeth.

So beware of a sticky graph. Find the area of noncompliance and reorganize the personnel or you, as an executive, will soon be in real hot water from that quarter-

Those things which suddenly reared up out of your in-basket, all claws, happened after a long period of sticky graphs in that area.

Today's grief was visible months ago on your stats.

14

## SUMMARY

The simple ups and downs of graphs mean little when not watched over a period of time or compared to other graphs in the same activity.

One should know how to read stats and what they mean and why they behave that way so that one can take action in ample time.

Never get *reasonable* about a graph. The *only* reason it or its trend is down is that it is down. The thing to do is get it up.

L. RON HUBBARD

Founder

LRH.jp.rd.gal.gm Copyright© 1966, 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

*\*/Note: Three of the issues referenced at the start of HCO PL 6 Nov. 1966R, Admin Know-How Series 5R, STATISTIC INTERPRETATIVE-STATISTIC ANALYSIS have been revised. These revised issues are HCO PL 9 Nov. 1979R, revised 27 Aug. 1982, HOW TO CORRECTLY DETERMINE A STAT TREND; HCO PL 3 Oct. 1970RA, revised 27 Aug. 1982, STAT INTERPRETATION; HCO PL 5 May 1971 RA, revised 27 Aug. 1982, READING STATISTICS.]*

15

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## HCO POLICY LETTER OF 10 NOVEMBER 1966

Remimeo

*Admin Know-How Series 6*

## GOOD VERSUS BAD MANAGEMENT

The difference between good management and poor management can be the loss or gain of the entire organization,

Financial planning is a vital part of management. Good financial estimations and the ability to figure out, without vast accounting, the way things are in an org is an ability which is vital to good management.

The manager, given a few vital facts, who then needs an accountant to tell him how things are, is of course incompetent.

Management is a high skill. Socialist or worker governments are flat on their uppers because they do not comprehend the degree of insight required in a successful manager. When they harass, mess up and sometimes shoot their managers, they promptly begin eras of starvation as in Russia, China and to some extent under their socialisms, in recent years, England and the US. The amount of time *any* manager has to spend in the US or England battling with government clerks who aren't skilled enough to run a tricycle, assisted, is easily a third of the manager's time.

The essence of good management is CARING what goes on. The worker-oriented fellow cares for the worker but not for the organization. So we have a final extinction of the worker by the organization vanishing and no longer able to employ. The consequence is the widespread depression just beginning. *Real* help for the worker is also making sure there will be work for him to do. When the organization is gone, there is only misery, the dole, revolution and sudden death. The "worker-oriented" manager lacks the insight into the skill necessary to manage. So to him an organization is something to be bled. It is a bottomless pit of money. Such a person's total "skill" is how to get something out of the organization. But you can't take out more than comes in. Management is entirely beyond the ability of such people. They don't know what it is all about. They do not care what happens to the organization. Then suddenly the machinery all stops and everyone starves.

Whole countries go this way when the mess begins.

The basic difference between organizations that run and those that collapse is simply somebody caring what happens to the organization itself.

A good manager takes care of the workers. He also takes care of the organization. A worker-oriented fellow-union leader, agitator, do-gooder-cares only for the worker and *thus does the worker in*. So he is actually a suppressive. For the whole bang shoot goes to pieces and the end product is dismal unemployment, depression, malnutrition, starvation. You have to have lived through such a period to learn dread of it. And that's what caring nothing for the organization finally results in.

A worker-oriented person is deficient in pan- determinism. He or she cannot see that the health of all demands he take into account workers *and* the org. Therefore he or she is below the ability to determine both sides of things and so makes a very poor executive, being lopsided, given to "them and us," playing favorites and unable to see two sides of a question. Such abilities are *vital* in an executive, so he isn't one.

16

A **worker-oriented person** is not nice to individual workers-he or she may shoot them-but only about collective "workers."

Poor source identification goes with lack of pan-determinism so a person cannot see or solve the real problems around. So such people can't even operate as executives.

Thus you can know them. The org or country always fails.

So you want to watch this "poor-worker" pitch in an executive. If he cares only for the worker and nothing for the org, if he is only interested in what he or the workers can get out of an organization, then you are looking at somebody who in the long run will put one and all on the street.

You see here and there bared teeth at the org or the idea of the org. Along with it, if you look, you will find a heavy carelessness about the org's money and property and also a heavy effort to get something for the workers. Here you have a full-bodied case. This person won't ever succeed and should never be an executive. Never. For he'll do the workers in.

A good manager cares what happens, what's spent, what prosperity can occur, how the work is done, how the place looks, how the staff really fares. He is dedicated to getting the show on the road and he takes out of the line-up obstacles to the org's (and staff's) progress.

Caring what goes on and not caring is the basic difference. Caring for something else while working is the mark of the laborer, not the executive.

If you have to start an economy drive, look for the people who fight it. Quietly remove them from executive posts. You have a laborer, steeped privately in "us-poorworkers" and "get what you can" and "spend the org out the window."

If you care what happens to the org and the size of the paycheck as well, you will be very careful to develop an insight into finance, efficiency and the state of the org.

If you see bills owed soaring above cash on hand, you will also see executives who care nothing for the org. They are worker-oriented, anti-org people and you had better put a thumb down on continuing them as executives. Along with that unfavorable graph you will also find demands to borrow money, sell assets to pay bills and a near refusal to promote or make money.

I have learned all this the hard way. I pass it on for what it is worth. I can say these things because no man on Earth could seriously challenge me for not caring about people or staffs. I do care. And the ultimate in caring is to make sure there is an org there.

So please be alert to these points in conducting Ad Council meetings. Inevitably the hardest job is financial planning. But in that sphere you will show up the executives and the laborers. Watch and when you find you have a worker-oriented person there, realize you don't have an executive. Get one.

## SUMMARY

Bad management is therefore detectable on these points:

1. The bills-cash ratio will be high in bills and low in cash.
2. There is an effort to borrow money rather than earn it.
3. There is a heavy effort to sell assets rather than make money.
4. There is more effort to collect debts, particularly from seniors, than to make new income.
5. There will be an effort to be supported.
6. There will be low affinity in the org for the org and its public.
7. There will be protest and flash-back at efforts to get them solvent.



8. There will be noncompliance with orders of senior management.

The remedy is to

- A. Find the most worker-oriented senior executive and remove him or her.
- B. Find the anti-org executives and staff and remove them.
- C. Put in the senior posts those who most care what happens to the org.
- D. Enjoin and conduct careful financial planning and measures.
- E. Remove from executive posts those who object to them or don't comply (that may have been missed in A and B).
- F. Resurrect neglected orders and main programs and get them complied with.
- G. Be exceedingly careful not to appoint people there in the future who don't care what happens to the org.

It does not much matter how one goes about this. If one wants the org *and its staff* to prosper, the above measures must be done and quickly when the bills-cash ratio of an org threatens the continuance of it and the staff their jobs.

## **L. RON HUBBARD**

Founder

LRH:jp.rd.gm Copyright 0 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 NOVEMBER 1966

Remimeo

### ***Admin Know-How Series 7***

## **EXECUTIVE FACILITIES**

### **FACILITY DIFFERENTIAL**

When a senior executive has the ability to make money for the organization or greatly raise statistics, and when this ability has been demonstrated, that executive should have facilities.

This ability is often discoverable by the absence of the executive from post for a period or when the executive is pulled off by emergencies. In such a time the income of the org may sink-

The degree the income shrinks is the "facility differential" of that executive. It is worth that much to the org in facilities to have the executive on post. Example: With that executive on duty-income \$8000 per week. With that executive absent-\$5000 per week. This is the "facility differential" of that *executive*. It is, in this example, \$3000 per week. This means that the org could afford \$3000 per week extreme to provide that executive with facilities for his work to keep him from overload. For it will lose \$3000 a week if this executive is distracted or overloaded. Of course nobody expects the org to spend \$3000. It just shows the extreme amount it could spend. One cannot afford not to spend *some* of it for facilities for this executive. The moment it does spend some of it-providing

this executive does have this influence on income or production-the differential rises as the org makes more money or as the stat goes up. This trend can be pushed up and up.

Executives don't *deserve* secretaries or communicators. They earn them. If an executive has no "facility differential," he should not have special personal help.

The "facility differential" can also be judged from other statistics but income is the primary one.

For instance, we have just found my "facility differential" for Saint Hill Org only. It is, based on losses during a six months absence and gains for the last part of the year, *E244,000* per annum for just this year. Thus the org could afford to spend *E244,000* per annum to furnish me management facilities.

In this case the computation is made by the org's increased indebtedness for the first six months plus the lack of reserves set back and the rate of dismissal of debt in the last six months plus the reserves set aside. The increasing debt and reserve absence for six months is added to the debt reduction and reserve presence for the last six months, giving the total. Income and other personnel remained similar all through the year but began to fail and was picked up by me at the half year.

The value is actual cash wasted in my absence and a beginning failure set up by bad tech and the recovery in terms of cash retained and income upsurge.

Naturally, this is a very high sum at this time (though quite accurate).

The org, however, cannot afford *not* to give me every facility required to keep me on its lines.

These total only a few thousand a year for extra personnel and admin facilities,

19

not anywhere near *f 244,000*. Thus, if the org (SH only) permitted me to move off its lines and failed to provide me facilities, it would lose on the current balance sheet, **f244,000** per annum in actual cash and would in fact go broke. It can't stand that much loss. So, the answer, nothing to do with my wishes, is that SH *must* provide me facilities for its own sake. Pay has nothing to do with it as I don't get paid. But SH staff pay would cease entirely as they would have no jobs.

An org is very lucky to have a few persons who can make money for it, fortunate to have one, and in a mess if it has none.

Post title may mean nothing. A Registrar who on post brings in \$5000 a week and off post the org gets only \$2000 a week, is obviously such a person. The facility differential is \$3000 a week!

A Treasury Sec who on post has a cash-bills ratio equal, but off post, the org, through lack of his financial planning, gets a gap of \$20,000 for the three months he is off, means a facility differential of \$80,000 a year for that Treas Sec.

The usual reward is promotion but the org often loses income by promoting a good Reg to a poor Dissem Sec.

The answer is to give the person facilities as there is a "facility differential." This may include more pay on post but *must* include more facilities, beyond that of other staff members.

Just doing a normal job on post is *maintaining* income. It takes quite an executive to raise it markedly beyond normal expansion.

Mary Sue, by actual data of times past, is worth to an org on any single executive post about 50% of its regular gross income. The fall and rise of about half the income has been demonstrated in

several orgs over many years. Had she also been subtracted from the SH Org, the facility differential added to my subtraction would have put it out of existence before the year was out.

It would be very foolish not to give her facilities. *Yet* she has never been known to ask for any and facilities have had to be *initiated* for her when they occurred. Thus top executives themselves have to notice this and demand facilities for the person. If they do not, the person at the very least will go off post or their services lost because of overwork.

So one doesn't have a communicator because one is an Exec Sec or senior executive. One has one if he or she has a "facility differential" beyond normal expectancy.

And that tells one who has communicators in an org. And who has the facilities.

And it says who *must* be given communicators and facilities and who shouldn't have them.

Granted it is sometimes hard to determine this "facility differential" in a staff member. But long experience will establish it.

### FACILITIES

Facilities normally include

- a. Those that unburden lines
- b. Those that speed lines
- c. Those that gather data
- d. Those that compile
- 20
- e. Those that buy leisure
- f. Those that defend
- g. Those that extend longevity on the job.

One can think of many things that do each of these.

The bare minimum are accomplished by giving the executive a communicator.

The communicator more or less covers all the categories above. Then, as the facility differential rises, the communicator sheds hats by providing other people to take over these functions as outlined above.

### ANALYSIS

The org board pattern (names of divisions, departments and their code words as per any of our org boards) is an analysis system which can be applied to any person or job. He is light or heavy on one or more of these and the pattern gives him or her a clue as to what is wrong.

Write them down for yourself and you will see. Which ones don't exist in your actions, which are in Emergency, which are Normal and which are high?

This is an ultimate analysis of the state of one's post. Or of one's life for that matter. One can progress simply by doing this now and then.

These also comprise a total pattern of facilities,

However, one needn't go so far to help an executive with a facility differential at first. Later, such an analysis is absolutely necessary to keep facilities in balance.

At first one only need give the person a better desk in better space and a better phone and more ball-points.

But a real facility differential amounting to 25% or more of the org's income (on or off job difference, proven) demands not only these but also a communicator.

#### WHAT IS A COMMUNICATOR?

A communicator is one who keeps the lines (body, despatch, letter, intercomm, phone) moving or controlled for the executive.

The communicator, when not helped by others, really assumes all of (a) to (g) above and does *nothing else for anyone else*.

#### PRIMARY COMMUNICATOR DUTIES

The primary actions of a communicator concern despatch lines and are as follows:

1. Receives all written comm for the executive of all kinds with no bypass.
2. Identifies and returns to sender all dewt. The executive never sees it. Notes the senders in a book. Attaches the appropriate Dev-T Pol Ltr to each returned despatch. Monthly, reports the names of offenders and the number of times to the executive. (For these people are ruining other staff members too.)
3. Puts all directives, Pol Ltrs, HCOBs and Ethics Orders and any statistics in a folder so marked each day.
4. Puts the org despatches in a folder so marked each day. (If several org areas or divisions are being handled, puts the despatches in folders by areas or divisions.)
- 21
5. Puts the personal despatches in a folder so marked each day.
6. Deletes from the lines anything that may be routinely answered by letter and answers it and puts the originals and typed answers for signature in a folder so marked each day.
7. Presents the folders named in 3 to 5 inclusive in the executive's in-basket at the beginning of the executive's workday (and holds all the rest that come in after, until the next day).
8. Puts the signature folder as per 6 above in the in-basket at the latest moment of the day sufficient to get them signed for the evening mail.
9. Lays cables and telegrams and phone messages in the center of the blotter on the executive's desk.
10. Comes in for cable answers when called.
11. Picks up and files properly for the executive all Pol Ltrs, directives, in the executive's own file.
12. Keeps the executive's own files for the executive's use.
13. Keeps excess paper, magazines, books, picked up and filed.
14. Leaves alone things the executive is working on but files them if not being worked on after a while.
15. Oversees cleanliness and arrangement of desk and office.

16. Oversees ampleness of pertinent supplies, paper, pens, stapler, clips, etc.
17. Doesn't take up the executive's time with chitchat or verbal reports or rumors.
18. Handles by-hand rushes for the executive in and out.
19. Blocks all body traffic until its business is established, then routes it properly (except where body traffic is the executive's business on post, in which case the communicator smooths and regulates it).
20. Handles phone traffic and keeps it very low, listing abusers as dev-t.
21. Takes down names of staff body traffic that is not a routine part of the line and reports it with the monthly dev-t report.
22. Takes the entheta off the lines but not items which, if not handled, will endanger the org.
23. Notes staff who hand the executive problems but do no compliance with solutions ordered, and recommends ethics action.
24. Finds out bits of data when instructed to do so by the executive.
25. Keeps alert to malfunctions of lines and reports them for handling to appropriate persons.
26. Does not take up time of other staff or executives by unnecessary visits and does not prolong such visits beyond a crisp minimum transaction.
27. Blocks all lines if the executive is engrossed in a project.
28. Keeps own desk and materials neat.
- 22
29. Demands a communicator's secretary if differential great enough and lines are jamming.
30. Demands other facilities as per (a) to (g) above if the facility differential is great enough and there is overload.

#### COMMUNICATOR'S TITLE

A communicator's title is always his or her executive's followed by " 's Communicator." To that, when there are more than one may be added "for . . ." being a function or division.

#### COMMUNICATOR'S PURPOSE

The communicator is to help the executive free his or her time for essential income-earning actions, rest or recreation, and to prolong the term of appointment of the executive by safeguarding against overload.

#### COMMUNICATOR EXEC ACTIONS

The communicator has his own executive actions. These come under the Admin Know-How HCO Pol Ltrs of contemporary date.

If a communicator can get these and Dev-T Policies grooved in for the executive, the communicator is invaluable.

A communicator should know the Dev-T and Admin Know-How Policies starrated.

It should be no surprise to an executive to receive from his or her communicator a notice that the executive is violating Admin Know-How or Dev-T policy. "May I call to your attention that you are wearing the Dir Clearing hat and have been for two weeks," or "You should request from Ad Council appointment of a board after your 10 July urgent directive."

## COMPLIANCE

Policing compliance for a senior executive is a vital function of a communicator.

When an executive issues orders and they are not complied with then, as this builds up, that executive will suddenly behold a shock situation squarely on his plate.

Noncompliance lets entheta situations backfire right up to the executive. The degree of noncompliance regulates the number of screaming emergency messes the executive will have to handle.

The communicator then keeps an LRH Comm-type log and notes in it the orders or directives issued and notes as well compliance (using Dept I & R and time machine). At length, the communicator will have a noncompliance list.

This usually involves only a few persons or outside firms.

The communicator should inform the executive of this by presenting orders ready to sign nominating Ethics Hearings or Executive Ethics Hearings (or dismissal of outside firm) on certain persons who consistently noncomply.

If the executive has a junior post and a communicator, then for noncompliance one substitutes "job endangerment" actions which harass the executive and must be filed and remedied before the executive's statistic is shattered.

Only in that way can a communicator defend his or her executive from being hit by sudden shocks. Noncompliance (or job endangerment) lets the barriers down on the

23

whole incoming line to a nasty situation which will then, unhandled, hit the executive with no time lapse left. So he has to handle a deteriorated situation in a screaming rush. He probably handled it months before but noncompliance let it worsen. And job endangerment, let it build up, has the same effect on a junior executive. The amount of bad news an executive gets in is in direct proportion to the failure of compliance (or job endangerment) and the communicator's failure to spot it at the time. The shorter the time one has to handle a bad mess, the harder and more shocking it is.

This is the sole reason a competent executive grows tired, wants to quit, leaves his job.

It is basically communicator failure to warn him of noncompliance (or job endangerment) early, so he can get people who will comply (or get those who endanger him off his back with their ineffectiveness or suppression). Or who will do their jobs and not leave them to the executive or let the executive suffer from their deeds or lack of them.

The fashion of a "private secretary" for every title is of course nonsense. As not every title by far is an income producer or statistic raiser.

Giving facilities to titles instead of high statistics denies the real producer what he needs by soaking up available help into corners that cannot benefit the org with it.

A normal action of a post is the usual covered (not uncovered) post which if replaced changes nothing. A real facility differential is a large change.

Thus if you give facilities to those who have no more than normal (covered post) facility differential and those who have a marked facility differential are given no help, you will eventually wipe out by overwork those who have the facility differential and the org will collapse.

It is not flashy new ideas so much that raise income but efficient standard actions.

New ideas are fine, when all the old programs are also working.

An executive who is brilliantly successful is one who can get all the formal, standard functions going and then add the garnish of bright new angles that augment the proven track.

Facilities give a valuable executive "think time" and "consider time" and a fresh, alert attitude toward what is going on.

If you want to raise your income as an org, then

- a. Get all standard actions functioning and staff working and
- b. Spot those with "facility differential" and give them facilities.
- c. Don't falsify any "facility differential" for sake of face or status.
- d. Make sure that facilities granted know their business or work.

**L. RON HUBBARD**

**Founder**

LRH.jp.ne.gm Copyright © 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

24

**HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill** Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 NOVEMBER 1966

Remimeo

***Admin Know-How Series 8***

**INTERVENTION**

The Urgent Directive System (see HCO Policy Letter of 31 October 1966, "Administrative Know-How 11") is the one most commonly used, when they have to intervene, by senior executives such as the following:

Founder

Guardian

A senior Ad Council

Asst Guardian

Exec Sec

LRH Comm

The routine in this case is more or less as follows:

1. The senior, on discovery of a bad situation or noncompliance, issues an urgent directive. (If more than one is issued at the same time by different seniors, the list above is the precedence list of what order to follow.)

2. The senior directs investigation. Senior Ad Council usually appoints a Board of Investigation-sometimes directly orders a Comm Ev. The Founder might only require an ED from his LRH Comm in that area. The Guardian might require only an ED from an Asst Guardian. An Exec Sec might require only an ED from his or her communicator if he or she has one. Or any on the list may order a Board.

3. The ordering senior, on receipt of the requested directive in draft form, then returns it to the Ad Council of the org or orgs to which it will apply. Until the Ad Council acts or some directive to handle the situation is passed, the original, most senior urgent directive remains in force.

The above would be the most common admin action, most calculated to bring things right in the long run.

It is important that until some form of ED is formally passed by the Ad Council of the org or orgs concerned, the urgent directive must be followed by those to whom it is addressed.

This keeps arbitrariness from entering into admin.

Nothing, of course, prevents a senior executive, as listed above, from simply issuing straight orders with no follow-through of an ED. In such case, the directive is not called an urgent directive, but is simply an order in ED form.

### **DIRECT ORDER**

Example: The Guardian discovers that a high unreasonable rental compared to income is being contemplated. By any means or ED, she forbids it and demands other quarters be looked for quickly. This requires no follow-through beyond the Guardian making sure other quarters ARE found and the order is complied with.

25

### **URGENT DIRECTIVE**

Example: The Founder finds a long string of people are being labeled suppressive because they won't separate from Joe Blow. He writes an urgent directive to stop labeling people this way and convenes a Board on the whole subject in that org, gets their findings in the form of an ED, sends it to that Ad Council. They pass it after some, none or many changes. The urgent order ceases to be in force at that moment. He could also have simply issued a direct order.

Example: An HCO Exec Sec finds Central Files is not increasing. She issues an urgent directive to round up all CF names lying around the org. Then investigates personally, writes an ED and puts it before the Ad Council. They work on it, modify it or expand it and pass it. The urgent directive ceases to be valid. Remember, she could as easily simply have issued a direct order as above. It could even have been in Executive Directive form.

Example: An impending lawsuit is heard of by the Guardian, the senior Ad Council and the local Ad Council where it will occur. The Guardian and senior Ad Council both issue urgent directives and the local Ad Council passes a directive on it. The Guardian's urgent directive wipes out the orders junior to it and it is followed. On the Guardian getting an ED from the Assistant Guardian of that org, the Guardian sends the ED before that org's Ad Council for passage or change. The Guardian's urgent directive is superseded by the Ad Council's directive based on it. But remember, the Guardian can



comm-ev the lot if the situation is not finally handled, regardless of the Ad Council directive having been passed, if things goofed up.

### PETITION

A direct order or a straight directive can be petitioned against *after* compliance. The Ad Council simply passes a petition and gives any data required or an ED to substitute.

It is usually wise to give a better remedy in the form of an ED and get that ED conditionally passed with the approval of the original issuer of the direct order or straight directive.

### THEORY

Those who do the work sometimes know best and those nearest the scene are sometimes better armed with data.

A senior executive sometimes has to act without all the data and a wise senior often so acts when the situation is bad.

But the senior is only trying to remedy the situation in the final analysis. After his ordered fast action is taken, he is ordinarily quite happy to have help improving the remedy.

### DIRECT SUBMISSION

An urgent directive or direct order may also be handled as follows by a senior:

1. Issue it.
2. Send it to the Ad Council of the org to which it applies with the note: "After you've done this, pass a directive to handle this sort of thing."

### DEMANDED DIRECTIVE

A senior can simply demand an Ad Council pass a directive to remedy a situation

26

and let them sort it out. This is only **done when one has almost** no data.

In this case the Ad Council passes one, puts it in force and sends a copy to the senior via channels stating, "Compliance herewith."

### LABELING DIRECTIVES

When an Executive Directive is passed by an Ad Council, if it wipes out an urgent directive or a direct submission or a demanded directive, the resulting ED must bear the fact under its title: Executive Directive after Board of Investigation-"Cancels Urgent Directive PE96 Get Income Up"; or direct submission after urgent directive-"As requested by HCO Exec Sec W./U.S. to augment her direct order Get Income Up"; or by demand for a directive-"As demanded by Ad Council WW in their cable 239 WW Pass a directive increasing income."

### DANGER FORMULA

The Danger Formula applies when such orders bypass those responsible, meaning at least an ethics investigation must occur to find who was asleep if any.

However, the Founder or Guardian can issue an urgent directive or direct order to any org and order the Ad Council of any org, as they are in fact seniors of that immediate org, without having to take ethics action on the Ad Council WW or the senior Ad Council to that org. However in such cases Ad Council WW and the senior Ad Council are informed.

If, however, the Founder or Guardian have to do too much too often, they step back upstairs and investigate the senior Ad Councils. This has been the usual practice.

The Founder usually uses his LRH Comm, and the Guardian her Assistant Guardian or the LRH Comm in that area to effect orders, get data and submit to Ad Council.

A senior Ad Council uses its area representative in its own group or the LRH Comm in the junior Ad Council to do the same thing.

In practice, one issues urgent directives when the situation is rough and simply demands a directive when things look like they will get rough.

Intervention by seniors is hard for juniors to cope with. The best defense is don't develop bad situations that then require intervention and keep all stats up and the org expanding.

## **L. RON HUBBARD**

Founder

LRH:jp.dk.gm Copyright © 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: The paragraph under "Labeling Directives," which contained a typographical error in the original issue, has been corrected per HCO PL 21 December 1966, CORRECTION TO HCO POLICY LETTER OF 17 NOVEMBER 1966, 'ADMIN KNOW-HOW, INTERVENTION.']

27

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 DECEMBER 1966

Remimeo

*Admin Know-How Series 9*

## **EXPANSION**

### **THEORY OF POLICY**

It is not very hard to grasp the basic principle underlying all policy letters and organization.

It is an empirical (observed and proven by observation) fact that nothing remains exactly the same forever. This condition is foreign to this universe. Things grow or they lessen. They cannot apparently maintain the same equilibrium or stability.

Thus things either expand or they contract. They do not remain level in this universe. Further, when something seeks to remain level and unchanged, it contracts.

Thus we have three actions and only three. First is expansion, second is the effort to remain level or unchanged and third is contraction or lessening.

As nothing in this universe can remain exactly the same, then the second action (level) above will become the third action (lessen) if undisturbed or not acted on by an outside force. Thus actions two and three above (level and lessen) are similar in potential and both will lessen.

This leaves expansion as the only positive action which tends to guarantee survival,

The point of assumption in all policy letters is that we intend to survive and intend so on all dynamics.

To survive, then, one must expand as the only safe condition of operation.

If one remains level, one tends to contract. If one contracts, one's chances of survival diminish. Therefore there is only one chance left and that, for an organization, is expansion.

## PRODUCT

To expand, any company needs a demanded product and will and skill to produce and deliver it. It can be a service or an item.

If a company has a demanded product and will and skill to produce and deliver it, it must organize to expand. If it does, it will survive. If it organizes to stay level or seeks to grow smaller, it will perish.

This is easily observed in nations. Whenever one seeks to remain the same or to lessen itself, it usually perishes. It need not seek only to expand its borders. It can also expand its influence and service. Indeed, the effort to expand borders in a nation without increasing a demand for its influence and products is a primary cause of war. If a nation expanded the demand for its influence and products, it would expand without war. When a nation seeks to merely expand by force of arms and does not expand the demand for its products, one gets a dark age or at least a social catastrophe.

28

Rome, early on, was in great demand for its social technology and manufacturing skill and only a cruel streak in her made her wage war to expand. Britain, for instance, was ready to welcome Roman baskets and pottery and art and had been demanding them for nearly a century when Caesar's vicious ambitions actually wrecked the smooth progress of Rome by enforced expansion by arms in excess of the demand for Roman products. This was one Roman product nobody wanted-Caesar and his legions.

Psychiatry's product of further insanity was not in demand by the people but by the state which sought to crush people or at least hold them down. So psychiatry expanded by government regulation, not by popular demand, and so at this writing stands in danger of complete extinction, for its influence depends utterly on "expanding" into the legislatures and government treasuries and no expansion whatever of any demand from the public and no product except slaughter.

The Roman Catholic Church once had a healing product, by actual treatment and by relics and miracles, and was in great demand by the public and eventually even the barbarians. But she began to fight progress in science and knowledge, and her product turned into exported ignorance backed by autos-da-fé (burning heretics) and thus ceased to expand and today is rapidly shrinking.

Buddhism, earlier than that, expanded continuously as it never sought new extension of territory other than that of learning. Buddhism failed in India alone because its monks became licentious, ceased to deliver true teachings and were swept up, most likely, in India alone, by the Muslim conquest of that unhappy country sometime around the seventh century.

Britain of the 20th century actively sought to contract her empire and did so to the tune of internal economic catastrophe.

## SINGLE PRINCIPLE

Thus it should be obvious that contraction leads to death and expansion to life, providing that one maintains a demand for itself and the will and skill to produce and deliver a product.

If, as ours is, the product is very beneficial and if we continue to produce and deliver, the demand is assured. In this we are fortunate. And we are also fortunate that, try as they will, no squirrel is ever able to duplicate our product since one variation (that of changed brand) leads to others; and they promptly have neither product nor demand-that observation is itself empirical. No squirrel has

lasted more than 2 or 3 years in the past sixteen years. And there have been many. That they squirrel shows enough bad faith to drive away the public the moment the public hears of the original.

Thus, providing we maintain the will and skill to produce and deliver, we can expand, and proper expansion that will continue is possible.

All our policy then is built on EXPANSION.

It assumes we wish to survive.

And it stresses the production and delivery of a straight nonsquirrel product.

It is calculated to ensure a continued and widening demand by ensuring that product remains good and beneficial.

The technology itself is complete, but it expands also by experience of administration of it and simplifying its presentation.

But to alter the basics of the technology will stop expansion because it is what we are producing, not what we are building.

We are building a better universe. It has not been a good universe to live in so far but it can be.

29

Our punitive force is our ethics system, and it exists to ensure the quality of the product and to prevent the blunting of demand for the product.

#### INTERPRETATION OF POLICY

The organization then has all its policy rigged to expand.

It takes many things to ensure expansion.

Thus, when you are interpreting policy, it should be interpreted only against EXPANSION as the single factor governing it.

This can serve to clarify questions about policy. The correct interpretation always leads to expansion, not holding a level or contraction.

For example, policy bars the entrance of the healing field. This is solely because there is too much trouble with the occupiers of that field and only outright war (with no demand) could solve them. This seems to be a brake on expansion. It is only a brake on expanding by war in the absence of demand. Therefore the right way to expand is to gradually build up general public demand, let experience by the public see that we heal and when the demand is there and howling for us, reinterpret the policy or abolish it as a brake to expansion. As one can only expand by external demand for the product, if one seeks to expand in the absence of a specific demand for the product, one has war; and war doesn't lead to expansion any more than burning heretics and other brutalities expanded the Catholic movement.

So one interprets policy against *proper expansion* that is proper.

#### CORRECT EXPANSION

Expansion which when expanded can hold its territory without effort is proper and correct expansion.

Hitler (like Caesar) did not "consolidate his conquered territory." It was not possible to do so, not because he did not have troops but because he didn't have a real demand for German technology and social philosophy before conquering. Thus Hitler lost his war and fascist Germany died. It is

almost impossible to consolidate territory where one was not invited in, in the first place, and force had to be used in order to expand.

One can remove a real suppressive by force to ensure demand will then build, providing he does not seek to force the product on the suppressive and all those around the suppressive.

The suppressive, as an individual, can be removed by force because he is an anti-demand factor using falsehood and lies to prevent demand from occurring. But one, in removing the suppressive, has to be sure one's own product and delivery are still correct and straight and in no way suppressive of anything but suppressives.

Further, one must leave at least a crack in the door and never close it with a crash on anyone because a demand still may develop there.

The only way to start a full scale revolution is totally and thoroughly slam the door. One must always leave a crack open. The suppressive can recant and apologize. The pauper can by certain actions, no matter how improbable, secure service. Etc.

In short, use force only to shut down false anti-demand factors. Yet leave the door at least a crack open in case demand without duress develops. Never finally shut off a possible demand.

You can stimulate demand. You can create it. But you may only comfortably and properly expand into demand.

30

Removal of a suppressive only brings a potential appearance of demand from the area he dominated. That potential, by some means, the best of which are good dissemination and service examples, must become demand before one can truly occupy territory.

Thus areas taken purely by force of arms can never be held by force of arms in the absence of demand for product and thus demand by the area for occupation and consolidation.

As we have a product that frees in an ultimate sense and de-aberrates, there is of course an end to the game. But it is so far ahead, embracing a whole universe, that it requires minimal consideration.

Expansion requires area to expand into. And we are in no danger of running out of that.

If we were dependent as nations often think they are on boundary expansion on one planet, or into one planet's populations as companies think they are, we would have brakes on expansion due to territorial or population limitations alone. But we are not likely to encounter such barriers for a period of time so long, we can consider our expansion potential as infinite-and are the only organization that honestly can so consider. We are not conquering land in the government sense anyway.

## OVEREXPANSION

All factors, then, in policy are rigged for expansion.

And this brings about a possibility one can be asked about, that of overexpansion.

One can "overexpand" by acquiring too much territory too fast without knowing how to handle it. One can conquer new territory as fast as one wants IF he knows how to handle the situation.

There are several ways one can "overexpand." They all boil down to overextended administration lines in a *single administrative* unit.

In this, one must know the principle on which the org board was originally conceived. It is that of Thetan- Mind- Body- Product.

If there is a thetan, a mind (organization potential, not a harmful mass) can be set up-a mind which will organize a body which will produce a product.

If any one of these elements (Thetan- Mind- Body-Product) are missing, then an organization will fail.

Man is so aberrated all mental actions seem to him to be reactive mind actions. But there has to be in organizations a data and problem-solution coordination unit in order to set up a body. (A thetan can do this without a lot of mass, having his memory and perception and intelligence.) We have then an Advisory Council to coordinate acquired data, recognize and resolve problems. Above it, there has to be a thetan somewhat detached from it. This may be a higher mind (Ad Council) operating as a director to the lower Ad Council.

The mind must operate to form a body. This body is the mest (matter energy space and time) and staff of the organization.

This body must produce a product. This in the HGC, for instance, is resolved cases.

Any smaller part of the whole organization is also a Thetan-Mind-Body-Product. Often the executive is both thetan and mind, but as soon as traffic gets too heavy, he must form a separate mind such as an administrative committee or a personal staff to

31

compose the mind. In such a smaller unit than the whole org there is yet a body (the staff and mest of the unit). And there must be a specific product. The product sometimes is absent and sometimes incorrectly assigned, but if so the unit won't function.

Overexpansion occurs only when one tries to handle the larger volume with the same Thetan-M ind- Body- Product numbers one had before.

This tells you why single practitioners can't expand their practices without overwork.

It also tells you why some executives are upset at the idea of expansion as they (lacking organizational insight) see it solely as overwork. They don't see that when you expand volume and traffic you must expand the organization.

There is a wrong way and a right way to expand an organization.

The wrong way is to add staff and facilities endlessly (like governments tend to do) without adding to the organization itself.

If you had huge affluences occurring steadily, you would soon go into collapse if you did not expand also by organizational units or branches.

In taking over a new field or area of operation, for instance, one errs when he adds that traffic to the basic organization's traffic.

In the presence of huge escalating affluences, one must analyze what is causing them and reinforce them. BUT one must also see what new KIND of traffic is being added.

If one finds a new KIND of traffic, then one sets up a suborganization unit to handle it which is complete in itself.

If we are now getting "businessmen" in quantity, we set up, under the control of the original organization

1. A thetan to supervise it
2. A mind to coordinate it

3. A body to handle it, and

4. A new product called "released /cleared businessmen."

If we then were to find the new unit (struggling to form itself into 7 divisions on its own by now) gets a lot of demand and statistics on an Org Exec Course, it must cease to gratuitously coach it and set up its "Business Academy" teaching the Org Exec Course as Dept 10, appointing a thetan, mind, body and achieving a product "trained businessmen" and see that units to support it occur in other divisions and an ethics unit to prevent blunting of demand and re-aberration.

This can even go backwards. One sets up in Dissem a unit called "Business Course Project Promotion Section" and stimulates the demand and then when it is there puts in its Department 10.

Soon all seven divisions have extra units to care for this new action, each unit with a Thetan-Mind-Body-Product. The products are different but they all add up to "trained businessmen," whether they are creating demand, financing or servicing.

So overexpansion is only underorganization in the main.

One can of course "overexpand" by attempted servicing in the absence of demand causing, thus, losses in finance. In such a case only concentrate on creating *new* demand, not on servicing old demands. This, by the way, is the most common error in

32

organizations of ours. **They shrink because they are not creating** *new* demand and concentrate only on **creating demand in those already demanding (which** is lazy-easy).

New demand is expensive to develop. Thus you often see finance units frowning on "new demand" expenses and cutting down magazines in number of issue, not buying new mail lists, etc.

To start a new suborganization, one sets up on the basis of potential demand, sets up ethics to prevent demand-blunting or bad internal service or performance, works on increasing the demand, introduces service, sets up external ethics to prevent blunted demand, increases the demand by dissemination to *new* and old areas of demand, increases service, ensures product, increases the organization (not just staff), increases demand in new and old areas, stiffens up ethics, improves service facilities, etc., etc.

It's continuous expansion of volume, continuous expansion of organization, continuous expansion of demand. Where one lags behind the others, one gets trouble.

It is almost impossible to run a nonexpanding organization with ease. One gets into financial crises, staff troubles and overwork. Decay has set in. And fighting it is sure to overwork an executive. The easiest course is to expand. Then one has the help.

Summary: In understanding policy one must understand its key and that is expansion.

Only a Scientology organization has an unlimited horizon. But any organization must expand to survive.

The only ways you can "overexpand" are to fail to expand with new demand and keep pace with it evenly with organizational expansion as well as numbers.

It is easier to expand than to "remain level."

Organizations and units which do not expand cannot stay level and so contract.

Org executives and personnel are overworked only when they cannot afford to expand and thus cannot get the help they need to do the work-quite in addition to there being more problems made by contraction than by expansion.

Scientology organizations are designed for expansion.

Expansion requires an expansion of all factors involved; and when something expands out of pace with the rest which is not expanding at the same rate, trouble is caused.

Uniform expansion of demand, ethics and service into new fields and areas as well as old areas of operation, are needful to trouble-free activities.

Each member and unit of an organization has a product which, if different, contributes to the whole product of an organization,

The ultimate product of Scientology is a universe that is decent and happy to live in, not degenerated and made miserable by suppressives as it has been. This is accomplished by the de-aberration of individuals and the prevention of blunted demand and re-aberration by suppressives, and this is the method of expansion.

If in these early days of Scientology we have any troubles, they occurred by an earlier imbalance of expansion.

33

Demand was created without handling suppressives, which unequal expansion gave us a backlog of unhandled ethics in the society. All we need do is catch up our backlog in those organizational functions which were not expanded when they should have been and all will go smoothly.

Any time you do not expand uniformly with all functions, you get an appearance of overexpansion by some functions. The best answer is not to cancel the expanded functions which overreached, but to catch them up by expanding the ones one neglected in support. You will have trouble wherever you cut back an expansion as that is contraction. The answer, within reason, is to advance all else to catch up to the expanded portion while still, more calmly, expanding it.

L. RON HUBBARD

Founder

LRH:jp.rd.gm Copyright © 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

34

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 DECEMBER 1966

General Non-

Rernimeo Execs SH Org Exec

Course

*Admin Know-How Series 10*

**HOW TO PROGRAM AN ORG**

**SAINT HILL PROGRAMS**

In past years we have had many problems resulting in programs as follows:



The sequence of major programs at Saint Hill:

To provide a home for LRH and family in Commonwealth area so Commonwealth area could be organized and made self-supporting.

To provide admin facilities for LRH in Commonwealth area.

To make Commonwealth area self-supporting regardless of US funds or customers. (Not yet resolved.)

To train technical and admin staffs for Commonwealth orgs.

To make Commonwealth outer orgs run on their income without their using all the bills sums owed SH or Ron as part of their operating funds.

To find financial support for SH activities resulting in the SHSBC which also accomplished the next above.

To handle Commonwealth activities and organizations and also handle US activities. (Solved by telex and OIC and later the Exec Div WW.)

To establish SH general broad promotion. (Solved by The Auditor.)

To provide facilities for administering critical high-level tech such as Power Processes. (Solved by SH HGC.)

To organize SH so it could be administered (made needful by '63-'64 collapse of multiple corporate setup). (Solved by 7 div system completed by end of 1965.)

To refine the Qual Div to prevent all "failed cases," train staff and improve tech.

To get reports of tax, etc., off continual crash programs. (Solved by Treasurer but incomplete of any guarantee of chartered accountant compliance.)

To get field auditors to cooperate and stop conflicts with orgs. (FSM program.)

To refine the Tech Div. (Finished about August 1966.)

To get in smooth operation an ethics system.

To operate the Clearing Course and to assembly line Clears. (Still under refinement but more or less complete.)

To establish and operate OT Course. (Just now under development.)

35

To beat back continuous attacks by suppressives in the 3rd and 4th dynamics. (Solved by establishing Intelligence Branch.)

To train up staffs at SH and in outer orgs by Staff Status and Org Exec Course.

To improve the cash-bills ratios of orgs.

To safeguard income once earned by better financial planning.

To reform Ad Councils into representative bodies (now complete with the formation of an Executive Council).

To assemble all Scientology materials. (Flopped by reason of noncompliance but lately reinstituted.)

Dictionary Project to prevent misunderstood words. (In sporadic and jerky action to this day.)

To handle legal situations which built up by noncompliance by attorneys internal and external in org. (Under solution by forming Guardian Legal Branch.)

To improve and maintain affluences. (Just begun.)

To help Scientology dissemination and attack more broadly to prevent such quantities of legal defense. (OT activities program just begun.)

To safeguard, continue and expand all Scientology orgs. (Worked on a bit, not really concentrated on except for cash-bills and staff status.)

General improvement of finances. (OT activities.)

Buildings for Scientology orgs. (OT activities.)

To establish better audio-visio educational facilities. (Barely begun.)

These have been and are the major program steps which have been implemented or are under development at Saint Hill since 1959 and forward to the end of 1966.

Some of the years covered acquired names such as

1965 - The Year of Organization. 1966 - The Year of the Clears. 1967 - will probably be the Year of the OTs.

It will be noted that each of these programs solved a self-evident problem.

It must be realized then that these problems did exist.

If the problems exist again, remember there was already a solution program and usually it has only been dropped and the problem reappeared because it had been dropped. The proper directive action is to reimplement and improve the solution which is to say, in the case of SH, the carrying out of the successful programs noted above.

Ad Councils are always advancing new programs and often it is only an old program dropped out that needs reinstituting, not a new solution. Certainly an old problem has cropped up again.

36

**There have been other programs** of course. Many solutions to old problems, and of major importance, are found in policy letters. Some programs, although necessary, have never been successfully implemented. There was the motion picture program but it is dogged by technical bugs and became part of the audio-visio program now being attempted. There has been the rewrite of all books program but I've been too overworked to attempt it.

Other future, self-evident programs will come into being. They will only fail if earlier programs, dropped out or not given reorganization when needed, bring old problems into view by exposing them. All the problems underlying the program solutions above still potentially exist, held in abeyance only by the programs.

The best way to form programs is to isolate *actual* problems at any level of operation and solve them either by removing elements that make them or by instituting a program. Sensible planning tends toward both actions.

An unsuccessful program usually will be found to be solving the wrong problem or is itself an improper solution to an actual problem.

If you want to establish the validity of a new program offered by someone, ask him what problem it is seeking to solve. You can then see if you already have a solution to the problem, but most often you will see that no clarified idea of the problem existed and so the solution is poor or inadequate.

The common problem of an org is not the development of programs but failure to execute existing ones.

Another difficulty with orgs is that they often alter the existing program so that it no longer resolves the problem the program was set up to handle. A current example is magazines. Magazines exist to solve the problem of public unawareness of an org. An org has no space unless it is sending out anchor points to make it. And it is in nonexistence for its *Scientology* public unless it mails magazines regularly. Magazines do not develop much new public—that is another, largely unsolved, problem. Magazines exist to continue the awareness of the existing Scientology public. Now as these people are already aware of Scientology, the awareness one is trying to develop is that of the org and its services. Recently, continental magazines began to issue only Scientology *data*. The ads making the Scientology public aware of the org were toned down and omitted and the cash-bills ratio worsened in orgs. The orgs started toward nonexistence. Significantly, the trend was begun by a someone who did not like orgs but was in favor of Scientology. Issue Authority erred in not looking at old magazines and comparing them to the current layout. There was a vast difference. No ads in current ones. The program had been altered.

Artists are taught to be "original" and to alter. Yet successful artists painted the same picture their whole lives under different names. These just seemed new.

To change, alter or drop a program one must know what the program was there to solve. Just change for change's sake is mere aberration (making the lines crooked).

It's a good exercise for a senior executive to list the problems the org really does have. To know the programs of an org that are *in is* to see what problems an org would have if they were dropped.

It's healthy to revert a program now and then by meticulously examining how it was originally when it was very successful and then put it back the way it was originally. This is done not by adjusting lines but by looking up old magazines, old policy, old **despatches and** issue pieces, even old tapes. What did it used to consist of? If it is no longer successful

- a. The program was altered or dropped and
- b. The org will have a problem it once had long ago, or

37

- c. (Rare) the causes of **the problem have been removed and the problem** no longer exists.

There's lots of trial and error in developing a program. That's why any *new* program should only be a "special project" for a while, off the org main lines really, under special management. If a "special project" starts to show up well in finance (and only in finance), then one should include it "in" with its new staff as an org standard project.

To run new programs in on existing lines is to disturb (by distraction and staff overload) existing programs, and even if good, the new program will fail and damage as well existing programs.

Provide, then, staff and money to pioneer a new program as a "special project." If you don't have money or staff to do this, you would do far, far better simply looking over the problems the org faces and get in the old programs that handled them. These are known winners and don't forget, they cost a lot to find and prove as *the* thing to do. And they took a long time.

Take the Central Files-Letter Reg setup in orgs. That's a standard program. Developed in London and D.C. in the mid 50s. If you dropped it out, an org would fail. The problem is "how to achieve special individual contact with *existing* clientele and maintain *existing* already developed business." One large firm, I was told the other day, that has put in our 7 division system was stunned to find they had *never* contacted their existing business clientele. They only had done business with *new* clientele. This cost them perhaps 200,000 sales a year! They promptly put in our CF-Letter Registrar system with a vengeance.

In their case (as in a forming or reorganized org) they weren't even aware of the problem and so had no program for it.

It is often the case that one can develop a program that removes the need of some other program. If one removes the factors that make the problem, one can dispense with the program that solves it. But this is so rare it is nonhuman in most instances.

For instance, doctors are a public solution to the problem of human body illness. If one removed this problem, one could remove the "doctor program" safely. That's why doctors sometimes fight us. We are thought to be working to remove the problem to which they are a program. One would have to have more than a better *cure*. One would have to remove in the 4th dynamic (mankind) the *causes* of illness. These would not be what people think they are as the problem persists and so does the "doctor program" in the society. It can't be the right problem. Only enough is known of the causes of illness to make the problem *appear* to be handled. Actually the bad statistic of ill people is rising. We have entered the field in research only far enough to know that suppressives make people ill but that's a sufficient departure to make it an ethics problem, not one in treatment! By extension of this theory, one might find this problem not caused by Pasteur's germs but by suppressive groups. In that case one would increase ethics programs. Eventually, if this solved it, the "doctor program" would be diminished as no longer the only solution.

The above is not a statement of intention or a plan. It is an example of how an old standard program can become less important. Note that one would have to (a) state the problem better than it had been stated, (b) isolate causes of the real problem, (c) institute a "special project" to handle *those* causes, (d) see if the problem was now better handled, (e) abandon it if it didn't handle the problem, or (f) make it a standard program if it did prove effective, (g) diminish the old program.

So just dropping a proven program (without going at it as above [a] to [f 1]) can be a catastrophe as it can let in an old problem when one already has quite enough problems already.

Abandoned programs that were successful are currently the main cause of orgs being in any difficulty.

38

You can always make an org run better by studying old successful programs and getting them back in.

If you were to take the above list at Saint Hill, the major SH programs since 1959, and simply *revert* them (make them more like the original) and reinforce them, income would probably double.

If we abandoned as few as five of these, the SH org would undoubtedly collapse.

If we added six new programs directly into the org without seeing the problem to be solved, we could distract staff to a point where the old standard programs would suffer and the org would collapse.

Sometimes, even in our orgs, we enter new arbitraries which make new problems we don't need. Those are the sources we can do without. If we didn't routinely abolish such org-generated problems, we would fade away in a year.

Therefore we cherish and forward the existing programs we have and study them continually to be sure they don't "go out."

This is not a list of the *problems* faced at Saint Hill; it is a list of solutions. For these programs may accidentally be solving problems we cannot yet clearly state.

This is not a list of all major programs in Scientology. These are found in the policy letters of past years and particularly 1965.

This is a list of the major SH programs for use by SH executives and as an illustration to others on how to program and to show them that, as Scientologists, we use our knowledge of the mechanics of life, problems and solutions to govern programs.

If all the problems we faced were only ours, we could of course simply audit them out. But we exist in a 3rd and 4th dynamic which is not merely aberrated but quite batty. This thrusts problems on us (finance, international ignorance and intolerance, religious and psychiatric cults, suppressive governments, retarded or misused scientific technology, lack of human dignity and a host of other factors).

We exist, therefore, in a rather madly tossing sea, beset by numerous countercurrents.

As we grow, we can remove vicious causes that make our problems problems. Only then can we begin to drop certain programs as the problems will cease to exist. But at this writing those problems do exist and holding them in check are numerous solutions we call programs.

Where one of our standard programs fails through lack of recognition, we then see a problem charging in on us demanding crash programing by higher executives.

When we let uninformed or worse people put in new arbitraries or solutions that solve no problem, we disturb old programs and soon have heavy trouble through unnecessary programing. (Watching a new inexperienced Ad Council propose "programs" is a painful experience to a trained and effective executive. These proposed measures look silly because they confront no real problems of the org and are dangerous because they will distract the org from correct existing programs of which the new Ad Council seems blissfully unaware.)

When an org doesn't know its programs, it can get pretty silly and deeply in trouble. If it also knows its problems, it is fortunate.

But any Scientology org is rich in programs already proven and tested and in exact drill. If it just keeps these going, it will win even if it doesn't see the problems.

39

As it wins, the org expands, can afford more assistance, is less under duress. Then it can begin to examine the problems themselves (still keeping the solution as a program) and possibly remove some of the causes of the actual problem. Only when the problem is gone can one drop a program.

A *Scientology* org is best fitted to do this as its staff is going up tone by processing and is more and more able to confront and see source. Therefore it eventually can remove the causes of its problems since it can (a) see the problem and (b) see the bad sources which make the problem,

Until it *can* see, it is not safe to drop any of the solutions. And as orgs are a channel or a way in themselves, they always will have a bottom strata of people who cannot yet see the problems and so need explicit programs to follow. As the lower strata moves up, a new lower strata, by expansion, takes its place so there is no real end to programs until the day comes when the universe is sane.

And that's not tomorrow or even the day after.

But we *are* making steady, relentless progress in that direction. Mainly because of our programs, well applied.

## **L. RON HUBBARD**

Founder

LRH:jp.rd.gm Copyright © 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

40

### **HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill** Manor, East Grinstead, Sussex

14CO POLICY LETTER OF 24 DECEMBER 1966

General Issue 11

Non-Rernimeo CORRECTION AND ADDITION

Execs SH

Org Exec Course

### ***Admin Know-How Series 11***

#### **HOW TO PROGRAM AN ORG**

#### **CORRECTIONS AND ADDITION**

#### **SEQUENCE OF PROGRAMS CORRECTION**

The sixth SH program from the top on page one states, "To find financial support for SH activities resulting in the SHSBC *which also accomplished the next above.*" This does not refer to "next above" but to two above, "To train technical and admin staffs for Commonwealth orgs." The Saint Hill Special Briefing Course was founded (a) to train tech and admin staffs for Commonwealth orgs and (b) was found to be the solvency factor of Saint Hill which was being looked for.

"Next above," "To make Commonwealth orgs run on their income without using all the bills sums owed SH or Ron as part of their operating funds" has only partially been solved and the SHSBC was not founded to solve it although it helped. The 7 div system began to solve it (financial independence of outer orgs) but only where a *good* Qual Div was put in first and all area failed or overrun cases were picked up. It is notable that Sydney and Adelaide, reported by Auckland to have put in *no* Qual Div even after 2 years of urging, were low orgs on the totem pole. Others that did get in a Qual Div and pick up their failed cases and overruns improved very markedly. So the solution to solvent outer orgs that could run without using SH or Ron's income lay in (a) establishing a fine Qual Div, (b) picking up their area's "failed cases" and also repairing *all* overruns, (c) training their staffs on tech and admin in the new Qual and (d) putting in a fine Tech Div. Those that really did that are going

very well. Sydney, which butchered cases once by overrun R2-12, evidently completely neglected the program and remains insolvent.

#### ADDITION

To make a simpler statement of what is a program, the following is offered:

1. The org has a problem relating to its function and survival.
2. Unless the problem is solved, the org will not do well and may even go under.
3. The *solution* is actually an org activity or drill. We call this a PROGRAM.
4. To find and establish a *program*, one conceives of a solution and sets it up independent of org lines with its own staff and finance as a SPECIAL PROJECT.
5. When a special project is seen to be effective or, especially, profitable, it is then put into the org lines as worked out in the "special project," bringing its own staff with it.
6. The usual place to carry a special project is under the Office of LRH or the Office of the HCO Exec Sec or Office of the Org Exec Sec. Programs go in their appropriate departments and divisions, one to six, not seven.

41

#### OVERHAULING A PROJECT

**When** a program goes bad, gets altered to a point of unworkability or carelessly conducted or is **dropped without orders to do** so, two things may happen.

1. The Exec Sec (or LRH, Guardian or Asst Guardian or LRH Comm) over that division puts the executives which should have seen to the program in DANGER condition and personally pushes to get the program back in as a program.

2. If this fails, the Exec Sec (or LRH, the Guardian or Asst Guardian or the LRH Comm) hauls the whole program into his own office as though it were a new special project, gets it personnel and finance and sets it all up and then gives it over to its correct dept and division.

The second step comes about when one finds any noncompliance in doing (1) above. As a Danger condition was already set up and the Exec Sec (or other senior) is handling it on a bypass already, if one still can't get the program restarted, there is no other action one can take than pulling the whole thing into one's own office. For sure somebody has a foot on it. Although we can try to find WHO has, this is no reason to continue to stall the program. After a Danger condition on a program has existed for a while with no change of activity, one is wasting one's time to keep pushing on a via. The *easier* course is simply to say, "As Address has been in Danger for some time and still continues to goof, 1, the HCO Exec Sec, hereby take Address into my office in Division 7 where I will personally straighten it out and meanwhile the Ad Council is to nominate for the Exec Council a new HCO Area Sec."

In actual operation-I often do (1) above-call a Danger condition on a program that is not functioning, handle it personally and use ethics action on those bypassed.

Sometimes when (1) doesn't work, I realize there is interference still and haul the whole section into my office as a function of my office. It may stay there quite a while. Then I will put it elsewhere as a complete section transfer. Sometimes after the transfer I again have to haul it back. Usually that's because it went into the wrong place in the org. If you put a section in the wrong dept or division, it just won't function. The exception is the Exec Div and anything can be put in there for a while.

The common error in (2) is to forget one has it and forget to transfer it when formed up properly. If one looks over what hats he is wearing, one usually finds a program or two he has been handling and which he ought to finish up in final form and put into the org proper.

In theory, any exec or even an in-charge can do (1) and (2) above.

If (1) doesn't work then do (2). The main mistake is to forget to complete the action of (2) by putting the program back in place in the org. To prevent that from happening, when you do (2), change it also on the org board. Then it stays in view. Otherwise, one forgets and soon begins to feel overworked.

Almost any executive is holding on to a special project or two or even a program. So one should routinely look over one's own hats and refind these and complete cycle on them.

## **L. RON HUBBARD**

### **Founder**

LRH:jp.rd.gm Copyright C 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

42

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 DECEMBER 1966

Remimeo

*Admin Know-How Series 12*

### **PTS SECTIONS, PERSONNEL AND EXECS**

An org has certain sections, units, personnel and executives who go PTS to suppressive elements in the society.

If one knows this, one becomes less puzzled by noncompliances and trouble in those quarters. One can also do something effective if one realizes why.

Legal, accounts and construction and lesser units tend to go PTS very easily.

A "P.T.S." is a *Potential Trouble Source* by reason of contact with a suppressive person or group.

*Suppression* is "a harmful intention or action against which one cannot fight back." Thus when one can do *anything* about it, it is less suppressive.

Thus Legal goes PTS being in contact with SP courts and with SP or PTS attorney firms as well as confronting suppressives who are seeking to injure the org through various suppressive actions.

Accounts goes PTS through various tax and government supervision suppressions.

An Estate Branch listening to Town and Country Planning or zoning suppressives tends to go PTS.

In a standard issue corporation the labor relations contact point, continually messed up by labor agitators who could do the company in and regulations protecting such, tends to go PTS.

An Ethics Officer may become PTS.

The Dead File Unit may go PTS on all the entheta letters.



As such PTS personnel impinge on top executives, these can also go PTS and the org gets harmed to say the least.

## HANDLING

As one cannot easily disconnect from suppressive society points without leaving the society, it remains that an executive must handle, if not the SP social groups, at least the situation developing from them and into the org.

Ideally one removes the SPs in the social groups. But where that is not possible one can do several things:

- a. Limit the number of org personnel such groups contact.
- b. Give such org personnel as do contact such suppressive elements S & Ds occasionally.
- c. Change such personnel frequently.

43

d. Develop a system to **restrain the SP** from easily influencing such org personnel as may remain in contact.

e. Work gradually but steadily into a position to be able to remove suppressives from the social groups in question, such as becoming more influential as an org, suing, exposing, public education and other means.

## INDICATORS

The first indicator an org executive has of a unit or staff member going PTS is noncompliance. Such personnel are being overwhelmed in various ways by the SP social groups and have no energy left to undertake their duties or forward org programs.

Another indicator is the amount of illness and lack of case progress on the part of such PTS staff members.

A third indicator is an executive getting the hat of such a personnel on his own plate.

An executive who doesn't notice such indicators and act is being in turn PTS, or simply isn't of executive caliber.

## METHODS OF BALKING

There are several methods by which a staff member acting as an org contact point in connection with suppressives can balk the agents of SP groups.

One is to always tape-record visibly whatever the agent from such a suppressive group says. "Ah. Mr. Figuretivist of the Tax Division? Good. Now wait a moment so I can record whatever you say. Good. It's now recording. Go ahead." We used to handle the Internal "Revenue" Service of the US this way quite successfully. The org contact point always stopping the IRS inspector they sent around, turning on a portable recorder and then, and not until then, letting the man speak. Quite effective. That org only got into tax trouble when it stopped doing this. After the recording was dropped out as drill the SP utterances of IRS agents were in full cry at the staff and they went PTS and began to make crazy errors and ignore org orders re tax.

Any time such agents come around, they try to get as many staff into it as possible. And yap and yap and threaten and enturbulate. One must put them in Coventry (silence treatment) from staff other than the contact point. Staff members of a unit that could go PTS must be ordered to walk off without a word whenever such an agent shows up. No "bull sessions" or arguments with such a person.

The staff personnel who handles should point at the agent if other staff is about and say some key word like "This is a government man" at which all other staff in the unit turns its back or pointedly walks off. If you do this, such agents can't take offense but they get very uneasy, transact quickly, forget their mission to be enturbulative and go away soon. Don't ever think politeness will help you. Tipping one's hat to snakes never stopped a person getting bitten. Walking off has.

Staffs are so "reasonable" they think these SP group representatives are there for necessary purposes or serve some purpose, or can be reasoned with-all of which is nonsense.

There are no good reporters. There are no good government or SP group agents. The longer you try to be nice, the worse off you will be. And the sooner one learns this, the happier he will be.

Some staff member in such contact points in the org should be the only one who handles and all other staff should be given chits for talking to such a person.

This limits the area of enturbation. The handling staff member can become

44

expert. But even so, **watch for bad indicators in that staff member, and the moment** they show up, change the contact point.

Never give such persons access to persons high up in the org-or unit. Turn such over to special personnel who can get the business over with at once and get the agent off the premises soon.

If you see a manager snapping terminals with such agents, transfer him to another post in the org. Unless you do so, he'll soon cease complying with policy and will soon have the place falling apart.

When such agents act or sound very suppressive, get them investigated, find the scandal and attack. It is a fortunate truth that such people also have crimes in their background that can be found. Find and expose them.

SPs are at war. Pleasant conduct, mean conduct, any conduct at all is simply more war. So wage the back action as a battle.

In all the history of Scientology no interviewing reporter ever helped. They all meant the worst when they acted their best and we are always sorry ever to have spoken. Even if the reporter is all right, his newspaper isn't and will twist his story. We have done best when we have blocked off reporters and worst when we've been nice. So the moral is, a person from an SP group will eventually make an org or some part of it PTS regardless of the agent's conduct.

These words may seem harsh and unreasonable, yet truth is truth and only when we ignore it do we get fouled up. Agents from SP groups lead to PTS staff, units or sections, leads to noncompliance, leads to a mess.

It isn't just imagination that SPs attack Scientology. The evidence has been around in plenty for 16 years.

We began to prosper the day we cut public SPs' correspondence off the org lines and sent it to dead file. Our executives began to function, policy began to be followed, and we began to grow.

So we'll attain new expansion just by applying what is in this policy letter.

I personally find such agents rather pitiful in their attempts to make trouble. I think the contemporary attempts to upset us and accusations of things we never do, quite prove the fact such mean us no good. But many staff and executives try desperately to be nice to them.

Handle the business they present as effectively as possible on special channels. Don't be nice. Limit their reach. And have less noncompliance and a far more effective and happier org. After all, real suppressives only constitute about 21/2 percent of the total population. Why spend more than 21/2 percent of your time on them?

The whole stunt is realizing that certain groups are SP and recognizing them and then handling them.

Be alert and stay alive. It won't always be this way.

**L. RON HUBBARD**

**Founder**

LRH:jp.rd.gm Copyright 0 1966 by L. Ron Hubbard ALL RIGHTS RESERVED

45

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 FEBRUARY 1967

Org Exec

Course

*Admin Know-How Series 13*

## **THE RESPONSIBILITIES OF LEADERS**

A few comments on POWER, being or working close to or under a power, which is to say a leader or one who exerts wide primary influence on the affairs of men.

I have written it this way, using two actual people to give an example of magnitude enough to interest and to furnish some pleasant reading. And I used a military sphere so it could be seen clearly without restimulation of admin problems.

The book referenced is a fantastically able book by the way.

THE MISTAKES OF SIMON BOLIVAR

AND MANUELA SAENZ

Reference: The book entitled:

*The Four Seasons of Manuela* by

Victor W. von Hagen, a biography-

A Mayflower Dell Paperback. Oct. 1966. 6/-

Simon Bolivar was the liberator of South America from the yoke of Spain.

Manuela Saenz was the liberatress and consort.

Their acts and fates are well recorded in this moving biography.

But aside from any purely dramatic value, the book lays bare and motivates various actions of great interest to those who lead, who support or are near leaders.

Simon Bolivar was a very strong character. He was one of the richest men in South America. He had real personal ability given to only a handful on the planet. He was a military commander

without peer in history. Why he would fail and die an exile to be later deified is thus of great interest. What mistakes did he make?

Manuela Saenz was a brilliant, beautiful and able woman. She was loyal, devoted, quite comparable to Bolivar, far above the cut of average humanoids. Why then did she live a vilified outcast, receive such violent social rejection and die of poverty and remain unknown to history? What mistakes did she make?

#### BOLIVAR'S ERRORS

The freeing of things is the reverse, unstated dramatization (the opposite side of the coin) to the slavery enjoined by the mechanisms of the mind.

Unless there is something to free men *into*, the act of freeing is simply a protest of slavery. And as no humanoid is free while aberrated in the body cycle, it is of course a gesture to free him politically as it frees him only into the anarchy of dramatizing his aberrations with NO control whatever and without something to fight exterior; and with no exteriorization of his interest, he simply goes mad noisily or quietly,

46

Once as great a wrong as depraving **beings has been done, there is, of course, no freedom** short of freeing one from the depravity itself or *at least* from its most obvious influences in the society. In short, one would have to de-aberrate a man before his whole social structure **could be de-aberrated**.

If one lacked the whole ability to free Man wholly from his reactive patterns, then one could free Man from their restimulators in the society at least. If one had the whole of the data (but lacked the Scientology tech), one would simply use reactive patterns to blow the old society apart and then pick up the pieces neatly in a new pattern. If one had no inkling of how reactive one can get (and Bolivar, of course, had no knowledge whatever in that field), there yet remained a workable formula used "instinctively" by most successful practical political leaders:

If you free a society from those things you see wrong with it and use force to demand it do what is right, and if you carry forward with decision and thoroughness, and without continual temporizing, you can, in the applications of your charm and gifts, bring about a great political reform or improve a failing country.

So Bolivar's first error, most consistent it was, too, was contained in the vital words "you see" in the above paragraph. He didn't look and he didn't even listen to sound intelligence reports. He was so *sure* he could *glow* things right or fight things right or charm things right that he never looked for anything wrong to correct until it was too late. This is the ne-plus-ultra of personal confidence, amounting to supreme vanity. "When he appeared it would all come right" was not only his belief but his basic philosophy. So the first time it didn't work, he collapsed. All his skills and charm were channeled into this one test. Only that could he observe.

Not to compare with Bolivar but to show my understanding of this:

I once had a similar one. "I would keep going as long as I could and when I was stopped I would then die." This was a solution mild enough to state and really hard to understand until you had an inkling of what I meant by keeping going. Meteors keep going-very, very fast. And so did I. Then one day ages back, I finally *was* stopped after countless little stoppings by social contacts and family to prepare me culminating in a navy more devoted to braid than dead enemies and literally I quit. For a while I couldn't get a clue of what was wrong with me. Life went completely unlivable until I found a

*new* solution. So I know the frailty of these single solutions. Not to compare myself but just to show it happens to us all, not just Bolivars.

Bolivar had no personal insight at all. He could only "outsight" and even then he did not look or listen. He *glowed* things right. Pitifully, it was his undoing that he could. Until he no longer could. When he couldn't glow he roared, and when he couldn't roar he fought a battle. Then civic enemies were not military enemies so he had no solution left at all.

It *never* occurred to him to do more than personally *magnetize* things into being right and victorious.

His downfall was that he made far too heavy use of a skill simply because it was easy. He was too good at this one thing. So he never looked to any other skill and he never even dreamed there was any other way.

He had no view of any situation and no idea of the organizational or preparatory steps necessary to political and personal victory. He only knew military organization which is where his organizational insight ceased.

He was taught on the high wine of French revolt, notorious in its organizational inability to form cultures, and that fatally by a childhood teacher who was intensely impractical in his own private life (Simon Rodriguez, an unfrocked priest turned tutor).

Bolivar had no personal financial skill. He started wealthy and wound up a pauper, a statistic descending from one of the if not the richest man in South America

47

down to a borrowed nightshirt to be buried in as an exile. And this while the property of Royalists was wide open, the greatest land and mine valuables of South America wide open to his hand and that's not believable! But true. He never collected his own debt of loans to governments even when the head of those governments.

So it is no wonder we find two more very real errors leading to his downfall: He did not get his troops or officers *rewarded* and he did not aim for any solvency of the states he controlled. It was all right if there were long years of battle ahead for them to be unpaid as no real riches were yet won, but not to *reward* them when the whole place was at his disposal! Well!

The limit of his ability consisted of demanding a bit of cash for current pay from churches-which were not actively against him at first but which annoyed them no end-and a few household expenses.

He could have (and should have) set aside all Royalist property and estates for division amongst his officers, their men and his supporters. It had no owners now. And this failure cost the economy of the country the tax loss of all those productive estates (the whole wealth of the land). So it is no wonder his government, its taxable estates now inoperative or at best lorded by a profiteer or looted by Indians, was insolvent. Also, by failing to do such an obvious act, he delivered property into the hands of more provident enemies and left his officers and men penniless to finance any support for their own stability in the new society and so for his own.

As for state finance, the great mines of South America, suddenly ownerless, were overlooked and were then grabbed and worked by foreign adventurers who simply came in and took them without payment.

Spain had run the country on the finance of mine tithes and general taxes. Bolivar not only didn't collect the tithes, he let the land become so worthless as to be untaxable. He should have gotten

the estates going by any shifts and should have state operated all Royalist mines once he had them. To not do these things was complete, but typically humanoid, folly.

In doing this property division he should have left it all up to officers' committees operating as courts of claim without staining his own hands in the natural corruption. He was left doubly open as he not only did not attend to it, he also got the name of corruption when anybody did grab something.

He failed as well to recognize the distant widespread nature of his countries despite all his riding and fighting over them and so sought tightly centralized government, not only centralizing states, but also centralizing the various nations into a federal state. And this over a huge landmass full of insurmountable ranges, impassable jungles and deserts and without mail, telegraph, relay stages, roads, railroads, river vessels or even footbridges repaired after a war of attrition.

A step echelon from a pueblo (village) to a state, from a state to a country and a country to a federal state was only possible (in such huge spaces of country where candidates could never be known personally over any wide area and whose opinions could not even be circulated more than a few miles of burro trail) where only the pueblo was democratic and the rest all appointive from pueblo on up, himself the ratifier of titles if he even needed that. With his own officers and armies controlling the land as owners of all wrested from Royalists and the crown of Spain, he would have had no revolts. There would have been little civil wars of course but a court to settle their final claims could have existed at federal level and kept them traveling so much over those vast distances it would have crippled their enthusiasm for litigation on the one hand and on the other, by dog-eat-dog settlements, would have given him the strongest rulers-if he took neither side.

He did not step out and abdicate a dictatorial position. He mistook military acclaim and ability for the tool of peace. War only brings anarchy, so he had anarchy. Peace is more than a "command for unity," his favorite phrase. A productive peace is

48

getting men busy and giving them something to make something of that they want to make something of and telling them to get on with it.

He never began to recognize a suppressive and never considered anyone needed killing except on a battlefield. There it was glorious. But somebody destroying his very name and soul, and the security of every supporter and friend, the SP Santander, his vice president, who could have been arrested and executed by a corporal's guard on one one-hundredth of available evidence, who could suborn the whole treasury and population against him, without Bolivar, continually warned, loaded with evidence, ever even reprimanding him. And this brought about his loss of popularity and his eventual exile.

He also failed in the same way to protect his military family or Manuela Saenz from other enemies. So he weakened his friends and ignored his enemies just by oversight.

His greatest error lay in that while dismissing Spain he did not dismiss that nation's most powerful minion, the Church, and did not even localize it or reward a South American separate branch to loyalty or do anything at all (except extort money from it) to an organization which continually worked for Spain as only it could work-on every person in the land in a direct anti-Bolivar reign of terror behind the scenes. You either suborn such a group or you take them out when they cease to be universal and become or are an enemy's partner.

As the Church held huge properties and as Bolivar's troops and supporters went unpaid even of the penny soldiers' pay, if one was going to overlook the Royalist estates, one could at least have seized the Church property and given it to the soldiers. General Vallejo did this in 1835 in California, a nearly contemporary act, with no catastrophe from Rome. Or the penniless countries could have

taken them over. You don't leave an enemy financed and solvent while you let your friends starve in a game like South American politics. Oh no.

He wasted his enemies. He exported the "godos" or defeated Royalist soldiers. They mostly had no homes but South America. He issued no amnesties they could count on. They were shipped off or left to die in the "ditch"-the best artisans in the country among them.

When one (General Rodil) would not surrender Calloa fortress after Peru was won, Bolivar, after great gestures of amnesty, failed to obtain surrender and then fought the fort. Four thousand political refugees and four thousand Royalist troops died over many months in full sight of Lima-fought heavily by Bolivar only because the fort was fighting. But Bolivar had to straighten up Peru urgently, not fight a defeated enemy. The right answer to such a foolish commander as Rodil, as Bolivar did have the troops to do it, was to cover the roads with cannon enfilade potential to discourage any sortie from the fort, put a larger number of his own troops in a distant position of offense but ease and comfort and say, "We're not going to fight. The war's over, silly man. Look at the silly fellows in there, living on rats when they can just walk out and sleep home nights or go to Spain or enlist with me or just go camping," and let anybody walk in and out who pleased, making the fort Commander (Rodil) the prey of every pleading wife and mother without and would-be deserter or mutineer within until he did indeed sheepishly give up the pretense-a man cannot fight alone. But battle was glory to Bolivar. And he became intensely disliked because the incessant cannonade, which got nowhere, was annoying.

Honors meant a great deal to Bolivar. To be liked was his life. And it probably meant more to him than to see things really right. He never compromised his principles but he lived on admiration, a rather sickening diet since it demands in turn continuous "theater." One is what one is, not what one is admired or hated for. To judge oneself by one's successes is simply to observe that one's postulates worked and breeds confidence in one's ability. To have to be told it worked only criticizes one's own eyesight and hands a spear to the enemy to make his wound of vanity at his will. Applause is nice. It's great to be thanked and admired. But to work only for that? And his craving for that, his addiction to the most unstable drug in history-fame-killed Bolivar. That

49

self-offered spear. **He told the world continually how to kill him-reduce its esteem.** So as money and land can buy any quantity of cabals, he could be killed by curdling the esteem, the easiest thing you can get a mob to do.

He had all the power. He did not use it for good or evil. One cannot hold power and not use it. It violates the Power Formula. For it then prevents *others* from doing things if *they* had some of the power, so they then see as their only solution the destruction of the holder of the power as he, not using power or delegating it, is the unwitting block to all their plans. So even many of his friends and armies finally agreed he had to go. They were not able men. They were in a mess. But bad or good, they had to do *something*. Things were desperate, broken-down and starving after 14 years of civil war. Therefore they either had to have *some* of that absolute power or else nothing could be done at all. They were not great minds. He did not need any "great minds," he thought, even though he invited them verbally. He saw their petty, often murderous solutions and he rebuked them. And so held the power and didn't use it.

He could not stand another *personality* threat.

The trouble in Peru came when he bested its real conqueror (from the Argentine), La Mar, in a petty triumph over adding Guayaquil to Colombia. Bolivar wished to look triumphant again and didn't notice it really cost him the support and Peru the support of La Mar-who understandably resigned and

went home, leaving Bolivar *Peru to conquer*. Unfortunately, it had already been in his hands. La Mar needed some troops to clean up a small Royalist army-that was all. La Mar didn't need Peru's loss of Guayaquil-which never did anybody any real good anyway!

Bolivar would become inactive when faced with two areas' worth of problems-he did not know which way to go. So he did nothing.

Brave beyond any general in history on the battlefield, the Andes or in torrential rivers, he did not really have the bravery needed to trust inferior minds and stand by their often shocking blunders. He feared their blunders. So he did not dare unleash his many willing hounds.

He could lead men, make men feel wonderful, make men fight and lay down their lives after hardships no army elsewhere in the world has ever faced before or since. But he could not *use* men even when they were begging to be used.

It is a frightening level of bravery to use men you know can be cruel, vicious, and incompetent. He had no fear of their turning on him ever. When they finally did, only then he was shocked. But he protected "the people" from authority given to questionably competent men. So he really never used but three or four generals of mild disposition and enormously outstanding ability. And to the rest he denied power. Very thoughtful of the nebulous "people" but very bad indeed for the general good. And it really caused his death.

No. Bolivar was theater. It was all theater. One cannot make such errors and still pretend that one thinks of life as life, red-blooded and factual. Real men and real life are full of dangerous, violent, live situations; and wounds *hurt* and starvation is desperation itself, especially when you see it in one you love.

This mighty actor, backed up with fantastic personal potential, made the mistake of thinking the theme of liberty and his own great role upon the stage was enough to interest all the working, suffering hours of men, buy their bread, pay their whores, shoot their wives' lovers and bind their wounds or even put enough drama into very hard-pressed lives to make them want to live it.

No, Bolivar was unfortunately the only actor on the stage and no other man in the world was real to him.

And so he died. They loved him. But they were also on the stage too, where they were dying in his script or Rousseau's script for liberty but no script for living their very real lives.

50

He was the greatest military general in any history measured against his obstacles, the people and the land across which he fought.

And he was a complete failure to himself and his friends.

While being one of the greatest *men* alive at that. So we see how truly shabby others in leaders' boots amongst men must be.

MANUELA SAENZ

The tragedy of Manuela Saenz as Bolivar's mistress was that she was never *used*, never really had a share and was neither protected nor honored by Bolivar.

Here was a clever, spectacular woman of fantastic fidelity and skill, with an enormous "flair," capable of giving great satisfaction and service. And only her satisfaction ability was taken and that not consistently nor even honestly.



In the first place, Bolivar never married her. He never married anybody. This opened up a fantastic breach in any defense she could ever make against hers or his enemies who were legion. So her first mistake was in not in some way contriving a marriage.

That she had an estranged husband she had been more or less sold to was permitted by her to wreck her life obliquely.

She was too selfless to be real in all her very able plotting,

For this marriage problem she could have engineered any number of actions.

She had the solid friendship of all his trusted advisers, even his old tutor. Yet she arranged nothing for herself.

She was utterly devoted, completely brilliant and utterly incapable of really bringing off an action of any final kind.

She violated the Power Formula in not realizing that she had power.

Manuela was up against a hard man to handle. But she did not know enough to make her own court effective. She organized one. She did not know what to do with it.

Her most fatal mistake was in not bringing down Santander, Bolivar's chief enemy. That cost her everything she had before the end and after Bolivar died. She knew for *years* Santander had to be killed. She said it or wrote it every few days. Yet never did she promise some young officer a nice night or a handful of gold to do it in a day when *dueling was in fashion*. It's like standing around discussing how the plainly visible wolf in the garden that's eating the chickens must be shot, even holding a gun, and never even lifting it while all one's chickens vanish for years.

In a land overridden with priests, she never got herself a tame priest to bring about her ends.

She was a fantastic intelligence officer. But she fed her data to a man who could not act to protect himself or friends, who could only fight armies dramatically.

She did not see this and also quietly take on the portfolio of secret police chief. Her mistake was waiting to be asked-to be asked to come to him, to act. She voluntarily was his best political intelligence agent. Therefore she should have also assumed further roles.

She guarded his correspondence, was intimate with his secretaries. And yet she never collected or forged or stole any document to bring down enemies, either through

51

representations to Bolivar or a court circle of her own. And in an area with that low an ethic, that's fatal.

She openly pamphleteered and fought violently as in a battle against her rabble.

She had a great deal of money at her disposal. In a land of for-sale Indians, she never used a penny to buy a quick knife or even a solid piece of evidence.

When merely opening her lips she could have had any sequestered Royalist estate, she went to litigation for a legitimate legacy never won and another won but never paid.

They lived on the edge of quicksand. She never bought a plank or a rope.

Carried away by the glory of it all, devoted completely, potentially able and a formidable enemy, she did not act.

She waited to be told to come to him even when he lay dying and exiled.

His command over her who never obeyed any other was too absolute for his own or her survival.

Her assigned mistakes (pointed out at the time as her caprice and playacting) were not her errors. They only made her interesting. They were far from fatal.

She was not ruthless enough to make up for his lack of ruthlessness and not provident enough to make up for his lack of providence.

The ways open to her for finance, for action, were completely doorless. The avenue stretched out to the horizon.

She fought bravely but she just didn't take action.

She was an actress for the theater alone.

And she died of it. And she let Bolivar die because of it.

Never once did Manuela look about and say, "See here, things mustn't go this wrong. My lover holds half a continent and even I hold the loyalty of battalions. Yet that woman threw a fish!"

Never did Manuela tell Bolivar's doctor, a rumored lover, "Tell that man he will not live without my becoming a constant part of his entourage, and tell him until he believes it or we'll have a new physician around here."

The world was open. Where Theodora, the wife of Emperor Justinian I of Constantinople, a mere circus girl and a whore, ruled harder than her husband but for her husband behind his back-and made him marry her as well-Manuela never had any bushel basket of gold brought in to give Bolivar for his unpaid troops with a "Just found it, dear" to his **"Where on Earth ... T' after the Royalist captives had** been carefully ransomed for jail escapes by her enterprising own entourage and officer friends. She never handed over any daughter of a family clamoring against her to Negro troops and then said, "Which oververbal family is next?"

She even held a colonel's rank but only used it because she wore man's clothing afternoons. It was a brutal, violent, ruthless land, not a game of musical chairs.

And so Manuela, penniless, improvident, died badly and in poverty, exiled by enemies and deserted by her friends.

But why not deserted by her friends? They had all been poverty-stricken to a point quite incapable of helping her even though they wanted to-for she once had the power

52

to make them solvent. And didn't use it. They were in poverty before they won but they did eventually control the land. After that why make it a bad habit?

And so we see two pathetic, truly dear, but tinsel figures, both on a stage, both far removed from the reality of it all.

And one can say, "But if they had not been such idealists they never would have fought so hard and freed half a continent," or "If she had stooped to such intrigue or he had been known for violent political actions they would never have had the strength and never would have been loved."

All very idealistic itself. They died "in the ditch" unloved, hated and despised. two decent brave people, almost too good for this world.

A true hero, a true heroine. But on a stage and not in life. Impractical and improvident and with no faintest gift either one to use the power they could assemble.

This story of Bolivar and Manuela is a tragedy of the most piteous kind.

They fought a hidden enemy, the Church; they were killed by their friends.

But don't overlook how impractical it is not to give your friends power enough when you have it to give. You can always give some of it to another if the first one collapses through inability. And one can always be brought down like a hare at a hunt who seeks to use the delegated power to kill you-if you have the other friends.

Life is not a stage for posturing and "Look at me!" "Look at me." "Look at me." If one is to lead a life of command or a life near to command one must handle it as life. Life bleeds. It suffers. It hungers. And it has to have the right to shoot its enemies until such time as comes a golden age.

Aberrated man is not capable of supporting, in his present state, a golden declared age for three minutes, given all the tools and wealth in the world.

If one would live a life of command or one near to a command, one must then accumulate power as fast as possible and delegate it as quickly as feasible and use every humanoid in long reach to the best and beyond his talents if one is to live at all.

If one does not choose to live such a life, then go on the stage and be a real actor. Don't kill men while pretending it isn't real. Or one can become a recluse or a student or a clerk. Or study butterflies or take up tennis.

For one is committed to certain irrevocable natural laws the moment one starts out upon a conquest, either as the man in charge or a person near to him or on his staff or in his army. And the foremost law, if one's ambition is to win, is of course to win.

But also to keep on providing things to win and enemies to conquer.

Bolivar let his cycle run to "freedom" and end there. He never had another plan beyond that point. He ran out of territory to free. Then he didn't know what to do with it and didn't know enough, either, to find somewhere else to free. But of course all limited games come to end. And when they do, their players fall over on the field and become rag dolls unless somebody at least tells them the game has ended and they have no more game nor any dressing room or houses but just that field.

And they lie upon the field, not noticing there can be no more game since the other team has fled and after a bit they have to do *something*; and if the leader and his consort are sitting over on the grass being rag dolls too, of course there isn't any game. And so the players start fighting amongst themselves just to have a game. And if the leader then says, "No, no" and his consort doesn't say, "Honey, you better phone

53

the Baltimore Orioles for Saturday," then of course the poor players, bored stiff, say, "He's out." "She's out." "Now we're going to split the team in half and have a game."

And that's what happened to Bolivar and Manuela. They *had* to be gotten rid of for there was no game and they didn't develop one to play while forbidding the only available game-minor civil wars.

A *whole continent* containing the then major mines of the world, whole populations were left sitting there, "freed." But none owned any of it though the former owners had left. They weren't given it. Nor were they made to manage it. No game.

And if Bolivar had not been smart enough for that, he could at least have said, "Well! You monkeys are going to have quite a time getting the wheels going but that's not my job. You decide on your type of government and what it's to be. Soldiers are my line. Now I'm taking over those old estates of mine and the Royalist ones nearby and the emerald mines just as souvenirs and me and Manuela we're going home." And he should have said that 5 minutes after the last Royalist army was defeated in Peru.

And his official family with him, and a thousand troops to which he was giving land would have moved right off smartly with him. And the people after a few screams of horror at being deserted would have fallen on each other, sabered a state together here and a town there and gotten busy out of sheer self-protection in a vital new game, "Who's going to be Bolivar now?"

Then when home he should have said, "Say those nice woods look awfully Royalist to me, and also those 1,000,000 hectares of grazing land, Manuela. Its owner once threw a Royalist fish, remember? So that's yours."

And the rest of the country would have done the same and gotten on with the new game of "You was a Royalist."

And Bolivar and Manuela would have had statues built to them by the TON at once as soon as agents could get to Paris with orders from an adoring populace.

"Bolivar, come rule us!" should have gotten an "I don't see any unfree South America. When you see a French or Spanish army coming, come back and tell me."

That would have worked. And this poor couple would have died suitably adored in the sanctity of glory and (perhaps more importantly) in their own beds, not "in a ditch."

And if they had *had* to go on ruling they could have declared a new game of "pay the soldiers and officers with Royalist land." And when that was a gone game, "Oust the Church and give its land to the poor friendly Indians."

You can't stand bowing back of the footlights forever with no show even if you are quite an actor. Somebody else can make better use of any stage than even the handsomest actor who will not use it.

Man is too aberrated to understand at least 7 things about power:

1. Life is lived by lots of people. And if you lead you must either let them get on with it or lead them on with it actively.

2. When the game or the show is over, there must be a new game or a new show. And if there isn't, somebody else is jolly well going to start one, and if you won't let *anyone* do it, the game will become "getting you."

3. If you have power, use it or delegate it or you sure won't have it long.

4. When you have people, use them or they will soon become most unhappy and you won't have them anymore.

54

5. **When you move off a point of power, pay all your obligations on the nail, empower all your friends completely and move off with your pockets full of artillery, potential blackmail on every erstwhile rival, unlimited funds in your private account and the addresses of experienced assassins and go live in Bulgravia and bribe the police. And even then you may not live long if you have retained**

one scrap of domination in any camp you do not now control or if you even say, "I favor politician Jiggs." Abandoning power *utterly is* dangerous indeed.

But we can't all be leaders or figures strutting in the limelight and so there's more to know about this:

6. When you're close to power, get some delegated to you-enough to do your job and protect yourself and your interests-for you can be shot, fellow, shot, as the position near power is delicious but dangerous, dangerous always, open to the taunts of any enemy of the power who dare not really boot the power but can boot you. So to live at all in the shadow or employ of a power, you must yourself gather and USE enough power to hold your own-without just nattering to the power to "kill Pete," in straightforward or more suppressive veiled ways to him as these wreck the power that supports yours. He doesn't have to know all the bad news and if he's a power really he won't ask all the time, "What are all those dead bodies doing at the door?" And if you are clever, you never let it be thought HE killed them-that weakens you and also hurts the power source. "Well, boss, about all those dead bodies, nobody at all will suppose you did it. *She* over there, those pink legs sticking out, didn't like me." "Well," he'll say if he really is a power, "why are you bothering me with it if it's done and you did it. Where's my blue ink?" Or "Skipper, three shore patrolmen will be along soon with your cook, Dober, and they'll want to tell you he beat up Simson." "Who's Simson?" "He's a clerk in the enemy office downtown." "Good, when they've done it, take Dober down to the dispensary for any treatment he needs. Oh yes. Raise his pay." Or "Sir, could I have the power to sign divisional orders?" "Sure."

7. And lastly and most important, for we all aren't on the stage with our names in lights, always push power in the direction of anyone on whose power you depend. It may be more money for the power, or more ease, or a snarling defense of the power to a critic, or even the dull thud of one of his enemies in the dark, or the glorious blaze of the whole enemy camp as a birthday surprise.

If you work like that and the power you are near or depend upon is a power that has at least some inkling about how to be one, and if you make others work like that, then the power-factor expands and expands and expands and you too acquire a sphere of power bigger than you would have if you worked alone. Real powers are developed by tight conspiracies of this kind pushing someone up in whose leadership they have faith. And if they are right and also manage their man and keep him from collapsing through overwork, bad temper or bad data, a kind of Juggernaut builds up. Don't ever feel weaker because you work for somebody stronger. The only failure lies in taxing or pulling down the strength on which you depend. All failures to remain a power's power are failures to contribute to the strength and longevity of the work, health and power of that power. Devotion requires active contribution outwards from the power as well as in.

If Bolivar and Manuela had known these things, they would have lived an epic, not a tragedy. They would not have "died in the ditch," he bereft of really earned praise for his real accomplishments even to this day. And Manuela would not be unknown even in the archives of her country as the heroine she was.

5 5

Brave, brave figures. But if this can happen to such stellar personalities gifted with ability tenfold over the greatest of other mortals, to people who could take a rabble in a vast impossible land and defeat one of Earth's then foremost powers, with no money or arms, on personality alone, what then must be the ignorance and confusion of human leaders in general, much less little men stumbling through their lives of boredom and suffering?

Let us wise them up, huh? You can't live in a world where even the great leaders can't lead.

L. RON HUBBARD

Founder

LRH:jp.rd.gm Copyright © 1967 by L. Ron Hubbard ALL RIGHTS RESERVED

56

## **HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill Manor, East Grinstead, Sussex**

**HCO POLICY LETTER OF 25 JANUARY 1981**

Rernimeo Issue V

HCO Hats

(Originally issued as an HCO Bulletin,

22 March 67, same title.)

**IMPORTANT**

*Admin Know-How Series 14*

### **ALTER-IS AND DEGRADED BEINGS**

Alteration of orders and tech is worse than noncompliance.

Alter-is is a covert avoidance of an order. Although it is apparently often brought about by noncomprehension, the noncomprehension itself and failure to mention it is an avoidance of orders.

Very degraded beings alter-is. Degraded ones refuse to comply without mentioning it. Beings in fair condition try to comply but remark their troubles to get help when needed. Competent higher-toned beings understand orders and comply if possible but mainly do their jobs without needing lots of special orders.

Degraded beings find *any* instruction painful as they have been painfully indoctrinated with violent measures in the past. They therefore alter-is any order or don't comply.

Thus in auditing pcs or in org, where you find alter-is (covert noncompliance) and noncompliance, given sensible and correct tech or instructions, you are dealing with a degraded, low-level being and should act accordingly.

One uses very simple, low-level processes on a degraded being, gently.

In admin, orgs and especially the Tech Div where a staff member alter-ises, or fails to comply, you are also dealing with a degraded being but one who is too much a pc to be a staff member. He cannot be at cause and staff members must be at cause. So he or she should not be on staff.

This is a primary senior datum regulating all handling of pcs and staff members.

A degraded being is not a suppressive as he can have case gain. But he is so PTS that he works for suppressives only. He is sort of a super-continual PTS beyond the reach really of a simple S & D and handled only at Section 3 OT Course.

Degraded beings, taking a cue from SP associates, instinctively resent, hate and seek to obstruct any person in charge of anything or any Big Being.

Anyone issuing *sensible* orders is the first one resented by a degraded being.

A degraded being lies to his seniors, avoids orders covertly by alter-is, fails to comply, supplies only complex ideas that can't ever work (obstructive) and is a general area of enturbulence,

often mild seeming or even "cooperative," often even flattering, sometimes merely dull but consistently alter-ising or noncomplying.

57

This datum appeared during higher level research and is highly revelatory of earlier unexplained phenomena-the pc who changes commands or doesn't do them, the worker who can't get it straight or who is always on a tea break.

In an area where suppression has been very heavy for long periods, people become degraded beings. However, they must have been so before already due to track incidents.

Some thetans are bigger than others. None are truly equal. But the degraded being is not necessarily a natively bad thetan. He is simply so PTS, and has been for so long, that it requires our highest level tech to finally undo it *after* he has scaled up all our grades.

Degraded beings are about 18 to 1 over Big Beings in the human race (minimum ratio). So those who keep things going are few. And those who will make it without the steam of the few in our orgs behind them are zero. At the same time, we can't have a world full of them and still make it. So we have no choice.

*And* we can handle them even when they cannot serve at higher levels.

This is really OT data but we need it at lower levels to get the job done.

L. RON HUBBARD

Founder

Accepted by the

BOARD OF DIRECTORS of the CHURCH OF SCIENTOLOGY OF CALIFORNIA

BDCSC:LRH.-jp.rd.nc.gm Copyright © 1967, 1981 by L. Ron Hubbard ALL RIGHTS RESERVED

58

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 OCTOBER 1967

Rernimeo

*Admin Know-How Series 15*

USES OF ORGS

There are two uses (violently opposed to each other) to which Scientology orgs can be put. They are

1 - To forward the advance of self and all dynamics toward total survival.

2. To use the great power and control of an org over others to defend oneself.

When a decent being goes to work in an org he uses 1.

When a suppressive goes to work in an org he uses 2.

When you get in ethics, the decent one raises his necessity level and measures up. The suppressive type blows (leaves).

It is of vital interest to all of us that we have orgs that serve to increase survival on all dynamics. And that we prevent orgs being used as means to oppress others.

The answer, oddly enough, is to GET IN ETHICS exactly on-policy and correctly. And we will advance.

L. RON HUBBARD

Founder

LRH.jp.rd.gm Copyright 0 1967 by L. Ron Hubbard ALL RIGHTS RESERVED

59

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 OCTOBER 1967

Remimeo

*ETHICS*

*Admin Know-How Series 16*

## **SUPPRESSIVES AND THE ADMINISTRATOR**

### **HOW TO DETECT SPs AS AN ADMINISTRATOR**

There are three areas of detection which an administrator can utilize in the detection of a suppressive person.

These are

1. No ethics change
2. No case change
3. No admin change.

An SP (suppressive person) is unable to change because he cannot, himself, confront. He is badly "out of valence." Therefore, not being able to look at things directly, he is unable to erase them or even see what they are. Such people often have a curtain of pictures they look at instead of the universe around them. They do not see a building. They see a picture of a building in front of the building. They are not at the point from which they view things.

Thus they are peculiar in that they can't change.

The three principal zones in a Scientology org are

1. Ethics
2. Tech
3. Admin.

We have the natural laws of these subjects, each one.

If you can get in ethics, you can get in Scientology technology. If you can get in Scientology technology, you can get in admin. If you can get all three in, you have an org and have expansion.

If you can't get in tech, ethics is out. If you can't get in admin, both tech and ethics are out.



The sequence that things have to be "gotten in" to make an org is 1st ethics, 2nd tech, 3rd admin.

Where one of these goes out, the org contracts.

We have these three sciences. To really handle things, one has to be a master of all three, even to live a good personal life.

By "get in," we mean get it applied and effective.

60

We live in a very woggy world at this time. The wog is so out-ethics he is living in what amounts to a criminal society.

When we try to get tech in on the planet, we run into the out-ethics areas and this is the real source of our troubles where we have any. We are getting in tech before we get in ethics. It *can* be done (obviously, since we are doing it). But it is a heavy strain at best.

Just because we do not at once get ethics in on the planet does not mean we can't get any tech in.

By handling small sectors, beginning with self and Scientology groups and orgs, we can continue to repeat the cycles of three-ethics, tech, admin. Gradually we enlarge the numbers we have and gradually our sphere of ethics-tech-admin expands. And one day we have ethics in on the planet, tech in on the planet, admin in on the planet.

The only stumbling block is the SP. This person (about 10 percent of the population) is unable to change. We can process them if we can get them to sit still.

But these are the hidden booby-traps which make one's life, one's family, one's org, one's nation, one's planet a rough-rough proposition.

Ninety percent of the people say, "Ethics great, tech great, admin great." And away we go.

Ten percent say, "Horrible, horrible, horrible." And cannot *either see or change*. They are the true psychotics no matter how "sane" they sound. The people in institutions are generally only their victims.

This 10 percent, one must be able to detect and weed out so they don't contaminate areas we are bringing up in ethics, tech and admin.

Our policy is we don't waste time on them. To cater to them is to betray 90 percent of the population. So we set them aside for another day.

We get them off lines, out of orgs and to one side.

The true character of these people is usually masked in many ways. They are expert only in deception and can take on any guise.

To listen to them one would suppose he was talking to his best friend sometimes. Except the knife in one's back is also driven in by them.

We have much tech to describe them.

But one does not have to be an auditor with a meter to find these people.

An administrator only needs to know the three things about them.

1. No change in ethics

2. No change in case
3. No change in admin.

These people have

1. Thick ethics files
2. Thick (or no) case files
3. Thick full (or no) comm baskets.

61

If you just dismissed anyone who had all three, you would have gotten rid of an SP.

It works this way. When you start to get in ethics, most people "learn the ropes" fast. They may have a few down conditions and chits or even courts or Comm Evs but you see the frequency dwindles and eventually vanishes or nearly so.

When you start to get in tech on a person, it may be a hard haul for a while and then it begins to level out and get easier.

When you start to get in admin, the confusion around some person may be great but after a while the lines and policies straighten out.

*None* are good little angels. But 90 percent make progress in these 3 fields of ethics, tech and admin.

The SP does NOT make any consistent progress at all and lapses every time.

As only 10 percent of the people then are making nearly all the tough work in ethics, tech and admin, the thing to do then is to get them off the lines rather than betray 90 percent.

And the SP is detectable in ALL THREE AREAS. It needs no microscope to find out who on a staff has the seniors working so hard for so little gain.

Their ethics file is huge, their case file either doesn't exist at all or is very fat, their comm lines are jammed, their policy is out and their stats are on the bottom eternally.

So as an administrator you can detect SPs. You better had. YOUR OWN STATS WILL BE DOWN TO THE DEGREE YOU FAIL TO DETECT THEM.

Just go to your files and look at the desks and sack whoever satisfies all three conditions above and you can't miss and WILL be able to breathe.

L. RON HUBBARD

Founder

LRH.jp.cden.gm Copyright 0 1967 by L. Ron Hubbard ALL RIGHTS RESERVED

62

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 OCTOBER 1967

Remimeo

*Admin Know-How Series 17*

**CONDITIONS, HOW TO ASSIGN**

Every post and part of an org must have a statistic which measures the volume of product of that post. The head of a part has the statistic of that part.

Every post or part of an org has a product. If it has no product, it is useless and supernumerary.

An Exec Sec has the products of his or her portion of the org. The first product of an Exec Sec is, of course, his or her portion of the org's divisions. If the portion itself does not exist, then of course the Exec Sec has no stat at all as an Exec Sec even if very busy-so he or she is not an Exec Sec despite the title. This is true of a department head, a section head and a unit head. One can't really be the one in charge if the thing one is in charge of doesn't exist. Also, things that don't exist themselves can have no product.

The whole rationale (basic idea) of the pattern of an org is a unit of 3. These are

THETAN

|

MIND - BODY - PRODUCT.

In Division One the HCO Sec is the thetan, Department One the MIND, Department Two the BODY and Department Three the PRODUCT. The same pattern holds for every division.

It also should hold for every department and lower section and unit.

And above these, it holds for a portion of an org.

In the HCO portion of the org we have the HCO Exec Sec as the thetan, the Exec Div (7) as the MIND, Division One as the BODY and Division Two as the PRODUCT.

And so with other parts of an org. They always go

THETAN

|

MIND - BODY - PRODUCT.

Now if you know and understand and can apply this, you can not only plan or correct an org or one of its parts, you can also assign conditions correctly. You need data gained from inventories or counts of items or the statistic assigned and drawn.

It is not enough to *only* follow graphs. That is a lazy, lazy, lazy, no-confront method when used alone. Graphs can be falsified, can be too fixed on one thing and can ignore others unless you read all the graphs of the part you are interested in.

Graphs are a good indicator and should be used wherever possible. BUT you must also keep in mind that it requires ALL the graphs to be wholly accurate in a conditions assignment and the most accurate conditions assignment possible and that the graphs must be based on ACTUAL figures.

So, to begin, you look at the graphs. You look for recent ups and downs. Then

63

**you look for trends (long-range drifts up or down). Then you look for discrepancies. Like high enrollment-low income, high letters out-low enrollment weeks later.**

It is safe enough *at first* to simply assign moderate conditions (Emergency, Normal, Affluence) by the current ups and downs of the graphs. This should result in *expansion*.

EXPANSION (product increase) is THE WHOLE REASON you are assigning conditions in the first place, so you expect, reasonably, that if you assign conditions by graph you will get *expansion*.

Now, after a while (weeks or months) you see you *are* getting expansion so you go on assigning conditions by graph. An Exec Sec would also inspect the physical areas of Dangers and Affluences as a matter of course.

BUT let us take the reverse case. You assign conditions by graph (and inspections of Danger and Affluence) and what you are assigning conditions to DOESN'T expand!

Well, now we get to work. There is something wrong.

The first thing that can be wrong is that what you are assigning conditions to really doesn't exist. The Director of Comm does not have a Department of Comm. He has only a messenger-telex operator, no way to handle his other departmental functions and answers the phone himself.

So, finding no department, REGARDLESS OF OTHER REASONS ("can't get staff" "income too low" "no quarters"), you bang him with a condition of NonExistence. Because he obviously doesn't exist as a Dir Comm, having no Comm Dept. (Non-Existence is also assigned for NO USE and NO FUNCTION.)

Now, if this assignment to the Dir Comm of Non-Existence-with no further help from you, mind-does not result in a Comm Dept in a reasonable time, you assume he doesn't want one to be there and you assign a condition of Liability.

You don't *explain* it all away. That's what *he's* doing so why imitate him?

You don't say, "He's just overwhelmed-new-needs a review-natter, natter, figure, figure." You simply ASSIGN!

He STILL doesn't get a Comm Dept there.

You inspect. You find the Ethics Officer isn't enforcing the Liability penalty ("Pete is my pal and I . . ."). So you assign the Ethics Officer a condition of Liability as he gets, naturally, what he failed to enforce.

Now they mutiny and you assign a condition of Treason, shoot both of them from guns and fill the posts.

The new incumbents you tell, "The boys before you aren't here now and aren't likely to be trained or processed until we get around to the last dregs so we hope you do better. You begin in Non-Existence. I trust you will work your way out of it at least into Danger before the week is out. As you are just on post, the penalties do not apply for Non-Existence. But they will after 30 days. So let's get a Dept of Comm and an Ethics Section."

Now of course, if the E/O had to be shot from guns, Dir I & R is at once assigned a DANGER CONDITION complete with penalties as that section was in his/her dept.

If there's no HCO (Div 7, 1, 2) part of the org, the LRH Comm of that org yells for the next senior org to act. And if there's no LRH Comm, the next senior org should see that it's gone by lack of stats or reports or expansion and act anyway.

Now you say, "But that's ruthless! No staff would. . . ."

Well, such a statement reasoning is contrary to the facts.

The **only time (by actual experience and data) you lose staff and have** an unstaffed org is when you let low stat people in. Low stat personnel *gets rid of* good staff members. An org that can't be staffed has an SP in it!

Orgs where ethics is tight and savage grow in numbers!

Man thrives, oddly enough, only in the presence of a challenging environment. That isn't my theory. That's fact.

If the org environment is not challenging, there will be no org.

We help beyond any help ever available anywhere. We are a near ultimate in helping. At once this loads us up with SPs who would commit suicide to prevent anyone from being helped and it lays us wide open as "softees" to any degraded being that comes along. They are *sure* we won't bite so they do anything they please. Conditions correctly assigned alone can detect and eject **SPs and DBs**.

So if we help so greatly, we must also in the same proportion be able to discipline. Near ultimate help can only be given with near ultimate discipline.

Tech can only stay itself where ethics is correctly and ruthlessly administered. Admin like ours has to be high because our orgs handle the highest commodity-life itself.

So our admin only works where tech is IN. And our tech works only where ethics is in.

Our target is not a few psychiatric patients but a cleared universe. So what does THAT take?

The lowest confront there is, is the confront of evil. When a living being is out of his own valence and in the valence of a thoroughly bad, even if imaginary, image, you get an SP. An SP is a no-confront case because, not being in his own valence, he has no viewpoint from which to erase anything. That is all an SP is.

BUT the amount of knowing havoc an SP can cause is seen easily if only in this planet's savage, cruel wars.

An executive who cannot confront evil is already en route to becoming suppressive.

Next door to the "theetie-weetie" case is the totally overwhelmed condition we call SP (suppressive person).

It is so *easy* to live in a fairyland where nothing evil is ever done. One gets the image of a sweet old lady standing in the middle of a gangster battle with bodies and blood spattering the walls saying, "It's so nice, it's only a boy's game with toy guns."

The low statistic staff member who never gets his stats up is *making low* stats. He isn't idle. It's a goodie-goodie attitude to say, "He just isn't working hard." The chronic low-stat person is working VERY HARD to keep the stat DOWN. When you learn that, you can assign conditions and make an org expand.

When stats WON'T come up, you drop the condition down. Sooner or later you will hit the REAL condition that applies.

Conversely, as you upgrade conditions you will also reach the condition that applies. Some staff members are in chronic *Power*. Who ever assigns it? They take over a post-its stats soar. Well, to measure just stats of the post taken over as his condition is false since his personal condition is and has been *Power*. And if it is Power, then that personal condition should be assigned.

*That is very easy to see.*

BUT what if you have a personnel who whenever he or she takes over a post the stat collapses?

Well you better assign that one too. For just as the one in Power *works* to maintain up stats, the one in the lower condition, whether one cares to confront it or not, works too and is just as industriously collapsing not only his own post stats but also the stats of posts adjacent to his! So he is at least a condition of Liability as the post if vacant would only be in Non-Existence! And as somebody next to it might do a little bit for it, it might even get up to Danger condition, completely unmanned!

### DISCREPANCIES

When there are discrepancies amongst statistic graphs, SOME graph is false.

When you find a false graph, you assign anyone who falsified it intentionally and knowingly a condition of Liability, for that action is far worse than a noncompliance.

*And* you had better be alert to the actual area where the false graph originated as it has a tiger in it. Only physical inspection of a most searching kind (or a board if it is distant) will reveal the OTHER crimes going on there. There are always *other* crimes when you get a false report. Experience will teach one that if he really looks.

### RECIPROCITY

It is more than policy that one gets the condition he fails to correctly and promptly assign *and* enforce.

It's a sort of natural law. If you let your executives goof off and stay in, let us say, a Danger condition, yet you don't assign and enforce one, they will surely put YOU in a Danger condition whether it gets assigned or not.

Remember *that* when your finger falters "on the trigger."

That *natural* law stems from this appalling fact.

We didn't, a long, long time ago, get in ethics. We goofed. And the whole race went into the soup where it remains to this day.

And if we are to live in this universe at all, at all, we are going to have to get in ethics and clean it up.

Whether that's easy to confront or not is beside the point. The horrid truth is that our fate is FAR more unfrontable!

Now we have to have highly skilled tech to bail us out. And I assure you that that tech will never get *in* or be used beneficially at all unless

1. We get ethics in, and
2. Unless Scientology orgs expand at a regular rate.

Only then can we be free.

So that's how and WHY you assign and enforce conditions. It's the only way everyone finally will win.

**L. RON HUBBARD**

**Founder**

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 8 FEBRUARY 1968

Rernimeo

*Admin Know-How Series 18*

**STATISTIC RATIONALIZATION**

"**Rationalizing** a statistic" is a derogatory term meaning finding excuses for down statistics.

Finding excuses or reasons why a stat is down does NOT bring it up and at best is a scathing comment on the lack of foresight or initiative of the executive in charge of the area.

What is wanted is (1) prevention of stats going down and (2) quick action to bring them up.

Being reasonable about their being down should be regarded as AGREEMENT WITH THEIR BEING DOWN. Which is, of course, suppressive.

"Well, the letters out stat is down because we were paying a girl so much per letter and 'policy' stated we could not hire anyone so we fired her and that's why letters out is down."

That was an actual rationalization given in Washington, D.C., for the collapse of the org last year.

To begin, there is no such "policy" and surely no policy exists to have down stats. So, here the felony is compounded by seeking to blame policy for a down stat which for sure revealed the action as a suppressive effort to rationalize (and get away with) a down stat.

The only reason stats are down, ever, is because somebody didn't push them up, All other reasons are false.

**IDtE FIXE**

Some people have a METHOD of handling a down stat which is a fixed idea or cliché they use to handle *all* down stat situations in their lives.

These people are so at effect they have some *idea* sitting there "that handles" a down statistic.

"Life is like that." "I always try my best." "People are mean." "It will get better." "It was worse last year."

They KNOW it isn't any use trying to do anything about anything and that it is best just to try to get by and not be noticed-a sure route to suicide.

Instead of seeking to prevent or raise a declining stat in life, such people use some fixed idea to *explain* it.

This is a confession of being in apathy.

One can always make stats go up. Hard work. Foresight. Initiative. One can always make stats go up. That's the truth of it, and it needs no explanations.

L. RON HUBBARD

LRH:jp.rd.gm Founder

Copyright Q 1968

by L. Ron Hubbard

ALL RIGHTS RESERVED

67

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 MARCH 1968

Remimeo

Staff Status I (HCO Policy Letter of 31 October 1966, Issue 11,

Checksheet Amended and Reissued)

(The one modified paragraph is in caps.)

*Admin Know-How Series 19*

*GENERAL FOR ALL STAFF*

### **JOB ENDANGERMENT CHITS**

If you are given orders or directions or preventions or denied materials which make it hard or impossible for you to raise your statistics or do your job at all, you **MUST** file a Job Endangerment Chit on your next highest superior.

If you are admonished or ordered to a hearing for **NOT** doing your job and having low statistics and have **NOT** previously filed a Job Endangerment Chit at the time it occurred, you have no defense.

You should not come to a hearing as a defendant and say you were prevented or inhibited from doing your job. Unless you have filed a Job Endangerment Chit previously when your job was endangered, the statement **MAY NOT BE ACCEPTED** by the Hearing Officer or the Comm Ev.

### **POLICY**

Most people who have trouble with policy or admin do so simply because they don't know it or can't or don't use it.

Such a person can be told anything and tends to take it as fact.

Policy exists to speed the wheels and make a job doable.

But sometimes one has a senior who continually says this or that is "against policy."

Always respectfully ask for the date of the policy letter and to see a copy of it.

Then you will know that what you propose is or is not against policy. If no policy letter can be produced or if what you proposed is **NOT** against policy and is still refused, you must file a Job Endangerment Chit.

### **WHERE TO FILE**

FORMERLY ONLY ONE COPY WAS WRITTEN. THIS IS NOW MODIFIED.

USING CARBON PAPER, MAKE AN ORIGINAL AND TWO COPIES.

SEND ONE COPY TO THE PERSON BEING FILED ON.

SEND TWO COPIES TO THE ETHICS OFFICER.



THE ETHICS OFFICER WILL FILE ONE IN THE FILE OF THE PERSON NAMED AND ONE IN THE FILE OF THE PERSON WRITING THE CHIT.

68

**THESE COPIES MUST BE CAREFULLY PRESERVED IN EVENT OF A COMM EV OR HEARING AS THEY ARE NECESSARY DEFENSE PAPERS.**

#### WHAT TO FILE

Full details, without rancor or discourtesy, must be given in the report, including time, places and any witnesses.

#### VEXATIONS FILING

Anyone filing Job Endangerment Chits on superiors or equals or juniors must be able to back them up.

One cannot be given an Ethics Hearing or Comm Ev for a false Job Endangerment Chit unless it contains a willful and knowing false report which endangers somebody else's job. But even so, no Ethics Hearing may be ordered for the fact of filing, only for a willful and knowing false report.

So if your facts are straight, there is no slightest risk in filing a Job Endangerment Chit. On the contrary, it is dangerous NOT to file one. For then one has NO defense.

#### PERSONAL MATTERS

Sometimes a staff member is imposed on in such a way as to prejudice his job such as having to do off-line favors.

This is an occasion for a Job Endangerment Chit.

If one is threatened with punishment if one files a Job Endangerment Chit, one must then file a second chit based on the threat.

If an org as a whole seems to refuse Job Endangerment Chits or ignore them, one can be filed with Worldwide simply by sending it direct to "HCO Ethics Worldwide, Saint Hill Manor, East Grinstead, Sussex."

#### WRONGFUL DISMISSAL

Dismissal without following proper procedure of a Hearing may be sued in the Chaplain's Court, Division 6. If no Chaplain's Court exists in the local org, then one surely does in the Continental Org and one can file such a suit there or at Saint Hill.

#### CHITS BY SENIORS

Seniors let down by juniors had better file Job Endangerment Chits before calling a lot of ethics actions. Staff members are seldom willful, they are just unknowing. Senior chits on juniors should carry a copy to the junior on channels as well as Ethics.

#### FALSE REPORTS

When one finds he has been falsely reported upon he should file a Job Endangerment Chit.

#### HEARINGS ON CHITS

Ethics action is not necessarily taken because a chit has been filed on one. But if too many chits occur in a staff member's file, an investigation should be ordered and only if the board so recommends does ethics action then occur.

## STATE OF MIND

Don't sit around muttering because you are being kept from doing your job.

And don't be timid about filing a Job Endangerment Chit.

Don't accept orders you know are against policy or at least unworkable. File a Job Endangerment Chit,

There is no vast THEY weighing you down. There is only ignorance of policy or misinterpretation or arbitrary interference.

If you are willing to do your job, then *know* your job and do it. And if you are being shoved off so you can't do it, you **MUST** file a Job Endangerment Chit.

You have a right to do your job, you know.

L. RO

Found

LRH:jc.rd.gm Copyright © 1966, 1968 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: The reissue expanded the section under "Where to File."]

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 MAY 1968

(Issued from Flag Order 805)

Remirneo

***Admin Know-How Series 20*****ADMINISTRATION**

When admin is OUT, tech is OUT, and ethics has long ceased to exist.

You can never send administrative orders into an out-admin area; you can only get ethics in. To do other than to get ethics in is to only invite further noncompliance and dev-t.

In reality, ANY administration is a symptom of out-ethics. Any order is really a criticism. If a post was really being worn, orders would be unnecessary.

If someone started giving me orders, then I would wonder about my post. **DO YOUR JOB WITH A PLUS AND A PREDICT.** Wear your hat so well, you never need an order.

Remember: **NEVER ISSUE AN ORDER TO GET AN ORDER YOU HAVE ALREADY ISSUED COMPLIED WITH.** Ethics has gone out. When ethics has to be put in, responsibility is out.

L. RON HUBBARD

Founder

LRH:sbjs.rd.gm Copyright © 1968 by L. Ron Hubbard ALL RIGHTS RESERVED

HUBBARD COMMUNICATIONS

Saint Hill Manor, East Grinstead, S

## **HCO POLICY LETTER OF 25 OCTO**

All Execs

Rernimeo

Org Exec Course

Introductory *Admin Know-How Series 21*

**IMPORTANT**

### **ADMIN KNOW-HOW**

When trying to get stats up, you must realize that what GOT stats up will GET stats up.

Using new, unusual experiments can crash your full intention.

In *new* programs the BUGS have not been worked out. It's like a newly designed piece of machinery. The clutch slips or the h.p. is sour.

*New* programs are undertaken on a small scale as PILOT PROJECTS. If they work out, good. Spot the bugs, streamline them and prove them. Only then is it all right to give them out as broad orders.

So it isn't good for an EC to hand out strings of orders. Or for an executive to start a lot of new projects.

There is a thing called STANDARD ADMIN. It comes from the policy letters.

When we produced the wild, soaring tech stats with the Sea Org Class VIII Auditor program, IT WAS BY PUTTING IN THE EXACT PROCESSES AND GRADES. By going super *standard*, we got 100% case gain.

It is the same with policy. If you get an org in with super standard policy promotion, form and admin-the stats SOAR.

### **TELEX ORDERS**

Instead of sending out a mad avalanche of orders on telex, an exec should only send the number and date of the Pol Ltr he wants in AND THEN SHOULD RIDE THAT ONE ORDER until it is in.

To choose WHAT policy letter is of course the trick. One has to know something about the conditions of the org before sending the order.

TRYING TO GET ALL POL LTRS IN at once can also swamp an org. "Get on policy" is a meaningless remark. Get on such and such a policy, if it is obviously out, is a very valuable action.

### **GENERAL EXEC ACTIONS**

EDs are there to say WHAT policy should be concentrated on, not to give *new* orders.

An executive who is wise, gets in policy on a gradient (little by little, building it up higher and higher. keeping the old in while adding in the new).

To understand how to do this, one must be able to conceive of basic outnesses. It requires real genius to discover how gross and how basic an outness can be.

An exec pounds away with a high-level policy on how to do accounting. Is his face red when he finds the reason for the muddle is that there isn't anyone in the division!!!

Once we almost "did our nut" trying to find what outness had unmocked an org. All sorts of involved conclusions were reached. All manner of orders given without any improvement. And then "murder outed." EVERY Registrar in the org had been removed and no new ones appointed. The public couldn't find anyone to sign them up.

I once sent a continent into Power simply by discovering that it had not appointed people to the posts of Exec Sec in any org! How "out" can it get? As soon as Exec Secs were appointed, the whole continent went into Power.

I once read an ED which (a) removed all executives but one and then (b) gave 20 complex orders "to be done at once." The one remaining personnel could not have executed *any* of them. I at once canceled ALL EDs not issued by myself and shortly up went the stats.

Wondering why no mail is ever mailed does not call for a complex policy. It calls for a policy about the form of the org, how it must have Exec Secs, divisional secs. For there to be no mail going out can only mean there's nobody on post!

A divisional sec trying to get in his division's policy must look first for GROSS outnesses. They are never small. And then he must get them in by policy. Then they'll stay in.

There IS a *standard admin*. It deals in simplicities. People are on post. Particles flow. Promotion is done. Tech is delivered. The org board is up and is followed.

If policy isn't in at *that* level of largeness, it will never go in on higher points.

Knowing an org inside out is also knowing who to tell to do what and what policy to get in when. It's like knowing how to drive a car. It won't go if you don't know where the ignition switch is located. Policy outnesses occur and unusual ideas are put forth only by those who don't know what is usual in the first place.

Like standard tech, in standard policy the results come from getting in the basics and doing them well.

## **L. RON HUBBARD**

### **Founder**

LRH:jp.ei.rd.gm Copyright © 1968 by L. Ron Hubbard ALL RIGHTS RESERVED

73

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 SEPTEMBER 1969

Rernimeo

Senior OEC

*Admin Know-How Series 22*

### **THE KEY INGREDIENTS**

When we look at organization in its most simple form, when we seek certain key actions or circumstances that make organization work, when we need a very simple, very vital rundown to teach people that will produce results, we find only a few points we need to stress.

**The purpose** of organization is TO MAKE PLANNING BECOME ACTUALITY.

Organization is not just a fancy, complex system, done for its own sake. That is bureaucracy at its worst. Org boards for the sake of org boards, graphs for the sake of graphs, rules for the sake of rules only add up to failures.

The only virtue (not always a bad one) of a complex, unwieldy, meaningless bureaucratic structure is that it provides jobs for the friends of those in control. If it does not also bring about burdensome taxation and threatened bankruptcy by reason of the expense of maintaining it, and if it does not saddle a people or production employees with militant inspections and needless control, organization for the sake of providing employment is not evil but beyond providing employment is useless, and only when given too much authority is it destructive.

The kings of France and other lands used to invent titles and duties to give activity to the hordes of noble hangers-on to keep them at court, under surveillance, and out of mischief out in the provinces where they might stir up their own people. "Keeper of the Footstools," "Holder of the Royal Nightgown" and other such titles were fought for, bought, sold and held with ferocity.

Status-seeking, the effort to become more important and have a personal reason for being and for being respected, gets in the road of honest efforts to effectively organize in order to get something done, in order to make something economically sound.

Organization for its own sake, in actual practice, usually erects a monster that becomes so hard to live with that it becomes overthrown. Production losses, high taxes, irritating or fearsome interference with the people or actual producers invites and accomplishes bankruptcy or revolt, usually both even in commercial companies.

Therefore to be meaningful, useful and lasting, an organization has to fit into the definition above:

**TO MAKE PLANNING BECOME ACTUALITY.**

In companies and countries there is no real lack of dreaming. All but the most depraved heads of companies or states wish to see specific or general improvement. This is also true of their executives and, as it forms the basis of nearly all revolts, it is certainly true of workers. From top to bottom, then, there is, in the large majority, a desire for improvement.

More food, more profit, more pay, more facilities, and, in general, more and better of whatever they believe is good or beneficial. This also includes less of what they generally consider to be bad.

74

Programs which obtain general support consist of more of what is beneficial and less of what is detrimental. "More food, less disease," "more beautiful buildings, less hovels," "more leisure, less work," "more activity, less unemployment," are typical of valuable and acceptable programs.

But only to have a program is to have only a dream. In companies, in political parties, useful programs are very numerous. They suffer only from a lack of execution.

All sorts of variations of program failure occur. The program is too big. It is not generally considered desirable. It is not **needed** at all. It would benefit only a few. Such are surface reasons. The basic reason is lack of organization know-how.

Any program, too ambitious, partially acceptable, needed or not needed, could be put into effect if properly organized.

The five-year plans of some nations which are currently in vogue are almost all very valuable and almost all fall short of their objectives. The reason is not that they are unreal, too ambitious or generally unacceptable. The reason for any such failure is lack of organization.

It is not Man's dreams that fail him. It is the lack of know-how required to bring those dreams into actuality.

Good administration has two distinct targets:

1. To perpetuate an existing company, culture, or society
2. To make planning become actuality.

Given a base on which to operate-which is to say land, people, equipment and a culture-one needs a good administrative pattern of some sort just to maintain it.

Thus 1 and 2 above become 2 only. The plan is "to continue the existing entity." No company or country continues unless one continues to put it there. Thus an administrative system of **some sort, no matter how crude**, is necessary to perpetuate any group or any subdivision of a group. Even a king or headman or manager who has no other supporting system to whom one can bring disputes about land or water or pay is an administrative system. The foreman of a labor gang that only loads trucks has an astonishingly complex administrative system at work.

Companies and countries do not work just because they are there or because they are traditional. They are continuously put there by one or another form of administration.

When a whole system of admin moves out or gets lost or forgotten, collapse occurs unless a new or substitute system is at once moved into place.

Changing the head of a department, much less a general manager and much, much less a ruler, can destroy a portion or the whole since the old system, unknown, disregarded or forgotten, may cease and no new system which is understood is put in its place. Frequent transfers within a company or country can keep the entire group small, disordered and confused, since such transfers destroy what little administration there might have been.

Thus, if administrative shifts or errors or lack can collapse any type of group, it is vital to know the basic subject of organization.

Even if the group is at effect-which is to say originates nothing but only defends in the face of threatened disaster, it still must plan. And if it plans, somehow it must get the plan executed or done. Even a simple situation of an attacked fortress has to be defended by planning and doing the plan, no matter how crude. The order, "Repel the invader who is storming the south wall," is the result of observation and planning no

75

matter how brief or unthorough. Getting the south wall defended occurs by some system of administration even if it only consists of sergeants hearing the order and pushing their men to the south wall.

A company with heavy debts has to plan even if it is just to stall off creditors. And some administrative system has to exist even to do only that.

The terrible dismay of a young leader who plans a great and powerful new era only to find himself dealing with old and weak faults, is attributable not to his "foolish ambition" or "lack of reality" but to his lack of organizational know-how.

Even elected presidents or prime ministers of democracies are victims of such terrible dismay. They do not, as is routinely asserted, "go back on their campaign promises" or "betray the people." They, as well as their members of parliament, simply lack the rudiments of organizational know-how. They cannot put their campaign promises into effect not because they are too high-flown but because they are politicians not administrators.

To some men it seems enough to dream a wonderful dream. Just because they dreamed it they feel it should now take place. They become very provoked when it does not occur.

Whole nations, to say nothing of commercial firms or societies or groups, have spent decades in floundering turmoil because the basic dreams and plans were never brought to fruition.

Whether one is planning for the affluence of the Appalachian Mountains or a new loading shed closer to the highway, the gap between the plan and the actuality will be found to be lack of administrative know-how.

Technical ignorance, finance, even lack of authority and unreal planning itself are none of them true barriers between planning and actuality.

Thus, we come to the exact most basic steps that comprise administration.

First is **OBSERVATION**. From beginning to end, observation must serve both those in charge and any others who plan. When observation is lacking, then planning itself as well as any and all progress can become unreal and orders faulty and destructive. Observation, in essence, must be **TRUE**. Nothing must muddy it or color it as this can lead to gross errors in action and training.

Next is **PLANNING** itself. *Planning* is based on dreams but it must be fitted to what is needed and wanted and what men can do, even with stretched imaginations or misgivings. Planning has to be targeted and scheduled and laid out in steps and gradients or one will be laying railroad tracks that pass through oceans or boring tunnels in mountains that do not exist or building penthouses without putting any building under them to hold them up.

The essence of planning is **COMMUNICATION** and the *communication* must be such that it can be understood and will not be misunderstood. For unless those who oversee and those who do, know what their part of the plan is, they cannot execute their share and very well may oversee and do quite some other action, leaving a monstrous gap and even a structure that ate up their time and funds but now has to be torn down.

The next is **SUPERVISION** and supervision is dually needful. It serves as a relay point to which plans can be communicated and from which observations as reports can be received; and it serves as the terminal which communicates the plans as orders and sees that they are actually done. This gives one the genus of the org board as a central ordering point which has other relay ordering points taking care of their part of the

76

whole plan or program. These points are often also the points which care for local occurrences which must be handled, and their frailty is that they become so involved with local occurrences, oddities and purely local concerns that they do not or can not give any attention to receiving, relaying and overseeing their part of the main plan.

Then there are the **PRODUCERS** who *produce* the service or the structure or the product required by the plan. Many plans are marvelous in all respects but putting somebody there to actually **DO** the required actions that make the plan real. The primary fault is to use persons who already have projects and duties to which they are committed and, with their local knowledge, see must be continued at any cost but who are forced to abandon existing programs or duties to start on this new

activity, solely because the new activity has the stress given it in orders and the old activities are seemingly ordered left alone. Old companies and old countries could be said to be "that collection of incomplete and abandoned projects which is confused and failing."

Finally there is the USER, those who *will use* or benefit from the program when it is realized and completed. When planning fails to take this element into account, only then can the whole program fail utterly, for it, regardless of dreams, labor and expense, is finally seen to be of no value anyway. Thus all great programs begin with an understanding or a survey of what is needed and wanted; and a nose and value count of those who will use it; and a costing action in time, labor, materials and finance, compared to the value of it, even if only aesthetic, of those who will use it in any way if only to know they have it or to be proud of it or to feel better or stronger because they have done it.

Thus one gets the points which are the true administrative points:

1. OBSERVATION even down to discovering the users and what is needed and wanted.
2. PLANNING which includes imaginative conception and intelligent timing, targeting and drafting of the plans so they can be communicated and assigned.
3. COMMUNICATING which includes receiving and understanding plans and their portion and relaying them to others so that they can be understood.
4. SUPERVISION which sees that that which is communicated is done in actuality.
5. PRODUCTION which does the actions or services which are planned, communicated and supervised.
6. USERS by which the product or service or completed plan is used.

Administrative systems or organizations which lack at least the rudiments of the above system will not bring off the dream and will accumulate an enormous lot of uncompleted actions. Not a few failures, bankruptcies, overthrows and revolutions have occurred because one or all of the above points were awry in an existing organization.

The amount of heroic executive overwork which comes from the omission of one or more of these vital essential points accounts for the ulcers which are the occupational disease of those in charge.

When some or all these points are awry or gone, an executive or ruler or his minister is reduced to an anxiety which can only watch for the symptoms of bankruptcy or attack or revolt.

77

Even if so reduced, an executive who fends off disaster while getting in a system which satisfies the above points has an enormously bettered chance of winning at long last.

The dual nature of an administrative system or an organization now becomes plain.

Let us pry apart 1 and 2 above. The effort to hold an existing organization together is really different than trying to get a plan into actuality. In practice, one has an organization of some sort. It has functions and it has local concerns and problems. And it has programs and actions from past control centrals or which were locally generated.

To push in upon this plans which, no matter how well conceived or intentioned, are additional to its load will cause a great deal of confusion, incomplete projects left dangling and general upset.



To place new programs into action, two prior actions are necessary:

A. Put in a whole new system paralleling the old existing system.

B. Survey the old system and its existing programs to preserve them, eradicate them or combine them with the new plans.

To leave A and B undone is to court disaster. Whether one is aware of the old programs or the old organization or not, **THEY REMAIN AND WILL CONTINUE**-even if only as a pile of undone, unsorted papers nobody knows where to file or as a pile of odd unfinished masonry some future generation can't identify or will identify with scorn of administrations in general.

New leaders are sometimes looked upon as a worse scourge than a foreign enemy and new patterns of rule are often subjected to overthrow simply because they did not, out of ignorance or laziness, do A and B above.

One sometimes finds a company unit or a military officer left in some unheard of place for years, at continuing expense, guarding or nibbling at some project in a bewildered or philosophic fashion.

The activity remained unremembered, unhandled when a new broom and new planners entered the scene.

This can get so bad that a company or a nation's resources can be broken to bits. The old plans, disorganized, not known, discredited, are superseded by new plans and new ambitions. The old plans are in the road of the new plans and the new plans prevent old plans from completing. The result is an impasse. And the men in charge, even at the level of junior executives, become even more puzzled and bewildered than the workers and begin to believe no new plans can ever be done, blame the ignorance of the populace and the cruelty of fate and give up.

All they had to do was put in a complete new parallel system as in the I to 6 outline above for their new plans and to meanwhile preserve and continue the old system while they surveyed for preservation, eradication or combination of it. It is sometimes even good sense to continue old projects to completion currently with new projects just to maintain stability in the company or country and somehow find new finance and new people for the new plans. It is often far less costly than to simply confuse everything.

Furthermore, all NEW and untried plans should have **PILOT PROJECTS** which by test and use must be successful before one incorporates them and their new workers into the old system as a parallel dependable activity.

78

A "chicken in every pot" as a campaign promise could easily succeed if organized as in I to 6 above.

There is a lot to organization. It requires trained administrators who can forward the programs. But a "trained" administrator who does not grasp the principles of organization itself is only a clerk.

At this current writing Man has not had administrative training centers where actual organization was taught. It was learned by "experience" or by working in an organization that was already functioning. But as the principles were not the same company to company and nation to nation, the differences of background experiences of any set of administrators differed to such a degree that no new corps could be assembled as a team.

Thus it was said to require a quarter to a half a century to make a company. But the number of ineffective bureaucracies and national failures which existed stated clearly that there were too few skilled administrators and too few training activities.

Man's happiness and the longevity of companies and states apparently depend upon organizational know-how. Hiring specialized experts to get one out of trouble is a poor substitute for knowing what it is all about in the first place.

Organization is actually a simple subject, based on a few basic patterns which, if applied, produce success.

If one would dream and see his dreams an actuality, one must also be able to organize and to train organizational men who will make those dreams come true.

L. RON HUBBARD

Founder

LRH:rs.ei.rd.gm Copyright Q 1969 by L. Ron Hubbard ALL RIGHTS RESERVED

79

## **HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill Manor, East Grinstead, Sussex**

**HCO POLICY LETTER OF 27 OCTOBER 1969**

Remimeo

*Admin Know-How Series 23*

*DEV-T*

The entire, complete and only major source of dev-t is ignorance or failure to grasp **CONFUSION AND THE STABLE DATUM** as covered fully in *Problems of Work* (and LRH tapes of 1956).

Unless an executive or staff member fully grasps the basic principles of confusion and a stable datum then the org board is completely over his head, the reason for posts is not understood and dev-t becomes routine.

A post on the org board is the **STABLE POINT**. If it is not held by someone, it will generate confusion. If the person that is holding it isn't really holding it, the confusion inherent in that area on the org board zooms all over the place near and far.

Any executive getting dev-t knows at once what posts are not held because dev-t is the confusion that should have been handled in that area by someone on post. With that stable terminal not stable, dev-t shoots about.

Excessive transfers in an org promote fantastic dev-t as the posts do not really get held as people are on them too briefly. "Musical chairs" (excessive transfers) can destroy an org or area.

The remedy is to get people trained up (OEQ to handle their posts, to get people on post who do handle their posts).

An essential part of such training is a study of *Problems of Work* and a full grasp of how a stable terminal handles and prevents confusion. If the person cannot fully grasp this principle, he is below the ability to conceive of terminals and barely able to perceive lines. He cannot communicate since there are no terminals to him.

**REMOTE AREAS**

If an area remote from an executive does not contain a stable point to which he can send his comm and get it handled, then his comm only enters dev-t into the area and he gets back floods of despatches and problems but no real handling. The area is not organized and does not have people in it who have grasped *Problems of Work* or how it applies to an org board or even why there is an org board.

Communicating into a disorganized area without first organizing it to have at least one stable terminal is foolishness.

An org board is that arrangement of persons, lines and actions which classifies types of confusions and gives a stable terminal to each type. It is as effective as its people can conceive of terminals and understand the basic principle of confusions and stable data.

A good executive arranges personnel and organization to handle types of actions and confusions. He does not broadly comm into disorganized areas except to organize them.

Any area which gives an executive excessively developed traffic (dev-t) is an area

80

where the persons supposed to be the stable terminals in that area are not holding their posts and do NOT understand what they are or why and do not know what an org board is and have never understood the Scientology fundamental known as confusion and the stable datum. They are NOT doing their post or organizing their areas.

An executive's evidence of this is the receipt from there of dev-t.

The executive's action is to get somebody THERE, get him to understand confusion and the stable datum and how it applies to posts as stable terminals, get him trained up and use that now stable point to handle further confusions.

If an executive goes on handling dev-t of people who are not stable terminals that handle their areas, HE WILL BE FORCED TO WORK HARDER THAN IF THE POST WERE EMPTY. At least if it were empty, he would get only the confusion of that area. As it is, if the post is improperly held and wobbly, he gets not only the area confusion but also the enturbulation of the wobbly incumbent.

Volumes could be written about this subject. But there is no reason whatever not to be able to grasp the fundamentals concerning confusion and stable data, confusion and stable terminals, apply it to org boards, to areas and to expansion.

Chaos is the basic situation in this universe. To handle it you put in order.

Order goes in by being and making stable terminals arranged to handle types of action and confusion.

In organizing units, sections, divs, depts, orgs or areas of orgs, you build by stable terminals.

You solve areas by reinforcing stable terminals.

Executives who do not grasp this live lives of total harassment and confusion.

The whole secret of organization, the whole problem of dev-t, the basic ingredient of all expansion is contained in this.

L. RON HUBBARD

Founder

LRH:rs.ldm.ei.rd.gm Copyright © 1969 by L. Ron Hubbard ALL RIGHTS RESERVED

81

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 8 MAY 1970

Remimeo

*Admin Know-How Series 24*

## **DISTRACTION AND NOISE**

*Noise* is a technical term used in the field of public relations to describe the medley of messages hitting a member of a public besides one's own message.

The clamoring for attention of many different people, firms, situations brings about a condition where another voice or despatch is just ONE MORE DISTRACTION.

We can profitably use NOISE to describe the demands for attention put upon a staff member, executive, office or org that is being distracted off a main line of action.

A law evolves-THOSE INDIVIDUALS OR AREAS THAT ARE THE LEAST WELL-ORGANIZED ARE AFFECTED THE MOST BY DISTRACTIONS.

Let us take an office in Gus Falls, South Alabama. The Public Exec Sec chooses personnel and audits, the HCO ES lectures, the OES mows the lawn. The rest of the staff are assigned to no divisions particularly, they try to cope but the org makes little money, naturally, so they "moonlight" (have other jobs).

The place is a mess, of course. Public, bills collectors, salesmen, all clamor endlessly for the org's attention. The more disorganized the place is, the more messages each distractor has to originate to get anyone there to listen. Routine actions, having no lines on which to travel and no one to handle them, become frantic oft repeated emergencies each one with multiples of messages.

SO, you are an executive in a remote city. This Gus Falls Office is in your area.

SO, you write them despatches.

You get no answers.

You write more despatches.

And they go unanswered.

Gus Falls just isn't reporting up.

WHY? You are just one more noise in a screaming chaos.

The office manifests mainly DEFENSE. It is being hit so hard with random voices and despatches that it develops a ridge against all voices, all despatches.

Anything from you, if it gets read at all, is resented as it's "just one more awful impossible."

So there are only three conditions wherein you get no answers or compliance-

1. There is no one there.
2. Your terminal there isn't wearing his or her hat.

3. The place is a howling disorganized madhouse.

The remotely located executive who keeps writing despatches into an area and gets no action or answers has these situations:

- A. His orders are unreal in that they are not based on good observation.
- B. His orders are contrary to policy and would produce upsets or disorganization.
- C. There is no one there at the receipt point.
- D. The terminal addressed isn't wearing his/her hat.
- E. The place is a howling disorganized madhouse.

In any of these cases we get this law:

WHEN YOUR DESPATCHES OR ORDERS AREN'T GETTING ANSWERED OR ACTIONED, DON'T EVER KEEP ISSUING MORE OF THE SAME.

In the special case of E you haven't got a chance of attracting attention.

There are many things you can do in the case of E.

Whatever you do, if observation and real data to hand (not rumor or opinion) shows E to be the case, there is one basic rule:

WHEN A PERSONNEL OR PLACE IS DISTRACTED, GET IN ONLY EASY BASICS ONE AT A TIME.

*Problems of Work* data applies. Stable datum and confusion.

Whatever you do, you have to get correct factual observation that is actual data, not propaganda or opinion.

It could be somebody there is suppressive and is tearing the place apart.

It could be they just don't know what organization is, that it means that specialized personnel are assigned to different posts with specific duties and that command and flow lines are established throughout the organization. Maybe they don't know that.

It could be only the top strata is in a mess with the staff working well out of sight from a remote observer. That has happened.

A remote executive or one on the ground confronting this sort of thing gets his first inkling of it from no-reports or noncompliance or slow compliance.

His next action is to collect factual data on actual conditions.

His next action is to find out WHO if anyone is disorganizing the place, and handle that one. But this is with care as such action if remotely taken can be wrong and the place will just disintegrate.

His next action is to get in simple basics like an org board, then hats, then a comm center, then recruitment, then decent promotion and decent service.

Often such a group as in E has generated howling financial or even public emergencies and these are what are screaming for attention. The thing to do is to put a special section IN

CHARGE OF THAT EMERGENCY and route anything related to it to that special section for full orderly handling. Get the rest of the place properly organized and conducting business as usual.

83

It takes a while for an organized activity such as an office to become a shattered wreck. However, an SP put into it as an exec can speed this process up greatly.

Therefore, anyone seeking to handle the confused area must detect the symptoms early and handle early.

THE LATER THE SITUATION IS NOTICED, THE HARDER IT WILL BE, AND THE LONGER IT WILL TAKE TO BUILD IT BACK UP AGAIN.

The next time you get a DEFENSIVE ANSWER, A SLOW COMPLIANCE or a NO-REPORT, realize that you have on your hands right there, whether in one person or an org, the symptoms of a situation you must handle. It is any one of from A to E above.

Honestly and dispassionately figure out which one it is. And realize if it is D (not wearing a hat) it could be a symptom of an SP so watch it until you know his (a) case status, (b) ethics record and (c) production record or you could make a mistake.

If it's any one of these, A to E, you can find out by dispassionate analysis based on facts.

But in any event the situation MUST be handled. What is wrong must be remedied.

L. RON HUBBARD

Founder

LRH:kjm.rd.gm Copyright C 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

84

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 JULY 1971

Remirneo

All Bureaux

Hats

OEC

*Admin Know-How Series 25*

**CLOs, OTLs AND FLAG**

(References: HCO Policy Letter of 14 September 1969, Admin Know-How Series 22, "THE KEY INGREDIENTS," HCO Policy Letter of 8 May 1970, "DISTRACTION AND NOISE" and the P/Ls of THE DATA SERIES.)

PURPOSE OF CLOs

TO MAKE PLANNING BECOME AN ACTUALITY is the key message of the key ingredients.

This also unlocks the door to an understanding of Continental Liaison Offices and Operation and Transport Liaison Offices.

Unless the staff of a CLO or OTL knows the purpose of its existence, it ceases to exist as it will be of no real use.

A CLO or OTL must be of USE to FLAG and ORGS and franchises and the public. If it is not, then it will become valueless and a burden.

If it does know and if every staff member in it knows its purpose, then it will prosper and its staff will prosper. If not, it will become unmocked and confused.

THE MAJOR PURPOSE OF A CLO OR OTL IS TO MAKE FLAG PLANNING BECOME AN ACTUALITY IN ORGS, FRANCHISES AND THEREBY THE VARIOUS PUBLICS.

#### STEPS

In THE KEY INGREDIENTS you find a cycle of management as follows:

1. Observation
2. Planning
3. Communicating
4. Supervision
5. Production
6. Users.

Plans in this P/L include Programs and Projects and are the duty of FLAG.

CLOs and OTLs fit exactly at No. 1 *Observation* and No. 4 *Supervision*.

Orgs fit at No. 5 *Production* and the publics at No. 6 Users.

No. 3 Communication occurs internally at Flag; between Flag and CLOs; internally at CLOs; between CLOs and orgs and franchises; and between orgs and franchises and the publics. There is also internal communication amongst the publics

85

and within each public, known as "word-of-mouth advertising" and "goodwill." Laying out this network of communication is an interesting exercise, for you will see that it is becoming global-over the whole world. In addition to increasing understanding, this will give one a concept of the true size of the operation. "Publics" is a public relations term meaning a type of "users."

OTLs are an extension of CLOs for the CLO.

If you can conceive of this network of communication, you can then work out the remaining KEY INGREDIENTS.

#### OBSERVATION

Orgs observe for CLOs. OTLs observe for CLOs.

The Stats In-Charge of an org, the Finance Banking Officer of an org, the Bureaux Liaison Officer in an org, the owners of a franchise and individuals of the publics are all *Observers* (No. 1 of Key Ingredients). They send their observations to OTLs and to CLOs.

In the Data Bureau of a CLO, these observations are duplicated and CIC processed for local CLO use but are at once also sent swiftly on to Flag.

In the Data Bureau at Flag, all these observations are assembled by continent and org and evaluated.

From this Flag evaluation (see Data Series on how it is done exactly), No. 2 of the key ingredients, PLANNING can occur. This step, for our purposes, includes finding the major international successes and outnesses and the big WHYs or reasons for them. Flag puts these into programs and projects and sends them out via CLOs to orgs and sometimes franchises.

CLOs and their OTLs now come into their own. They SUPERVISE getting these programs and projects in and done. This is the bureaux system's PRODUCTION.

The organization and its production results are of course expressed with the publics which are thereby served and increased as USERS.

Thus all the KEY INGREDIENTS line up.

#### FLAG PLANNING

On Flag the basic overall effort is *designed* and *planned*. The *big broad* situations are spotted and the WHYs (reasons for them) found,

The plans, programs and projects turned out by Flag are designed to press on with the major international designs and to spot major falterings or outnesses.

The results are policy, tech, programs and projects.

In general, Flag does not work on things that fit only an individual org.

What Flag plans and makes projects for fits a type of org or all orgs and are for the applications of orgs to the various publics.

By proven statistics, what Flag plans will improve or boom an area if it is applied.

Where Flag planning, represented by programs or projects, is actually gotten into full action in an org, that org will boom.

Also, by long historical proof, where an org or area neglects or doesn't execute

86

Flag planning and its programs and projects, there is a collapse.

This isn't PR. This is the story of the years.

If Flag planning got into full activity in every area, we would have the planet.

For instance, the GI boom is the old Flag tours orders suddenly reactivated and carried brilliantly into effect in the Pac area. Flag was putting tours data and tours training together for a year before the present GI boom. This was then beautifully carried out by splendid initiative in the Pac area and spread.

The resulting production of GI came about because Sea Org Officers brilliantly did it with a spark and spirit beautiful to behold. And it was successful because orgs were now being headed by Flag trained Flag Executive Briefing Course grads. Policy was now going in. And the only falter was where policy was departed from or was not asked for.

So Flag planning if *executed* has a long historical background of huge success.



## CLO ACTIONS

This brings us straight to the real duties of a Continental Liaison Office and its branches called OTLs.

A CLO is in charge of its continental areas. It has direct comm with orgs. Has or will have Finance Banking Officers and Bureaux Liaison Officers in each org.

The first duty of a CLO is to observe and get those observations into its own Continental Information Center (CIC) and observations and reports and lists of *its own activities* to Flag.

What are these activities? They are

A. To observe.

B. To send observations by users, orgs and the publics to Flag.

C. To push in Flag programs and projects.

D. To FIND the WHY (reasons) that any *Flag* program or project is *not* going in, in an org or franchise or public and REMEDY THAT WHY so the Flag program or project DOES go in.

E. Keep itself set up and operating on the pattern planned for its establishment by Flag.

F. Handle sudden emergencies.

Those are the TOTAL duties of a CLO.

They are also the duties of an OTL in respect to its CLO.

## ORGS

Orgs and franchises push in Flag programs and projects by department and division and also by individual staff members.

At org level and the level of its publics, the org is doing A to F above.

A Bureaux Liaison Officer or an FBO in an org is doing A to F and answering to an OTL or CLO.

87

The OTL handles one or more orgs as an expanded arm of the CLO and it is doing A to F.

The CLO is working at the level of individual orgs and franchises and their publics through them.

Flag works through CLOs, then to OTLs or orgs to the publics.

It would be highly informative to lay all this out in clay. For it IS the winning pattern. Where it is not understood, an area breaks down and needs emergency actions.

## SIMPLICITY

The floods of information pouring through these lines make them appear far more complex than they are.

That a CLO runs its own service org does not violate this in any way. That's just another org to run.

Let us take an actual example.

Data coming in to Flag over a long period indicated few auditors being made and slow (unbelievably slow) courses over the whole world. Several observations were ordered by Flag at one time and another.

The situation was very serious. Slow courses meant no real delivery. It meant an org had to work too long for too low a payment. It meant no auditors available. It meant no students would enroll because they couldn't spare that much time. Orgs couldn't get Class VIs home from SHSBCs.

Observations piled up and up and up. A three-week course on Flag would become a six-month course in orgs. It defied belief.

After a long, long study of all this and first-hand experience at Flag, some Whys began to show up. The HCO P/L 15 Mar 71 "What Is a Course?" was one answer. The Flag Course Supervisors Course designed to be taught in the service org of a CLO. TRs the Hard Way came out of this.

Each one of these, and projects based on them, went out from Flag to CLOs and thus to orgs.

Then the big outness exploded into view. The June-Sept 1964 Study Tapes were NOT in use in courses!!!! That was the major WHY.

At once the Word Clearing Tech was repiloted on Flag. Simplified versions were worked out. HCOBs were written.

Projects to get them in were written.

A whole series of drills, one for every possible Supervisor action, were swiftly put into form by an on-Flag mission and piloted.

These, as programs and projects, are pouring out to CLOs to orgs by rapid communication as fast as packaged from Training and Service Bu Flag.

Assistant Training and Service Aides in CLO Training and Service Bureaux should see that they get into each org and franchise, using CLO's LRH Comm and External Comm Bureaux.

In orgs, LRH Comms or Bureaux Liaison Officers should get them checked out and in.

88

**And EVERY ORG WHICH DOES NOT AT ONCE GET THEM IN AND IN FULL USE** is of immediate interest to the CLO Data Bureau. The Tr and Serv Assistant Aide should be working to get his org contacts to give him data to find out WHY they are not IN. And Action should be alerted so it can send a CLO Mission to find out WHY or remedy the already found WHY.

#### OTHER DUTIES

"Noise" (HCO P/L 8 May 1970, Distraction and Noise) is the main reason this does not happen.

The org is in a flap of unworn hats, no personnel and the milk bill.

The CLO Tr and Serv Bu is trying to handle a sick exec.

Noise! Every bit of noise being generated is because the main situations are not being handled, only the dev-t around them.

Like an HAS who has no time to hire because he is so busy with internal personnel demands, an org or CLO can be so knocked around by nonsense generated on the fringes of an unhandled situation that the real reasons do not get handled.

So "other duties" seem to be so important in an org or a CLO that they do not carry the line through. Why are they so distracted by so many outnesses? Because the main line is not in!

There are NO other duties more important than remedying the reason one has so many other duties!

#### FLAG REMEDIES

The remedies come from Flag. They are based on area observations from many sources.

#### CLO DUTY EXAMPLE

To construct an example of a real CLO in action.

The Asst Management Aide of a CLO finds her project board blank for Bongville. CIC of the CLO states no reports are coming in from Bongville org. The last stats sent were poor. There is natter in Bongville's field.

On A/Mgmt Aide request, CLO's Action Bureau writes the MOs for, briefs and fires a single observer missionary.

In Bongville, the CLO's missionary manages to find the "Exec Director" Bongville (who is not the ED supposed to be there according to CLO personnel records).

The following conversation takes place:

The org's ED says, "Your CLO has no reality on what's going on here in this org." Question: (from CLO missionary) Do you ever send any data or reports or stats? "No, we haven't time for that. We keep going broke." Question: Do you know Flag policy relating to pricing and financial planning? "No, we're too busy. All this questioning is just too distracting. The landlord is threatening eviction." Question: How much money have you invoiced in the last month? "Oh, very little." Question: But I see you have a full classroom of students. Have they all paid? "Oh, they've been here a year. They paid long ago ... I think." Question: Have you put the Flag Word Clearing Project into effect so they'll finish their courses? "The what?" Question: Have you sent anyone to the CLO Tours Course? "Please, I've got to go now. The HAS just transferred the

89

Course Super to the Estate Section and our only auditor to Ethics Officer and I've got to tell our afternoon pcs to come back tomorrow. . . ."

TELEGRAM: TO C/O CLO. ADVISE YOU SEND A MISSION WITH A HAS AND AN AUDITOR AND FBO TO BONGVILLE FAST TO HOLD IT. SUGGEST TWO BONGVILLE STAFF MEMBERS TO CLO TOURS COURSE AND TWO OF THESE EXECS TO FEBC. NO FLAG PROJECTS IN. CURRENT ED JOQUIM SOKUM DISTRACTED DISCOURTEOUS TO SO. CHECK OF INVOICES REVEALS \$18,000 UNCOLLECTED FROM STUDENTS NOW ON COURSE NEEDS FBO AND FINANCE INSPECTOR TO SET UP TREAS AND COLLECT. ADVISE GDN OFFICE RE LANDLORD EVICTING ORG. NO A/G HERE. BEST = MISSION BONGVILLE OBSERVER.

Now the observation mission went out because the CLO Data Bureau found Bongville was not reporting.

This telegram meets up in CLO's Data Bureau CIC with a ton of public complaints in the Bongville area.

A rapid evaluation is done by the CLO CIC Evaluator using any current data -on Bongville.

The WHY taken from CLO CIC evaluation turns out to be an illegal promotion to Bongville ED of a blown PTS staff member from Chongton Org who put the whole staff in treason and blew them.

The CLO Product Officer goes into action for the product of a functioning org.

CLO ACTION Mission Orders for a new SO temporary ED and HAS for Bongville are quickly written, the mission briefed and 24 hours later they are in Bongville handling. The GO is put in touch with the landlord. The CLO Finance Office sends an FBO. A/Dissem Aide reroutes a tour to include Bongville.

The new FBO forces \$7,000 in collections by Friday, and gets a Treasury Sec on post and hatted and the Flag Invoice Pack goes in.

The HAS phones the fired Bongville auditors, gets three back. Auditing resumes. Six students are word cleared and completed on course and the Flag Intern Pgm goes in and they begin to work in the HGC making nine auditors now delivering.

The tech member gets the Mini Super Hat on the Course Super. The Flag Word Clearing Pack goes in.

Two tours students and two execs get routed via the CLO for training on the Flag checksheet courses.

The ex-ED and the ex-HAS are put on as "HCO Expeditors" pending further handling.

The HAS reverts the org to cancel out the mad musical chairs, begins to recruit, form an expeditor pool, train and hat by Flag project orders and checksheets.

The temporary SO ED produces by coping.

The scene begins to untangle to the degree that policy and Flag projects begin to go in.

The Flag ARC Brk program begins to go in and begins to straighten out ARC Brks in Central Files.

One month later, the tours students are back from CLO. The org is rebuilt enough to deliver. Money begins to roll in.

90

Two months later the first FEBC comes back, is genned in as Exec Dir.

The second one returns. Is genned in as HAS.

They are told to get two more people to the FEBC fast and an A/G is sent to the GO for training at GO request.

Flag projects are well in.

The CLO mission pulls out.

The org remains stable but is carefully watched by the Asst Management Aide at the CLO via her project board.

Meanwhile, all reports and data have been flowing to the CLO and to Flag.

Flag compares its data, evaluates this and other orgs. Finds ex-staff members who have blown from an org are uniformly PTS. A local Flag project to develop more data and tech on PTS begins....

And the cycle repeats,

The CLO gets in the PTS project.

When an org doesn't get it in according to a CLO Management Bu project board, data is looked for in the files and an evaluation is done on the orgs that didn't get it in. If no data, an observer is sent....

And that's the cycle.

The Flag WHY for the Bongville incident would be a CLO in that area not manned up and operating fully and not getting Flag projects in.

The CLO basic WHY that let Bongville go to pieces would be that the CLO did not watch its Flag project board and did not notice Bongville was not getting in any projects and was not reporting.

The basic WHY in Bongville was the promotion of unqualified persons to ED and HAS who did not know or try to get in Flag projects and instead went ethics mad when they began to fail.

#### SUMMARY

A CLO is there to observe and to get Flag programs and projects in.

When a CLO doesn't report or backlogs, it gets Bongvilles.

It handles Bongvilles. It must have its Assistant Aides, its bureaux, especially a Data Bu, and a Mgmt project board, a Missionaire Unit, and an Action Bureau to handle Bongvilles.

But every Bongville it has to handle will be because Flag programs and projects weren't going in, in Bongville and the CLO didn't find WHY they weren't going in soon enough.

Flag level-international WHYs applying to all orgs.

CLO level-continental WHYs to remedy to get Flag pgms and projects in.

Org level-divisional and departmental and individual WHYs that prevent Flag programs and projects from going in.

91

So that's the reason for a CLO:

To observe and to send all data to Flag and to continentally find out WHY Flag projects and programs are not going in, in an org and remedy that WHY and get the programs and projects in.

That's a CLO.

L. RON HUBBARD

Founder

LRH:sb.bh.gm Copyright © 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

92

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER 6F 28 JULY 1971

Remitneo

Exec Hats

ADMIN KNOW-HOW No. 26

(Cancels HCO PL 19 December 69 Executive Duties

which canceled HCO PL 19 July 63)

Note: HCO PL 19 July 63 stated that an executive should "get people to get the work done." HCO PL 19 Dec 69 canceled it and stated other duties.

This cancellation probably robbed some people of a stable datum that they got people to get the work done.

When an executive was no longer told he should get people to get the work done, hating tended to go out and a great deal of overload began to occur on executive posts.

From an executive not doing "work" the viewpoint swung to the other extreme that executives only do all the work.

Both policy letters (HCO PL 19 Dec 69 and 19 July 63) were correct in their way.

Therefore they are restated as follows.

*PHA SE I - BEGINNING A NEW ACTIVITY*

AN EXECUTIVE SINGLE-HANDS WHILE HE TRAINS HIS STAFF.

When he has people producing, functioning well and hatted, he then enters the next phase-

*PHASE II - RUNNING AN ESTABLISHED ACTIVITY*

AN EXECUTIVE GETS PEOPLE TO GET THE WORK DONE.

*SINGLE-HANDING*

By "single-handing" one means do it himself, being the one responsible for actually handling things.

This phase occurs when an executive is forming up his personnel.

*PHASE I IN FULL*

(HCO PL 19 Dec 69 Executive Duties, is therefore requoted for this phase of the activity-he is on the post, most of the rest are new and flabby.)

An executive handles the whole area while he gets people to help.

An executive in charge of an org would "single-hand" (handle it all) while getting others to handle their jobs in turn.

This gives a practical and workable approximation of what top-stat executives actually do do.

The executive who sits back and waits for others to act when a situation is grave can crash an entire activity.

93

Essentially an executive is a working individual who can competently handle any post or machine or plan under him.

He is a training officer as well. He designates who is to do what and sees that a training action is done by himself or others to be sure the post will be competently held. An executive who accepts the idea that if a person has a school degree in "waffing woggles" or sewing on buttons he can at once be trusted to waff woggles or sew buttons is taking a personnel by recommendation, not by his experience with the personnel whose work-organization potential has never been tested *under that executive*. A camouflaged hole (undetected neglect area) may very well develop in such a circumstance, which can suddenly confront the executive with a time-consuming disaster.

Thus an executive accepts help conditionally until it is demonstrated to be help, and meanwhile does not relax his control of a sector below him until he is sure it is functioning.

In this way an executive is one who does and backs off spots continually. He could be said to always be doing himself out of a job by getting the job competently done. However, in actual practice, as post personnel does shift, he has to be prepared at any time to wade back in and put it right.

The Supreme Test of an Executive (as in the HCOB Supreme Test of a Thetan) is to **MAKE THINGS GO RIGHT**.

To the degree he can maintain his observation, communicate and get supervision done (see HCO PL on the Key Ingredients), he can achieve production or service and satisfy users.

As observation is often faulty, especially over long distances, as communication is not always received or studied and as supervision is often absent, the executive must develop a sensitivity to indicators of outnesses and systems to correct them.

A very good executive knows how to "play the org board" under him. He has to know every function in it. He has to know who to call on to do what or he disorganizes things badly.

An executive also has to know neighboring org board arrangements in the same org, the org board of allies and of enemies.

An executive has to know what users need and want and furnish it. When normal and routine posts fail under him, the executive is of course forced into Non-Existence as an executive, has to find what is needed and wanted and produce it. He applies the whole Non-Existence Formula to the situation.

Only if he does not handle fully once he does see an outness does an executive go into Liability.

An executive deals with the frailty of human variations and distractions. When these engulf his area and he is confronted with the fruits of alteration and noncompliance, of posts not held and duties suddenly found left undone, it is up to the executive to get them done any way he can. Having handled, he applies the Danger Formula (or lower as it appears) to the neglected area.

An executive has to be somebody who cares about his job and wants to get things done. If he only wishes the title for status, he is of course heading himself and his area for disaster and it could be said that such an executive, not meaning to do the job but only wanting the title, is in Doubt or lower on the third dynamic.

The executive thinks of the area and organization first and repairs. Then he thinks of the individual and straightens him out.

94

An executive who is worker-oriented winds up hurting all the workers. The workers depend on the organization. When that is gone they have nothing.

An organization cannot have more taken out of it than is being put into it. Efforts to bleed an organization of more blood than it has, destroys it.

The preservation of his organization is a first consideration of an executive.

In an executive's hands an organization or one of its areas must be "VIABLE." That is, it must be capable of supporting itself and thus staying alive. When his area is parasitic, dependent on others outside it, without producing more than it consumes, the area and its workers are at severe risk and in the natural course of events will be dispensed with, if not at once. eventually.

Thus an executive is someone whose own sweat and energy keeps an organization or an area of it functioning. In this he earns and uses help and they in turn take over executive roles in their subordinate areas and keep them alive and producing.

An executive is in the business of SURVIVAL of his area and its people and providing with service or production an abundance which makes the area, his own services and that of his subordinates valuable.

If an executive so functions his own survival and increase is guaranteed even by natural law. If an executive functions for other reasons it is certain the ground will vanish from under him eventually again by natural law.

An executive is in fact a worker who can do all and any of the work in the area he supervises and who can note and work rapidly to repair any outnesses observed in the functioning of those actions in his charge.

The best liked executive who is most valued by his workers as someone they need is an executive who functions as described above. One who seeks to survive on favors given and does not otherwise measure up is not in fact regarded highly by anyone.

Whatever ideology one finds himself in, the above still applies. The way to the top may well be marrying the boss's daughter, but the way to stay there still requires the elements described herein. As bosses' daughters are few, a sounder way is to learn all the jobs well and study this policy and just become an executive.

#### *PHASE H IN FULL*

Now we come to PHASE 11. The executive has inherited from a competent former executive or has himself built (and has prevented transfers and lack of apprenticeship from destroying) his unit, department, division, org or orgs.

Now to continue to single-hand will destroy anything that has been built.

The other policy letter (HCO PL 19 July 1963) now applies and is so reissued.

When an executive in charge of a working activity continues to retain the idea "Do all I can," chaos then results. An already formed activity will collapse.

The only possible datum on which an executive could work effectively in a formed activity is "*Get people to get the work done.*"

Otherwise the executive does as much as he can and leaves the willing personnel standing around unhelped and unguided. If we all did this, Scientology would go nowhere. One auditor can't audit the world. One personnel cannot do all the work of a Scientology organization.

95

If **each person in the organization wears** all the hats or one wears all and the rest wear none, you will have

1. Bad morale
2. Overburdened personnel
3. Underburdened personnel
4. Rapid staff turnover
5. Bad dissemination, processing and instruction



6. Low income
7. Even lower income
8. Public flaps
9. Chaos.

An executive in a formed org has only two jobs:

1. Policy, promotion and planning
2. Getting people to get the job done.

A post or terminal is an assigned area of responsibility and action which is supervised in part by an executive. Supervision means helping people to understand their jobs. Supervision means giving them the responsibility and wherewithal to do their jobs. Supervision includes the granting of beingness. Supervision does not mean doing the job supervised.

Thus you have two phases and shades of grey in between.

At a slight sag or a mess-up or failure to hire and hat and apprentice properly, a PHASE 11 situation can drop back into a single-handing PHASE 1. An executive who again doesn't see that he has dropped out of comfortable Phase 11 and gotten into a PHASE I must at once again single-hand, if only for a day.

But now the executive **MUST** get in ethics, hire, hat and apprentice people and build once more to PHASE 11.

In short, an executive has to know how to change gears!

To BOOM dissemination and income and hold the boom, study this well and be able to shift not only from comfortable 11 to hectic overworked I but also to push back to Phase 11.

This is the reality of it.

L. RON HUBBARD

Founder

LRH:sb,bh,gm Copyright © 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

[*Note:* Due to an error in series numbering, there are no issues for *Admin Know-How Series 27* and *28*. Issues in the series from *Admin Know-How Series 29* forward retain their original series numbers.]

96

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 JANUARY 1972

Issue I

Remimeo

All Exec Hats

*Admin Know-How Series 29*

*Executive Series 5*

**NOT-DONES, HALF-DONES AND BACKLOGS**

There is a very definite, often unsuspected effect concealed in a backlog. And it is of such violence that it can crash an area's stats while seemingly working frantically.

BACKLOG (Webster's) noun: 3. an increasing accumulation of tasks unperformed or materials not processed; verb: to accumulate as a backlog.

#### NOT-DONES AND HALF-DONES

Backlogs occur for various reasons. But the two main classes are (1) NOT-DONES and (2) HALF-DONES.

For lack of seeing that a backlog exists, lack of supervision of existing personnel, other-intentionedness of personnel, lack of personnel to handle the usual or peak volumes, lack of know-how to handle, lack of resources, and outright sabotage are some of the reasons that account for NOT-DONES.

HALF-DONES are as bad as NOT-DONES as they bit and piece an area into a quagmire. Suppose Detroit began to make half-cars. All their resources would be devoured, yet nothing would really be produced, yet everyone would look frantically busy; the executive worries would mount up to an inconceivable fever pitch unless the half-done factor was handled.

But half-dones are not always as visible as half-cars. "Have you handled Bets and Company suit?" "Oh yes." But the case is lost because the filing papers were only half-prepared and half-filed.

The same reasons apply for HALF-DONES as are listed above for NOT-DONES.

The Why of many failures is found in NOT-DONES and HALF-DONES.

The primary effect (there are others) of NOT-DONES and HALF-DONES is the building up of *backlogs*.

Now, no backlog ever quietly lies there. So long as anything else depended upon the actions being done, there will be pressure or threat of one kind or another on the backlogged area.

Thus, when an activity becomes backlogged, IT GENERATES NEW WORK NOT CONCERNED WITH REDUCING THE BACKLOG AMOUNT.

Example: An insurance company backlogs claims payments. Torrents of queries then demand why. The claims section spends its time answering the queries, not reducing the number of claims. The volume of work doubles, trebles, but no claims get paid.

BACKLOGGING AT ONCE DOUBLES THE WORK BY THE ADDITION OF DEMAND HANDLING.

97

Example: A Central Files fails to stay filed into up to present time. Demands for items in it cause others to consume all the file clerk's time tearing CF apart to find particles.

A BACKLOG CAN INCREASE ITSELF BY ADDING DISORDER THAT UNDOES THINGS ALREADY DONE.

Thus a backlog tears up the past work while building up future work.

Example: Personnel backlogs its files, causing it to backlog appointments. This overloads areas. These areas start crashing down on Personnel in mobs demanding it provide people. Personnel is then so busy fending off people, it can't appoint. Yet is in frantic action.

A BACKLOG PREVENTS ITSELF FROM BEING HANDLED.

An org that has several backlogs in it becomes frantic and then goes into apathy,

The cure is to:

1. Get people and do ALL HANDS actions to get the most important backlogs done.
2. To find the real WHY of the backlog and handle it so a present time state is then maintained. (Requires a program, followed and *done*.)
3. Check out staff on the book *Problems of Work*.
4. Get staff to do Training Drill Zero on their work areas.
5. Get staff to reach and withdraw from their materials of operation or areas.
6. Do a survey of attitudes which reveals complaints and reasons for not-dones, half-dones, backlogs.
7. Based on the survey, campaign hard to remedy NOT-DONES and HALFDONES.
8. Be very severe with any beginnings of any future backlogs.

When you see an area or org in apathy, know it has gone the route of not-dones, half-dones and backlogs and handle.

When you see an area going frantic, know you are looking at not-dones, half-dones and backlogs and handle fast before it goes into the much worse condition of apathy.

Production is the basis of morale.

Not-dones, half-dones result in backlogs.

Backlogs destroy the possibility of future production.

Thus you know the situation of not-dones and half-dones will result in backlogs.

The backlogs will prevent further handling.

This subject is the subject which makes executives harassed.

98

Behind every upset there will be NOT-DONES, HALF-DONES and BACKLOGS.

So be very alert.

Dynamite is stick candy alongside of this very explosive subject.

Don't say I didn't tell you.

L. RON HUBBARD

Founder

LRH:mes.rd,gm Copyright C) 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

99

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF I SEPTEMBER 1973

Remimeo

### ADMIN KNOW-HOW No. 30

How is it that the highest paid salaried men in our current civilization are administrators? They draw from a quarter to a third of a million dollars per year. They are paid far far more than professional people, far more than scientists, more than politicians who, above all people, should be excellent administrators. Why? Because they are so rare. Business schools may turn out graduates by the millions but very, very, very few of them ever become topflight executives who can really administer. Why does the civilization develop so very few of them? Because this civilization has not had much workable administrative tech and has not even known the basic natural laws which underlie administration.

The subject of administration is so poorly known because there is so little data. And because there is so little, the subject itself is not understood at all by the general population of the planet. Yet there are very few on the planet who are not the direct effect of administrators.

You hear an administrator talk about PRODUCTION or GROSS INCOME and possibly suppose this is just a peculiarity or a fixation and that these facts are distant from general living. Perhaps some people suppose that such talk and urgings is part of the capitalistic system or something for a board of directors. General public reaction to such things is usually a nothing-to-do-with-me. The usual attitude to law and accounting is a "beyond me" and an "it's confusing" yet the person is subject every day of his life to them. It is quite similar but even more mysterious with administration.

Administration is not peculiar to capitalism. Or to any special field. It embraces all of them, even law and accounting which are, in actual fact, administrative specialties.

Let us look at this abundant and glaring evidence: Russia cannot feed her people. She cannot clothe them. She has fantastic troubles in moving them about. Russia, despite her PR, is a failure. She is a failure, not because few people agree with her ideology, indeed, that ideology has crept reachingly over the world.

And let us look at the capitalist juggling money, money bags and paper gold and look as well at the health problems and cultural unrest that ride as problems in his train. The severest criticism of the capitalist is that communism and socialism grew up and flourished during his reign.

And look at the clanking, swanking military dictators who have replaced the weak and diseased kings who once ruled the world. They are themselves replaced by their own kind as fast as firing squads can be assembled by newly ambitious dictators.

Why do these ideologies fail and why are they so oppressive while they last?

THEY HAVE TOO FEW TRAINED AND SKILLED ADMINISTRATORS WHO CAN GET A **SHOW ON THE ROAD**.

The SURVIVAL of any group depends utterly upon things like PRODUCTION and EXCHANGE. That is the way the universe runs. When these factors are not competently handled, the group is in poverty or vanishes.

Civilizations have not vanished because they had the wrong ideologies or ran out

100

of resources. First and foremost they vanished **because they had** no technology of the mind and could not handle people because they did not know the basic fundamentals of life. And right along following that, they did not really know the tech of administration or even what administrators were or could do.

Their survival was in question the moment they did things with individuals contrary to the basic laws of life: They began to believe they would get reaction A by some strange rite, but instead of that got reaction B. They not only did not have mental technology, they adopted practices contrary to basic laws. And so they were torn with revolts. And wars.

And their survival fell to nothing when they did not know or practice fundamental administration and violated the basic rules through ignorance or sloth.

If one is going to have a group in this universe that survives and wins through its obstacles, it must have and apply basic laws. It does not have to be a perfect group but it must not be an ignorant group.

While the happiness of the individual may depend upon mental tech, apart from any group, he cannot survive well as a group member if he has no knowledge or understanding of administrative tech.

If one goes on living in this universe, he is sooner or later the subject of administration as a member of a group. In cave days, if one had to stay in his cave starving because of a saber-toothed tiger prowling, he would have had two choices: he either stayed in his cave and starved to death or he learned about saber-toothed tigers; when he knew about saber-toothed tigers he would now have new choices of how to avoid, how to kill or even how to employ saber-toothed tigers; when he had settled this he would now have a path of action he could predict. The jungle in which he lived was subject to certain rules, no matter who laid them down, God or the old, old Biological Survey. In other words, even in cave days one was the effect of an administrator.

When one had solved the crude tooth and claw existence, one could rise to a small niche of administering on his own; animals could be domesticated, plants when planted would grow, wood when carved would make things, metal when formed would make things that made things.

The moment one was headed in the direction of survival he was headed in the direction of production. So many killed deer made so many meals; it also made so many hides which made so many beds and jackets. The exchange with the deer was quite unequal as there was nothing for the deer and the deer protested by ceasing to exist and one got into goats and cattle. Similarly, when the wild roots gave out, for there was no exchange for the roots, one had to plant them and tend them. Consumption any way one looked at it eventually got into production that equalized, or tended to, exchange.

When one could administer a small area, so many plants, so many goats, he was in his own right something of an administrator. He learned there was technical tech and he learned there was administrative tech also. And these things of all others continued to guide his survival.

One can of course decide not to go on living in this universe. But now he falls into two new choices: he either goes to another universe or drops into a sort of self cave. In the other universe he will probably find himself under a new administrator or a new set of rules even if he alone makes them. And if he chooses a sort of nowhere self cave, he has done so because he never solved the saber-toothed tigers.

Thus one is confronted with certain incontrovertible facts. 1. HE MUST SEEK THE TECH OF SURVIVAL AND APPLY IT; 2. HE WILL SURVIVE AS WELL AS HE CAN **ADMINISTER OR HANDLE ADMINISTRATION.**

As a member of any **group, the PRODUCTION and GROSS INCOME** or

EXCHANGE he hears his **executives talking about APPLIES TO HIM DIRECTLY**. What ideology or system one embraces, his well-being, his safety, his happiness, will relate to PRODUCTION and EXCHANGE and the ease with which these are attained or maintained is determined directly by his understanding of and ability to handle administration.

There are thousands and thousands and thousands who might give you far far different basics for life. But watch it! They are touting for some administrator or seeking to avoid ALL administration in every case, one or the other!

One either lone-wolfs his life or one gets through with a group. In the first place, one must think mainly of personal money or one must think of the group's survival. The regulating factors in either case are ADMINISTRATION resulting in PRODUCTION and EXCHANGE.

Bank robber or bank president, these harsh facts of life still apply. Democratic politician or autocratic commissar, these are still the main determining factors of life.

The welfare state seems so wonderful a dream to the socialist: why is it then that ghetto people riot because THEY HAVE NO JOBS but are only on welfare? It is true, surveys show. The recipients of welfare, whether a Roman guttersnipe, a white Swede or a Black American become crippled as beings: they are the TOTAL effect of administration, they have no cause-factor short of a riot. They want JOBS. For they instinctively realize that they are in little better position than the cave man with the saber-toothed tiger outside. They have been disenfranchised as members of the group, dwellers of the universe. They cannot exchange, a somewhat fearful thing, they do not produce and they are forbidden causative control or causative administration. They recognize, no matter how dimly, that they have been set up as zeros. And this is not only unhappy, it is dangerous.

Reversely, when people offer nothing in exchange, do not produce and cannot or will not administer, they become pawns. Sometimes they think they are merely the subject of meanness or rancor. But if they do not produce or exchange and cannot share in administration, they become zeros. Their fate is decided already, by themselves. It would not matter for a moment what some administrator did or did not do, such people have reduced their survival to a point that it is prey to the lightest wind. These facts are as inevitable as "apples fall," as harshly real as a tiger's claw and as predictable as tonight's darkness. Their only possible choices are (1) to cease to exist (which is impossible for a thetan) or (2) get in a position or situation or state of mind to produce, exchange and administer. There is a third choice-to leave this universe.

Life is, or can be, a pretty grim proposition. One may float along on the production of others like the recently demised "Leisure Class" of 19th century infamy or like a hobo being chased by every householder and cop. One can go along in the numb world of the middle class watching his public docility while he hypocritically sins behind doors and conforms with a capital C. One can creakingly labor in the world of the endlessly-being-dug ditch for some unknown pipe. Or one can simply confront the whole thing, pain, misemotion, punishments, rewards and all and produce and exchange and learn to handle the administrative system he is in and himself administer his life and environ.

One can hear countless reasons why it is too awful or too deadly to find out about the tiger. But you hear these reasons from the cowardly dead.

One can hear a million arguments against being a tiger or the administrator who orders tigers about. But one is talking to people who are not living.

The stark facts are these: one knows and handles administration, one produces, one exchanges OR one dies as far as this universe is concerned.

That's why you hear an administrator who means well for the group talking about

PRODUCTION and EXCHANGE. That is why one never hears a politician who means ill for the group mention them.

And that's why the person who can use administration to bring about production and exchange is so highly paid by status and respect or why his group is so highly paid. He is dealing in SURVIVAL. And the skills he uses are well worth knowing and using.

Caves are damp. Bring on the tigers! The sun is shining.

L. RON HUBBARD

Founder

LRH:sr.gm Copyright Q 1973 by L. Ron Hubbard ALL RIGHTS RESERVED

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 15 OCTOBER 1973**

Remimeo

*Admin Know-How Series 31*

## **ADMINISTRATIVE SKILL**

An administrator is one who can make things happen at the other end of a communication line which result in discovered data or handled situations.

A very good administrator can get things handled over a very long distance. A mediumly skilled administrator has a shorter reach.

As this scale declines, we get people who can make things happen only at arm's length.

It is interesting that administrators are valued in direct proportion to the distance they can reach and get things handled over. Persons who can handle things only at arm's length are valued but not in proportion to a long-reaching administrator.

The complexity of situations and things handled is also a test of the administrator. If one began at the highest level of capability of handling things thousands of miles away and at the bottom of the scale handling things at arm's length, one would also find complexity entering the picture.

The artisan can, by means of heavy mest communication lines and tools, make all manner of things occur but mostly within his visual sight line.

The day laborer who can only handle a shovel usually can only handle the simplicity of lifting a few pounds of dirt to a definite position.

One of the troubles PTS people have, as an example, is handling something over a long-distance communication line. One can tell them to handle the suppressive, but one must realize he may also be giving the order to someone to handle another person several thousand miles away. This is a high level of administrative skill and is usually no part of a PTSs ability, whatever other technical considerations may intervene.

Estimating situations thousands of miles away and handling them terminatedly is actually comparable to an OT ability.

There is no effort here to include artists and technicians who do work with their hands, for this is another class of activity requiring enormous technical skill and ability.

However, very few people understand the administrator or what he is or what he can do, yet the whole world is the effect of good or bad administrators.

The administrator has technology with which to discover and handle situations and if he is a very good administrator his handling is ordinarily constructive; but whatever it is, it is firm.

A skilled administrator therefore can be defined as ONE WHO CAN ESTABLISH AND MAINTAIN COMMUNICATION LINES AND CAN THEREBY DISCOVER, HANDLE AND IMPROVE SITUATIONS AND CONDITIONS AT A DISTANCE.

104

When you fully grasp this and realize it is the basic simplicity that is the basic all of an administrator's further complex technology, you can estimate an administrator's efficiency or effectiveness.

If you are engaged in administration, this basic truth will serve you very well if you fully understand it and use it.

L. RON HUBBARD

Founder

LRH:rhc.nt.gm Copyright @ 1973 by L. Ron Hubbard ALL RIGHTS RESERVED

°

105

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 DECEMBER 1973R

Remimeo REVISED 12 DECEMBER 1974

*(Revisions in this type style)*

*Admin Know-How Series 32R*

**Q AND A CHECKSHEET**

**CHECKSHEET OF THE**

**HUBBARD CAUSATIVE LEADERSHIP COURSE**

Any executive or officer or human being who does not know what Q and A is and indulges in it will inevitably cause dev-t, produce little or nothing and succumb.

Therefore this checksheet is a MUST for any executive.

NAME: DATE STARTED:

ORG- DATE COMPLETED:

POST.

1. HCOB 21 Nov. 73

THE CURE OF Q AND A

MAN'S DEADLIEST DISEASE



2. Demo each paragraph and look up the

Mis-U each time you can't.

3. HCOB 5 Dec. 73

THE REASON FOR Q AND A

4. Demo each paragraph and look up the

Mis-U each time you can't.

5. HCOB 24 May 62

"Q AND X' Starrate.

6. HCOB 13 Dec. 61

VARYING SEC CHECK QUESTIONS

7. HCOB 22 Feb. 62

WITHHOLDS MISSED AND PARTIAL

8. HCOB 29 Mar. 63

SUMMARY OF SECURITY CHECKING

9. HCOB 7 Apr. 64

ALL LEVELS Q AND A

10. TRs the Hard Way.

11. Upper Indoc the Rough Way.

106

RD. 12. Handling the not done, or "no interest" drug items from Drug RD or getting a full Drug

12a. Introspection RD.

13. 35 hours Op Pro by Dup given and received in co-audit (171/2 each way).

Received

Given

14. HCOB 29 July 63

Section "Q and A Drill"

15. HCOB 20 Nov. 73, Issue 11,

F/N WHAT YOU ASK OR PROGRAM

16. *Do in Clay*: An auditor example of Q and A.

17. *Do in Clay*: An administrator's example of Q and A.

18. *Do in Clay*: How you have Qed and Aed with life.

19. *Do in Clay*: A Q and A with a body.

20. *Do in Clay*: A Q and A with a group.

21. *Do in Clay*: A correct auditor action in getting a question answered.

22. *Do in Clay*: A correct C/S action in getting a pc handled.
23. *Do in Clay*: An administrator correct non-Q and A action in getting a target done.
24. *Do in Clay*: A personnel correct non-Q and A action in getting a target done.
25. *Do in Clay.. Correct non-Q and A action in verifying a target reported done.*
26. *Do in Clay*: A direct life handling of own life.
27. *Do in Clay*: A direct non-Q and A handling of own body.
28. *Do in Clay*: Straightforward handling the hell out of a situation.
29. *Do in Clay*: Straightforward handling of a group.
30. A final life result in real life  
demonstrating that non-Q and A handling  
is successful, attested and as a  
success story,

107

3 1. Certificate as a "Competent Being" from Certs and Awards.

Auditor Attest

Super Attest

Student Attest

L. RON HUBBARD

Founder

LRH:nt.gm Copyright © 1973, 1974 by L. Ron Hubbard ALL RIGHTS RESERVED

108

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 AUGUST 1976

Rernimeo Issue I

All Execs

All Purchasers

*Admin Know-How Series 33*

*Esto Series 31*

## **PRODUCT/ORG OFFICER SYSTEM**

### **NAME YOUR PRODUCT**

The Product/Org Officer system, covered fully in Flag Executive Briefing Course tapes, contains the key phrase for any Product Officer. This is

NAME, WANT AND GET YOUR PRODUCT.

Breaking this down into its parts we find that the most common failure of any Product Officer or staff member or Purchaser lies in the first item, NAME YOUR PRODUCT!

On org boards and even for sections, one has products listed. Departments have valuable final products. Every staff member has one or more products.

IF PRODUCTION IS NOT OCCURRING, THE ABILITY TO NAME THE PRODUCT IS PROBABLY MISSING.

Misunderstood post titles were collected once on a wide survey. Whenever it was found a staff member did not seem to be able to do his job, it was checked whether he knew the definition of the word-or words-that made up his post title. It was found, one for one, that he could not define it even though no unusual or special definition was being requested. In other words, the first thing about the post could not be defined-the post title. This may seem incredible, but only until you yourself check it out on staff that habitually goof.

The ability to NAME the product required goes further than a mere, glib definition. Some engineers once drove a Purchaser halfway up the wall by glibly requesting "one dozen bolts." The Purchaser kept bringing back all different thicknesses and lengths and types of bolts. The Purchaser was going daffy and so were the engineers. Until the engineers were forced to exactly name what they were seeking by giving it ALL its name. The Purchaser trying to purchase could not possibly obtain his product without being able to FULLY name it. Once this was done, nothing was easier.

A Product Officer can ask, beg, plead, yell for his product. But maybe he isn't naming it! Maybe he isn't naming it fully. And maybe even he doesn't know the name of it. A Product Officer should spend some time exactly and accurately naming the exact product he wants before asking for it. Otherwise he and his staff may be struggling around over many misunderstood words!

When you see a staff whirling around and dashing into walls and each other and not producing a thing, calmly try to find out if any of them or their Product Officer can NAME what products they are trying to produce. Chances are, few of them can and maybe the Product Officer as well.

Handle and it will all smooth out and products will occur.

L. RON HUBBARD

LRH:nt.gm Founder

Copyright 0 1976

by L. Ron Hubbard

ALL RIGHTS RESERVED

109

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 AUGUST 1976

Rernimeo Issue 11

All Execs

All Purchasers

*Admin Know-How Series 34*

*Esto Series 32*

## **PRODUCT/ORG OFFICER SYSTEM**

### **WANT YOUR PRODUCT**

A Product Officer has to name, WANT and get his product.

Where no real or valuable production is occurring, one has to ask the question, does the Product Officer really WANT the product he is demanding? And does the staff member or members he is dealing with WANT the product?

The reason that a psychotic or otherwise evilly intentioned person cannot achieve anything as a Product Officer or staff member is that he does NOT want the product to occur. The intentions of psychos are aimed at destruction and not at creation.

Such persons may SAY they want the product but this is just "PR" and a cover for their real activities.

People who are PTS (potential trouble sources by reason of connections with people antagonistic to what they are doing in life) are all too likely to slide into the valence of the antagonistic person who definitely would NOT want the product.

Thus, in an org run by or overloaded with destructive persons or PTS persons, you see a very low level of production if you see any at all. And the production is likely to be what is called "an overt product," meaning a bad one that will not be accepted or cannot be traded or exchanged and has more waste and liability connected with it than it has value.

One has to actually WANT the product he is asking for or is trying to produce. There may be many reasons he does not, none of which are necessarily connected with being psycho. But if it is a creative and valuable product and assists his and the survival of others and he still does not want it, then one should look for PTSness or maybe even a bit of psychosis. And at the least, some withholds.

One does not have to be in a passionate mystic daze about wanting the product. But one shouldn't be moving mountains in the road of a guy trying to carry some lumber to the house site either.

The question of WANT the product has to be included in any examination of reasons why a person or an org isn't producing.

### **L. RON HUBBARD**

Founder

LRH:nt.gm Copyright a 1976 by L. Ron Hubbard ALL RIGHTS RESERVED

110

### **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 AUGUST 1976

Remimeo Issue III

ALL EXECS

*Admin Know-How Series 35*

*Esto Series 33*

## **PRODUCT/ORG OFFICER SYSTEM**

## **TO GET YOU HAVE TO KNOW HOW TO ORGANIZE**

A Product Officer and ESPECIALLY an Org Officer has to know how to GET a product.

All science and technology is built around this single point in the key phrase "Name, want and get your product." Managers and scientists specialize in the HOW TO GET part of it and very often neglect the rest.

There are many Product Officers who do NOT know enough about organization to organize things so they actually GET their product. These, all too often, cover up their ignorance on how to organize or their inability to do so by saying to one and all "Don't organize, just produce!" When you hear this you can suspect that the person saying it actually does not know the tech or know-how of organizing or how to put an organization together. He may not even know enough about organizing to shove aside other paper on his desk when he is trying to spread out and read a large chart-yet that is simple organization.

A bricklayer would look awfully silly trying to lay no-bricks. He hasn't got any bricks. Yet there he is going through the motions of laying bricks. It takes a certain economic and purchasing and transport tech to get the bricks delivered-only then can you lay bricks.

A manager looks pretty silly trying to order a brick wall built when he doesn't have any bricks or bricklayer and provides no means at all of obtaining either one.

A Product Officer may be great at single-handing the show. How come? He doesn't realize that building a show comes before one runs it. And even though economics demand at least a small show before one builds a large show, a very bad Product Officer who can't really organize either, will, instead of making the small show bigger, make the small show smaller by trying to run a no-show.

There is a HOW of organization. It is covered pretty well in the Org Series and elsewhere. Like you can't put in comm lines unless you put in terminals for them to connect with. Like you can't get particles flowing in a profitable way unless they have something for them to run on. That's simply the way things go in the universe in which you are operating. Now of course you could build a new universe with different laws but the fact is, that would require a knowledge of organization as well, wouldn't it?

The tech of how to produce something can be pretty vast. One doesn't have to be a total expert on it to be able to manage the people doing it, but one has to have a pretty good idea of how it goes and know enough NOT to stop the guys who do know how to make bricks when one wants bricks.

If the product is to get somebody to come in to see you, then you have to have some means of communication and some tech of persuasion to make him want to come in to see you. Brute force may seem okay to cops but in organization it seldom works. There is more tech to it than that.

If a Product Officer does not know there is tech involved in GETTING the product, then he will never make his staff study it or teach anybody to do it. And he will wind up with no product. So beware the Product Officer who won't give time off for hatting! He doesn't know one has to know the tech of getting his product. What do you think the OEC (Org Exec Course) Volumes and the technical bulletins are all about?

One has to spend some time organizing in many different ways-the organization itself, the hatting, the technical skill staff members would have to have, to get anywhere in GETTING a product.

Sure, if you only organize and never produce you never get a product either. But if you only produce and never organize. the only brick wall you'll ever see is the one you run into.

L. RON HUBBARD

Founder

LRH:nt.gal.gm Copyright@ 1976, 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

112

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 NOVEMBER 1976

Remimeo

Flag Bu

All Orgs

Ext HCO FB *Admin Know-How Series 36*

*Org Series 36*

*Executive Series 18*

*Personnel Series 28*

## MANNING UP AN ORG

The Sequence of Posting Depts and Divs

You need an org bd first and an allocation board.

The sequence in which an org is manned up is roughly:

- Dept I
- Dept I I
- Reg and Body Routers and Intro people in Div 6
- Dept 12 (enough auditors and C/Ses to approach 2 admin to I tech in org)
- Dept 6
- Dept 7
- Dept 3
- SSO and Supers in Qual to train staff
- Dept 5 for CF Address and Letter Reges
- Dept 4 for promo
- Dept 21 (LRH Comm)
- Dept 10
- Dept 20
- FR & execs
- Full Div 6
- Full Div I
- Full Div 4
- Full Div 2

Full Div 5

Full Div 7

Full Div 3

(Note, an AO always mans up the AO dept or div along with the SH one in each case.)

Wrong sequence of manning is Dept 6, Dept 12, Dept 6, Dept 12, Dept 6, Dept 12, as you wind up with a stuck clinic that won't expand.

Wrong sequence will contract an org while trying to expand it as the org will go out of balance, bad units, noisy and unproductive.

If manned in a correct sequence its income has a chance to stay abreast of its new staff additions.

Emphasis on GI without comparable emphasis on delivery and organization can throw an org into such a spin only a genius can run it.

Manned in proper sequence, and hatted as it goes, an org almost runs itself.

113

Single-handing from the top comes from longstanding failures to man or man in sequence, from earlier noncompliance with explicit orders or from not understanding orgs in the first place.

An unhappy org that doesn't produce has usually been manned only partially and out of sequence.

The trick is planned manning, ignoring the screams of those who know best or demand personnel; just manning by posting those who have been screamed for the loudest is a sure way to wind up with no people and total org problems instead of a total org that is prosperous and producing.

Incidentally, this is a rough approximation of the sequence of hats the ED gradually unloads as his org takes over.

L. RON HUBBARD

Founder

LRH:nt.gm Copyright a 1976 by L. Ron Hubbard ALL RIGHTS RESERVED

114

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 NOVEMBER 1978

Rernitneo

**Admin Know-How Series 37**

**Personnel Series 29**

**HOW YOU HANDLE DEMANDS FOR PERSONN**

(R ef.

HCO PL 22 Sept. 70 HATS

HCO PL 1 Jul. 65 HATS, THE REASON FOR

HCO PL 15 Sept. 59 HATS AND OTHER

FOLDERS)

HCOs get continual demands for personnel from all areas of an org. To keep an HCO from going mad with all these demands, they must, on every request, (1) have the Dir of I&R do a full utilization survey on the division, dept or section requesting personnel and (2) do a full hat inspection on all personnel in that division, dept or section.

Only if these two steps are done for *each* personnel request will sanity reign in HCOs on the subject of personnel.

HCO PL 15 Sept. 59 HATS AND OTHER FOLDERS (Vol 0, page 65), HCO PL I Jul. 65 HATS, THE REASON FOR (Vol 0, page 66) and HCO PL 22 Sept. 70 HATS (Mgmt Vol, page 21 *W* must be well known by all staff in Depts I and 3.

Personnel can recruit madly, answering every frantic demand for personnel, and yet HAVE THEM ALL WASTED for lack of full hats and full training on those hats.

The whole org can sag and even vanish under these conditions.

So Personnel has a vested interest in hats being complete and staff trained on them. For Personnel people cannot possibly cope with "no pay so can't hire anyone" and "no people so can't produce."

So for every demand for personnel, A LWA YS demand a utilization survey *AND* an inspection of hats in that area.

L. RON HUBBARD

Founder

LRH:kjm.gm Copyright c) 1978 by L. Ron Hubbard ALL RIGHTS RESERVED

*\*[Note: In Management Series Volume 2 see page 308 for the text of HCO PL 22 Sept. 70, HATS.]*

115

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 SEPTEMBER 1980

Remimeo Issue I

(The contents of this policy have been taken from an LRH OODs item of 15 May 71 and are now being issued in policy form to bring forth the wealth of data formerly issued in the Flag "Orders of the Day.")

*Admin Know-How Series 38*

*Data Series 50*

*Esto Series 42*

*Org Series 42*

OUT OF SEQUENCE

Out of sequence is the most common outpost according to a survey of despatches and projects a couple months ago.

The thing which gets most commonly out of sequence is the pattern of the Key Ingredients as covered in HCO PL 14 Sept 69.



The correct sequence for a piece of work would be to plan, obtain materials, and then work.

If this is made into work-plan-materials, everyone works hard but no product will result.

As production is what morale depends upon, a smash of morale would occur if the Key Ingredients were thrown out of sequence.

Omitted data runs a close second to out of sequence as the most common outpoint.

When the sequence of a work project is thrown out and then data like technology of how to do it is omitted, a group could work itself half to death and have down morale as well from no product.

The right way to go about it is to have the tech of a job, plan it, get the materials, and then do it. This we call *organizing*.

When this sequence is not followed, we have what we call cope. Too much cope will eventually break morale. One copes while he organizes. If he copes too long without organizing he will get a dwindling or no product. If he organizes only he will get no product.

Coping while organizing will bit by bit get the line and action straighter and straighter and with less work you get more product.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

for the

BDCS:LRH:SA:bk.nf BOARDS OF DIRECTORS

Copyright c 1971, 1980

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

[*Note:* The original mimeo copies of this policy letter were incorrectly numbered as Admin Know-How 36.]

116

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 SEPTEMBER 1980

Issue I

Rernimeo

(Originally LRH Flag Ship OODs

item of 7 March 1971.)

*Org Series 47*

*Executive Series 24*

*Admin Know-How Series 39*

**HANDLING OVERLOADED POSTS**

*Reference:*

HCO PL 28 July 71 ADMIN KNOW-HOW 26

Product and Org Officers can take over a grossly overloaded key post and (a) increase its production and (b) reduce the work hours. They should take over posts for 48 hours and give the incumbent a rest and see what gives.

The rules that seem to apply are

- a. It is a key post of the area in question and
- b. It is the most overloaded and/or most nonproductive post in that area.

It's one thing to issue orders. It's another to do work.

One doesn't stand behind the guy. One takes him off the post and actually does the work of the post.

While doing it one will see why it can't be done or isn't being done and one can then get a good bright idea of how it can be done and get it in and write it up.

One often finds he has to ask "What hat am I wearing?" when one finds he is on overload.

Well, one solution is to just go over and really wear that hat and see why it can't be worn, get an idea of how it can be worn, do the action to see if it's right, write it up for issue and put the person back on it.

A junior often can't mesh up the lines so they work because he hasn't the know-how and hasn't the authority. His proper action would be to figure his post out and write it up for issue and get it in his hat. When he doesn't do this it jams or overloads his own and other lines.

Where this situation exists and isn't changing, a Product Officer, Org Officer or HAS or the divisional Product or Org Officers have an out. They can take over such a post, do all its work for 48 hours with no help from the incumbent, get an idea of how to debug it, see if that works, write it up and turn the post back over.

**L. RON HUBBARD**

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

for the

BDCS:LRH:SA:dr.gm

Copyright C 1971, 1980 BOARDS OF DIRECTORS

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

117

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 SEPTEMBER 1980

Issue VI

Remimeo

(Originally LRH OODs item

of I I June 1972)

*Admin Know-How Series 40*

*Esto Series 46*

## **PRODUCT OFFICERS**

Worked last evening getting Tech to start shooting them through to completions.

The P/L on Selling and Delivering Auditing (HCO PL 28 Sept 71) tells why you have to audit a pc all at once whole program. Dribbling it out means repairs due to life upsets before the guy made it.

So crowd it on and get a pc *through*. Then we'll have some products for our coins.

A Product Officer has to name, want and get his products.

This means one says, "You there. Joe Blow. Want him completed. All right get it DONE." Product by product. There is no general "Audit these pcs." "Get up the hours." Hell, you never get a product that way.

"You there, George Thunderbird. I want you through your Primary and onto and through course and classified. Get going, man, get going. Oh, you were told to weedle the tooftle before you woofled by Dorance Doppler. Org Officer? Get that name-to F/MAA, get the cross orders the hell off my lines. Now you George Thunderbird, I want you through your Primary and onto and through course by I July. You got it? You got it now! Good. Well, get with it. Get going!" Note on clipboard: Org Off to get cross order by Dorance Doppler invest and report. "There's your slip." Note on progress bd. Geo Thunderbird HSDA I Jul. "Now you Tobler Tomias, what's the tale; how are you going? . . . Well standing there smoking and looking at the scenery isn't going to do anything. If your girl doesn't like you anymore the thing to do is drown your sorrows in the Primary RD. . . . Okay you are to be an Exp Dn. All right, that's fine. I want you completed by 16 July. . . . I don't care if that's a 16-hour day. Let's see, Primary RD by - and Class IV Acad by - and -. Yes that's 16 July AT NOON. Man to hell with your PTPs. Get going, man." And on the progress board. And from the board - "And here's Bill Coal, he should be off the Primary today, where is he. All right Bill-ah, you made it that far. Now you're on schedule. That's great. HSDA. Get with it, man. You completed Primary 20 minutes ago and aren't on the next course. Super!\*" What the

That's the way it goes for a Tech Prod Off. "We are finishing Agnes, Trop and Goshwiler today. Today. Yes today. Certified and off lines. Got it D of T? Well, do it!"

Push, debug, drive. Name it, want it, get it.

That's the only way you ever get a product.

Sad but true.

118

**MEr-**

They don't ever happen by themselves.  
And all the public relations chatter in the world is not a product. I know this Product Officer beat.

It's a piece of cake.

But it has to be DONE.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Accepted and approved by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:bk.gm Copyright\* 1972, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

\*Supervisor

[Note: The original mimeo copies of this policy letter were incorrectly numbered as Admin Know-How 38.]

119

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 JULY 1982

Remimeo

All Staff

*Admin Know-How Series 41*

## **MANAGEMENT COORDINATION**

**COORDINATION** is the essence of management.

The word "management" implies there is something and some someones to manage.

A business or company or organization implies others are present and are engaged in a similar activity. It is a *team*.

Any organization, no matter how complex, is bound together by common purposes.

If the different parts of such an organization are not *coordinated*, they begin to cross each other's lines and tangle.

With such a tangle, one gets no forward progress.

The energy of the overall organization is absorbed by cross orders, cross actions and the general purpose of the activity makes little if any forward progress. This can be called "internal noise." The staff can be numerous, appear busy, even frantic, yet no production is really accomplished.

What is missing is **COORDINATION**. The efforts of each part of the organization are not being directed and meshed into flows which would achieve the common purpose.

THAT is what a manager is for.

The manager and his immediate assistants have to *know* where they are going and have to make certain each part of the organization knows and that the efforts of each individual segment of the organization are devoted to forwarding the same general purpose.

Without that coordination action, the different elements of the organization go into a tangle that results, not in the forwarding of the general purpose, but in confusion and frayed temper and nerves.

The elements of coordination are *planning, knowledge, information, agreement* and *production*.

Good coordination of team effort results in high ARC. This is called "team spirit, morale, esprit," etc. But what it is in fact is agreement and understanding within the team so they can each forward the general purpose of the group. Confidence in the group by each individual part of it is built with the above factors. Out of that, one can achieve meaningful and worthwhile production.

Without it one gets various versions of catastrophe. The "hey you" organization, the one-star team with everyone else on the sidelines inactive or confused-there are many aspects of a lack of coordination.

120

Coordination is why we have Executive Councils, Advisory Councils, staff meetings, mini programs for departments and all the rest of it. It is even why we have an org board.

Any manager, at whatever level, will almost certainly fail if he does not brief his troops, get their viewpoints, establish agreement and program the general on-going activity and see that the program is executed.

A manager at any level has to use the tools of coordination. Otherwise his organization's product will just be noise.

Oh, it is true that groups do not develop new ideas, that boards cannot plan. This is beside the point. This does not mean they do not serve a vital purpose. A manager uses them to coordinate! If he omits this, he has lost his most valuable tool, the form of the organization and he cannot possibly achieve any lasting results.

An org that doesn't hold Executive Council, Advisory Council and staff meetings on a regular basis and does not use them to brief and iron out disagreements and get cooperation is lost. It will have down statistics very surely. For no one will know what the blazes is going on, so how can they get their own job done? An answer is to splinter off and go one's own way as best he can. And that fragments a group and it ceases to be an organization but is just a lot of individual efforts.

The failure in such a case is simply a failure to coordinate!

Oh yes, management is there to plan. Good. If it is planning that will forward the general purpose of the organization, if the various units of the organization are briefed and the plan is adjusted to handle their disagreements and if the plan is real and understood by one and all and if they then cooperate and produce along these lines, you have forward progress.

In our case all we're doing is selling and delivering a product. If we do that we have a planet. Otherwise we don't.

Whether we do it in a few years or a few millennia is determined by management. Does it *coordinate* or not?

**L. RON HUBBARD**

## **Founder**

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:kjm,gm Copyright @ 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

121

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 AUGUST 1982

Remimeo REISSUED 8 SEPTEMBER 1982

All Orgs

All Management

Personnel

All Executives

All Staff

*Admin Know-How Series 42*

## **TARGETS AND PRODUCTION**

There is a direct coordination between the clarity and doability of the targets of a program and any increase in stats.

If one can write good, simple, doable programs on matters important to get done, they can get done. If the program is cloudy or the targets too general, little comes of it. It does not show up in stats and can even clutter up lines and impede production.

So it is *very* important to an exec and to staffs that the exec be able to write clean, concise programs and staffs to recognize when they are not and plead for correction.

Strategic planning gets bugged most often because middle management does not put it in target form or if they do, put it in such cloudy or general targets it cannot be done and does not achieve the desired result.

Faults in this can cost-factually-millions in unmade income or actual losses and overwork.

But now today *another* factor is entering the scene. The world has gone *computer*.

This does not mean computers can do actual work-they can't. But it does mean they can keep track of things and operate to catch things which, undone, wreck things.

In a very short while, at this writing, computers will exist at management echelons to keep track of stats, demand programs and keep track of their effectiveness. The computer will be able to detect very early noncompliance both in writing and getting done programs.

Life will be much smoother as debugs will be demanded more quickly and bad targets or line jams or staff overloads will be detected sooner and remedied, resulting in more income, more service and more pay.

But all this will depend on three things:

1. The existence and soundness of the strategic planning and evaluation. (This has never much been in doubt.)

2. The clarity with which planning can be programmed. (This is currently not good at all.)

3. The execution of targets called for at various echelons and staff level. (This depends, to a large measure, on 2 above.)

To a computer, which cannot really think, a target is a target. If not done in the expected time, it will squawk. If still not done, it will demand a debug.

The debug will find: (a) the organization ordered did not give it to a correct or the right staff member to do, (b) had no one there to do it or (c) the target was simply

122

neglected at staff level or (d) the target was undoable in its existing form. The right one will be found, action will be taken and the overall scene will advance once more.

So it is very important, whether one is writing major, minor or mini programs, that they be written absolutely on-policy from here on out.

This starts now, not waiting for computers, as it is valid in its own right and Programs Ops are on the line. With computers, there will still be Programs Ops to run them but the precision and speed will increase amazingly.

The organizations in the world are getting bigger. They have to be more efficient to also pay well. And this all comes down to the 1, 2, 3 above.

It is a miserable thing to be hit with a lot of confused, undoable orders. And dangerous to one at staff level for one can be charged with noncompliance when there was really nothing precise to comply with!

So the ability to coordinate programs and write excellent target-policy targets is vital to the ability of all to work.

And when computers get on the job, electronic sparks will be flying all over the place if target policy is not adhered to carefully and precisely.

So this policy is vital, computers or no computers.

OPERATING TARGETS MUST HEREAFTER BE WRITTEN IN SUCH A WAY THAT THEY ARE FINITE AND NOT A GENERALITY SO THEY ARE PRECISELY DOABLE. Targets like "Keep stats rising" or "Be nice to Joe" are not doable targets from a computer's viewpoint or anybody else's.

But, computers aside, the one that does the target is NOT a computer and with target clarity can do it far more easily.

Hear me, the 1, 2, 3 above are the make-break point of expand or not expand.

So heed it.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

## INTERNATIONAL

CSI:LRH:dr.gm Copyright a 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

123

## HUBBARD COMMUNICATIONS OFFICE

**Saint Hill Manor**, East Grinstead, Sussex

HCO POLICY LETTER OF 22 AUGUST 1982

Remimeo

All Orgs

All Management

Personnel

All Executives

All Staff

*Admin Know-How Series 43*

## BATTLE PLANS

A "battle plan" is defined as

A list of targets for the coming day or week which forward the strategic planning and handle the immediate actions and outnesses which impede it.

Some people write "battle plans" as just a series of actions which they hope to get done in the coming day or week. This is fine and better than nothing and does give some orientation to one's actions. In fact, someone who does not do this is quite likely to get far less done and be considerably more harassed and "busy" than one who does. An orderly planning of what one intends to do in the coming day or week and then getting it done is an excellent way to achieve production. But this is using "battle planning" in an irreducible-minimum form as a tool.

Let us take up definitions. Why is this called a "battle plan" in the first place? It seems a very harsh military term to apply to the work-a-day world of admin. I did not select this term; it sort of grew up by itself amongst Sea Org executives. But it is a very apt term.

A war is something that happens over a long period of time. The fate of everything depends on it. A battle is something which occurs in a short unit of time. One can lose several battles and still win a war. Thus one in essence is talking about short periods of time when one is talking about a battle plan.

This goes further. When one is talking about a war, one is talking about a series of events which will take place over a long period of time. No general, or captain for that matter, ever won a war unless he did some strategic planning. This would concern an overall conduct of a war or a sector of it. This is the big, upper-level idea sector. It is posed in high generalities, has definite purposes and applies at the top of the Admin Scale. (Ref. HCO PL 6 Dec. 70, Personnel Series 13, Org Series 18, THIRD DYNAMIC DE-ABERRATION.)

Below strategic planning one has tactical. In order to carry out a strategic plan one must have the plan of movement and actions necessary to carry it out. Tactical planning normally occurs down the org board in an army and is normally used to implement strategic planning. Tactical planning can go down to a point as low as "Private Joe is to keep his machine gun pointed on clump of trees 10 and fire if anything moves in it."



"Middle management"-the heads of regiments right on down to the corporals are covered by this term-is concerned with the implementation of strategic planning.

The upper planning body turns out a strategic plan. Middle management turns this strategic plan into tactical orders. They do this on a long-term basis and a short-term basis. When you get on down to the short-term basis you have battle plans.

A battle plan therefore means turning strategic planning into exact doable targets

124

which are then executed in terms of motion and action for the immediate period being worked on. Thus one gets a situation whereby a good strategic plan, turned into good tactical targets and then executed, results in forward progress. Enough of these sequences carried out successfully gives one the war.

This should give you a grip on what a battle plan really is. It is the list of targets to be executed in the immediate short-term future that will implement and bring into reality some portion of the strategic plan.

One can see then that management is at its best when there is a strategic plan and when it is known at least down to the level of tactical planners. And tactical planners are simply those people putting strategic plans into targets which are then known to and executed from middle management on down. This is very successful management when it is done.

Of course the worthwhileness of any evolution depends on the soundness of the strategic plan.

But the strategic plan is dependent upon programs and projects being written in target form and which are doable within the resources available.

What we speak of as "compliance" is really a done target. The person doing the target might not be aware of the overall strategic plan or how it fits into it, but I assure you that it is very poor management indeed whose targets do not *all* implement to one degree or another the overall strategic plan.

When we speak of coordination (Ref. HCO PL 1 July 82, MANAGEMENT COORDINATION), we are really talking about conceiving or overseeing a strategic plan into the tactical version and at the lower echelon coordinating the actions of those who will do the actual things necessary to carry it out so that they all align in one direction.

All this comes under the heading of *alignment*. As an example, if you put a number of people in a large hall facing in various directions and then suddenly yelled at them to start running, they would, of course, collide with one another and you would have a complete confusion. This is the picture one gets when strategic planning is not turned into smooth tactical planning and is not executed within that framework. These people running in this hall could get very busy, even frantic, and one could say that they were on the job and producing but that would certainly be a very large lie. Their actions are not coordinated. Now if we were to take these same people in the same hall and have them do something useful such as clean up the hall, we are dealing with specific actions of specific individuals having to do with brooms and mops-who gets them, who empties the trash and so forth. The strategic plan of "Get the hall ready for the convention" is turned into a tactical plan which says exactly who does what and where. That would be the tactical plan. The result would be a clean hall ready for the convention.

But "Clean up the hall for the convention" by simple inspection can be seen to be what would be only a small portion of an overall strategic plan. In other words the strategic plan itself has to be broken down into smaller sectors.

One can see then that a battle plan could exist for the ED or CO of an org which would have a number of elements in it which in their turn were turned over to subexecutives who would write battle plans for their own sectors which would be far more specific. Thus we have a gradient scale of the grand overall plan broken down into segments and these segments broken down even further.

The test of all of this is whether or not it results in worthwhile accomplishments which forward the general overall strategic plan.

If you understand all the above (it would be a good thing to do it in clay) you will have mastered the elements of coordination.

125

Feasibility enters into such planning. This depends upon the resources available. Thus a certain number of targets and battle plans, to an organization which is expanding or attempting big projects, must include organizational planning and targets and battle plans so that the organization stays together as it expands.

One writes a battle plan, not on the basis of "What am I going to do tomorrow?" or "What am I going to do next week?" (which is fine in its own way and better than nothing), but on the overall question, "What exact actions do I have to do to carry out this strategic plan to achieve the exact results necessary for this stage of the strategic plan within the limits of available resources?" Then one would have the battle plan for the next day or the next week.

There is one thing to beware of in doing battle plans. One can write a great many targets which have little or nothing to do with the strategic plan and which keep people terribly busy and which accomplish no part of the overall strategic plan. Thus a battle plan can become a liability since it is not pushing any overall strategic plan and is not accomplishing any tactical objective.

So what is a "battle plan"? It is the doable targets in written form which accomplish a desirable part of an overall strategic plan.

When one is talking about "mini programs" in an org, one is actually talking about small battle plans at the lowest tactical levels. These must be based upon a middle management tactical plan and this in turn must be based on a strategic plan.

The understanding and competent use of targeting in battle plans is vital to the overall accomplishment that raises production, income, delivery or anything else that is a desirable end.

It is a test of an executive whether or not he can competently battle plan and then get his battle plan executed.

**L. RON HUBBARD**

**Founder**

Adopted as official

Church policy by the

**CHURCH OF SCIENTOLOGY**

**INTERNATIONAL**

CSI:LRH:dr.gm Copyright c 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

126

**REVISED**

HUBBARD COMMUNICATIONS OFFICE *See page 227*

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 DECEMBER 1982

Remimeo

All Orgs

All Executives

All Management

Personnel

*Org Series 64*

*Executive Series 36*

*Esto Series 54*

*Admin Know-How Series 44*

## **THE TOOLS OF MANAGEMENT**

*(R efs:*

HCO PL 28 July 72 Esto Series 26

Executive Series 16

Org Series 32

ESTABLISHING - HOLDING

THE FORM OF THE ORG

HCO PL I July 82 Admin Know-How Series 41

MANAGEMENT COORDINATION

HCO PL I I Apr. 70 THIRD DYNAMIC TECH)

There is a simplicity to managing effectively. It begins with the basics of management.

Although it may appear so to some, successful management is not a highly complicated, esoteric activity. But, just as an auditor or a C/S must know and be able to use the exact tools of first dynamic tech in handling cases in order to achieve exact and standard results on a one-for-one basis, so must an executive or manager know and be able to use the exact tools of third dynamic tech in handling groups to achieve successful and exact results in every instance.

Within the wealth of data on third dynamic tech contained in HCO Policy Letters, the OEC Volumes and tapes and books on the subject, there are certain definite, specific tools a manager uses. These are the tools of management.

The difference between brilliant management and mediocre or no management, at any level, lies in

1. Knowing what the tools of management are, and
2. Knowing how to use them.

Many people are not aware that, like a carpenter or any other workman, a manager uses specific and exact tools. Thus, we see people here and there who are doing the equivalent of using the handle of a chisel to drive nails into wet concrete.

It is a common fault with inexpert workmen to find them using their tools wrongly or not using them at all. They make a breakthrough when they discover what the specific tools are for.

One can see this in people who can't mix sound or can't become mixing engineers. They sit with all these knobs in front of them, reach out and grab this knob or that one, hoping hopefully something will happen to the sound. Yet every component they have in front of them is an exact tool to do an exact thing with sound!

There are a lot of comparisons one could make, but the point is that people in management positions have precise tools available to them in Dianetics and Scientology which happen to be far better tools than have ever been available on the planet.

One can have very good people on management posts who still can drown if they don't know and put to use the basic management tools.

But without these being specified as exact tools one might not see the simplicity of it.

#### MANAGEMENT ECHELONS

Operating as it does into an expanding scene, Scientology has grown into the need for and use of various echelons of management.

In orgs, for some time we have had division heads and above them we have the Executive Council, headed by the CO or ED of the org.

The OEC (Org Executive Course) and the FEBC (Flag Executive Briefing Course) have long been established as the essential courses for training executives to manage successfully at org level.

These courses, and the OEC Volumes upon which they are based, teach the form of the org and how to use the parts and posts and functions that go to make up the whole. They give us executives who know how to correctly utilize staff and their assigned posts and duties. We call it "knowing how to play the piano"-it's a matter of knowing what key to hit when and which keys to use in combination to produce a desired result. (Ref. HCO PL 28 July 72, ESTABLISHING-HOLDING THE FORM OF THE ORG.) In other words, it's a matter of knowing and using one's tools.

The very least training we would expect for a div head in order for him to "know how to play the piano" within his division is for him to have done the OEC Volume that covers the form and functions of the division he heads up. If he has also done the OEC and the FEBC, so much the better.

The very least we would expect of a CO or ED, a Chief Officer, Supercargo, Org Exec Sec or HCO Exec Sec is for him to have done the OEC and FEBC. Then we have an executive who is capable of "playing the piano" across the divisions of the entire org, using the hats and posts and functions correctly in order to achieve the utmost production from the org as a whole.

Above the level of service orgs, we have middle management. Now one is handling not one function nor only one org, but many orgs and their functions. And still above that we have the senior executive strata of management. Here we get into the vital need for "knowing how to play the piano" across a much wider sphere, using the full scope of management tools and using them with high skill. One might be using the same tools as lower stratas of management but a higher level of expertise is required as one's planning, decisions and actions are influencing far, far broader areas.

What has brought this about is the rapid expansion of Scientology into wider

zones of **responsibility and therefore increased responsibility with a resultant increase** in traffic. This naturally has to be handled by increasing efficiency. What it has done, in effect, is push some up from lower level management status to upper level management status, necessarily. Without realizing it, some executives have been climbing a status stairs in terms of influence and zones of control. And they can go only so high without being terribly precise in their use of tools. After that, without this acquired precision, they drown.

The obvious answer to all of this is an executive training program that provides Management Status Checksheets through which an executive or manager raises his status by becoming expert with his tools. And such a program has now been developed!

## MANAGEMENT STATUS CHECKSHEETS

The new executive training program consists of four status levels.

EXECUTIVE STATUS ZERO consists of simply putting the executive on post and getting him instant hatted.

The Management Status Checksheets which then follow, and which carry a prerequisite of OEC and FEBC, train the person intensively in the recognition, selection and actual use of management tools. Working up through these status levels, a manager not only becomes more proficient in handling an org, any org, but becomes fully certified to operate at middle or senior echelons of management.

1. EXECUTIVE STATUS ONE brings up the exec's awareness of the basic tools of management and further develops his skill in their use.

Some of these basic tools are the Admin Scale, target policy, strategic planning and programing, the use of org lines and terminals, org boards, despatches and telexes, statistics and graphs, conditions, hats and hatting, importance of files, personnel folders, ethics folders, etc. Each one is a specific tool.

2. EXECUTIVE STATUS TWO covers the upper level tools of management and enhances one's ability to effectively use such tools as survey tech, PR, pilots, general economics, finance systems, cost accounting, control through networks, admin indicators, morale, legal, goodwill, exchange, missions (action missions), economical management and managing by dynamics.

3. EXECUTIVE STATUS THREE takes up each of the eleven points upon which the senior executive strata operates and trains the person in each of these as a specialist action.

Middle and central management personnel should not draw full pay or be bonus eligible until they have gotten up through Executive Status Three, as they will not be operating effectively until they have done this.

With the release of the new Management Status Checksheets, precise and gradient training levels for all echelons of management will exist comparable to the precise and gradient training levels required for all echelons of technical delivery-

Quite an unbeatable combination!

One winds up with managers fully familiar with their exact tools, having the one-two-three of management tech at their fingertips, and "knowing how to play the

129

piano" effectively across an org, a continent, a planet!

So the answer to current expansion is an action which is geared to bring about even further expansion. And that is the only way to go!

It begins with the basic tools of management.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:pm.iw.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

130

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 DECEMBER 1982

**Remimeo**

**All Orgs**

**All Management**

**Personnel**

**All Executives**

**All Staff**

***Admin Know-How Series 45***

**WRITING PROGRAMS AND PROJECTS**

*(R efs:*

HCO PL 18 Aug. 82 Admin Know-How Series 42

Reiss. 8.9.82 TARGETS AND PRODUCTION

HCO PL 9 Jan. 80 Executive Series 20

DEPARTMENTAL MINI PROGRAMS:

THE KEY TO ACHIEVEMENT

HCO PL 19 Aug. 71 PROGRAMS, USE OF -

HOW TO SAVE USELESS WORK

HCO PL 23 Oct. 69 PROGRAMING)

(The data in this issue has been excerpted from CBO 129, WRITING PROJECTS for issue as a policy letter as it contains pertinent and valuable data for hatting those engaged in writing programs or projects.)

Some years back in hatting an aide, I asked her to visualize a project she had written being read and done at the receipt-point-in other words to assume the viewpoint of the receiver, and to see if she would then do the project.

After a study of this, she wrote the following excellent analysis of the action.

"COMPLIANCE REPORT 8 August 1971

Re Hatting Action

Dear Sir,

I reread five of my projects to visualize a project of mine being done and to see if I would do it and could easily do it if I received it.

I then also read some LRH written projects to see the difference and compare.

1. I found I would not do a project or would not be interested in doing it if

a. I didn't understand it well at first reading (unclear),

b. If it was too long and complex and therefore unconfontable,

c. If the reality of WHY it was needed and what improvements it would bring to my post or area was not clearly expressed in the INFO or SITUATION of the project. In other words if the purpose of the project wasn't real.

d. If, just in reading the project, I didn't KNOW what I was supposed to DO with it or while it was underway.

2. Then I would have difficulty doing it

a. If each target didn't call for an ACTION, a DOINGNESS.

b. If each target called for more than one action (confusing).

c. If each target was not specifically directed to or assigned to one person (me) or to somebody else on my orders.

d. If NO ONE in particular was responsible to get the project done.

e. If it went in such detail that it didn't give me any leeway to operate in the existing scene and achieve the target, and if I was left without any initiative to do it.

f. If each target wasn't a START-CHANGE-STOP with a definite time sequence, it would be more difficult to put it in.

From this I get some POSITIVE points to look for when writing a project:

1. Clearly assign project responsibility to one terminal or group of terminals.

2. Make the info and the situation REAL to the person by showing what the existing scene is.

3. Show why the project needs to be done and what it will accomplish, and sell it by doing so.

4. Have one ACTION per target and not more than one.

5. Have the time sequence properly indicated and visible in the project and make it a clear start-change-stop cycle.

6. Don't go into too many details. Better even-refer to a PL where details on HOW to do an action are contained.

7. On the other hand, don't assume that the receipt-point knows policy at the fingertip. He most probably doesn't. Don't skip gradients on the receipt-point.

8. Make it very clear as to who does what target.

9. Keep it short and simple, and each target short and words simple.

10. Watch for outpoints.

There are also the regular policies about targets and their types and how they relate, which are observed.

I'm not saying all my projects were bad and not getting done! FEBC Projects are a bit too long maybe, but do have lots of doingness in them. One project is too detailed. One project, as you indicated, has good info but is unclear as to who does what.

A good one, which had most points above in, got completed well.

Thank you for the hatting action.

Love,

Louise"

**L. RON HUBBARD**

**Founder**

CSI:LRH:pm.iw.gm Adopted as official

Copyright © 1982 Church policy by the

by L. Ron Hubbard **CHURCH OF SCIENTOLOGY**

**ALL RIGHTS RESERVED INTERNATIONAL**

132

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 5 JANUARY 1983**

Remimeo

All Orgs

All FOLOs

All Management

Units

All Executives

***Admin Know-How Series 46***

**STRATEGIC PLANNING**

(R ef. -

HCO PL 22 Aug. 82 Admin Know-How Series 43

**BATTLE PLANS**

HCO Pl, I July 82 Admin Know-How Series 41

Reiss. 17.9.82 **MANAGEMENT COORDINATION**

HCO PL 18 Aug. 82 Admin Know-How Series 42

Reiss. 8.9.82 **TARGETS AND PRODUCTION**



HCO PL 29 Dec. 82 Admin Know-How Series 44

Org Series 64

Executive Series 36

Esto Series 54

#### THE TOOLS OF MANAGEMENT

HCO PL 9 Jan. 83 Admin Know-How Series 47

#### CHECKLIST FOR A STRATEGIC PLAN)

What is strategic planning?

Although it has already been described at some length in HCO PL 22 Aug. 82, BATTLE PLANS, strategic planning is of such vital importance in the scheme of things that it merits more emphasis and in-depth study by those responsible for it. So let us examine strategic planning further, both as to its definition and use as well as its relationship to other aspects of management.

#### STRATEGIC PLANNING - WHAT IT IS

The term "STRATEGY" is derived from the Greek words:

stratos, which means "general,"

stratos, which means "army,"

agein, meaning "to lead."

STRATEGY, therefore, by dictionary definition, refers to a plan for the overall conduct of a war or sector of it.

By extrapolation, it has also come to mean a plan for the skillful overall conduct of a large field of operations, or a sector of such operations, toward the achievement of a specific goal or result.

This is planning that is done at upper echelon level, as, if it is to be effective, it must be done from an overview of the broad existing situation.

It is a statement of the intended plans for accomplishing a broad objective and inherent in its definition is the idea of clever use of resources or maneuvers for outwitting the enemy or overcoming existing obstacles to win the objectives.

133

It is the central strategy worked out at the top which, like an umbrella, covers the activities of the echelons below it.

That tells us what strategic planning is.

#### WHAT IT DOES

What strategic planning does is provide direction for the activities of all the lower echelons. All the tactical plans and programs and projects to be carried out at lower echelons in order to accomplish the objective stream down from the strategic plan at the top. It is the overall plan against which all of these are coordinated.

This gives a clear look at why strategic planning is so vitally important and why it must be done by the upper level planning body if management is to be effective and succeed.

What happens if strategic planning is missing? Well, what happens in the conduct of a war if no strategic planning is done?

Key troops can be left unflanked and unsupported in key areas while other troops fight aimless battles at some minor outpost. Supplies and ammunition could be deployed to the wrong area or not forwarded at all. Conflict of orders, jammed lines and maneuvers, wasted resources and lost battles all result. With the lack of a plan, coordination is missing and it's a scene of confusion and dispersal. In short, disaster.

What a difference between this and a strong, coordinated, positive thrust toward attaining the objective!

Transposing all of this over into our own activity gives an even clearer look at why strategic planning must be done at the upper levels of management. The key word here is "done." It cannot be neglected or dropped out. It cannot be *assumed* to be done. Strategic planning must be done and stated and made known at least to the next lower levels of management so coordination and correct targeting can take place.

#### PURPOSE AND STRATEGIC PLANNING

A strategic plan begins with the observation of a situation to be handled or a goal to be met.

It always carries with it a statement of the definite purpose or purposes to be achieved.

Once the purpose has been established, it is possible to derive from it various strategic plannings.

Strategic planning is actually a very postgraduate form of "bright idea." (RefHCO PL 17 Feb. 71, Data Series 23, **PROPER FORMAT AND CORRECT ACTION.**)

In fact, STRATEGY CAN BE SAID TO BE HOW ONE IS GOING TO ACTUALLY EFFECTIVELY AND SWIFTLY GET A PURPOSE MANIFESTED AND ROLLING IN THE REAL PHYSICAL UNIVERSE AT SPEED AND WITH NO FLUBS.

Some strategic plannings are the result, really, of thumbnail evaluations done on the broad overall scene.

Any strategic plan can encompass a number of major actions required from one or more different sectors in order to achieve the purpose. These are expressed in highly general terms as they are a statement of the initial overall planning that has been done. From them one can then derive tactical plannings. But all of these things have to fit together.

134

#### EXAMPLE

*Situation:* The ABC Paper Company, though continuing to produce its formerly successful line of paper products, is also continuing to concentrate solely on its regular, already-established clientele while neglecting a number of its potential publics. The company is rapidly going broke and losing its execs to companies where there is "more opportunity for expansion."

*Purpose:* Put a full-blown paper company there which reaches all of its potential public for volume sales of existing and new products, while it also continues to sell and service its regular clientele in volume, and thus restore the company's solvency and build its reputation as a lucrative, progressive concern with opportunities for expansion.

*Strategic Plan:* The strategic planning, based on the situation and established purpose, might go something like this:

1. The most immediate and vital action needed to arrest the losses is to (without interrupting any ongoing business or unmocking any other unit) set up and get functioning a new sales unit

(alongside the existing one) which will have as its first priority the development of immediate new clients for the current line of products from among (a) retail paper outlets, (b) wholesale paper outlets, and (c) direct mail order. Clean, experienced salesmen will need to be procured to head up each of these sections, and other professional salesmen will need to be located in volume. These can be hired at very low retainer and make the bulk of their money on commissions. This operation can then be expanded over broader areas using district managers, salesmen who start other salesmen and even door-to-door salesmen. As a part of this plan, commission systems, package sales kits and promotion and advertising will need to be worked out. Getting this going on an immediate basis will boost sales and offset losses and very shortly expand the company into the field of stellar profits.

2. While the immediate holding action is going in, current sales and servicing of clients must be maintained. At the same time, sales and production records of existing staff will need to be reviewed as well as a thorough accounting done of company books to find where the losses are coming from. Any deadwood will need to be weeded out and those who do produce retained. Should any embezzlement or financial irregularity be found this will need to be handled with appropriate legal action. In other words, the current operation is to be fully reviewed, cleaned up and its production not only maintained but stepped up all possible, with production targets set and met.

3. A program is to be worked out whereby surveys are done of all publics to find out what new paper products the publics want or will buy. Based on these survey results, a whole new line of paper products (additional to the old established line) can then be developed, produced, promoted and sold broadly. The program for establishing the new line of goods will need to cover financing, the org boarding of the new production unit (including clean executives, competent designers, any needed additional workmen) as well as any additional machinery or equipment required. It will also need to cover broad PR, promotion and sales campaigns that push the new products as well as the old for volume sales of both. Inherent in this planning would be a campaign to enhance the company's image as pioneers in the field of new paper products with opportunities for expansionminded executives.

Such a strategic plan not only corrects a bad situation but turns it around into a highly profitable and expanding scene for the future of the whole company.

What one is trying to accomplish is digging the scene out of **the soup and expanding** it into a terrific level of viability.

135

From this strategic plan, tactical planning would be done, taking the broad strategic targets and breaking them down into precise and exactly-targeted doingnesses which get the strategic planning executed.

One would have many people working on this and it would be essential that they all had the purpose straight and that there be no conflicting internal spots in the overall campaign. Somebody reading over such plans might not see the importance of it unless they understood the situation and had a general overall riding purpose from which they could refine their tactical planning.

It is quite common in tactical execution of a strategic planning to find it necessary to modify some tactical targets or add new ones or even drop out some as found to be unnecessary.

The tactical management of a strategic planning is a bit of an art in itself so this is allowed for.

Given a good purpose, then, against which things can be coordinated, the strategic action necessary to accomplish it can then be worked out and the tactical plans to bring the strategic plans into existence can follow.

This way a group can flourish and prosper. When all strengths and forces are aligned to a single thrust a tremendous amount of power can be developed.

So one gets the purpose stated and from that works out what strategy will be used to accomplish the purpose and this then bridges the purpose into a tactical feasibility.

When the strategic plan, with its purpose, has been put forward, it is picked up by the next lower level of command and turned into tactical planning.

#### STRATEGIC VERSUS TACTICAL PLANNING

Strategy differs from tactics.

This is a point which must be clearly understood by the various echelons of management.

There is a very, very great difference between a strategic plan and a tactical plan,

While tactical planning is used to win an engagement, strategic planning is used to win the full campaign.

While the strategic plan is the large-scale, long-range plan to ensure victory, a tactical plan tells exactly who to move what to where and exactly what to do at that point.

The tactical plan must integrate into the strategic plan and accomplish the strategic plan. And it must do this with precise, doable targets.

And that, in essence, is management.

#### BRIDGING BETWEEN PURPOSE AND TACTICAL

One error that is commonly made by untrained personnel is to jump from purpose to tactical planning, omitting the strategic plan. And this won't work. The reason it won't work is that unless one's targeted tactical plan is aligned to a strategic plan it will go off the rails.

The point to be understood here is that strategic planning *creates* tactical planning. One won't get one's purpose achieved unless there is a strategy worked out and used by which to achieve it. And, based on that strategy, one works out the tactical

136

moves to **be made to implement the strategy**. But jumping from purpose to tactical, ignoring the strategy, one will miss.

So, between purpose and tactical there is always the step of strategic planning. We could say that by a strategic plan is meant some means to get the purpose itself to function.

It is actually a plan that has to do with cleverness.

One might be well aware of the purpose and might come up with a number of tactical targets having to do with it. And possibly the targets will work, in themselves. But the purpose is to get a situation handled and, lacking a strategic means to do this, one might still find himself facing the same problem.

Putting the actual bridge there between purpose and tactical, which bridge is the strategic side of it, the purpose will have some chance of succeeding.

#### USE OF MANAGEMENT TOOLS

Strategic planning is one of the vital tools of management.

Getting a truly strategic plan worked out can necessitate calling all the other tools of management into play.

One needs to know org boards, lines and terminals, programing and target policy, to name just a few of these tools. One has to have a familiarity with personnel policy, statistics, graphs, conditions and the use of ethics. A knowledge of finance policy is often required. Knowing and utilizing the various networks can enter into it. And certain situations will very clearly indicate the need for surveys or the use of PR tech which, cleverly used, can not only correct a sour scene but can actually turn it around to one's advantage.

These are all resources. Anyone doing strategic planning has got to be able to use them and to be able to use them strategically, as that is what this planning is all about.

The management terminal who does have these tools under his belt and who clearly understands the sequence of purpose followed by strategic planning which can then be turned into tactical planning will be a stellar manager indeed!

**L. RON HUBBARD**

Founder

Adopted as official

Church policy by the

**CHURCH OF SCIENTOLOGY**

**INTERNATIONAL**

CSI:LRH:pm.iw.gm Copyright © 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

137

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 9 JANUARY 1983**

All Orgs

All FOLOs

All Management Units

All Executives

All AVC Units and Issue Authority Terminals

*Admin Know-How Series 47*

**CHECKLIST FOR A STRATEGIC PLAN**

*(Ref:*

HCO Pl, 5 Jan. 83 Admin Know-How Series 46

**STRATEGIC PLANNING**

HCO PL 22 Aug. 82 Admin Know-How Series 43

**BATTLE PLANS**

HCO PL I July 82 Admin Know-How Series 41

Reiss. 17.9.82 MANAGEMENT COORDINATION

HCO PL 18 Aug. 82 Admin Know-How Series 42

Reiss. 8.9.82 TARGETS AND PRODUCTION

HCO PL 29 Dec. 82 Org Series 64

Exec Series 36

Esto Series 54

Admin Know-How Series 44

THE TOOLS OF MANAGEMENT)

Those writing strategic plans as well as those passing them have the responsibility for ensuring:

1. That strategic plans are correct and will handle what they are designed to handle.
2. That strategic planning is *done* to handle existing situations.
- 3- That no situation or goal requiring strategic planning is left uncovered by an overall plan for its handling.

Additionally, those writing strategic plans have the responsibility for getting themselves trained to proficiency in the use of this vital management tool.

And those passing on strategic plans have the added responsibility of correctly critiquing submitted plans, with no caprice or opinion entered into the line. With standard, in-tech criticism given, those in planning positions can be brought up to greater proficiency in their planning through cramming, additional training and, as needed, ethics.

The following checklist is therefore offered as a guide for those writing strategic plans and those whose job it is to approve such plans and authorize them for issue.

138

### **CHECKLIST FOR A STRATEGIC PLAN**

1. a. Has the strategic plan been preceded by correct observation of the situation to be handled?

b. Is it a valid situation?

c. Has all the applicable data been examined?

(These points would show up in verification of the information section of the plan.)

2. Is there a clear and comprehensive statement of the situation the plan is designed to handle?

3. Is there a clear statement of the purpose to be achieved?

4. Is the purpose, as stated, based on and consistent with the situation?

5. Is the purpose broad enough and stated in sufficiently broad terms so that, when achieved, it will not only handle the situation but result in increased viability?

6. Is the strategic plan itself aligned to and consistent with the purpose?

7. Is the plan clearly expressed and understandable?

8. Does the plan include a strategy that will actually and effectively implement the purpose and swiftly get it rolling in the physical universe?

9. Is the proposed strategy actually clever and bright enough to achieve the purpose?
10. Is the plan broad enough to fully accomplish the purpose?
11. Is it doable?
12. Does it cover, in broad general terms as required in a strategic plan, the major actions and areas which need to be programed in order to accomplish the purpose?
13. Where it uses any of the other tools of management, does it use these correctly?
14. Does it take existing resources or lack of them into consideration?
15. Does it include strategic use of lines, terminals or networks where the need for this is obvious?
16. Does it include the use of surveys and/or PR handling where these are obviously indicated by the situation?
17. Does it tend to collapse purpose and tactical planning and omit the needed strategy? (If so, it needs correction.)
18. Does the strategic plan effectively bridge between purpose and tactical so that it can be used for coordination in tactical planning and serve as an orientation point for precisely targeted actions?

139

The above checklist is not in any way intended to be used by planning or approval terminals as a substitute for study of the references and full data on strategic planning.

While other factors than those listed might need to be taken into consideration, the checklist provides the main points upon which any strategic plan would be judged.

And it is probably safe to say that any plan which had all of the above positive points in would be worthy of the title "strategic" and highly effective when executed.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:pm.sk.gm Copyright © 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

140

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 JULY 1983

Remimeo Issue I

All Orgs

All Execs

All Management

Personnel

*Executive Series 38*

*Esto Series 56*

*Admin Know-How Series 48*

## **BASIC MANAGEMENT TOOLS**

*(R efs:*

HCO PL 29 Dec. 82R Org Series 64R

Rev. 30 July 83 Executive Series 36R

Esto Series 54R

Admin Know-How Series 44R

### **THE TOOLS OF MANAGEMENT**

HCO PL 31 July 83 Executive Series 39

Issue II Esto Series 57

Admin Know-How Series 49

### **MANAGEMENT TOOLS BREAKTHROUGH)**

The following is a list of the materials which, out of the many tools of management, comprise the BASIC MANAGEMENT TOOLS.

1. *A DMIN SCALE:* A scale for use which gives a sequence (and relative seniority) of subjects relating to organization. The scale, from the top down, includes Goals, Purposes, Policy, Plans, Programs, Projects, Orders, Ideal Scenes, Statistics, Valuable Final Products. The scale is worked up and down until it is (each item) in full agreement with the remaining items. In short, for success all these items in the scale must agree with all other items on the same subject.

2. *TARGET-* A TARGET is an objective one intends to accomplish within a given period of time.

3. *STRATEGIC PLANS:* A STRATEGIC PLAN is a statement of the intended plans for accomplishing a broad objective and inherent in its definition is the idea of clever use of resources or maneuvers for outwitting the enemy or overcoming existing obstacles to win the objective. It is the central strategy worked out at the top which, like an umbrella, covers the activities of the echelons below it,

4. *PROGRAMS:* A PROGRAM is a series of steps in sequence to carry out a plan. Programs are made up of all types of targets coordinated and executed on time.

5. *PROJECTS:* A PROJECT is a series of guiding steps written in sequence to carry out one step of a program, which, if followed, will result in a full and successful accomplishment of the program target.

6. *ORDERS:* An **ORDER** is the direction or command issued by an authorized person to a person or group within the sphere of the authorized person's authority. It is the verbal or written direction to a lower or designated authority to carry out a program step or apply the general policy. Some program steps are so simple that they are themselves an order or an order can simply be a roughly written project. By implication an order goes from a senior to juniors.



All orders of **whatever kind by telex, despatch or Mission Orders** must be coordinated with current written command intention. You can destroy an org by issuing orders to it uncleared and uncoordinated. Coordinate your orders! Clear your orders!

*7. COMPLIANCE REPORTS:* A COMPLIANCE REPORT is a report to the originator of an order that the order has been done and is a completed cycle. It is not a cycle begun; it is not a cycle in progress; it is a cycle completed and reported back to the originator as done.

When an executive or manager accepts "done" as the single statement and calls it a compliance, noncompliance can occur unseen. Therefore, one must (1) require explicit compliance to every order and (2) receive the evidence of the compliance pinned to the Compliance Report. Such evidence might be in the form of copies of the actual material required by the order and procured, or photographs of it, ticket stubs, receipts, a signed note stating the time and place some action was carried out, etc. Evidence is data that records a "done" so somebody else can know it is done.

It is up to LRH Comms, Flag Reps or execs to verify reports of dones or get dones done. True compliances to evaluated programs are vital.

*8. TERMINALS:* A TERMINAL is something that has mass and meaning which originates, receives, relays and changes particles on a flow line. A post or terminal is an assigned area of responsibility and action which is supervised in part by an executive.

A fixed-terminal post stays in one spot, handles specific duties and receives communications, handles them and sends them on their way.

A line post has to do with organizational lines, seeing that the lines run smoothly, ironing out any ridges in the lines, keeping particles flowing smoothly from one post to another post. A line post is concerned with the flow of lines, not necessarily with the fixed-terminal posts at the end of the lines.

*9. LINES:* A LINE is the route along which a particle travels between one terminal and the next or between grouped or associated terminals.

A COMMAND LINE is a line on which authority flows. It is vertical. A command line is used upward for unusual permission or authorizations or information or important actions or compliances. Downward it is used for orders.

A COMMUNICATION LINE is the line on which particles flow. It is horizontal. A communication line does not refer to physical equipment but to the passage of ideas between two points. A flow of ideas, in two directions, on paper, establishes a comm line.

The most important things in an organization are its lines and terminals. Without these in, in an exact known pattern, the organization cannot function at all. The lines will flow if they are all in and people wear their hats.

*10. ORG BOARDS:* An **ORG BOARD (ORGANIZING BOARD)** is a **board** that shows what functions are done in the org, the order they are done in and who is responsible for getting them done. The **ORG BOARD** shows the pattern of organizing to get a product. It is the pattern of the terminals and their flows. We see these terminals as "posts" or positions. Each of these is a hat. There is a flow along these hats. The result of the whole org board is a product. The product of each hat on the board adds up to the total product.

*11. HATS:* HAT is a term to describe the write-ups, checksheets and packs that outline the purposes, know-how and duties of a post. It exists in folders and packs and is trained in on the person on the post to a point of full application of the data

140-B

therein. **A HAT designates what terminal in the organization is represented and what the terminal handles and what flows the terminal directs.** HATTING is the action of training the person on the checksheet and pack of materials for his post.

*12. TELEXES:* A TELEX is a message sent and received by means of telex machines at specific stations hooked up with one another. This is a fast method of communication, similar to a telegram or cable.

Use telexes as though you were sending telegrams. Positiveness and speed are the primary factors. Cost enters as a third. Security enters as a fourth consideration, All have importance but in that order.

Telexes must be of such clarity that any other person in the org can read and understand them. You must take responsibility for both ends of a communication line. Write your communication (telex) so that it invites compliance or answer without further query or dev-t. Entheta in telexes on a long-distance comm line is forbidden.

Don't use telexes when despatches will do. Nonurgent communications on telex lines jam them. Do NOT put logistics (supply) on a telex line. Telex lines should only be used for communications concerning operations.

*13. DESPATCHES:* A DESPATCH is a memo to or from another staff member in your organization or in another. When writing a despatch, address it to the POST-not the person. Date your despatch. Route to the hat only, give its department, section and org. Put any vias at the top of the despatch. Indicate with an arrow the first destination. Sign it with your name but also the hat you're wearing when you write it.

As with telexes, despatches must be written so clearly that any other person in the org can read and understand them, with the originator taking responsibility for both ends of the communication line. And, as with telexes, entheta in despatches on a long-distance comm line is forbidden.

*14. STATISTICS:* A STATISTIC is a number or amount compared to an earlier number or amount of the same thing. STATISTICS refer to the quantity of work done or the value of it in money. Statistics are the only sound measure of any production or any job or any activity. These tell of production. They measure what is done. Thus, one can manage by statistics. When one is managing by statistics, they must be studied and judged alongside the other related statistics.

*15. GRA PHS:* A GRAPH is a line or diagram showing how one quantity depends on, compares with or changes another. It is any pictorial device used to display numerical relationships.

*16. CONDITIONS:* A CONDITION is an operating state. Organizationally, it's an operating state and oddly enough in the mest universe there are several formulas connected with these states. The table of conditions, from the bottom up, includes Confusion, Treason, Enemy, Doubt, Liability, Non-Existence, Danger, Emergency, Normal, Affluence and Power or Power Change. There is a law that holds true in this universe whereby if one does not correctly designate the condition he is in and apply its formula to his activities or if he assigns and applies the wrong condition, then the following happens: He will inevitably drop one condition below the condition he is actually in. One has to do the steps of a condition formula in order to improve one's condition.

*17. PERSONNEL FOLDERS:* A PERSONNEL FOLDER is kept in HCO for each person employed by the org. The folder is to contain all pertinent personnel data about the person: name, age, nationality, date employment started, address (if other than the org), next of kin, social security number, test scores, previous education, skills, previous employment, case level, training level, name

of post, former posts held and dates held, production record on post(s), date employment ceased, copies of all tests, and any other pertinent data.

140-C

Copies of contracts, agreements or legal papers connected with the person are filed in the personnel folder. The originals of such papers are kept in the valuable documents files.

A personnel folder is used for purposes of promotion and any needful reorganization and so should contain anything that throws light on the efficiency, inefficiency or character of personnel.

Personnel folders are filed by division and department in HCO, with the personnel in separate folders filed alphabetically in their department. There should be two sections in the personnel files: (1) present employees and (2) past employees.

**18. ETHICS FOLDERS:** An ETHICS FOLDER is kept in HCO for each individual staff member. It is a folder which should include his complete ethics record, ethics chits, Knowledge Reports, commendations and copies, as well, of any justice actions taken on the person, such as Courts of Ethics or Comm Evs, with their results.

Filing is the real trick of Ethics work. The files do 90% of the work. Ethics reports patiently filed in folders, one for each staff member, eventually makes one file fat. When one file gets fat, call the person up for Ethics action and his area gets smooth.

**19. FILES:** A FILE by definition is an orderly and complete deposit of data which is available for immediate use. As FILES are the vital operational line, it is of the GREATEST IMPORTANCE that ALL FILING IS ACCURATE. A misfiled particle can be lost forever. A missing item can throw out a whole evaluation or a sale. It is of vital interest both in ease of work and financially that all files are straight.

**20. DATA SERIES:** The tool to discover causes. The DATA SERIES is a series of policy letters which deal with logic, illogic, proper evaluation of data and how to detect and handle the causes of good and bad situations in any organization to the result of increased prosperity.

There is considerably more data on each of these tools contained in the policy letters in the OEC Volumes, *none* of it complicated or difficult to grasp.

The purpose of this policy letter is simply to advise the exec that these *are* his tools-his most fundamental and basic management tools. And that they are for USE and it is VITAL that he USE them.

Why? Because use of these simple, basic tools means the difference between a failing org and a flourishing one.

And we want organizations to flourish!

**L. RON HUBBARD**

**Founder**

CSI:LRH:iw.gm Adopted as official

Copyright © 1983 Church policy by the

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

[Note: This issue was added just as the book was about to go to press and after the subject index was completely typeset. Thus index entries from this issue do not appear in the main subject index. However, a supplementary subject index has been added on page 731.1

140-D

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 JULY 1983

Remimeo Issue 11

All Orgs

All Execs

All Management *Executive Series 39*

Personnel *Esto Series 57*

Admin *Know-How Series 49*

**VITAL - IMPORTANT**

**MANAGEMENT TOOLS BREAKTHROUGH**

(Refs: HCO PL 29 Dec. 82R Org Series 64R

Rev. 30 July 83 Executive Series 36R, Esto Series 54R

Admin Know-How Series 44R

THE TOOLS OF MANAGEMENT

HCO PL 31 July 83 Executive Series 38, Esto Series 56

Admin Know-How Series 48

BASIC MANAGEMENT TOOLS)

THE FIRST THING AN EXECUTIVE OR MANAGER AT ANY LEVEL NEEDS TO KNOW IS THAT HE HAS *TOOLS* WITH WHICH TO MANAGE.

This applies to top levels of management, to middle-management echelons and in every org from the CO or ED down through the Exec Council and every head of a division or department.

**BREAKTHROUGH**

This datum is the result of a recent, eye-opening breakthrough.

The breakthrough was not a matter of discovering or developing or improving the materials which make up the tools of management. Org boards, the Admin Scale, target policy, planning and programing, statistics, graphs and conditions (to name a few of these tools) have been a part of our technology, well-defined, available for use and used for quite some years now.

THE BREAKTHROUGH WAS IN DISCOVERING THAT A GREAT MANY EXECUTIVES DID NOT LOOK UPON THESE AS *TOOLS*.

But unless one does recognize them as tools, unless one actually puts them in the category of tools, like rakes and shovels and wheelbarrows, he is apt to think of them as opinions or theories or something of the sort. He won't recognize that he does have actual tools with which to manage. And, not realizing this, he won't USE them in managing.

Such a scene could be compared to somebody building a house who didn't even know he was trying to build a house and, should this be pointed out to him, he would look at hammers and saws as if they were total strangers. He wouldn't wind up with a house.

Any activity has its tools. And if one is going to engage in an activity, he had better know what its tools are and that they are for use.

#### BASIC MANAGEMENT TOOLS

We are rich in management tools but the most fundamental of them-, required for use at any executive level from the highest to the lowest, are these:

ADMIN SCALE ORG TERMINALS CONDITIONS

TARGET POLICY SPECIFIC LINES PERSONNEL FOLDERS

STRATEGIC PLANS ORG BOARDS ETHICS FOLDERS

PROGRAMS HATS AND HATTING FILES

PROJECTS TELEXES DATA SERIES.

ORDERS DESPATCHES

COMPLIANCE REPORTS STATISTICS AND GRAPHS

140-E

Each of these fundamental tools is defined and covered briefly in HCO PL 31 July 1983, **BASIC MANAGEMENT TOOLS.**

None of these are complicated. They are actually SIMPLE but VITALLY, VITALLY IMPORTANT.

One gets some terminals, gets them some lines, gets the channels of command and echelon worked out, gets in strategic planning and with that one can achieve some coordination.

But it is necessary to be able to conceive of purpose (which, in target policy, becomes objectives). And it is necessary to be able to write targets that will accomplish that objective or that purpose. To get the targets done one needs lines and terminals there. And to have lines and terminals, of course, one has to have an org board.

SIMPLE. But VITALLY IMPORTANT.

In laying out these tools we are laying out the fundamentals of organization as that, most definitely, is what these tools are. And these tools will give one an organization. Without them, you don't have an organization; you have a mob. And if one cannot figure out purpose or objectives or write targets and telexes and get hatting done and hats worn they'll just keep on being a mob. But correct use of just this basic list of management tools can turn a mob into a producing organization!

#### EXEC STATUS ONE CHECKSHEET

A fast, instant-hat type of checklist called Exec Status One is being provided to swiftly train execs and managers at all levels on these tools.

This is not a substitute for an OEC or FEBC. But it is vital that an exec starts using these tools right now, instantly and at once yesterday, if he considers himself an executive or is in a position of handling an organization of any type, size or kind. Because if he doesn't use these tools, he's going to lay an egg.

## ETHICS

Once the exec has passed this first checksheet, Exec Status One, it's an ethics offense to fail to use these tools properly. One would handle a first or second offense with cramming, but after that it's a Court of Ethics and, in the case of a person having trained on these tools continuing to misapply or not apply these tools, it becomes a matter for a Comm Ev.

## SUMMARY

1. First, an executive or manager must know that actual TOOLS EXIST for his use in managing.
2. Second, he needs to know WHAT his tools are.
3. Third, he must realize that these tools are SIMPLE but VITALLY, VITALLY IMPORTANT, that they are for USE and he must *USE THEM*.

## L. RON HUBBARD

### Founder

Adopted as official

CSI:LRH:pm.iw.gm Church policy by the

Copyright © 1983

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

[*Note:* This issue was added just as the book was about to go to press and after the subject index was completely typeset. Thus index entries from this issue do not appear in the main subject index. However, a supplementary subject index has been added on page 731.]

140-F

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 OCTOBER 1971

Issue 11

Remirneo

All Executive Hats

*Executive Series I*

THE EXECUTIVE

(Note: Those personnel in orgs who are titled as executives are the Board Members, the Commanding Officer or Executive Director or head of the org, the HCO Executive Secretary, the Org Executive Secretary, the Public Executive Secretary, the heads of divisions and the heads of departments. In very large orgs the title is extended to heads of large sections. To these listed persons especially this data on executives applies.)

Before one can adequately perform the duties of an executive in an organization one would have to know what an executive is.

EXECUTIVE: One who holds a position of administrative or managerial responsibility in an organization.

To give one some idea of the power associated with the word, Daniel Webster, in 1826, defined it as "The officer, whether king, president or other chief magistrate, who superintends the execution of the laws; the person who administers the government, executive power or authority in government. Men most desirous of places in the executive gift, will not expect to be gratified, except by their support of the executive. John Quincy."

Executive is used in distinction from legislative and judicial. The body that deliberates and enacts laws is legislative; the body that judges or applies the laws to particular cases is judicial; the body or person who carries the laws into effect or superintends the enforcement of them is executive, according to its 19th century governmental meaning according to Webster.

The word comes from the Latin "*Ex(s)equi* (past participle *ex(s)ec[itus]*), execute, follow to the end: *ex-*, completely + *sequi*, to follow." In other words, he follows things to the end and GETS SOMETHING DONE.

Taking up the definition part by part we can achieve a considerable understanding of the nature and beingness of an executive.

"One who holds a position . . ."; a *position* is a place or location. It is social standing or status; rank. It is a post of employment; job. The sense of this is that an executive is a STABLE TERMINAL for his staff and assistants. He is not continuously elsewhere or missing. He actually holds his position, social standing, status, rank and performs his duties from that position. He is known and visible and in one way or another reachable or himself reaches those areas which need to be handled.

... of administrative . . ." in the definition would refer to his actions in administering his area. *Administer* means "to have charge of; direct; manage." It is taken from the Latin *administrare*, to be an aid to: *ad-*, to + *ministrare*, to serve. From minister, servant. By this we see that he has charge of, directs, manages and SERVES his area.

141

... or managerial. . ." refers to management, which is the act, manner or practice of managing, handling or controlling something. Skill in managing, executive ability, which means that the activity is HANDLED or CONTROLLED by the executive.

... responsibility means the state, quality or fact of being responsible, and responsible means legally or ethically accountable for the care or welfare of another. Involving personal accountability or ability to act without guidance or superior authority. Being the source or cause of something. Capable of making moral or rational decisions on one's own and therefore answerable for one's behavior. Able to be trusted or depended upon; reliable. Based upon or characterized by good judgment or sound thinking. This means essentially that an executive DOES NOT WAIT FOR ORDERS TO ACT. He is the one who, guided by policy, acts on his own initiative to handle and supervise his area and others and does not himself require supervision.

... in an organization." An organization means the act of organizing or the process of being organized. The state or manner of being organized: "a high degree of organization." Something that has been organized or made into an ordered whole. A number of persons or groups having specific responsibilities and united for some purpose or work. Thus an organization is an activity or area that is being organized or has been organized or made into an "ordered whole."

Thus, from the words and definitions taken from the language itself and the tradition of the culture, we can see what an executive is, what he does and what he eventually has-an organization.

It is very interesting that one can examine the above definition and subdefinitions and analyze an executive's general competence. Where any of these things are missing in his character or duty or

general conduct, there is very likely to be a flaw in the activity he has under his authority. One could go over these items one by one, for himself or for another, and he would see at once what had to be improved and what was satisfactory in his or others' executive beingness.

In order to competently achieve the beingness of an executive, one would have to have the technology of how to organize and would have to have, as well, a concept of the ideal scene of an organization in order to compare it to any existing scene and would have to be familiar with the technology required in that specific organization by which it produces the products necessary for its survival.

In that every organization has value only to the degree it produces, one can see that an executive should be able to achieve production long before his organization is perfected and to be able to perfect the organization while producing. Otherwise the organization would not be sufficiently viable to survive and his status as an executive would cease.

Good executives are very valuable and the value consists of their ability to obtain production and form the necessary and adequate organization in order to do so. There are no stellar executives who do not meet every piece and part of the above definitions.

L. RON HUBBARD

Founder

LRH:Idm.nt.bh.gm Copyright c 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

142

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 OCTOBER 1971

Rernimeo Issue III

All Executive Hats

*Executive Series 2*

## **LEADERSHIP**

In order to get his job done, an executive must be someone from whom others are willing to take orders.

The first test any follower of a leader requires the leader to meet is competence. Does the leader know what he is doing? This is already covered in the definitions of an executive. For if an executive meets these definitions, those to whom he must give orders are very likely to receive them in confidence.

There is a great deal of mystique (qualifications or skills that set a person or thing apart and beyond the understanding of an outsider) connected with leadership. Most of this mystique is nonsense; however, it is necessary that one who leads can attract attention and that he can enthuse and interest others. Simply knowing more about the subject than others or knowing more about organization than others can cause an executive to be regarded respectfully or even with awe.

A common denominator to all good executives is the ability to communicate, to have affinity for their area and their people, and to be able to achieve a reality on existing circumstances. All this adds up to understanding. An executive who lacks these qualities or abilities is not likely to be very successful.



Understanding, added to competence, is probably the most ideal character of an executive.

The ability to lead can also be compounded of forcefulness and demandingness, and these two qualities are often seen to stand alone in leadership without regard to competence and, though acceptable to juniors to the degree that they will obey, are no long-term guarantee of an executive's supremacy. While they are often part of a successful executive's personality, they are not a substitute for other qualities and will not see him through. He must truly understand what he is doing and demonstrate competence on a long-term basis in order to achieve distinction and respect.

In all great leaders there is a purpose and intensity which is unmistakable. Plus there is a certain amount of courage required in a leader.

A man who merely wants to be liked will never be a leader. Others follow those who have the courage to get things done even though they say they follow those they like. A broad examination of history shows clearly that men follow those they respect. Respect is a recognition of inspiration, purpose and competence and personal force or power.

The qualities of leadership are not difficult to attain, providing they are understood.

## **L. RON HUBBARD**

LRH:Idm.nt.gm Founder

Copyright © 1971

by L. Ron Hubbard

ALL RIGHTS RESERVED

143

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 NOVEMBER 1971

Remimeo

*Executive Series 3*

## **MONEY**

So you think the GI should be higher.

So you wonder why the staff isn't paid better.

In order to successfully solve these riddles it is necessary to know something about MONEY.

Basically *money is* "an idea backed by confidence."

The idea is that the exchange of goods or services kind for kind is too clumsy. To carry your dozen eggs all over town until you find someone who has bread he will exchange for your eggs so you can have bread, is too clumsy. That is called a "barter (trading) system" and is used in primitive tribes. To solve this, men get the idea of making metal or slips of paper represent the eggs and the bread. Thus you don't need to look all over town. Anyone will buy your eggs that wants eggs and give you money and anyone who has bread will accept money for it. Like: one money particle is worth five loaves of bread or one dozen eggs or two hours of manual labor or one booklet or a square inch of land or-or-or.

Confidence comes in that the money particle (piece of metal or paper or some such symbol) WILL be further accepted after you have accepted it for your eggs. This extends to confidence in the country that issued the coin or the paper.

As metal has other uses-gold, silver, copper, bronze-it is more likely to have confidence placed in it as the country could go broke and one would still have his metal. With paper one has to have more confidence in the country.

So MONEY is only something that can be exchanged confidently for goods or services. It is a symbol which represents value in terms of goods or services.

When money is paid out without buying value (as in welfare handouts or war materials or bad stocks or just a promise with no backing) it itself gets into trouble. It begins to buy less because it no longer represents production or services or value.

When one begins to receive and spend money he gets into a field known as ECONOMICS.

To understand money one *must* understand economics. Or he'll be made a fool.

### ECONOMICS

ECONOMICS in modern language means "the social science that studies the production, distribution and consumption (using) of commodities (things)."

If you like money or want money or use money you cannot remain ignorant of 46economics."

The reason Marx and socialists in general can fool everyone is that there are very few people who know economics and economics itself is not a science but a primitive

144

art. So just as you may **stumble on this word "economics," so can the supertotalitarian** socialists make whole societies stumble and fall into their hands.

The word originally meant "the science or art of managing a house or household" and that is still its first meaning. From this grew up a study of the whole community as a connected activity.

Remember, *money* represents *things*. It is a substitute for goods and services.

What governments, people and even our orgs can't get understood is that NO PRODUCTION = no money,

If one performs a valuable service *and* exchanges it for goods, he does so through the item of *money*.

Production can mean producing a service or an item that can be exchanged for goods and services.

If an activity does not produce *and* deliver *and* exchange with other activities, no money is possible.

Example: Lack of good Division 6s (Public Division) in orgs makes it impossible to *exchange* with the community. Equals no money.

This is what is behind low gross income.

The steps to take are get the org so it can produce a valuable service in some volume and then *exchange* through Div 6 contacts that service with the community for *money*. Then increase the volume and quality of the service and increase the exchange through more Division 6 contacts. That builds up to a big GI that will continue to be big and not slump.

As soon as one ceases to deliver the service the *exchange* breaks and the GI collapses. No matter how hard you *sell*, if you don't deliver, you get into trouble.

The staff member, as part of the org, may think his pay comes from mysterious places. It does not. It comes from his own personal production.

The combined services of staff members give the org the valuable final services it can exchange for *money*. If it does this, then the staff member gets paid and cared for.

It is up to Division 6 to build up a DEMAND for the services and a volume of people who then demand the service. It does this with surveys of what the public will buy that the org can offer. It then makes the public aware of this by ads and contacts. The public comes in and pays. The rest of the org keeps itself functioning and delivers it.

That is really all there is to it.

When you see a staff unpaid or an org not very solvent, it is the data above that is not grasped.

When you see an org solvent and its staff well paid, then the majority there have grasped this and are doing it.

When they do it well enough and in enough volume, they control more and more goodwill and expand.

People today are very badly taught on this subject. All money comes from daddy. Governments roll it out in endless streams (and the currency becomes worthless).

It's no wonder people believe in "luck" as the only thing that makes them rich and

145

powerful. Or some wild idea that was never tried and would be a flop.

The truths of wealth are

Income of money on sales must be greater than outgo on bills.

Books, auditing and training, tapes and meters, must be sold for more than they cost the org to produce or buy.

Money is simply that which represents delivered production.

Morale also depends upon accomplished and exchanged production.

Money does not equal morale. The idle rich are a wonderful study in psychosis.

And welfare money degrades because it is not exchanged for delivered production.

These are all factors in economics.

The way to good pay is an understanding of the subject as above and the work necessary to make it so.

L. RON HUBBARD

Founder

LRH:nt.gm Copyright C 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

146

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## HCO POLICY LETTER OF 3 DECEMBER 1971

Remimeo

### *Executive Series 4*

#### EXCHANGE

So many tricks have been entered into economic systems, and so many political fixations exist that a manager is often very hard-pressed trying to bring about solvency for his activity.

Money can be manipulated in a thousand different ways.

There are "speculators" who seek to buy something (like land) cheaply and sell it dear. Or sell it dear, depress the market and buy it back cheaply. In either case they make a profit.

It is less well understood that "speculators" also operate on the subject of money itself. By manipulating the value of one currency against another they seek to obtain a profit. This is the "international banker" at his daily work. He buys a hundred billion French francs for X dollars. Then he causes a panic about dollars. The franc gets very valuable. He sells his hundred billion French francs for 2X dollars. Then he says dollars are great. He has "made" a huge new lot of dollars for himself.

Or he finds a crummy politician like Hitler, builds him a war machine, gets paid back out of the plunder of Europe before Hitler collapses.

The banker loans George Manager 100,000 to modernize his plant. George wanted 200,000. But he takes the 100,000. The banker holds the whole plant as security. George doesn't make it as it really took 200,000 to do it. He goes broke. The banker grabs the 5,000,000 plant. **This includes the 100,000** now spent on new machines. The banker sells it to a pal for 2,500,000 and makes that sum on his "loan."

The shareholders of Bide-a-wee Biscuit are told Bide-a-wee is busted. The stock falls. A group buys the stock up for peanuts, emerges as the owners of Bide-a-wee which turns out not to be busted.

All these and a thousand thousand other systems for making money, indulged in too often, spoil CONFIDENCE and destroy money.

Eventually a whole religion like communism will grow up dedicated only to the destruction of capitalism.

What has been dropped out is the idea of EXCHANGE.

Money has to *represent* something because it is not anything in itself but an idea backed by confidence.

It can represent gold or beans or hours of work or most anything as long as the thing it represents is real.

Whatever it represents, the item must be exchangeable.

If money represents gold, then gold must be exchangeable. To prove this, the moment gold couldn't be individually owned, the dollar, based on it, became much less valuable.

147

**There has to be enough of the thing that money represents.** By making the thing scarce, money can be manipulated and prices sent soaring.

Economics by reason of various manipulations can be made into the most effective trap of the modern slave master.

Periodically through history, not just in current times, monied classes or those believed to control money have been torn to bits, shot, stoned, burned and smashed. The ancient pharaohs of Egypt periodically lost their country through tax abuses.

Money, in short, is a passionate subject.

Modernly, the lid is coming off the economic pot which is at a high boil.

Too many speculators, too many dishonest men generating too much hate, too many tax abuses, too many propagandists shouting down money, too many fools, all add up to an explosive economic atmosphere.

A group has to be very clever to survive such a period. Their economic arrangements and policies must be fantastically wise, well established and followed.

As it exists at this writing, the only real crime in the West is for a group to be without money. That finishes it. But with enough money it can defend itself and expand.

Yet if you borrow money you become the property of bankers. If you make money you become the target of tax collectors.

But if you don't have it, the group dies under the hammer of bankruptcy and worse.

So we always make it the first condition of a group to make its own way and be prosperous on its own efforts.

The key to such prosperity is *exchange*.

One exchanges something valuable for something valuable.

Processing and training are valuable. Done well, they are priceless.

In many ways an exchange can occur. Currently it is done with money.

In our case processing and training are the substances we exchange for the materials of survival.

*To exchange* something, one must find or create a *demand*.

He must then supply the demand in EXCHANGE for the things the group needs.

If that is understood, then at once it is seen that (a) a group can't just process or train its own members; and (b) a group cannot give its services away for nothing; and (c) the services must be valuable to those receiving them; (d) that the demand must be established by surveys and created on the basis of what is found; and (e) that continual public contact must be maintained.

Thus, by bringing the problems of viability down to the rock-bottom basics of *exchange*, one can cut through all the fog about economics and money and be practical and effective.

If one is living in a money economy, then bills are solved by having far more than "enough money" and not spending it foolishly. One gets far more than "enough money" by understanding the principles of EXCHANGE and applying them.

148

In another type of economy such as a socialist state, the principles still work.

The principles of exchange work continuously. It does not go high and collapse as in speculation or demanding money but failing to deliver. Or delivering and not demanding money.

We see around us examples that seem to violate these principles. But they are nervous and temporary.

What people or governments regard as a valuable service is sometimes incredible and what they will overlook as valuable is also incredible. This is why one has to use surveys-to find out what people want that you can deliver. Unless this is established, then you find yourself in an exchange blockage. You can guess, but until you actually find out, you can do very little about it.

Once you discover what people want that you can deliver, you can go about increasing the demand or widening it or making it more valuable, using standard public relations, advertising and merchandizing techniques.

The fundamental is to realize that EXCHANGE is the basic problem.

Then and only then can one go about solving it.

## **L. RON HUBBARD**

Founder

LRH:nt.gm Copyright a 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

149

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 JANUARY 1972

Issue I

Remimeo

All Exec Hats

*Admin Know-How Series 29*

*Executive Series 5*

## **NOT-DONES, HALF-DONES AND BACKLOGS**

There is a very definite, often unsuspected effect concealed in a backlog. And it is of such violence that it can crash an area's stats while seemingly working frantically.

BACKLOG (Webster's) noun: 3. an increasing accumulation of tasks unperformed or materials not processed; verb: to accumulate as a backlog.

### **NOT-DONES AND HALF-DONES**

Backlogs occur for various reasons. But the two main classes are (1) NOT-DONES and (2) HALF-DONES.

For lack of seeing that a backlog exists, lack of supervision of existing personnel, other-intentionedness of personnel, lack of personnel to handle the usual or peak volumes, lack of know-how to handle, lack of resources, and outright sabotage are some of the reasons that account for NOT-DONES.

HALF-DONES are as bad as NOT-DONES as they bit and piece an area into a quagmire. Suppose Detroit began to make half-cars. All their resources would be devoured, yet nothing would really be produced, yet everyone would look frantically busy; the executive worries would mount up to an inconceivable fever pitch unless the half-done factor was handled.

But half-dones are not always as visible as half-cars. "Have you handled Bets and Company suit?" "Oh yes." But the case is lost because the filing papers were only half-prepared and half-filed.

The same reasons apply for HALF-DONES as are listed above for NOT-DONES.

The Why of many failures is found in NOT-DONES and HALF-DONES.

The primary effect (there are others) of NOT-DONES and HALF-DONES is the building up of *backlogs*.

Now, no backlog ever quietly lies there. So long as anything else depended upon the actions being done, there will be pressure or threat of one kind or another on the backlogged area.

Thus, when an activity becomes backlogged, IT GENERATES NEW WORK NOT CONCERNED WITH REDUCING THE BACKLOG AMOUNT.

Example: An insurance company backlogs claims payments. Torrents of queries then demand why. The claims section spends its time answering the queries, not reducing the number of claims. The volume of work doubles, trebles, but no claims get paid.

BACKLOGGING AT ONCE DOUBLES THE WORK BY THE ADDITION OF DEMAND HANDLING.

150

Example: A Central Files fails to stay filed into up to present time. Demands for items in it cause others to consume all the file clerk's time tearing CF apart to find particles.

A BACKLOG CAN INCREASE ITSELF BY ADDING DISORDER THAT UNDOES THINGS ALREADY DONE.

Thus a backlog tears up the past work while building up future work.

Example: Personnel backlogs its files, causing it to backlog appointments. This overloads areas. These areas start crashing down on Personnel in mobs demanding it provide people. Personnel is then so busy fending off people, it can't appoint. Yet is in frantic action.

A BACKLOG PREVENTS ITSELF FROM BEING HANDLED.

An org that has several backlogs in it becomes frantic and then goes into apathy.

The cure is to:

1. Get people and do ALL HANDS actions to get the most important backlogs done.
2. To find the real WHY of the backlog and handle it so a present time state is then maintained. (Requires a program, followed and *done*.)
3. Check out staff on the book *Problems of Work*.
4. Get staff to do Training Drill Zero on their work areas.
5. Get staff to reach and withdraw from their materials of operation or areas.
6. Do a survey of attitudes which reveals complaints and reasons for not-dones, half-dones, backlogs.
7. Based on the survey, campaign hard to remedy NOT-DONES and HALFDONES.
8. Be very severe with any beginnings of any future backlogs.

When you see an area or org in apathy, know it has gone the route of not-dones, half-dones and backlogs and handle.

When you see an area going frantic, know you are looking at not-dones, half-dones and backlogs and handle fast before it goes into the much worse condition of apathy.

Production is the basis of morale.

Not-dones, half-dones result in backlogs.

Backlogs destroy the possibility of future production.

Thus you know the situation of not-dones and half-dones will result in backlogs.

The backlogs will prevent further handling.

This subject is the subject which makes executives harassed.

Behind every upset there will be NOT-DONES, HALF-DONES and BACKLOGS.

So be very alert.

Dynamite is stick candy alongside of this very explosive subject.

Don't say I didn't tell you.

L. RON HUBBARD

Founder

LRH:mes.rd.gm Copyright 0 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

152

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 FEBRUARY 1982

Rernimeo

Staff Hats

(CANCELS and REPLACES BPL 6 Feb. 72R 1, Exec

Series 6R, EXECUTIVE INTENTION. Parts of this

BPL were originally taken from FO 2947, KNOW

BEST, written 15 Sept. 71. Exec Series 6RA now gives

the full text of this FO, as written by the Founder, in

HCO PL form.)

*Executive Series 6RA*

**KNOW BEST**

Recent breakdowns in US command channels and org decline was traced to a group on a relay point who were intensely critical of management and "knew best."

They did not "know best" since their actions were followed by decline.

The undermining of authority made it very difficult for command to handle the resulting situation.



It is a betrayal of juniors for a person on a point of command channel to undermine authority. For it sets the junior up for a rough time.

"Flag doesn't really know . . ." "They are not actually informed . . ." is usually followed by "so we will . . ." and when the crash comes the junior catches it. either by being the effect of a messed-up area or the resulting discipline.

If Flag or management doesn't know, it's because the person saying "Flag doesn't know . . ." is not informing his seniors and is not reporting.

In the final analysis, it is top management that has to pick up the pieces.

In the final analysis, a person is comm-ev'd, not on some person's "know best" ideas, but on FOs and policy letters. just what they say, line by line.

In an area in which someone's withholds have caused natter about management, there is a decay of confidence in the management. This makes a decline in itself. Uniforms, living conditions, food, all can decline in the area.

Then when top management tries to repair the situation, it is doing so in an area that doesn't comply. So the situation is extended in time and is much harder to remedy.

The usual cycle is

"We know best. 'They' don't know."

"So we will (goofball orders) .... "

"It's going crazy so we won't tell 'them.'"

"Now you see what 'they've' done."

"I can't for the life of me understand why all you fellows are now catching it from 'them.'"

153

You'll find all this on the Chart of Human Evaluation in *Science of Survival*.

Someone who perverts comm lines causes trouble.

So a POLICY is laid down:

A JUNIOR WHO IS GIVEN ILLEGAL OR CONTRARY ORDERS AND WHO

FOLLOWS THEM INSTEAD OF FOs AND POLICY LETTERS AND EDs AND WHO DOES NOT REFUSE THE ILLEGAL ORDERS AND WHO DOES NOT REPORT THE MATTER IS SUBJECT TO COMM EV FOR ACCE1,117ING ILLEGAL ORDERS.

LEGAL ORDERS ARE DEFINED AS ORDERS KNOWN TO AND AUTHOR-

IZED BY FLAG IN WRITING OR AS FOUND IN POLICY, FOs, BASE ORDERS, EXECUTIVE DIRECTIVES AND FLAG DIVISIONAL DIRECTIVES.

IF IT IS NOT WRITTEN AND SEEN IN WRITING, IT IS NOT TRUE.

VERBAL RELAYS OF FLAG COMMANDS ARE NOT ACCEPTABLE.

RELAYING OR CARRYING OUT A LEGAL ORDER IN SUCH A WAY AS

TO MAKE IT UNWORKABLE IS A COMM-EV OFFENSE.

ANYONE BREAKING DO" CONFIDENCE OR TRUST IN TOP MAN-

AGEMENT MUST BE REPORTED TO TOP MANAGEMENT WITH ALL FACTS BEFORE THE SITUATION DECAYS BEYOND CONTROL.

If you want to know the plain truth of it, top management usually works harder and tries harder than anyone else to make things go right.

L. RON HUBBARD Founder

Issued by Mission Issues

Revision Project

Adopted as official Church policy by the CHURCH OF SCIENTOLOGY INTERNATIONAL

CSI:LRH:MIR:bk,gm Copyright © 1971, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

154

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 8 FEBRUARY 1972R

Remimeo REVISED 21 OCTOBER 1980

All Execs

All Staff (Cancels and replaces BPL 8 Feb. 72, Issue 11, same title)

*Executive Series 7R*

## **TARGETING OF DIVISIONAL STATISTICS AND QUOTAS**

(BPL 8 Feb. 72 Issue 11, Exec Series 7, TARGETING OF DIVISIONAL STATISTICS AND QUOTAS, written by the Controller, contained correct and vital data for all executives and staff members, so I have issued it here as an HCO Policy Letter at the request of the Board of Directors. It now has the full force of policy.)

According to HCO Policy Letter of Dec. 16, 1965, STATISTICS OF THE INT EXECUTIVE DIV, a statistic is a number or amount compared to an earlier number or amount of the same thing and refers to the quantity of work done or the value of it in money.

In a Scientology organization every division, every department and every post has an assigned statistic which represents its work or production. Also in a Scientology organization there is always some individual assigned as responsible for the work or production of every division, every department and every post.

A staff member is required to report weekly the statistic of every post for which he or she is responsible. To do this the staff member has to keep a daily running record of such statistics; therefore, it is possible to compare the statistic of one day to the statistic of the day before; to predict by computation the projected statistic for the week as compared to the already reported statistic of the past week and to cause actions to occur which lead to the increase of the daily statistic and to the ultimate increase of the weekly statistic.

That the individual is directly responsible for being able to affect and increase such statistics is easily demonstrable-if a Letter Registrar spends most of her time wiping spilled coffee off Central

Files folders rather than writing real letters which communicate and elicit responses for service, then her statistic will certainly drop.

With the advent of HCO PL of Jan. 31, 1972, THE WHY IS GOD, there is no justifiable reason left for anyone as to why statistics cannot be raised. Therefore the reason for so few people directed into the organization for Registrar interview will mean exactly and only that the Letter Registrar is not producing.

Having, therefore, defined what a statistic is and having firmly established that the individual is directly responsible for a statistic and so can increase it, the subject of how targeting and quotas relate to statistics can now be covered.

Quota is defined as a production assignment. It would be the number assigned to whatever is produced. As an example, the Director of Training is given the quota of 45 letters to produce per day or 225 letters per week as part of his standard promotional actions.

Targeting is defined as establishing what action or actions should be undertaken in order to achieve a desired objective. In the case of the Director of Training it would be as simple as obtaining from Central Files the necessary 45 folders, writing the

155

required number of letters, returning the folders to Central Files and determining to remain on post daily until this was accomplished no matter what (known as keeping his own ethics IN).

Any quota, can be targeted for increase daily and weekly. For instance, the Director of Training can establish a quota of 5 extra letters per day over that of the day before. This would mean he would write 45 letters one day, 50 letters the next day, 55 letters the day after that, and so on.

In highly successful organizations the practice of setting quotas and targeting has been in use for some time.

The Product Officer (or in the absence of the Product Officer, the Executive Director) establishes with the divisional secretaries exactly what quotas will be for the weekly divisional statistics in order to increase them over those of the previous week and HOW this will be done. The divisional secretaries do the same with their department directors, the directors with their section in-charges, and the section in-charges with the personnel under them.

The quotas established are real and are always higher than those of the week before, with the idea in mind of creating a continually rising statistical graph. If this is done, the statistics rise, the organization expands, and more personnel are recruited, apprenticed and trained on posts so that more production can occur to keep the statistics rising.

The targeting of actions necessary to accomplish the quotas are definite, conform to policy and *can be done*. Do not permit nebulous generalities to occur on the targeting cycle as nothing will be accomplished and no quotas achieved.

All staff must keep a daily graph of their statistic and an accumulating graph for the week, both on the same graph sheet. An accumulating graph merely means you keep adding one day's statistic to those of the day before. In the example of the Director of Training it would be 45 letters Monday, 95 letters Tuesday (the 45 letters of Monday added to the 50 letters of Tuesday and so on). Daily the persons responsible check these graphs with their juniors. From these graphs it is easy to see whether the statistics are rising, whether quotas are being met and whether the statistic will be higher than that of the prior week.

By such means targets can be unbugged, new targets established and new quotas projected; or hatting and more establishing can occur, or ethics can be put in where the individual appears incapable of keeping his own in (as in the example of the Letter Registrar who spends more time going to the canteen for coffee than on post).

A set time can be determined *daily* as to when each staff member should have his graph posted for inspection-probably 2:00 P.m. would be best as this is the time established as when the week starts and ends, from the Thursday of one week to the Thursday of the following week. Seniors can then easily make their inspection without being delayed while some staff member computes and posts his graph.

By setting quotas and targeting towards their production, get your statistics rising.

**L. RON HUBBARD**

**Founder**

**Assisted by**

The Controller

Approved and accepted by the

BDCSC: LRH: MSH:mes.rd.bk.gm **BOARD OF DIRECTORS**

Copyright © 1972, 1980 of the

by L. Ron Hubbard **CHURCH OF SCIENTOLOGY**

ALL RIGHTS RESERVED OF CALIFORNIA

156

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 FEBRUARY 1972

Remimeo

***Executive Series 8***

**THE TOP TRIANGLE**

The explanation of the Scientology symbol, the S and double triangle, should be more generally known.

And it should be very well known to executives.

There are two triangles, over which the S is imposed.

The S simply stands for Scientology which is derived from "SCIO" (knowing in the fullest sense).

The lower triangle is the A-R-C triangle-its points being AFFINITY, REALITY and COMMUNICATION. These are the three elements which combined give UNDERSTANDING.

The upper triangle is particularly applicative to an executive but applies to all Scientologists. It has not been widely known.

It is the K-R-C triangle. The points are K for KNOWLEDGE, R for RESPONSIBILITY and C for CONTROL.

It is difficult to be responsible for something or control something unless you have KNOWLEDGE of it.

It is folly to try to control something or even know something without RESPONSIBILITY.

It is hard to fully know something or be responsible for something over which you have no CONTROL, otherwise the result can be an overwhelm.

A being can of course run away from life (blow) and go sit on the backside of the moon and do nothing and think nothing. In which case he would need to know nothing, be responsible for nothing and control nothing. He would also be unhappy and he definitely would be dead so far as himself and all else was concerned. But, as you can't kill a thetan, the state is impossible to maintain and the road back can be gruesome.

The route up from death or apathy or inaction is to KNOW something about it, take some RESPONSIBILITY for the state one is in and the scene, and CONTROL oneself to a point where some control is put into the scene to make it go right. Then KNOW why it went wrong, take RESPONSIBILITY for it, and CONTROL it enough to make it go more toward an ideal scene.

Little by little one can make anything go right by  
INCREASING KNOWLEDGE on all dynamics  
INCREASING RESPONSIBILITY on all dynamics

157

INCREASING CONTROL on all dynamics.

If one sorts out any situation one finds oneself in on this basis, he will generally succeed.

Field Marshal Montgomery was supposed to have said that leadership was composed of "knowledge, will power, initiative and courage." These are assumed qualities in a man. This was good advice but offered no road out or no avenue of INCREASE in capability.

The KRC triangle acts like the ARC triangle. When one corner is increased the other two also rise.

Most thetans have a dreadfully bad opinion of their capabilities compared to what they actually are. Hardly any thetan believes himself capable of what he is really capable of accomplishing.

By inching up each corner of the KRC triangle bit by bit, ignoring the losses and making the wins firm, a being at length discovers his power and command of life.

The second triangle of the symbol of Scientology is well worth knowing.

It interacts best when used with high ARC. Thus the triangles interlock.

It is for use as well as all of Scientology.

## **L. RON HUBBARD**

Founder

(Note: For much more information on this subject, obtain and listen to the LRH tape "ZONES OF CONTROL AND RESPONSIBILITY OF GOVERNMENTS" No. 600IC03 SMC No. 7, State of Man Congress 1960. This tape is also on the Class X checksheet.)

# 1 ~

158

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 FEBRUARY 1972

Remimeo

*Executive Series 9*

## ROUTING

Strangely enough, a major duty of an executive is ROUTING. This means pointing out the channels on which bodies, materials, products or despatches and letters flow. Or making channels on which such things can flow and putting terminals there to handle or change them.

An executive who does NOT route and who does not himself conduct a continual *line police action* is soon drowned. He will lose his grip on his post and his activity and "feel overwhelmed" and worked to death. Further, the whole unit under him and units around him will go to pieces.

The difference between order and chaos is simply straightforward planned flows and correct particles. It is the executive who controls this. So it is in his hands whether he or she has chaos (no line or particle control) or order (good line and particle control).

It is SO much simpler than it looks, and SO easy to overlook, that many persons on executive posts look everywhere for "the answer" to their troubles when it lies right under their nose-actually.

It begins with one's own desk and office. It is simple. Does one have an in-basket? Does one have an out-basket? Does one use them? Is there any way for things to get into the In and out of the Out?

Does one spend a part of each day clearing ALL traffic at once?

Is the traffic divided up into areas and types?

You say, "That's too simple. It's even silly. Here I am a Big Executive and you're asking about these little pieces of paper. . . ."

Those little pieces of paper are what keep one informed and extend one's reach! And they can turn into a blizzard and blow one right off post!

There is power in those lines.

So they must be in a neat pattern or the power recoils.

What drives one (and one's organization) off post is *mishandled* items. The *volume* is not at fault. One can handle TONS of this stuff. It is the mishandled bits that make the TONS look hopeless.

One often unwittingly generates mishandlings. And if he does NOT police his lines, he can snow the whole org under.

A sharp executive can spot "developed traffic" (needless) miles away. The slang term "dev-t" has been of vast use.

Pieces of paper that don't belong to one are sent back to originator.

159

Things **originated by a post that aren't the business of** that post.

These are the two basics of dev-t-"off-line" and "off-origin."

Juniors that don't do Completed Staff Work but load you up with problems *they* should have solved are responsible for the worst of one's traffic.

So if all you knew was the above-baskets in and out and ways for traffic to get in and out, what should come to you and what certain posts should be sending-AND POLICED IT, you could reduce your traffic worries by three quarters.

AN UNHATTED ORG is a madhouse to work in as no one knows what he's supposed to handle or what others should do. They don't go idle. They introduce Sahara sandstorms of dev-t.

An unhatted org is also a lazy org and *refers* everything to someone else.

Bodies won't channel, correct materials won't arrive, money can't get in or out, production is destructive and the place unpleasantly goes insolvent.

To move such a scene up toward the ideal, one can at least begin to police his own immediate desk and lines. Then one can police his own immediate staff's lines and clean that up.

He can HAT those around him. "This is what you're supposed to handle. This is what you DO."

He can even hat at a distance on his comm lines, "This despatch belongs to supply. Send it to supply, not to me."

"CSW please" = "Work out how this problem should be handled and recommend. Don't be dumping problems of your post on my plate" is the real meaning of "CSWP."

Get an Admin Cramming in and send anyone who is dev-ting to it to get checked out.

But mainly and foremost, get the place HATTED so it knows what it should handle.

And first, last, and always conduct a line police action.

One of the first duties of an executive is ROUTING.

Now do you see where the "overload" is coming from?

Note: See dev-t policies, *Problems of Work* and the Org Series to get the full scope and know-how of ROUTING. But the main thing is DO it. Do it before you drown.

**L. RON HUBBARD**

Founder

LRH:ne.rd.gm Copyright © 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

160

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## HCO POLICY LETTER OF 29 FEBRUARY 1972

Remimeo

*Executive Series 10*

### **CORRECT COMM**

Dev-t (developed or wrong traffic) destroys any real production in an org while making the org seem frantically busy.

The downfall of HCO was THE FAILURE TO POLICE DEV-T.

The CAUSE of DEV-T is UNHATTEDNESS.

People who do not know what they are supposed to do or produce take on traffic that does not belong to them, originate traffic they have no business with *and* send it to wrong terminals who don't handle.

Not knowing their hats or posts, they *refer* things *they* should handle to others who don't handle them either. The org loads up with not-dones and half-dones and backlogs.

People who should refer what they know don't originate at all and sit on hot emergencies and leave them unhandled. And if they do send them on, not knowing the org board, they send them to the wrong terminals. And if they send it to the right terminal, it goes in a way it can't be handled for lack of comm expertise.

This goes for any type of particle-despatches, letters, bodies, money, customers, materials, supplies, any particle.

Problems are brought to seniors instead of Completed Staff Work (requiring a recommendation).

DEV-T means an UNHATTED, UNTRAINED, OFF-POLICY STAFF.

It means loads of overwork and little production or income.

AND DEV-T AND UNHATTEDNESS MEAN THAT THE PERSON AT THE TOP OF A DEPARTMENT, DIVISION OR THE ORG HAS TO SINGLE-HAND.

It isn't an org, it's a mob.

Unhatted staff "go criminal," so ethics will be very heavy.

### **DISCIPLINE**

A first action for an executive or any terminal is to demand CORRECT COMM.

In its basic elements this means

1. The staff member originates things that apply or are the business of HIS OWN

*POST. (On-origin.)*

2. The origin is sent to the right terminal that handles that. (On-line.)

3. If a post is supposed to originate, it does so. (Communicates.)

161

4. If a problem is encountered, it is forwarded ONLY with a full recommendation for handling. (Completed Staff Work or CSW.)



5. One does NOT' accept a comm that is not the post business of the originator. (Enforces on-origin.)

6. One does NOT accept a comm that does not belong to him. (Enforces on-line.)

7. One insists that a post should originate, or do the duties, or furnish the product or service of that post. (Enforces correct action.)

8. One never accepts a problem unless it has with it a sound recommendation by the originator accompanying it. (Enforced CSW.)

9. One demands specific names and instances, not generalities. (Nonsuppressive comm.)

10. One demands full particulars, not half-reports or vague generalities. (Nonsuppressive comm.)

11. One demands comm be in proper form. (Correct despatch or completed.)

12. One has a place to receive the comm. (In-basket or place in org.)

13. One has to have a place to put the comm for delivery. (Out-basket or comm center.)

14. One has to have standard lines and routes for particles to follow. (Comm system or lines.)

15. One demands use of the system-1 warning, I admin cramming, I retread as an expeditor or in Estates to redo basics-for frequent offenders.

16. One demands HATTEDNESS and people performing the duties of their posts!

17. One demands an up-to-date org board and staff drilled on it.

18. One NEVER STALEDATES. He handles when he is expected to.

19. One does NOT go soft in the head or get reasonable or find exceptions. THERE IS NO SUBSTITUTE FOR CORRECT COMM AND CORRECT LINES.

MADHOUSE

An org that has no comm discipline is a madhouse. It will be expensive. It will produce very little. It will try to deliver overt products.

And it will drive its execs up the chimney.

The immediate result will be a conclusion on the part of the execs, "These blankety-blank-blanks are doing us in!" "The place is full of suppressive people." "These guys are no-good bums!" And, "Start shooting."

Heavy ethics and offloads occur. These are almost always the result of a whole org gone around the bend from dev-t.

Accidents happen. People get ill.

And the place falls apart.

162

CURE

The only known cure is TRAINING and HATTING.

For years we underestimated the number of persons needed to train and hat a staff. The whole civilization has troubles because it hasn't even known about hatting, much less that it took someone to do it.

Any failure of HCO was caused by its drowning in dev-t, even at last generating it because it never had enough people devoted to training and hatting, getting in org lines and comm lines.

HCO can do its job relieved of the whole burden of hatting.

The solution is THE ESTABLISHMENT OFFICER.

This person operates in a division, not under its secretary but under a senior Establishment Officer.

He performs the duties of the departments of HCO for that division.

In a small org it requires a trained Establishment Officer for Divisions 7, 1 and 2 and another for Divisions 3, 4, 5 and 6.

In a larger org there is one in charge of all Establishment Officers and an Establishment Officer in each division.

As the org grows, the larger divisions get assistant Establishment Officers to the divisional one.

They do not establish and run away. They establish and maintain the division staff, personnel hats, posts, lines, materiel and supplies.

Their first job is to get staff working at their posts producing something and their next task is TO DRIVE DEV-T OUT OF EXISTENCE IN THAT ORG.

#### SUMMARY

The booms and depressions of orgs, their successes and fall-aparts are signaled by

CORRECT COMM - SUCCESS

DEV-T - FAILING.

The underlying cause is unhattedness.

So we are dealing in dev-t with a symptom. Like any disease, it soon catches up with the body of the org and its health.

Dev-t is an expression of untrained, unhatted staff. It shows they do not do the functions of their posts regardless of how busy or exhausted they are.

And most important for an executive to know: There is seldom any malice in it. It is just confusion. Even new people or new execs coming in to such an area all full of enthusiasm and bushy-tailed will cave in from the fantastic do-less motions of such an org.

Morale will be bad because PRODUCTION IS THE BASIS OF MORALE and who can produce in the midst of all that noise????

The place will go into apathy and tiredness as one is hit all day with OFF-LINE, OFF-ORIGIN COMM.

163

The executive's solution is to HAT, HAT, HAT, and get help hatting, hatting, hatting; get the org board up, and DRILL, DRILL, DRILLED. Demand, demand, demand the products of the post the person holds and only those products. And police his lines and get the dev-t in his own area handled, handled, handled; and never, never, never pull dev-t blunders himself; and ALWAYS, ALWAYS, ALWAYS DO AND INSIST UPON CORRECT COMM.

The solution is do what you can and all you can to hat and reduce dev-t and scream for an Establishment Officer to save the org.

CORRECT COMM IS THE SYMPTOM OF A HEALTHY, PRODUCING ORG AND A VALUABLE EXECUTIVE AND STAFF MEMBER.

L. RON HUBBARD

Founder

LRH:mes.rd.gm

Copyright c 1972

By L. Ron Hubbard

ALL RIGHTS RESERVED

164

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF I APRIL 1972

Remimeo

*Establishment Officer Series 12*

*Executive Series 11*

MAKING AN EXECUTIVE

FLOW LINES

If an executive has his flow lines wrong he will NEVER be a Product Officer but only a comm clerk.

For some poor reason executives get themselves onto all comm lines in their area. Probably it is an individual Why for each one. But the fact remains that they *do* do it!

And they promptly cease to be useful to anyone. While they "work" like mad!

Basically *they have confused a comm line with a command line*. These are two different things. A comm line is the line on which particles flow, it is horizontal. A command line is a line on which authority flows. It is vertical.

Here is an example of a divisional secretary who can get nothing accomplished while sweating blood over her "work."

Secretary being a relay messenger clerk

-----lp.

-----

ALL org traffic to Div In and Out

Dept Dept Depl t

Wrong

Now quite obviously this secretary is suffering from "fear of juniors' actions" or "having to know all." Exactly nothing will happen because the person is plowed under with paper. No real actions are taken. Just relays.

One such secretary of a division even acted as the relay point on all out and in **BODY** traffic. In short, just a divisional receptionist.

No product. Nothing happening at vast expense.

165

Here is another example. The correct one.

Div Secretary as Product Officer

Right

.\_4d&\_ -

.414

This is known as horizontal flow.

It is a fast flow system.

The correct terminals in each department are addressed by terminals outside the dept, directly. And are so answered.

Now we have a divisional secretary who is a **PRODUCT OFFICER** and whose duty is to get each department and section and unit producing what it is supposed to produce.

**MISROUTE**

So long as a command line is confused with the comm line an org will not produce much of anything but paper.

**INFORMATION**

It is vital that an executive keep himself informed.

The joker is, the despatch line does **NOT** keep him informed. It only absorbs his time and energy.

The data is not in those despatches.

The data an executive wants is in **STATISTICS** and **REPORTS** and briefings.

Statistics get posted and are kept up-to-date for anyone to look at, especially but not only the executive. They must **ACCURATELY** reflect production, volume, quality and viability.

Reports are summaries of areas or people or situations or conditions.

The sequence is (a) statistic goes unusually high, (b) an inspection or reports are required in order to evaluate it and reinforce it.

166

Or (a) the statistic dives a bit and (b) an inspection or reports are needed to evaluate and correct it.

Thus an executive is **NOT** dealing with the despatches or bodies of the division's inflow and outflow lines but the facts of the division's production in each section.

An executive makes sure he has comm lines, yes. But these are so he can make sure stats get collected and posted, so reports can be ordered or received and so he can receive or issue orders *about these situations*.

Despatch-wise that is all an executive handles.

## INSPECTIONS

Personally or by representative, an executive INSPECTS continually.

His main duties are

## OBSERVATION

EVALUATIONS (which includes  
handling orders)  
and SUPERVISION.

All this adds up to the production of what the division is supposed to produce. Not an editing of its despatches.

A good executive is all over the place getting production done.

On a product he names it, wants it, gets it, gets it wanted, gets in the exchange for it.

He cannot do this without doing OBSERVATION by (1) stats, (2) reports, (3) inspections.

And he can't get at what's got it bugged without evaluation. And he can't evaluate without an idea of stats and reports and inspections.

Otherwise he won't know what to order in order to SUPERVISE. And once again he supervises on the basis of what he names, wants, gets, gets wanted and gets the exchange for.

## THESCENE

This is the scene of an executive.

If he is doing something else he will be a failure.

The scene is an active PRODUCTION SCENE where the executive is getting what's wanted and working out what will next be wanted.

## ABILITY

An actual executive *can* work.

A real fireball can do any job he has getting done under him better than anyone he has working for him or under him.

He can't be kidded or lied to.

He *knows*.

167

Thus a wobble of a stat has him actively looking in the exact right place. And evaluating knowingly on reports. And getting the exact right WHY. And issuing the exact right orders. And seeing them get done. And knowing it's done right because he knows it can be done and how to do it.

Now that's an ideal scene for an exec.

But any exec can work up to it.

If he does a little bit on a lower job each day, "gets his hands dirty" as the saying goes, and masters the skill, he soon will know the whole area. If he schedules this as his 1400 to 1500 stint or some such time daily, he'll know them all soon. And if he burns the midnight oil catching up on his study.

And he *knows* he must watch stats and then rapidly get or do observations, so he can evaluate and find real WHYs quickly and get the correction in and by supervision get the job done.

That's the ideal scene for the exec himself where he's head of the whole firm or a small part of it.

If he can't do it he will very likely hide himself on a relay despatch line and appear busy while it all crashes unattended.

An exec of course has his own admin to do but they don't spend hours at it or consider it their job for it surely isn't. Possibly an hour a day at the most handles despatches unless of course one doesn't police the dev-t in them.

Most of their evaluations are not written. They don't "go for approval" when they concern somebody's post jam. They are done by investigation on the spot and the handling is actual, not verbal.

A desk is used (a) to work out plans, (b) catch up the in-basket, (c) interview someone, (d) write up orders. Two-thirds of their time is devoted to production. Even if a thousand miles away they still only spend 1/3rd of their time on despatches.

An executive has to be able to produce the real products and to get production. That defines even an Esto whose product has to do with an established person or thing.

Any department, any division, any org, any area responds the same way favorably-to such competence.

## ANALYSIS

To attain this ideal scene with an executive, one can find out WHY he isn't, by getting him to study this P/L and then find WHY he can't really do it and then by programing him to remedy lack of know-how and other actions increase his ability until he is a fireball.

If you are lucky you will have a fireball to begin with. But only the stats and *the truth of them* tell that!

Esto action: Can you do all this and these things? If the answer is no or doubtful or if the executive isn't doing them, find the Why and remedy.

## L. RON HUBBARD

### Founder

LRH:nt.mes.bh.ts.gm Copyright © 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

168

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 MAY 1972R

Remimeo REVISED 18 DECEMBER 1977

Executive Hats (*Revision in this type style*)

*IMPORTANT*

*Executive Series 12*

## ETHICS AND EXECUTIVES

Any person holding an executive post (head of department or above) is deemed an EXECUTIVE.

Evaluation has revealed that the breakdown in many orgs is a failure on the part of executives to wear their ethics and justice hats.

It has been found that below administrative Whys there is usually an ethics situation as well, which, unhandled, causes the administrative Why not to function or raise stats,

In an area which is downstat, it is the duty of an executive to investigate and find any out-ethics situation and get it corrected.

Ethics is a personal thing in relation to a group. Unethical people are those who do not have ethics in on themselves personally.

It is the responsibility of the executive to see to it that persons under his control and in his area *get their personal ethics in and keep them in.*

Dishonesty, false reports, an out-ethics personal life, should be looked for and, by persuasion, should be corrected.

When an executive sees such things, he or she must do all he can to get the person to get his own ethics in.

When an area is downstat, the executive must at once suspect an out-ethics scene with one or more of the personnel, and must investigate and persuade the person to be more honest and ethical and correct the out-ethics condition found.

If this does not correct, and if the person or area remains downstat, the executive must declare the person or area in Danger and apply HCO PL 9 Apr. 72, "CORRECT DANGER CONDITION HANDLING."

The situation, if it does not correct, thereafter becomes a matter of full group justice with Courts and Comm Evs. Persons whose ethics have remained out must be replaced.

The seniors of an executive are bound to enforce this policy and to use it on any executives whose personal ethics are out and who fail to apply it. It will be found that those who do not apply this policy letter have themselves certain dishonesties or out-ethics situations.

IT IS VITAL TO ANY ORGANIZATION, TO BE STRONG AND EFFECTIVE, TO BE ETHICAL.

THE MOST IMPORTANT ZONE OF ETHICAL CONDUCT IN AN ORGANIZATION IS AT OR NEAR THE TOP.

169

.

Ethical failure, at the top or just below it, can destroy an organization and make it downstat.

Historical examples are many.

THEREFORE, IT IS POLICY THAT AN EXECUTIVE MUST KEEP ETHICS IN ON HIMSELF AND THOSE BELOW HIM, OR BE DISCIPLINED OR COMMEVED AND REMOVED FROM ANY POST OF AUTHORITY, AND SOMEONE FOUND WHO IS HIMSELF ETHICAL AND CAN KEEP ETHICS IN ON THOSE UNDER HIS AUTHORITY.

The charge in any such case for a staff member or executive is FAILURE TO UPHOLD OR SET AN EXAMPLE OF HIGH ETHICAL STANDARDS.

Such offenses are composed of

1. **DISHONESTY.**

2. Use of false statements to cover up a situation.

3. Representing a scene to be different than it actually is to cover up crimes and escape discipline.

4~ Irregular 2D connections and practices.

5. Drug or alcoholic addiction.

6. Encouraging out-ethics.

7. Condoning or failing to effectively handle an out-ethics situation in self or others as an in-charge, officer or executive.

**TECHNICAL**

People with out-ethics withholds cannot see. This is proven by the brilliant return of perception of the environment in people audited effectively and at length on such processes.

Such people also seek to place a false environment there and actually see a false environment.

People whose ethics are low will enturbulate and upset a group as they are seeking to justify their harmful acts against the group. And this leads to more harmful acts.

Out-ethics people go rapidly into Treason against the group.

A person whose ethics have been out over a long period goes "out of valence." They are "not themselves."

Happiness is only attained by those who are HONEST with themselves and others.

A group prospers only when each member in it has his own personal ethics in.

Even in a PTS (potential trouble source) person, there must have been out-ethics conduct toward the suppressive personality he or she is connected with for the person to have become PTS in the first place.

People who are physically ill are PTS *and are out-ethics* toward the person or thing they are PTS to!

170

Thus a group to be happy and well, and for the group to prosper and endure, its individual members must have their own ethics in.

It is up to the executive or officer to see that this is the case and to DO the actions necessary to make it come about, and the group an ethical group.

**EXEC OR OFFICER'S STEPS**

**FOR GETTING IN ETHICS**

**ON A STAFF MEMBER**

**STEP I**

Inform the person personally he is in Danger condition by reason of acts or omissions, down stats, false reports or absence or 2D or whatever the circumstances are.



He is in fact IN Danger because somebody is going to act sooner or later to hit him.

He may be involved already in some other assignment of condition.

But this is between you and him.

HE IS IN DANGER BECAUSE YOU ARE HAVING TO BYPASS HIM TO GET HIS ETHICS IN, A THING HE SHOULD DO HIMSELF.

If he cooperates and completes this rundown and it comes out all right, you will help him.

If he doesn't cooperate, you will have to use group justice procedures.

This is his chance to get ethics in on himself with your help before he really crashes.

When he accepts this fact, Step I is done. Go to Step 2.

## STEP 2

Ethics is gotten in by definition on the person.

### GET THE DEFINITIONS FULLY UNDERSTOOD.

The following words must be Method 4 word cleared on all the words and the words in their definitions on the person being handled.

"ETHICS: The study of the general nature of morals (morals [plural] [noun]: *The principles of right and wrong conduct*) and of the specific moral choices to be made by the individual in his relationship with others.

"The rules or standards governing the conduct of the members of a profession."

"JUSTICE: 1. Moral rightness; equity. 2. Honor, fairness. 3. Good reason. 4. Fair handling; due reward or treatment. 5. *The administration and procedure of the law.*"

"FALSE: Contrary to fact or truth; without grounds; incorrect. Without meaning or sincerity; deceiving. Not keeping faith. Treacherous. Resembling and being identified as a similar or related entity."

"DISHONEST. Disposed to lie, cheat, defraud or deceive."

171

"PRETENSE: A false reason or excuse. A mere show without reality."

"BETRAY: To be disloyal or faithless to."

"OUT-ETHICS: An action or situation in which an individual is involved contrary to the ideals and best interests of his group. An act or situation or relationship contrary to the ethics standards, codes, or ideals of the group or other members of the group. An act of omission or commission by an individual that could or has reduced the general effectiveness of a group or its other members. An individual act of omission or commission which impedes the general well-being of a group or impedes it in achieving its goals."

Do not go to Step 3 of this until all the above words are cleared by Method 4 Word Clearing.

## STEP 3

Ask the person what out-ethics situation he or she is involved in.

It may take the person some time to think of it, or he may suppress it and be afraid to say it for fear of consequences. Reassure him that you are only trying to help him.

He may have brought it up in a session but did not apply it as out-ethics. Coax him through this.

If his conduct and actions are poor or downstat, he for sure will be able to come up with an out-ethics personal scene.

Sometimes the person is secretly PTS and is connected to a suppressive or antagonistic person or group or thing. In such an instance he will roller-coaster as a case or on post or have accidents or be ill frequently. (See PTS tech for material on this and for future handling. Checksheet *BPL 31 May 1971RG, Issue IV, PTS AND SP DETECTION, ROUTING AND HANDLING CHECKSHEET*, but go on handling with these steps.)

Sometimes the person just uses PR (brags it up and won't come clean). In this case, an auditing session is required.

If the person gets involved in self-listing, get him audited on HCOB 20 Apr. 72, C/S Series 78, which gives the auditing session procedure. A person can become very upset over a wrong item. It is easily repaired, but it must be repaired if this happens.

By your own 2WC or whatever means or repair get this Step 3 to a clear-cut out-ethics situation, clearly stated. Do not forget to go on with this eventually if there is a delay in completing it. GIs will be in if correct.

#### STEP 4

Have the person work out how the out-ethics situation in which he or she is involved would be a betrayal of the group or make them false to the group or its ideals.

Do not make the person guilty. Just get them to see it themselves.

When they have seen this clearly and have cognited on it completely, go to next step.

#### STEP 5

The person is now ready to apply the FIRST DYNAMIC DANGER FORMULA to himself.

Give him this formula and explain it to him.

172

#### **FIRST DYNAMIC FORMULA**

The formula is converted for the Ist dynamic to

Ist 1. Bypass habits or normal routines.

I st 2. Handle the situation and any danger in it.

I st 3. Assign self a Danger condition.

Ist 4. Get in your own *personal ethics* by finding what you are doing that is out-ethics and use self-discipline to correct it and get honest and straight.

Ist 5. Reorganize your life so that the dangerous situation is not continually

happening to you.

I st 6. Formulate and adopt firm policy that will hereafter detect and prevent the same situation from continuing to occur.

Now usually the person is already involved in another *group* situation of down stats or overt products or bad appearance or low conditions, Courts, Comm Evs, for something.

It does not matter what other condition he was in. From you he is in *Danger*.

So I st 1. and I st 2. above apply to the *group* situation he finds himself in.

He has to assign *himself* a Danger condition as he recognizes now he has been in danger from himself.

Ist 4. has been begun by this rundown.

It is up to him or her to finish off Ist 4. by applying the material in Steps 2 and 3. He or she has to use self-discipline to correct his own out-ethics scene and get it honest and straight, with himself and the group.

I st 5. is obvious. If he doesn't, he will just crash again.

Ist 6. In formulating and adopting firm policy, he must be sure it aligns with the group endeavor.

When he has worked all this out AND DEMONSTRATED IT IN LIFE, he has completed the personal Danger Rundown.

He can then assign himself Emergency and follow the Emergency Formula (HCO PL 23 Sept. 67, pg. 189-190, Vol 0 OEC, "Emergency").

#### STEP 6

Review the person and his stats and appearance and personal life.

Satisfy yourself that the steps above and the out-ethics found were all of it. That no wrong item has been found. That the person is not PTS.

Handle what you find. But if you find that the person did not improve and gave it all a brush-off, you must now take the group's point of view and administer group justice.

Your protection of the person is at end because he had his chance and is apparently one of those people who depend on others to keep his ethics in for him and can't keep them in himself. So use group justice procedures thereafter.

173

If the person made it and didn't fall on his head and is moving on up now AS SHOWN BY HONEST STATS AND CONDITION OF HIS POST, you have had a nice win and things will go much much better.

And that's a win for everybody.

L. RON HUBBARD

Founder

Revision assisted by

Pat Brice

LRH Compilations Unit I/C

LRH:PB:dr,gm Copyright@ 1972, 1977 by L. Ron Hubbard ALL RIGHTS RESERVED

174

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 MAY 1972R

Remimeo REVISED 27 OCTOBER 1982

Int Finance

Network for

Enforcement

(Revised to update the distribution  
in light of the new Finance Network)

ETHICS

*Executive Series 13R*

*Finance Series 12R*

*Personnel Series 25R*

## **PTS PERSONNEL AND FINANCE**

PTS means Potential Trouble Source. This is a person who is connected to a suppressive person, group or thing. (For further data on PTSness see HCOB 24 Nov. 65, SEARCH AND DISCOVERY and HCO PL 27 Oct. 64 (reissued 23 June 1967), POLICIES ON PHYSICAL HEALING, INSANITY AND POTENTIAL TROUBLE SOURCES.)

NCG means No Case Gain despite good and sufficient auditing.

A chronically ill person, whether the person is known to be connected to a suppressive or not, is always found to have been so connected and PTS.

IT IS UNSHAKABLE POLICY HEREAFTER THAT NO PERSON WHO IS PTS OR CHRONICALLY ILL OR WHO GETS NO CASE GAIN MAY BE ON FINANCE OR REGISTRAR LINES OR IN TOP COMMAND POSTS OR AS HAS OR ETHICS OFFICER OR MAA.

## **TECHNICAL FACT**

A person who is connected to a suppressive person, group or thing will dramatize a "can't have" or an "enforced overt have" on an org or staff members.

A "can't have" means just that-a depriving of substance or action or things.

An "enforced overt have" means forcing upon another a substance, action, or thing not wanted or refused by the other.

The technical fact is that a PTS person got that way because the suppressive was suppressive by depriving the other or enforcing unwanted things upon the person.

The PTS person will dramatize this characteristic in reaction to the suppression.

Therefore, a PTS person as an ED, C-/O, Product Officer, Org Officer, Treasury Sec, Cashier, or Body Reg will run a can't have on the org and its staff by

a. Refusing income

b. Wasting income made

175

c. Accepting wrong customers (like psychos) and forcing them on the org

d. Fail to provide staff or service

e. Advocate overt products.

## HISTORICAL

When staffs went on proportionate pay in the late 1950s, so long as I ran the orgs directly, the staffs made more money than before.

When I moved off these lines directly, the staffs began to receive less money personally.

At that time it seemed to me that proportionate pay served as an excuse to some in an org to run a can't have on the staff.

We knew that some Registrars could take money in easily and others never seemed to be able to.

The technical reason for this has just emerged in another line of research entirely.

In completing materials and search on Expanded Dianetics, I was working on the mechanism of how a PTS person remained ill.

I found suppressives became so to the person by running a "can't have" and "enforced overt have." This pinned the PTS person to the suppressive.

Working further I found that a PTS person was a robot to the suppressive. (See HCOB 10 May 1972, ROBOTISM.)

This research was in the direction of making people well.

Suddenly it was apparent that a PTS person, as a robot to SPs, will run "-can't haves" and "enforced overt haves" on others.

Checking rapidly, it was found that where finance lines were very sour a PTS person was on those lines.

## RECOVERY

PTS tech, Objective Processes, PTS Rundowns, Money Processes and Expanded Dianetics will handle the condition.

However, one cannot be sure that it has been handled expertly in orgs where a money "can't have" has been run as its tech quality will be low due to an already existing lack of finance.

Only stats would tell if the situation has been handled fully.

Thus the policy stands. Handled or not handled, no person who is PTS or who has no case gain will be permitted in top command or any lines that influence finance.

Any org which has consistently low income should be at once suspect of having PTS or NCG persons on the key finance posts, and an immediate action should be taken to discover the PTS or

NCG condition and replace such persons with those who are not connected to suppressives or who do get case gain.

Nothing in this policy letter permits any PTS person to be in an org or cancels any policy with regard to PTS.

This policy letter requires direct check, close investigation and handling of PTS or  
176

SP situations on these posts that may go undetected otherwise.

NOTHING IN THIS POLICY LETTER PERMITS ANY KEY ORG POST TO  
REMAIN EMPTY.

NATIONAL

As a comment on something that may impinge on orgs and might affect them, the

FOREMOST reason for a failing national prosperity and inflation is a personal Income Tax agency. This runs a vicious can't have on every citizen and makes them PTS to the government. Individuals even begin to run a can't have on themselves and do not produce. This IS the cause of a failing national economy. It can be a factor in an org and must be handled on the individuals so affected.

L. RON HUBBARD

Founder

Revision written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm Copyright a 1972, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: In addition to the updated distribution, the first paragraph of this policy letter has been revised That paragraph in the original policy letter read as follows: "PTS means Potential Trouble Source. This is a person who is connected to a suppressive person, group or thing. (For full information on PTS see HCO PL 31 May 1971, Issue IV, revised 5 May 72, a checksheet.)"]

177

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 JULY 1972

Issue 11

Remimeo

*Establishment Officer Series 22*

*Executive Series 14*

*Org Series 30*

ESTO FAILURES

For several months I have been studying the Esto system in operation and have finally isolated the exact points of any failures so they can be turned to successes.

#### PUTTING IN THE SYSTEM

An Esto returning to an org can crash it.

The exact reasons for this are

A. The execs who heretofore did organizational work say, "Ah, here's the Esto system at last," and promptly drop their organizational and personnel actions.

Yet here is this lone E Esto, no divisional Estos, no one trained to support him.

The right answer is when an E Esto goes into an org where there are no Estos or only a TEO or QEO, he must gather up the execs and tell them it will take him weeks to recruit and train Estos and that **THEY MUST CONTINUE ANY ORGANIZATIONAL ACTIONS THEY ARE DOING** and that the HAS IS STILL ESTABLISHING THE ORG.

Otherwise they let go their lines.

B. The new E Esto takes key production personnel from the divisions to be Estos and they crash.

The answer to this is to RECRUIT the new Estos.

This is easier than it looks if you recruit idle area *auditors* to be Estos.

If you do this remember that they went idle as auditors because they had out-ethics, were PTS, had misunderstands and out TR 0. To get them you do a 3 May 72 P/L, a 5 April 72 P/L, Method 4 on their courses and make them do *real* TRs, especially Zero. And they'll be ready.

You get a list of area auditors and contact them and do the above on them and you'll have Estos who are half-trained already.

Failing this or in addition to it just plain recruit.

C. The first post a new E Esto should take is Dept 1.

He does NOT "hat the HAS" or "just do programs." He rolls up his sleeves and **WORKS** as director of Dept 1.

He recruits, he posts up Dept 1. He hats the hell out of Dept 1.

He makes a Department I that really really flows in personnel, puts up org bds and hats.

WHEN he has a Department I FUNCTIONING he can begin to recruit Estos as well as other org staff.

If he can't get a Dept I whizzing he has no business being an Esto, does he?

178

**He does NOT put in Dept 2 or act as Dept 3. He makes the HAS handle these.**

With a *strong, working* Dept 1, an Esto system can then go in.

D. Musical chairs is the commonest reason any org collapses.

A "new broom sweeps clean" complex will wreck any org.

An E Esto on arrival, taking over Dept 1, FREEZES ALL PERSONNEL TRANSFERS. He does not permit even one transfer.

The only exception would be where a musical chair insanity has just occurred. If this was followed by a stat crash then one REVERTS THE ORG TO THE UPSTAT PERIOD and *then* FREEZES PERSONNEL TRANSFERS.

But before one reverts one must evaluate the earlier period by stats to be sure it WAS the upstat period.

By freezing personnel one protects what he is building.

Almost all musical chairing is the work of a suppressive except when it is the work of an idiot.

E. Anyone trying to hold Dept I in a personnel-starved org is holding a hot seat as any HAS or Personnel Director can tell you.

Body traffic to this dept in any medium-sized org defies belief.

It looks like Grand Central Station at the rush hour.

"I have to have " "Where is my Course Super etc.,  
etc., etc., is the constant chant.

You can spend the whole day interviewing staff execs and get nothing done.

There is a right way to do all these things and a billion wrong ways.

Obviously the answer to all their problems is to get and train new people. Yet how can one in all the commotion?

Ninety percent of these requests are from people who are not hating and using the people they already have.

The right way is on any new personnel demanded one gets Dept 3 to do an Inspection and Report Form for people in the area of the exec doing the demanding. You will find very often unhatted, untrained and wasted personnel and many outnesses.

You hold the line on personnel by saying: "Handle these unutilized or halfworking staff or these outnesses. You are here on my procurement board as entitled to the (give priority, 3rd, 8th) person we hire or recruit."

And get industrious in recruiting, using all standard actions for that is the only way things can be solved.

Most orgs would run better on less people because the personnel are not hatted or trained. One org, two years before this writing, made *four* times as much money on *half* the personnel it now has.

Unhatted, the staff is slow and uncertain. Unproducing, the div heads demand little.

But they sure can scream for more personnel!

No org ever believes it is overmanned.

F. Some divisions (like the usual Treasury or Dissem) can be undermanned. Key income posts most often are empty.



When one mans up an org one sets priorities of who gets personnel.

This is done by PRODUCTION paralleling. One mans up against production.

179

**New people come in through Div VI.** They are signed up by Div 11. Delivery is done by Div IV. Money is collected by Div 111. That gives you a sequence of manning up.

You man income and delivery posts with new hirings.

The E Esto is trying to get in a Dept I so of course he gives this a priority as well.

Until the income is really rolling in and the delivery rolling out, one does very little about other areas.

Having gained VOLUME, one now begins to man up for quality. This means a Cramming and a WC Section in Qual. It means more HCO.

One now hits for future quantity by getting auditors in training, more upper execs in training.

When the org is so built and running and viable it is time the whole Esto system got manned up.

G. Every 5th person hired on an average should be put in Dept I as a *Dept I* extra personnel who does Dept I duties and trains part-time as an Esto.

This gives the E Esto additional personnel in Dept 1.

It also begins an Esto right.

His most essential duties as an Esto *are* Dept I type duties.

You eventually have a bulging Dept 1. You have a basic Dept I that functions well and will continue so. You have the Esto trainees who are working in Dept I as Dept I personnel. And you have of course some new people who are HCO Expeditors until they get in enough basics for real regular posting.

This makes a fat Dept I and proves one can Esto!

SUCCESS

If an E Esto introduces the Esto system exactly as above and in no other way, he will be a success.

Like an auditor varying processes or altering HCOBs, a new E Esto who varies the above will bring about disaster.

Where E Estos have gone into orgs other ways or where the system has been varied, stats have crashed.

By going in this way, as above, it can be a wild success.

How fast can you put in an Esto system? It takes months of hard work. It depends really on how good the E Esto is at recruiting, org bding and hatting.

If he's good at these things the time does not stretch out to forever.

For comparison, it took half a year each to build DC, Johannesburg and SH to their highest peaks. They were all built from a Dept I viewpoint of recruiting, org bding and hatting hard enough to get production.

So this is the oldest pattern we have-Dept I evolves the org.

When the org gets too big Dept I loses touch. You extend it into each div and you have the Esto system. And you have Estos.

## **L. RON HUBBARD**

### **Founder**

LRH:nt.rd.gm Copyright a 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

180

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 JULY 1972R

Remimeo REVISED 20 DECEMBER 1978

*(Revisions in this type style)*

*Establishment Officer Series 23R*

*Executive Series 15R*

*Org Series 31R*

### **THE VITAL NECESSITY OF HATTING**

On a graph analysis of past stats, my campaign on hatting where a hat was a checksheet and pack apparently introduced a steady rise of the international gross income.

Studying this further I discovered a new basic, simple fact:

**HATTING = CONTROL**

A person who is hatted can control his post.

If he can control his post he can hold his position in space-in short, his location. And this is power.

When a person is uncertain, he cannot control his post. he cannot control his position. He feels weak. He goes slow.

If he can control his post and its actions he feels confident. He can work effectively and rapidly.

The key is CONTROL.

Control is the ability to START, CHANGE and STOP.

When he is hatted he knows the tech of HANDLING things. Thus he can control them. He is at CAUSE over his area.

If you have an org composed only of weak wobbly posts, they tend to collapse in on each other. There is no POWER.

The org then cannot be CAUSE over its environment because it is composed of parts which are not cause. The whole is only the sum of its parts.

If all the parts are each one at cause, then the whole will be at CAUSE over its environment.

Only an org at CAUSE can reach and CONTROL.

Thus a fully hatted org can be at cause over its environment, can reach and control its fates and fortunes.

THUS THE PRIMARY TARGETS OF AN ESTO ARE

A. ESTABLISHED ORG FORM and

B. FULLY HATTED PERSONNEL.

BASIC SEQUENCE OF HATTING

**1. Recruited or hired. Signs contract**

**2. Posted in HCO Expeditor pool or division if divisional recruit (per HCO PL 2 Sept 74R RECRUITING AND HIRING).**

**3. In SO new recruit goes directly onto Product Zero in the Estates Project Force and upon graduation from EPF goes to HCO Expeditor pool (Ref FO 3727 PRODUCT TRAINING LINE-UP).**

**4. Staff Status Zero.**

**5. Eligible for student auditing but must have a stat and demonstrated he has produced on post**

**6. Staff Status 1.**

**7. Staff Status 11.**

**8. Posting as other than an HCO Expeditor.**

**9. Full hatting with a checksheet and pack with Word Clearing M6, M7 and M4.**

**10. Method 1 Word Clearing, Primary Rundown or Primary Correction Rundown.**

**11. Administrative or tech training (OEC or auditing).**

**No one should have any other training much less full-time training before Step 10 in the above. Flag Orders in the Sea Org may change this line-up slightly but it is basically the same.**

There are time limits placed on how long it takes to do SSI and SSII. A person who can't make it is routed to Qual where he is offloaded with advice on how to get more employable. (In the SO it is Fitness Board.)

TIME-TESTED

The above is the route that has been tested by time and found good.

Other approaches have NOT worked.

Granting full-time training at once is folly. The person may get trained but he'll never be a staff member. This is the biggest failure with auditors-they don't know the org. Admin training with no org experience to relate it to is a waste of time,

This was how we built every great org. And when it dropped out the org became far less powerful.

Old-timers talk of these great orgs in their great days. And they will tell you all about the org boarding and hatting that went on. How the Hatting Officer in HCO and the Staff Training Officer in Qual worked as a team. And how fast the lines new.

The above steps have stood the test of time and are proven by stats.

#### RECRUITING AND HIRING

*You never* recruit with a promise of free courses or free auditing. Not even HASes or HQSes. You recruit or hire somebody to be part of the team.

182

#### OPEN GATE

If *any* opinion or selection is permitted as to who is going to be let on staff, *all* recruitment and hiring will fail.

By actual stats when you let *anyone* say "No! Not him! Not her!" the gate shuts, the flow stops. And you've had it.

Requirements and eligibility *fail*. The proof is that when they have existed in orgs, the org wound up with only PTSes and no-case-gains!

The right answer is FAST FLOW hiring. Then you have so many that those who can't make it drift low on the org board or off. You aren't trying to hold posts with unqualified people "who can't be spared."

In a short-staffed org "looking only for the best people" the guy nobody will have gets put in an empty "unimportant" department. He's now a director!

It only happened because you didn't have dozens.

The answer is NOT lock the gate or have requirements. The answer is HAT.

An org that isn't hatted goes weak and criminal.

Don't be selective in hiring or recruiting. Open the gates and HAT!

Follow the steps given above and you have it.

Don't spend coins like training or auditing (or travel) on people until they have proven their worth. No bonuses or high pay for anyone until they have reached and attained Step 8 (a good stat).\* The cost of such fast flow hiring is not then a big factor.

The only trouble I ever had with this was getting div heads to UTILIZE their staff. A **FIRST JOB FOR AN EXECUTIVE IS TO GET THINGS FOR HIS PEOPLE TO DO. AND KEEP THEM BUSY AT PRODUCTIVE THINGS.**

So I used to have to go through the org that did FAST FLOW HIRING regularly and get people to use their new people. And to move off those who could not work.

This was ALL the trouble I had with the system.

And until I enforced FAST FLOW HIRING there was always some effort by someone to close the gate.

ALL the great executives in Scientology came up in such orgs.

With a flow of people the best move on up. The worst, if any, drop off.

Only orgs with restricted hiring or recruiting give trouble.

IN A FAST FLOW HIRING ORG THE HAS AND ESTOs MUST BE ON THE BALL. THE BREAKDOWN OCCURS WHEN THEY DO NOT HAT AND KEEP ON TOP OF THE PERSONNEL SCENE.

Fast flow hiring only breaks down and gets protested where HCO and Estos are not doing a top job. They have to really *handle* the personnel, post them, hat them, keep the form of the org.

A fully formed org in a heavily populated location would need hundreds of staff. It would make hundreds of thousands.

183

But only if it is fast flow hiring, hatting, holding the form of the org, and only then could it produce.

L. RON HUBBARD

Founder

Revision as assisted by

Arden Hansen

FMO 2025 I/C

LRH:AH:nt.jk.gm Copyright © 1972, 1978 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: The text of this policy letter is the same as the original LRH issue except for the section titled "Basic Sequence of Hatting." In the original issue that section read as follows:

1. Recruited or hired.
2. Staff Status Zero.
3. Staff Status 1.
4. Staff Status 11.
5. Posting as other than an HCO Expeditor.
6. Full hatting with a checksheet and pack fully done with M6 and M7 and M4 WCing.
7. Eligibility for study and auditing (OR for staff service or study).
8. Must have a stat and demonstrated he has produced on post.
9. Objective Processes CCHs, 8C, S-C-S, Havingness, etc.
- "10. Drug Rundown.
- "11. Method I WCing, Primary Rundown or Primary Correction Rundown.
- " 12. Administrative or tech training (OEC or auditing).

"No one should have any other training, much less full-time training, before Step 9 in the above. (There is an exception in the Sea Org where Crew Member Checksheet is done at once after recruiting on a Deck Project Force. The other actions then follow except that Estates Project Force may be substituted instead of HCO Expeditor, but the rest of the program is the same.)

"There are time limits placed on how long it takes to do SS I and SS 11. A person who can't make it is routed to Qual where he is offloaded with advice on how to get more employable. (In the SO it is Fitness Board.)"]

\*[See Step 8 in the above footnote.]

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 JULY 1972

Remimeo

*Establishment Officer Series 26*

*Executive Series 16*

*Org Series 32*

**ESTABLISHING**

**HOLDING THE FORM OF THE ORG**

If a person who could not play a piano sat down at a piano and hit random keys, he would not get any harmony. He would get noise.

If the head of a division gave orders to his staff without any regard to their assigned posts or duties, the result would be confusion and noise.

That's why we say a division head "doesn't know how to play the piano" when he knows so little about org form that he continually violates it by giving his various staff members duties that do not match their hats or posts.

But even if one could play the piano, one would have to have a piano to play.

**SPECIALISTS**

Each org staff member is a specialist in one or more similar functions. These are his specialties.

If he is fully trained to do these he is said to be HATTED.

The combined specialties properly placed and being done add up to the full production of an org.

The org form is then the lines and actions and spaces and flows worked out and controlled by specialists in each individual function.

These specialists are grouped in departments which have certain actions in common.

The departments having similar functions are grouped into divisions.

The divisions combine into the whole org form.

It is far less complex than it looks. It would be very complicated and confusing if there weren't divisions and departments and specialized actions. Without these you would get noise and very limited production and income, and at great strain.

Take a theater as an example. There are people who advertise it; these are the public relations people; they are hatted to get publicity and make people want to come to the play; call them the PR Division. There are the producers and directors; they are hatted to present a performance and make it occur; call them the Production Division. There are the actors and musicians; call them the Artists Division. There are the property men; they are hatted to get costumes and items needed; call them the Property Division. There are the stage hands and electricians and curtain and set men; call them the

Stage Division. There are the ticket sellers and money handlers and payroll and bills payers; they are hatted on money and selling; call them the Finance Division.

185

There are the **people who clean the theater and show people** to seats and handle the crowds; call them the House Division. And there are the managers and playwrights and score writers and angels (financiers); call them loosely the Executive Division.

Now as long as they know their org board, have their flows plotted out, are hatted for their jobs and do a good job, even a half-good play can be viable.

But throw away the org board, skip the flows, don't hat them and even a brilliant script and marvelous music will play to an empty house and go broke.

Why? Because an org form is not held. Possibly an untrained unhatted producer will try to make the stage hands sell tickets, the actors write the music, the financiers show people to their seats. If he didn't know who the people were or what their hats were he might do just that.

And there would be noise and confusion even where there was no protest. People would get in one another's road. And the general presentation would look so ragged to the public they'd stay away in droves.

#### ESTO ACTION

Now what would an Esto (or an Executive Director) have to do with, let us say, an amateur, dilettante theatrical company that was about to bog.

Probably half the people had quit already. And even if there were people in the company they would probably need more.

The very first action would be to Esto Series 16 the top men to make money quick.

The first organizing action would be to kick open the hiring door. This would begin with getting out hiring PR and putting someone there to sign people up who came to be hired (not to test and audition and look at references, but just to sign people up).

The next action would be to do a flow plan of public bodies and money. So one sees where the org form reaches. Then a schedule.

Next action would be to do an org board. Not a 3-week job. (It takes me a couple hours to sketch one with a sign pen for posting.) AND GET IT POSTED.

One then takes the *head* of each of these divisions and *hats* him on what his division is supposed to do and tell him to do it. NOW.

You make and post the flow plan, org bd and terminal location plan where the whole company can see them.

Chinese drill on a flow plan to show them what they're doing and what has to be done.

Chinese drill on the org board including introducing each person named on it and getting it drilled, what he does and who he is.

You Chinese drill the terminal locations where each of these persons (and functions) is to be found.

You get agreement on schedules.

You now have a group that knows who specializes in what and what's expected of each.

You get the head of the whole company to work with and hat the heads of his divisions.

186

Now you get the heads of divisions to hat **their own staffs while** you help.

And you get them busy.

You then put the polishing touches on your own Dept I (personnel PR, personnel hiring, personnel placement, org bds, hat compilations, hat library and hatting hatting hatting).

And by hatting and insisting on each doing his specialized job and getting seniors to HOLD THE FORM OF THE ORG by ordering the right orders to the right specialists and targeting their production and MAGIC! This amateur theatrical company gets solvent and good enough to wind up on Broadway. It's gone professional!

You say, yes, but what about artistic quality? What about the tech of writing music and acting.  
...

Hey, you overlooked the first action. You kicked the door open on hiring and you hatted and trained. And you let go those who couldn't get a stat.

Eventually you would meet human reaction and emotion and would put in a full HCO and a full Qual particularly Cramming. But you'd still do that just to be sure it kept going.

Yessir, it can't help but become a professional group IF you, the Esto, established and made them HOLD THE FORM OF THE ORG and produce while they did it.

An Executive Director can do all this and produce too. The great ones do things like this. But here it is in full view.

A Scientology org goes together just like that. Which could be why, when we want to get something started, we say:

"Get the show on the road!"

But there is no show until it is established and the FORM OF THE ORG is held.

You are luckier than the amateur theatrical company's Esto. You have policy for every post and a book of it for every division and all the tech besides.

So there is no valid reason under the sun you cannot establish and then hold the form of the org.

L. RON HUBBARD

Founder

LRH:nt.bh.ts.gm Copyright 0 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

187

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 SEPTEMBER 1976

Remimeo

All Staffs

*Org Series 35*



## **THE STAT PUSH**

WHAT exactly is a stat push?

The danger in talking about this subject at all is that someone can do an immediate make-wrong by saying, "This means don't try to raise any stats."

So to understand this subject at all, one must have a pretty clear idea of exactly what is meant by "Don't push stats."

First of all one has to know precisely that STATISTICS ARE AN INDICATOR; THEY ARE NOT AN OBJECT.

WHEN YOU PUSH THE INDICATOR YOU DO NOT OBTAIN THE OBJECT IT REPRESENTS.

PRODUCTION IS COMPLETED CYCLES OF ACTION, NOT JUST NUMBERS.

The figure "I" in "I apple" is not the apple.

Therefore pure, raw, naked stat pushing is an outpost called "wrong target."

Pushing a stat without doing anything to bring about the stat is therefore an aberration.

Demanding a stat without doing anything to see that it occurs or putting anything there to make it or correcting anything that is preventing it is an aberration built out of either psychosis or ignorance of what should really be done.

It is quite true that stats must be kept up. But unless they are kept up by putting something there or correcting something that is there and getting all the cycles of action done by all those who should do them, the stats will DECREASE and eventually vanish.

An order, a telex, a yell to the effect "GET THE STATS UP" is so much wasted time.

Further, such an order or telex or yell in any form has a very deteriorating effect. Individuals or staffs look at it in a properly weird light. They are there, they are doing what they can, they have problems and tangles and barriers. And telling them to "Get the stats up" causes various reactions, none of them very good. Essentially, it gives them neither help nor direction and even subtly informs them that the person ordering either does not know or does not care what is going on and is not about to help. The eventual reaction can become an ignoring of that command channel.

There are some specialized actions in stat pushing. Chief amongst them is the "GI push."

The usual indicator of this is a neglect or abandonment of staff or caring about staff. One sees no real effective attention on recruitment, training, apprenticing, hatting, future execs. And when one sees this it usually follows that there is a "GI push" going on somewhere in the executive strata. Why this indicator? Well, you see, it only takes a small handful of people to get in GI and where executive attention is fixated on a "GI push" the various production staff, HCO and the rest of the org aren't "necessary." You find this with EDs who reg instead of getting Registrars and putting an org there, with EDs who go for credit unions and odd financial deals. And you will

188

also **find they have the biggest number and amount of refunds and the biggest backlogs AND a shrinking and unhappy** org. Unfortunately, they soon also get a crashing GI for none of the support actions are being done across the divisions.

The reason "GI pushing" happens so often is the structure of the society itself. The only real crime for which one can be punished by the governments of today is lack of money. In other crimes if one has the huge sums necessary to hire lawyers one can often get off. But the crime of having no money is the only crime one cannot get out of. There are even laws which cause the arrest on the street of persons who do not have so much money in their pockets or wallets: it is called "vagrancy." So with the whole aberrated society on a big "GI push," with Wall Street measuring values only in how much something costs, with wages and prices soaring, at this writing, to total social disaster, it is no wonder that short-sighted and untrained or even aberrated executives get into a "GI push."

The answer to not having money is, of course, to make more money. And there is nothing whatever wrong with that. BUT that is *not* done with a "GI push." It is done with putting a whole org there, every part of it functioning and delivering with all the bugs out of its lines, *and* making a lot, lot, lot more money. Fifty trained staff producing everything an org is supposed to produce will make far more money than five guys concentrating on GI only and letting the rest of the org go to blazes. The GI made by the fifty will go on increasing. The GI made by the five (and not backed up by the rest of the org) will decrease week by week and then crash.

Let us take some examples of "stat pushing":

The room is cold and the staff is wearing overcoats and using blankets. Mr. Stat Pusher walks over to the thermometer on the wall and sees that it reads very low. So he yells at the thermometer, "Get the stat up!" Nothing happens of course; it still says 15', so he yells at the staff, "Get that stat up!" Now, in this instance, having a stat pusher around, the org has no Treasury Div and so there was nobody to pay the bills and the fuel company has refused to deliver further fuel. The janitor is missing because there is no HCO to hire one or keep one on post so there's no one to light the furnace even if it had fuel. And due to an unhatted Financial Planning Committee, that also doesn't meet or exist, no new boiler was ordered when the old one blew up last year. The stat pusher seems incapable of observing these facts, and is too unskilled to bring them to rights. So he continues to yell "Get the stat up" and the staff wears more and more coats and blankets until at last it is just a quiet scene of solid ice.

If the letters out stat is down, this is a bad INDICATOR. It is vital that one keeps stats and observes when one goes down. It is extremely hard to manage on one's post or in an org unless one has a stat. But, in going down, WHAT is being indicated? A lack of letters out. So what does one do? Does he yell "Get the letters stat up" or does he look into this? If he looked into it he could find the real Why, handle it and the letters stat would go up. He might find that the Letter Reges were all sacked so as to increase the unit pay one week and that he has somehow gotten a nut onto a personnel or finance post (whose R/Ses make even his head jerk back and forth). He might find that the typewriters had broken down. He might find that Dept 5 people were all being used by Div 5 to handle their files. At the very least he will find something aberrated or ignorant going on which has to be handled before the letters can be flooded out again. WHEN this is found and handled, THEN the letters out stat will go up.

So Mr. Stat Pusher is essentially operating on a short circuit. He cannot or will not look.

And there is another variety of stat aberration which comes about after a lot of "Get the stat up" has failed. This is Mr. Stat Ignorer.

Mr. Stat Ignorer is driving along in a car and he looks at the speedometer. It says 15 m.p.h. He glares at the needle for a moment and then handles it. He pastes a piece of paper over it so it can't be seen. And sits back and drives contentedly. If he'd looked, he would have found he had three flat tires and an engine about to run out of oil and explode.

Then there is also Mr. Stat Faker. He knows that he will get in trouble if his STAT is down. So he simply dreams up a figure and puts it on graph paper. He is encouraged

189

**and rendered confident** in this **because he is sure** that no senior will come around and notice the towers of unanswered letters or the huge backlogs of cramming orders or the mobbed waiting room of unhandled public or the mountain of uncorrected and unfiled address plates. He is confident because no senior has in the last year or two. And he can say "I'm an upstat" when the Ethics Officer tries to hit him for keeping the front door to the org obstructed with his motorcycle. And he is recognizable by a caved-in case, low morale and a hunted look of glee as he creeps through the org.

There is one common denominator the stat pusher, the stat ignorer and the stat faker have. And that is AN ABSENCE OF SKILLED MANAGEMENT.

We have investigatory tech. It is there for use. We have the Data Series evaluation tech. It is there for use. We have administrative tech. And it is all published and there for use. And further, when it is known and used, proven times without number now, production and prosperity occur AND show up as statistics which INDICATE that production and prosperity are occurring.

Yes, it is very, very true that an org or a manager or an auditor or file clerk gets in trouble if their stats are down.

Yes, it is true that stats should exist and be used.

But it is equally true that the way to get a stat is to put something there that can get something done and get the lines debugged and the scene handled.

The fate of the stat pusher, the stat ignorer and the stat faker is to look around one day and find no org.

It's a very long way between yelling or telexing or writing "Get the stat up" and handling things and getting production cycles completed so that the stat WILL go up,

The stat, properly stated and honestly kept, IS a vital indicator of the scene. If you know how to use them you can get the areas that have to be handled. And if you know your policy and tech you can find the real Whys and get real handlings and get things whizzing.

We mean to have all the stats going up because this INDICATES a bettering state of affairs for everyone.

The job of the Product Officer is NOT to yell "Get the stats up." The Product Officer is there to notice and order things like "Get those letters answered so they get answers." And the job of the Org Officer is to carry out the handlings the Product Officer finds necessary to get production rolling.

A fire-breathing Product Officer is worth his weight to every staff member IF he is trying to get and is getting production which results in bettered conditions, better products, better prosperity and THIS will incidentally show up in the stats.

It's a world of things that have to be done and coordinated before the stats go up.

We are in the business of people, we are in the business of a bettered world. We have to have completed cycles of action. And these are shown in stats.

We are also in a world of exchange and would be no matter what ideology we lived under. We have to "make GI" and we have to have "the stats up."

But our success is measured in terms of the ACTIONS we do, for only those show up in the indicators called statistics.

So, okay. Let's go about it the right way. And find what is holding the stats down and handle and correct those things and so, honestly and swiftly, become upstat.

**L. RON HUBBARD**

**Founder**

LRH:lf.gm Copyright c 1976 by L. Ron Hubbard ALL RIGHTS RESERVED

190

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 SEPTEMBER 1976-1

ADDITION OF 17 APRIL 1977

Remimeo

All Staffs (Reissued 5 Dec 1977, to clarify the point that this PL

only clarifies HCO PL 20 Sept 76, THE STAT PUSH

and does not cancel it.)

*Org Series 35-1*

*Executive Series 17-1*

**STAT PUSH CLARIFIED**

This policy letter is revised. The second paragraph of the original said that it was dangerous to talk about the subject because somebody could do an immediate makewrong by saying "This means don't try to raise any stats."

Well, exactly that happened. There was a heavy campaign run into all Flag Operations Liaison Offices and to orgs designed to discredit asking for raises in stats. (The person who did it and failed to push production quotas is suspended and under Comm Ev.)

The whole point seems to have been missed. It was this: You can't ask for a NUMBER, you CAN and MUST ask for a SOMETHING.

That something is a product. It is a thing, a tangible item.

Right this minute, as a result of a mission, HCO PL 16 Nov. 76, "Production Quotas" has now been provided with thoroughly researched subproducts one has to push in order to get the PRODUCTS. These are the real tangible actions you have to take to get a number of actual products. In other words, by getting many exact minor products, you then can achieve the valuable final product.

STATISTICS are those numbers which simply count the products attained or obtained.

Stat management is the only kind of management you can do on a production scene. Management by statistics was brought to a fine art in Scientology admin tech. To discredit it is, of course, to court failure.

Abusing statistical management is also something of a crime. It has been done by some managers who said "Get the stats up" without ever saying what subproducts you had to get that would then make up the product.

Stat management is a valuable tool and has gotten us over the years. To discredit it first by saying first just "Get the stats up" without saying how or what or why was one side of the pendulum. Then the pendulum swung clear to the extreme and people were being made guilty for even watching stats or demanding or working to raise them.

So let's get a little middle swing of the pendulum now.

It is perfectly all right to demand that stats rise so long as one says what subproducts and products make up those stats and gives some indication of what people should do to get the stats rising.

It is perfectly all right to do stat management.

191

And it is perfectly okay to come down hard on people or orgs who fail to get their stats in viable range.

So long as you give them some idea of what small products (subproducts) they have to get to make up the real products, you are NOT doing a stat push.

So long as you give people some direction and guidance, you can yell for stat increases all you want.

And you better.

L. RON HUBBARD

Founder

for the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:lf.kjm.gm Copyright C 1976, 1977 by L. Ron Hubbard ALL RIGHTS RESERVED

192

**HUBBARD COMMUNICATIONS (**

Saint Hill Manor, East Grinstead, S

HCO POLICY LETTER OF 14 NOVEN

Remimeo Flag Bu All Orgs

Ext HCO FB *Admin Know-How Series 36*

*Org Series 36*

*Executive Series 18*

*Personnel Series 28*

**MANNING UP AN ORG**

The Sequence of Posting Depts and Divs

You need an org bd first and an allocation board.

The sequence in which an org is manned up is roughly:

- Dept 1

- Dept I I

- Reg and Body Routers and Intro people in Div 6
- Dept 12 (enough auditors and C/Ses to approach 2 admin to I tech in org)
- Dept 6
- Dept 7
- Dept 3
- SSO and Supers in Qual to train staff
- Dept 5 for CF Address and Letter Reges
- Dept 4 for promo
- Dept 21 (LRH Comm)
- Dept 10
- Dept 20
- FR & execs
- Full Div 6
- Full Div I
- Full Div 4
- Full Div 2
- Full Div 5
- Full Div 7
- Full Div 3

(Note, an AO always mans up the AO dept or div along with the SH one in each case.)

Wrong sequence of manning is Dept 6, Dept 12, Dept 6, Dept 12, Dept 6, Dept 12, as you wind up with a stuck clinic that won't expand.

Wrong sequence will contract an org while trying to expand it as the org will go out of balance, bad units, noisy and unproductive.

If manned in a correct sequence its income has a chance to stay abreast of its new staff additions.

Emphasis on GI without comparable emphasis on delivery and organization can throw an org into such a spin only a genius can run it.

Manned in proper sequence, and hatted as it goes, an org almost runs itself.

193

Single-handing from the top comes from longstanding failures to man or man in sequence, from earlier noncompliance with explicit orders or from not understanding orgs in the first place.

An unhappy org that doesn't produce has usually been manned only partially and out of sequence.

The trick is planned manning, ignoring the screams of those who know best or demand personnel; just manning by posting those who have been screamed for the loudest is a sure way to wind up with no people and total org problems instead of a total org that is prosperous and producing.

Incidentally, this is a rough approximation of the sequence of hats the ED gradually unloads as his org takes over.

L. RON HUBBARD

Founder

LRH:nt.gm Copyright © 1976 by L. Ron Hubbard ALL RIGHTS RESERVED

194

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 NOVEMBER 1976

Remimeo All Staffs

*Org Series 37*

*Executive Series 19*

## **PRODUCTION QUOTAS**

Ref. HCO PL 8 Feb 72 Issue 11

Mgmt Series Vol 2

In a recent pilot, executed at my orders by the Staff Captain, it was found that:

WHERE A STAFF MEMBER DOES NOT KNOW THE SUBPRODUCTS WHICH GO TO MAKE UP A GROSS DIVISIONAL STATISTIC THE GDS WILL SUFFER AND FALL.

And it was also found:

WHERE SUBPRODUCTS ARE NOT GIVEN A QUOTA. QUOTAING A GDS FAILS.

The report on the pilot follows and is given in full as it is an excellent example of what a Product Officer or executive runs into and how it is solved.

"During the last two weeks, while running the FSO, I've had a lot of experience with the above subject, and thought that the data that I have on it might be useful to you.

"When first going into the org I pushed for actual products along with quotaing of the GDSes.

"This went over very well, however, the day you sent a telex *to quota the products that make up the stat*, things really started moving much better.

"Your telex really opened the door for me as to how to go about getting an org to work on products and get stats up.

"Here is the best example. The week before last on Monday or Tuesday the student points were heading for bad downstats for the week. The D of T was more or less tearing her hair out about how she could meet her quota. She and the Tech Sec were trying to figure out what had changed.

"This was right after I had read your telex referred to above, so what I did was to tell them how they had to work on the products that make up the stat.

"The next step was *to list out what the subproducts were that made up the stat*. I just made a very simple list, not necessarily a complete one, of. (1) course starts, (2) F/Ning students, (3) students that are on target, (4) students that increase their production daily. Then made sure the D of T would understand how these made up the stat.

"The next step after that was to change 1-4 above into 'number of.'

"This brought about what one could call instant sanity, and exclamations of realizations of how the area could be handled.

195

"This was followed up by making the D of T work on each of these products. It took a lot of work and figure out how to do, as far far from all students were F/Ning, etc. It took actions like finding every bogged student and debugging him on a flat-out basis.

"The end result was that the stat did not crash, but went up some, and this week went up even more.

"Other actions were required in the area, such as the Qual Sec and Chief Off sorting out the TRs Course, the D of T doing TRs, and more, but it worked for sure.

"After this, we made this the pattern for the dept heads to follow: i.e. work on the products and subproducts that make up the stat, list them out, quota them, make the quotas, make your GDS quotas.

"It has also been put in on Dept 18 lines, so that Tours and external Reges are no longer pushed on GI and bodies only. There is a pilot project with Flag Service Consultant WUS since a few days which puts in a whole subproduct system and quotaing and reporting on it, which was very well received.

"However, what I also wanted to tell you, is that *this does not go in automatically*, we're still catching bugs on it.

"These are the bugs that have been run across:

" 1. Dir Reg had a bunch of subproducts and products beautifully quotaed, but when asked what his quotas were for 'closes' and 'completed Reg cycles,' he dropped his jaw as he had not thought about that.

"He immediately quotaed these and production increased right away.

"2. The Dir Procurement (Dissem Sec HFA) had not set any quotas for CF/Address as she stated that 'that area would not be possible to quota.' Her M U was that she thought she had to quota every single area of Addresso, rather than the part they were working on at the moment. She had a major win on this.

"She also kept her quotas in her head as she 'hated to have papers lying around.' She since has them all in a book and is very happy.

"3. The Dist Sec could not think of the subproducts that would produce NNCE

"4. The Dir Income was working on subproducts in such a way that they did not add up to his GDS, or rather, that they did not result in his GDS quota being met, and tried to justify this.

"Several others required close personal contacts to list out what the products would be that made up their stat.

"MUs are still coming up, but it sure works! It's brilliant, Sir.

"My picture of an org that operated on this basis with every staff member should be incredible.

"Now, I have looked at the trouble an executive would run into implementing the order to quota products that make up stats, and I can see lots, unless you know exactly how to do it.

"This is what I see on it:



"You would have to keep the GDS quota there and in mind constantly, as if you don't, things can slack off too easily.

196

"You would have to bring the terminals concerned to an understanding of the cycle of working on products that make up the stat.

"You would have to get a list of what the products and subproducts are, without making it miles long.

"You would have to make sure that the list is complete, per policy and actually makes up the stat.

"You would then have to make sure that the list is quotaed.

"You would then have to make sure that the quotas are met, and you would have to watch out for anyone using it wrongly so the GDS quota is not met.

"On most of these you would have to make sure that there are proper 'figure out how to do's,' on how to go about getting the products.

"The above actually, now that I look at it, fits in exactly with your PLs on Name, Want and Get the Products.

"I think also what is of importance is that you really break down what it takes to get the products: i.e. if the DTS here was told to get 10 fully paid into the org, she would be 'blank,' until you broke it down into-make up the list of them, make so many contacts, get so many ETAs, etc.

"Pressure is still required to get a momentum and keep it going.

"Another example is getting out over 100,000 pieces of promo in one week. It takes incredible detailed planning that covers everything; when what has to be through I/A and on the assembly line, what checks have to be gotten when, what has to be addressed when and franked, what all hands are needed and when, etc. I had to force through exact planning on this with targets assigned, etc., and then push like mad.

"The use of HCO PI, Exec Series 7 is also very important in all this."

Therefore these conclusions can be considered valid and vital:

EVERY GDS MUST BE BROKEN DOWN INTO SUBPRODUCTS AND THE STAFF MEMBERS MUST KNOW THEM IN ORDER TO ATTAIN A GDS.

And:

EVERY SUBPRODUCT MUST BE QUOTAED FOR A GDS QUOTA TO BE ATTAINED.

L. RON HUBBARD

Founder

for the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:nt.gm Copyright © 1976 by L. Ron Hubbard ALL RIGHTS RESERVED

197

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 JANUARY 1980

Remimeo

All Staff

All Orgs

SO & Scn

*Executive Series 20*

DEPARTMENTAL MINI PROGRAMS:

THE KEY TO ACHIEVEMENT

*Ref.. Target Series PLs, OEC Vol 0*

***This policy letter is based on L RH ED 293R, which was issued originally as the 78-79 BIRTHDAY GAME FOR ORGS and reissued as the 79-80 BIRTHDAY GAME BY OVERWHELMING DEMAND FROM STAFF THE WORLD OVER.***

***As the program was highly effective, all of its steps and actions now become firm policy, in order to preserve and continue its use; and this policy letter, which includes the full content of the program, is to be maintained as a standard org COIED tool.***

***All changes from the original LRH ED are in this type style.***

***To achieve the product of a flourishing, prosperous org, a CO or ED with the help of the LRH Comm and Flag Rep, the Executive Council and Ad Council and staff, must have control of his org.***

***An ED or CO who takes the initiative in controffing and running his org and does so with know-how is worth his weight in gold. The same is true of a divisional secretary or department head in an org.***

***In orgs where such initiative was taken and the actions contained in this policy letter were carried out by the executives, the stats rose and the org thrived.***

***The key to such achievements was and is MINI PROGRAMS based on policy for each department of the org.***

These programs are **done** FOR EACH DEPARTMENT by:

1. Personally inspecting the department.
  2. Writing up a simple mini program THAT CAN BE DONE, and is WITHIN THE AVAILABLE RESOURCES, IS **BASED ON SPECIFIC HCO PLs APPLIED WITH EXPERIENCE AND IN THE KNOWLEDGE OF SUCCESSFUL ACTIONS, LRH EDs AND APPROVED EVALS AND CONTAINING BRIGHT IDEAS DEVELOPED FROM POLICY, AND THE EXISTING SCENE, ON HOW TO ACTUALLY BRING ABOUT A RESURGENCE OF THAT DEPARTMENT AND GETTING IT TO GET THE WORK DONE THAT HAS TO BE DONE BY THAT DEPARTMENT TO BOOST THE ORG.**
  3. Issuing the program.
  4. Making the execs and staff of the area adhere to that program and not cross-order it and get it done.
- 198
5. Reinspecting the area daily to **see how** it is going.
  6. Get the program DONE.
  7. When the first program is done, examine the resulting VFP and stats for that department.

8. Reinspect and do a new simple mini program for the department.
  9. Issue the new program.
  10. Make the execs and staff of the area get it done.
  11. Reinspect the area daily to see how it is going.
  12. Get that program DONE.
  13. When the second program is done, examine the resulting VFP and stats for that department.
  14. Personally inspect the department.
- Continue the above cycle.
- Give copies to staff in that dept and to the execs so they'll know what you're working on.
- Send two copies of each mini program to the FOLO which will keep one and forward the other to Data Files Flag.
- Neither the FOLO nor Flag has to okay a mini program.

#### GUIDELINES

Use the following rules:

- A. Organize only toward actual production.
- B. Post only in the direction of production.
- C. Make execs of the affected area handle any flaps. The CO or ED is not "flap crossroads."
- D. Use OEC and Management Volume admin tech and quote it in orders,
- E. Don't be reasonable.
- E Don't take the conclusions of a junior.
- G. When people can't get it done, find people who can.
- H. Don't tolerate out-ethics.
1. Use Esto tech.
- J. Realize an org is a purveyor and service depot for standard tech, Dianetics and Scientology.
- K. Realize that an org controls and expands its field and keeps it active and happy.*
- L. Realize that the staff welfare and status depends on the activity and prosperity of the org.*

199

*M. Realize that the org is not a commercial company but the center of a religious movement which is changing the society.*

#### DELIVERY

Completed intensives and completed courses are the keynote to an org's prosperity. These stats continue to be reported.

Gear up to really deliver. This requires a TTC, auditor recruitment and a wellstaffed Academy and HGC that works and is on the ball.

*There is not one single staff member, unit, section, department, or division of an org that does not have an individual delivery demand or quota and that does not contribute to the overall delivery of Scientology to the public, directly or indirectly.*

*Exchange within the org and between the org and every member of the public and the broad public is accomplished only by delivery. All mini programs must reflect this.*

GI

There are several distinct sources of GI in an org. Make each one work to independently support the org.

These are

Department 6

Department 18

Department 5

Qual

Department 7

Department 4 (books, packs, meters, etc.).

Income comes from different sections of the departments within the department.

All this data is in OEC Volumes.

Every one of these points of GI entrance should be producing.

There is also a system of examining invoices to find out what geographical areas the org's people come from and saturating these areas with promo. The local GO used to do this for the org even though it isn't really a GO function. The GO system used at SH was best.

FSMs have to be built up and cultivated-and paid promptly.

Refunds have to be held to a minimum by actually delivering and delivering very standard tech.

One has to get all the GI doors open and functioning-a thing to remember in doing departmental inspections. Is there any door there to open? And if it is there, is it open?

## **PRODUCTION VERSUS ORGANIZATION**

**You** can organize with no production, and you can try to produce without organizing.

200

**You have to keep a nice balance between these two.**

***You will find that in the current disorganized family and educational scene, that personal concepts of organization and order are not very high and must be developed in individual staff members as well as units, sections, departments, divisions, and the whole org. This is as simple as learning to put things down where they belong and where they can be found again when needed and actually creating folders and files. Without this seemingly unimportant order and organization, production of simDle cycles takes ages. This must be given attention in mini programs.***

## **MINI PROGRAM**

As you will be getting these done regularly in short spaces of time, write doable ones that don't take long to finish.

You can defeat an org with 10 page 200 target programs.

An org can be put into a productive winning frame of mind with short doable programs.

It takes good sense to do a mini program that lets the department win. It's easier to keep track of, when you pin the individual programs on a target board and get the dones marked in so you know what mini program has to be debugged and when you have to do a new one.

#### FOLOs

The FOLO handles the overall org health of a continent.

The FOLO must get this **policy letter** in and being done effectively and to ensure the ED does have control of his org.

Where he doesn't, as shown by lack of stat response, particularly paid comps, GI, and intensives sold and delivered, and courses sold and completed, and Div 6 services being delivered to a happy public, and books pouring out into public hands, the FOLO must intervene-not piecemeal, but thoroughly, and only on a broad failure of an org to prosper and deliver.

#### NETWORKS

The duties of networks in reporting and executing remain unchanged and their PL authority is undiminished.

#### FLAG

Evaluations of continents and individual orgs are done at Flag. This **policy letter is** a factor in all such evaluations. Flag also manages FOLOs and sees that they operate properly.

Flagrant FOLO, continental or org out-ethics or out-tech, high refunds or lack of a prosperous and delivering org are the primary targets of Flag intervention.

Flag actions are not piecemeal but are directed at whole orgs or continents.

#### CROSS ORDERS AND INTERFERENCE

Where networks, Flag and FOLO orders cross-order each other into an org, or where a program for the org is unreal, the CO or ED of a FOLO or org must telex the Emergency Officer of the **Senior Executive Evaluation and Execution Office**, which is situated in the Office of LRH, Flag, for clarification.

Protection claimed by reason of upstats, if claimed on falsely reported or padded

201

stats, can result in Comm Ev or removal. Therefore, any clarification request must also carry "I attest my stats are true."

Clarifications will be done mainly by policy reference.

Request for clarification is not to be actionable by a FOLO, Flag bureaux or aides in any way.

#### NEW TECH

***There have been tons of new tech, new rundowns, new shorter checksheets, issued in the past year or two. 1978 was a year of tremendous tech breakthroughs, followed by more tech breakthroughs in 1979 and even now further breakthroughs are evolving from these.***

***You have been getting these AND their marketing packages straight along and will continue to get them. There is even a new unit exclusively devoted to exporting these to you.***

You have *had* NED **for some time now**. Rave, rave successes are *still* pouring in about it. An org that can't sell, train, and deliver that, ain't.

***Class / V Orgs now have new shorter checksheets with all their bright new tech for their Class 0-1V students. So getting Dianetics and Scientology auditors trained is a snap now. You have a world monopoly on the only and finest tech.***

So there's nothing holding you back.

The only claims **for such** that can exist would be in your imagination.

#### SUMMARY

What you want, isn't it, is a happy, productive, prosperous org that is servicing its area to make it happy and prosperous.

So (as production is the basis of morale), ask this of any mini program you write: Will this give us a happy, productive, prosperous department?

Well, have at it. You've got the steering wheel. Where's the throttle?

**L. RON HUBBARD**

Founder

LRH:gal.gm Copyright v 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

202

#### **HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill Manor, East Grinstead, Sussex**

**HCO POLICY LETTER OF 28 FEBRUARY 1980**

Remitneo

*Org Series 41*

*Finance Series 25*

*Executive Series 21*

#### **PRODUCTION AND ONE'S STANDARD OF LIVING**

*References:*

BPL 19 Mar. 71 Finance Series 7

BEAN THEORY-FINANCE AS A

COMMODITY

HCO PL 9 Mar. 72 1 Finance Series I I

INCOME FLOWS AND POOLS -

PRINCIPLES OF MONEY MANAGEMENT

HCO PL 27 Nov. 71 Exec Series 3

MONEY

HCO PL 3 Dec. 71 Exec Series 4

EXCHANGE

FEBC Tapes

(NOTE: I realize that management units, orgs and staffs are daily pounded with false economic data. The real facts of life collide with much false data. Such crippling data comes from many sources-school, advertisers, government, bankers, propagandists, even parents who insisted Johnny be a doctor so he could "live well" or set a horrible example themselves. Many have had a hand in messing up people's wits on the subject. It is a factor in inhibiting the individual prosperity of executives, staff members and orgs. Where an area is not prospering, this PL should be starrated on its people and the false data they have on this subject stripped so that they then can prosper as they should.)

"Standard of Living" can be defined as the relative quality of a person's or group's possessions, quarters, food, equipment, tools and conditions of their area of work and existence. It is the state of the person's living, including working, environment. Where its potential continuance exists it is related to survival. It is a basic natural economic law that personal production of VFPs and one's standard of living are intimately related.

This applies to the individual as well as the team.

Where violations occur, inequities exist.

At a personal level one must produce in excess of his standard of living just to retain and maintain it.

Actually, the "excess" means that because of overload, taxes, services, plant, utilities, raw materials, machine and other costs additional to his own work sphere, a person cannot expect to get the full value of his VFPs all to himself. That is not economically feasible. The "excess" varies from post to post and job to job but is never less than 5X minimum. In industry it is considered to be at least IOX to maintain company standards and solvency. The "excess" can be very high indeed in some industries. But in any case any idea that it should be one for one is fatal. People who know little of economics or management sometimes propose a worker should get the full value of his VFPs-but all work and all VFPs require support services and to neglect these would quickly bring on poverty. Even when working for oneself alone, these "excess" factors exist and seldom drop below 5X as one still requires support services. Corrected gross income divided by staff has to be at least 5X the cost of the standard of living of the individual staff member for that standard to be barely

203

maintained. This does not mean staff pay should be 1/5 of that figure. It means that all the things (pay included) that go into maintaining their welfare and work environment would have to be covered by 1/5 of that figure. A fairly efficient and prosperous org with a hatted, industrious, gung ho staff can very easily maintain quite acceptable standards at 1/10 that figure. The actual cash value of every piece of work done by a person can actually be calculated. It is intricate and tricky to do and much subject to over and under estimation but it can be done. It is not vital to do this but one might just be curious about it. If so, do it for yourself. Thus VFPs can be priced against what they bring in as part of the overall scene even when they seem indirect. All the above figures are very rough and subject to variation but this gives you some idea of what is meant by 66excess" in that law.

Where a number of people in a group or on a team do not produce VFPs in excess of their standard of living they depress the standard of living of the group or team.

Where some in a group do not only not produce VFPs but produce overt products, they actively depress the standard of living of everyone in that group or on that team.

Many economists and theorists seek to avoid that law. They do it to gratify politicians or aggrandize some false philosophy whose true purpose is suppression under other colors. But the law

remains and its violation breeds an epidemic of economic ills. Amongst such ills are inflation, super bureaucracy, chaos with the marketplace and a decay of the civilization.

When a whole society demands a high standard of living and yet doesn't concentrate on the personal production of VFPs, it is finished.

Products are the basis of a standard of living. They don't appear from midair. They come from work truly done. Not from hope or false data.

It is a druggie's dream that machines, computers, under the dictatorship will do it all. Machines can raise a standard of living by assisting in production. But they can't do Man's living for him. Intelligently designed and used, they permit, within limits, increases in population. But machines are just tools. They have to be thought up, designed, built, run and serviced and their raw materials and fuel have to be found and delivered and their products promoted, delivered, used and often in their turn serviced. The machine age was actually recognized as failed when world leaders first began to urge population reduction on the planet to "improve the individual standard of living." If machines were going to solve it all why is the civilization now in such a steep decline? It took producing men *working* in and with a machine age to make the society go. Not idle mobs on welfare expecting a high standard of living while a few guys work their guts out. Pie in the sky is nice but did anyone ever get to eat it? This misinterpretation of the machine age was a heavy violation of the above economic law. But the real harm of the machine age was creating a false belief that one did not have to produce much to survive. This lowered people's estimate of how much they would themselves have to produce to survive, much less have a high standard of living. Factually one normally has to work fast and expertly and in high volume to bring about any acceptable standard of living for himself and his group. This is a point the machine age obscures. But it remains vividly and demonstrably true.

An executive who works hard yet wonders about his own low standard of living should look over his people to find those who are not producing VFPs or who produce even overt products while yet demanding a living. *They* are absorbing the potential raised standard of living of the group.

Where a group has a very low standard of living, it need only review the above law and its potential violations to understand why.

One cannot, in fact must not, increase the standard of living of a group in ways that violate the above law. It will eventually bring calamity on that group.

In a society led astray by crackpot economics, violations of the above law create a vast number of wrong examples. The rich (most of whom work like mad) are seen as idle or even criminals. The best way of life is made to appear to be idleness. One seems to be owed a living without any effort on his own part. The producing worker should be fined by higher taxation. These are not seen to be simply false data spread about to

204

wreck the place but are held as "truths." And in their wake comes a funeral for that group or society.

There is even an economic theory spread about today called "equalitarianism." It declares everyone should get the same pay and have the same standard of living. It does not mention that anyone should do any work. It holds that the better worker should not be better rewarded. It would crash any society.

Then there is the "monetarist" who believes you can manipulate a whole society with money alone. And no thought of any production. His answer to production? (You won't believe this.) Decrease demand! In other words, reduce everyone's standard of living!



Basic economics eventually catches up with all these weird false pretenses. It may take time but, as in the law of gravity, the apple eventually falls no matter how many crackpots advance theories to say it can't fall, will go up, or vanish. Real basic economic laws are like that. They catch up. So don't wonder about inflation and depression and decayed civilizations. Basic economics caught up with the crackpots.

An executive has to pay attention to the basic law about a standard of living. If he doesn't pay close attention to it, the standard of living of himself and of his group will cave in.

He can be "a good fellow" and seek popularity by attempting to raise the standard above what is earned. He and his group will crash.

He can be foolish and seek to raise his own rewards above what he personally is earning in terms of VFPs. But both he and his group will fail.

He can ignore the real producers of the group and not see that their standard of living is comparable to their individual production. And he and the group will fail.

He can ignore the nonproducers and the overt product makers and by so ignoring them, tear his own and the group's standard of living to bits.

He can listen to a bunch of PR from a staff member about how valuable that staff member is and surrender to it without ever really counting up the real VFPs that staff member is not producing (or even preventing). (It happens.) Only real VFPs count.

He can work himself half to death without demanding production from others and have his own standard of living crash.

There are swarms of false data flying about today on this subject. It is taught in schools, the very best schools; it is heard on the radio and seen on TV and in the papers. The civilization, as it caves in, is blinded by literally thousands of false ideas about what and how a standard of living occurs. These, where they conflict with the basic law, actively prevent one from prospering as they blind him to the truth of his scene.

In an org or management unit in Scientology, the real VFP is valuable fine people who produce valuable final products who then make up a valuable fine public. Every piece of work and duty in a management unit or an org contributes to that.

The standard of living of an executive, a management unit, an org or a staff member is determined by that one basic economic law: The personal production of VFPs for the group and one's standard of living are intimately related.

## **L. RON HUBBARD**

### **Founder**

for the

### **BOARDS OF DIRECTORS**

of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:ab.gal.gm Copyright © 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

205

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 SEPTEMBER 1980

## Issue VIII

Remimeo

(Originally LRH OODs item

of 14 May 1972)

*Exec Series 22 Esto Series 50*

## MORALE

Production is the basis of morale.

If one can get a unit producing and actually accomplishing worthwhile production, then their morale will rise.

Thus, it does not matter too much how one starts a unit producing so long as it does get started.

I was given a good example of this with just one person who has been on MO lines. She is actually well now. She is *miserable*. There is nothing wrong with her at all except she is out of the action and is not producing anything.

This has been noted in other fields. The "idle rich" are the most miserable people you ever wanted to meet. "To Have and Have Not" or some such title by Hemingway talks about it for the best part of a book.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Accepted and approved by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:dr.gm Copyright© 1972, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: The original mimeo copies of this policy letter were incorrectly numbered as Esto Series 41.]

206

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## HCO POLICY LETTER OF 11 SEPTEMBER 1980

Remimeo Issue II

(Originally LRH OODs item

of 10 Nov 1971)

*Org Series 46*

*Exec Series 23*

## ORGANIZATION AND SURVIVAL

Well organized activities survive. The survival of individuals in those organizations depends on the highly organized condition of the activity.

A small group, extremely well organized, has excellent chances of survival.

Even a large group, badly organized, hasn't a prayer.

The essence of organization is org boarding, posting with reality and, in keeping with the duties being performed, training and hating.

To this has to be added the actual performance of the duties so that the activity is productive.

The outward signs of a badly organized group are slovenliness and fumbles.

Another ingredient that goes hand in hand with organization and survival is toughness. The ability to stand up to and confront and handle whatever comes the way of the organization depends utterly on the ability of the individuals of the organization to stand up to, confront and handle what comes the individual's way. The composite whole of this ability makes a tough organization.

An individual who is not properly posted, isn't performing the duties of the post, is not trained or hatted, is soft. He has no position to hold, therefore he goes down at the first fan of a feather.

Confidence in one's teammates is another factor in organization survival. Confidence in one's self is something that has to be earned. It is respect. This is a compound of demonstrated competence, being on post and being dependable.

After an individual has failed, confidence in him on the part of his teammates sinks. He has lost face and is not respected. This, then, shows itself up in numerous ways. It is up to that individual to earn back confidence so that his teammates will again trust him. The way to do this is to get properly org boarded, trained, hatted and to confront and handle, with competence, whatever that post is supposed to control.

The ultimate in no confidence by a group in a team member is no post at all. Reports from those who have no post or from those who are between posts stress the horrors of having no post.

Our survival depends fully on becoming entirely and completely organized. This will happen to the degree that every separate unit, department and division in an org is properly org boarded, properly performing the duties of the post, is trained and fully

hatted.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

for the

BDCS:LRH:SA:dr.gm

Copyright © 1971, 1980 BOARDS OF DIRECTORS

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 SEPTEMBER 1980

Issue I

Remirneo

(Originally LRH Flag Ship OODs  
item of 7 March 1971.)

*Org Series 47*

*Executive Series 24*

*Admin Know-How Series 39*

**HANDLING OVERLOADED POSTS**

*Reference:*

HCO PL 28 July 71 ADMIN KNOW-HOW 26

Product and Org Officers can take over a grossly overloaded key post and (a) increase its production and (b) reduce the work hours. They should take over posts for 48 hours and give the incumbent a rest and see what gives.

The rules that seem to apply are

- a. It is a key post of the area in question and
- b. It is the most overloaded and/or most nonproductive post in that area.

It's one thing to issue orders. It's another to do work.

One doesn't stand behind the guy. One takes him off the post and actually does the work of the post.

While doing it one will see why it can't be done or isn't being done and one can then get a good bright idea of how it can be done and get it in and write it up.

One often finds he has to ask "What hat am I wearing?" when one finds he is on overload.

Well, one solution is to just go over and really wear that hat and see why it can't be worn, get an idea of how it can be worn, do the action to see if it's right. write it up for issue and put the person back on it.

A junior often can't mesh up the lines so they work because he hasn't the know-how and hasn't the authority. His proper action would be to figure his post out and write it up for issue and get it in his hat. When he doesn't do this it jams or overloads his own and other lines.

Where this situation exists and isn't changing, a Product Officer, Org Officer or HAS or the divisional Product or Org Officers have an out. They can take over such a post, do all its work for 48 hours with no help from the incumbent, get an idea of how to debug it, see if that works, write it up and turn the post back over.

**L. RON HUBBARD**

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

for the

BDCS:LRH:SA:dr.gm BOARDS OF DIRECTORS

Copyright © 1971, 1980

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

208

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 SEPTEMBER 1980

Rernimeo Issue IX

(Originally LRH OODs items of

12 November 1970 and 24 June 1971)

*Exec Series 25*

## **TROUBLE**

The fastest possible way for a senior to get into trouble is to fail to get in ethics on a downstat junior.

The US "solves" all this with huge government payoffs and propitiation. And look at the upsurge of riots.

Capitalism works only on the reward side. It takes two sides to make a game.

If an I/C lets ethics go out on his juniors, he pulls the rug out from under himself-and slaughters the juniors also.

A team is composed of teammates. Those who mess up the team aren't teammates.

Orgs are teams and all of Scientology is a team. It takes teamwork and backup to make things go right and stay right.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Accepted and approved by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIET~TOLOGY

BDCS:LRH:SA:bk.gm Copyright © 1970, 1971, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

209

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 6 OCTOBER 1980**

Rernimeo Issue V

(Originally LRH OODs item

of 22 May 1969)

*Exec Series 26*

**ORDERS VERSUS ARBITRARIES**

The other evening, on a request, I said members of the company could do part-time study on the Dianetics Course. This became an absolute order, an arbitrary which was put in full force. Not only that, but nobody would handle it.

Why not?

If anyone had bothered to trace the order that "all must study" they would have found it was a false arbitrary.

Almost every outness around is of this breed of arbitrary.

A group that insists on sitting in the glorious irresponsibility of orders and only orders will never develop into a true group.

If you want to get a real look at what you're doing, ask yourself this question: Where do I get my orders from?

I get them from observation of the situation. And I give instructions based on a prediction of consequences.

Until you can do that, you will feel harassed, ordered around and oppressed. Not because anybody is interested in oppressing anyone. Just because they try to make a safe environment, bump into people who haven't observed or acted, and so issue orders.

I don't think anybody fully understands the antipathy I have to authoritarian rule. The reason you see me get cross is in no small part protest at being forced to cope with a situation which occurs by neglect of others. Why elect me to save the day? This ship, this planet and universe are the concern of others too. I have no monopoly on the ability to observe and act.

The campaign to force into a dictatorship a group which has freedom as its main objective is about as popular with me as a fire in a powder factory.

Freedom depends on ability.

We can and will bring freedom to this planet. But only if and when we cease to demand orders and begin to observe and act on our own predictions.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BDCS:LRH:SA:dr.gm **BOARDS OF DIRECTORS**

Copyright Q 1969, 1980

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

210

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 NOVEMBER 1980

Rernimeo Issue I

(Originally LRH OODs item of

28 August 1970)

*Exec Series 27*

## **CONTROL OF STATISTICS**

I think GDSes are down in some sectors because some people just don't know how to get them up. Many watch them from a spectator viewpoint. Well, it's down. Fate. It recovered. Kismet (Russian for "fate"). It's level. Will of Allah.

The missing datum is that an org's stats are totally under the control of that org. An org's stats totally reflect the production and competence of the org.

Let's take a letters in stat. You (a) increase letters out, (b) you check out letter writers on getting R in the letters wholly, (c) you use CF folders always when writing a letter, (d) you increase letters out, (e) you spot-check letters going out for R and on-policy, (f) you put hard sell and good promo out, (g) you use info packets, and (h) you get out heavy bulk mailings on-policy, (i) you offer what you can deliver, (j) you deliver what you offer. Result, letters in soars! My own letters in stat (when I sign another name) is 1 for 1. In most orgs it's about 25% response.

But I'll bet a lot of orgs have it explained that it's fate or "promo doesn't work" or "local public interest is low."

A success story stat is totally under control. You really use the tech and really smooth out students and cases and you get I success story for every completion. Then, because you have a success story, you get a re-sign-up and get a *new* completion and a *new* success story.

So my attitude toward low GDSes is about the same as you'd feel for somebody who didn't know he was driving and ran the car in a ditch on a straight road!

I don't speak from lack of knowing. Because I've done it and it's about as easy as riding an armchair.

Staffs make their own trouble. Once in Joburg they tested a whole school of kids. Why, God knows. But they did. And then did the adult test grading on them! "You see, Josie Ann (aged 10), you are having trouble with your husband." Didn't half upset the parents. Tailor-made down stats.

Somebody hadn't checked out on WHY they were testing people. Or what they were supposed to do with them.

Orgs are being penalized solely because of lack of training and understanding and grooving in people.

Every point of neglect, every half-worn hat, spoils our reach just that much. Every action well done, small or large, extends our reach just that much.

The more you know and the better you do your job, the sooner we will make it.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BDCS:LRH:SA:nc.gm BOARDS OF DIRECTORS

Copyright@ 1970, 1980

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

211

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 OCTOBER 1980

Remimeo Issue 11

(Originally LRH OODs item

*of 8 September 1971)*

*Exec Series 28*

*Esto Series 48*

INSTABILITY

You will find that persons who are having a rough time or giving others one are either just leaving or haven't arrived on the post. In other words they in some way are not actually ON post.

It is also an oddity that those who have to go to point B haven't arrived ever at point A in order to be able to leave for B.

The ability to BE something strongly shows up in post performances. The real stars can BE anything wholly and completely for short or long periods. They ARE what they are being. They aren't just arriving or leaving.

To BE OR Unfle, that is the ability! To not quite be or to WAS is the aberration.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire



Approved and accepted by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:dr.gm Copyright c 1971, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

212

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 OCTOBER 1980

Remimeo Issue II

(Originally LRH OODs item

of 13 May 1972)

*Exec Series 29*

HANDLE

R ef.

HCO PL 12 Oct. 67 OPERATIONAL, DEFINITION OF

HCO PL 4 May 68 HANDLING SITUATIONS

HCO PL 26 Jan. 72 / Admin Know-How Series 29

Executive Series 5

NOT-DONES, HALF-DONES AND

BACKLOGS

Since December 1971 there has been a new command policy with regard to handling projects and CLOs and orgs.

WHEN IT HAS TO BE HANDLED, HANDLE THE HELL OUT OF IT.

The reference is the HCO PL (26 Jan 72) on NOT-DONES, HALF-DONES AND BACKLOGS.

But it is more important than that.

You can spread a lot of invested time over a wide area and get no *result*. This is a sort of puttering around.

The way to really get someplace is give priority to definite whole actions. This is done on order of value of result. "We'll do Area A, B, C and D in that order! Now we'll take A and handle the hell out of it, terminatedly finished done, total. We can be getting B ready meanwhile. But with A *done* we now get B *done*. And so on. We handle hell out of what we're handling."

The accuracy and extent of handling determines whether something is well handled.

Actually, you're dealing with the definition of fully *operational*.

Something is fully operational when it FUNCTIONS WITHOUT FURTHER CARE OR ATTENTION.

The Estos should learn this too.

Don't putter or fool about.

HANDLE THE HELL OUT OF IT!

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Accepted and approved by the

BDCS:LRH:SA:dr.gm BOARDS OF DIRECTORS

Copyright © 1972, 1980

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

213

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 OCTOBER 1980

Remirneo Issue 11

(Originally LRH OODs item

*of 22 June 1974.*)

*Exec Series 30*

*Esto Series 49*

TECH

Every action that results in a product has a certain tech,

One finds out about it or develops it.

When one adopts false tech he will then wind up with confusion as false tech will not deliver a product. It delivers a confusion-like psychiatry.

The more false tech you hold on to or apply the more confusions you will get.

When real tech is invalidated then false tech can enter in. So the test of false tech is does it give a confusion and the test of real tech is does it give a product.

A Mis-U word in real tech then can let false tech in.

If the tech is not available for a certain job one then has to develop it. His development will be correct only if it delivers a real product.

When one busily develops tech where proven tech already exists and is available, one is wasting his time.

Technology is that part of knowledge that is used.

So it is not enough just to know. One also has to apply.

If one *really* knows his tech it is very easy to apply it. When one is uncertain, his application is uncertain.

Life in living forms depends upon real products.

When products take too long to bring about or when they turn out to be overt products then they are not economical to produce. Overdue and overt products are both *very* costly in time and catastrophes.

If you find in any area you are taking too long to produce a product, then it's time to review your tech. (A) Does tech exist? (B) If yes, "Am I applying it?" (C) If no, "Do I have to develop it?"

If it is (C), then one had better get very busy sorting it out. It is easier and less expensive to do that than to go on turning out overt products.

Any product has its tech.

Do you know the tech to produce yours?

(*Note:* Also see HCO PL 23 August 1979, Issues I and 11, DEBUG TECH and DEBUG TECH CHECKLIST.)

**L. RON HUBBARD**

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Accepted by the

BDCSC:LRH:SA:nc.gm **BOARD OF DIRECTORS**

Copyright Q 1974, 1980 of the

by L. Ron Hubbard **CHURCH OF SCIENTOLOGY**

**ALL RIGHTS RESERVED OF CALIFORNIA**

*214*

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 18 SEPTEMBER 1980**

Remimeo

(Originally LRH OODs item

of 24 March 1970)

*Exec Series 31*

**A MATTER OF ORDERS**

ARC breaks occur when a person in charge requests something be looked into and he is given an opinion or an explanation.

It is not a true comm cycle.

"Go see what's smoking." "I think it's George burning toast."

"Put out a bow line."

"We've got one out." (When a second one is needed.)

Gives one a long string of non-comm cycles and is a sure-fire ARC break.

I think this is why those in charge get upset. Getting an opinion or explanation when an order is meant to be done.

Part of the fault is not wording the order in anticipation of such a reply.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

for the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:bk.gm Copyright@ 1970, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: The original mimeo copies of this policy letter were incorrectly numbered as Exec Series 21.1

215

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 SEPTEMBER 1980

Remimeo Issue 11

(Taken from an LRH OODs item

of 31 Aug. 71)

***Exec Series 32***

***Personnel Series 32***

## **OVERLOAD AND HATTING**

I have found that whenever I have had to handle something, I found the person who should have handled it unhatted and with misunderstood words on things intimately connected with his duties.

Thus I have found this cycle of great use and thoroughly recommend it.

1. Emergency item or omission requiring handling turns up.
2. Handle it right now fast (my handling something time lapse is about 5 minutes to half an hour). (That means terminatedly.)
3. Spot who should have handled it.
4. Interrogate the person on basics of his post (not ask about "hat folders," etc.).

In all cases so far I have found the person not doing his post duties, unhatted, with huge misunderstands on words like "post," "hat," "muster," etc.

5. Hat the guy.

So I can tell you that any overload you have is from unhattedness of the most basic kind.

An org is as efficient and looks as good as its people are individually hatted and do their jobs.

It's a very good system. I recommend it.

A sort of a do-it-yourself HCO!

It works.

**L. RON HUBBARD**

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BDCS:LRH:SA:dr.grii

Copyright© 1971, 1980 **BOARDS OF DIRECTORS**

by L. Ron Hubbard of the

**ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY**

[*Note:* The original mimeo copies of this policy letter were incorrectly numbered as Exec Series 24.]

216

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 24 MARCH 1981**

Remimeo

All Exec

Hats

*Executive Series 33*

**LEADERSHIP - MORE ABOUT**

(Taken from tape lecture 5901CO4 of

4 January 1959 titled "Leadership.")

One of the basic things that we all face is a new adjustment. In your past many lives here on Earth you were probably well adjusted. You probably went on and on doing more or less the same thing. All of a sudden here's this brand new look. You're not doing what you were accustomed to doing. You are not riding at the same speed that you rode before. You are not handling the same cultural values that you handled before.

In this society burning questions scorch all of us. How do you keep marriages together? How do you raise kids? How do you hold in check and in democratic balance a government which so outweighs the populace with weapons that you never dare smile at it? How do you bring reform to an organization that is totally powerful and is getting more and more ignorant? How do you live in this changing world?

Once upon a time you could pick up a scythe and go down the line and take your chance with the mounted knight and somehow or other bring about a social reform. Once in a while you could win. Once in a while some principles would triumph over the status quo. But right now that really isn't possible.

#### FINDING SECURITY IN TODAY'S WORLD

How do you hold in line the gains we have made culturally and make more gains? In what sort of culture should we be living? What sort of life should we be living? How should we increase our own security? How should we make things more successful, easier, better, more secure?

There is hardly anyone living a life of good security. The reason good security isn't discovered is you have not yet worked out a pattern you yourself consider secure in the face of advancing scientific technology and advancing cultural pattern changes. The third dynamic is getting disarranged and rearranged and the fourth dynamic is getting changed considerably and none of us have really found our feet in this new change.

There used to be a miller. He ground the flour. Somebody brought him four bags of flour, he ground four, kept one and gave three back. That was his life.

Now the farmer has to buy back his own wheat, ground, from some large company and pay top price for it. His economics are so complicated, thereby, that he can't acquire a security.

It's gotten to a point where it doesn't do any good to save money for your old age. The government has taken that all off your back. Or has it? Will they ever pay you an old age pension? Who knows? Or will the old age pension be so valueless in terms of money by the time it gets to you that it will buy nothing?

#### SPACE OPERA VERSUS THE INDIVIDUAL

People have gotten busy and started to fire rockets at the sun. This makes a change up into space opera. In the old days, waaaay back, when man was going into

217

space, he did it with hypnotism, implantation and heavy duress-and he folded up. All the great space societies were built by losing the individual totally. They lost him utterly, and so they lost his initiative. And they lost everything else that was good about Man. They became criminal societies.

We are in a space age and that age is being built at the sacrifice of the individual. On Earth today we alone can preserve the individual. There are several committees for civil rights and that sort of thing that try to fight against this incursion on individual liberty. But for every bit of pressure they can exert or every power they can develop, somebody is developing some new weapon, some new high-speed missile, something new that overreaches again Man's own individual power. It is quite an interesting view. It will become more and more interesting as the years move.

#### LEADERSHIP AND INDIVIDUALITY

When you begin to sacrifice the individual for the good of the society, as has already happened here on Earth, you also sacrifice that which is best about an individual: his individual sense of good, his individual sense of responsibility for his own life and guiding it.

When that individual no longer feels that he is responsible for his own life, when he is totally cared for by the state, when he is born in some sort of a nursery and gets put on board a spaceship or in an army, and his indoctrination consists of some hypnotic mumbo jumbo, you've lost one thing: You've lost leadership.

For the individual is the only leader. A group can lead *nothing*. A group democratically operated can select its leaders, who in turn govern it. But when there are no longer leaders in a society, who do they elect? Who is there to elect who can help or guide the society in any way? No great mass of people can possibly elect a leader when there are none.

And that is what happens in a society. Individual liberty, individual work, individual beingness and understanding go down in front of a tremendous onslaught of modern scientific improvements. Gadgets and guns, dependence on the state, all wipe out the individual. Therefore in this society leadership suffers. And where you do not have adequate and responsible leadership, you don't have a society, you have a criminal element. All criminality is, is the abandonment of all responsibility on one or more dynamics.

So what happens in a space opera society? Oh yes, we have fancier and fancier ways to implant people. We have fancier ways to shoot dogs and satellites and Christmas messages into outer space. We have gadgets and keyboards and countdowns and cracked space helmets....

But who is around with enough responsibility to say what is to be done with these things? Or does it all turn into some huge Frankenstein monster that somebody has started and nobody can control?

"HE DIDN'T LIKE SOUP"

Societies of that character don't like individualists. I remember a famous story called "He Didn't Like Soup." This individual, who was an individual, gets raised amongst a bunch of space jockeys, space opera fellows. He is in their midst at a meal as the soup comes along on the assembly line. Each one of them, of course, takes off their bowl of soup. Except this individual. The bowl of soup that appeared in front of him goes on down the assembly belt. It gets into the works and gears at the end of the assembly belt. Nothing like this has ever happened before so they don't even have a fuse on the thing. It flashes **back and closes out the power plant** of the building and, because the power plant goes, there is no way to stop the atomic fission on the main power plant and it blows up the whole town. **When they ask this fellow why he did it**, he says, "I didn't like soup."

218

**There we** have an example of building a society so flimsily, but *apparently* strongly, that any action contrary to its general will, blows it up.

Similarly, the will and worth of one individual can always overthrow a large, complicated, interdependent society-providing that individual can come up to revolution, and there is no provision in the society for leadership.

WHAT WE ARE DOING

What we are doing in Scientology today is not necessarily providing the leaders of tomorrow. We are raising the general level of responsibility at the same time all other social actions seek to depress it. We are keeping something in balance that is more important, probably, than even I understand.

If the future society cannot have men capable of sufficient responsibility to be entrusted with tremendous weapons and the violence of which the society is capable, then the more the society improves, the more it will blow itself up! We have, perforce, a police state. What are the police trying to do? They are trying to keep individuals from doing things. Why do they have to keep individuals from doing things? Because individuals are so irresponsible they are liable to do anything. That's why a police state grows.

What we are doing is the only impulse I know of in the society at this time which is actually directly pointed at the heart of the future police state.

In a society where individuals are free, where individuals can be rehabilitated, where individuals can still think, you can still have leadership. One individual can be selected by other intelligent individuals to represent them, or one individual by his natural ability can at least control some sphere of the social order around him. And unless this social order is controlled, unless there is a sphere that a thetan can bring order into, you have nothing but chaos.

To lay down a big plan for Scientologists and say, "This is the organization and this is what we are going to do: steps one, two, three . . ." is saying that none of you have a right to think or plan. The only thing we can do *inside* Scientology is hold the communication lines of Scientology and its service in an orderly state. And we can keep the show on the road. But this is an inside perimeter.

### SCIENTOLOGY INFLUENCES ON SOCIETY

How about where Scientology influences things outside?

Do you know if you processed a very small percent of the society, enough order would result from their action alone to bring about sensible actions on the part of the society! We are almost talking in terms of mysticism; it isn't totally traceable. Where an individual is capable of bringing order, there is order, whether he brings it or not. Where an individual is capable of bringing disorder, there is disorder, whether he makes it disorderly or not,

If you clear a few people in a town, a greater order is generated; we have a greater sphere of order occur. This is not necessarily because these Clears are going around being very active.

Now, leadership is totally the action of bringing order or it is not leadership.

You hear people speak of the "leader of the mob." A mob doesn't have a leader. It is a technical truth that a destructive mob or any large mob, if called upon to elect somebody, normally elects somebody they can push around but who will destroy them.

Here we have the impulse of Man toward destruction unless he has responsible and reliable leadership so he can turn, in his own affairs, toward areas that are being led.

219

### RESPONSIBILITY

Where you find irresponsibilities, your society tends to fall apart. Then people try to push it back together again by making it all equal or making it a welfare state, and things start to go broke, inflation starts to happen and the state takes all the responsibility away from everybody and puts it nowhere.

We are directly in the teeth of such a movement. We are not a political movement, however. Not even vaguely!

We are creating somebody who can live a better life. It is worthwhile right in that sphere but we might as well look a little bit further.

We are creating somebody who can take responsibility in his own sphere of action. We are creating people who can take responsibility for things.

If we create them as fast as the society says the individual can have no responsibility, we will keep this ship from going down with all flags struck.

### WHAT IS LEADERSHIP?



Leadership and clearing are not necessarily in the same basket at all since you could have a society totally made up of Clears and you would probably have no leaders. But where you could only make a sprinkling of Clears, you would undoubtedly be making some leaders. There is some difference there.

An individual who will take responsibility generally does. And he keeps things rolling.

It is all right to say "leadership," but what is it? It is a curious thing, but do you **know that there have** been tomes written on this subject that would crack your back? **There are little gimmicks** and "you never do this but you do that," and tremendous numbers of rules, but nobody ever said what leadership was!

If we are going into a society which is all but leaderless, we had better know what a leader is.

*A LEADER IS SOMEBODY WHO CANNOT ASSUME  
RESPONSIBILITY FOR HIS SPHERE OF INFLUENCE.*

That is awfully simple, isn't it?

In a Scientology Church, if your Registrar and Assistant Registrar cannot take responsibility for every reactive bank in the country, they don't do very much. That is an awful mouthful: "Take responsibility for every reactive bank in the country." And yet that is what it takes!

The next attribute of leadership is  
*IN THE PRESENCE OF LEADERSHIP,  
COMMUNICATION IS POSSIBLE.*

It certainly seems funny when you hear about the general who walks down the ranks and no private may talk to him, and it is said the general is the "leader" of these privates. Maybe their sergeants are, but not the general. Why? Because the privates cannot talk to him. Communication.

*A LEADER MUST BE ABLE TO GIVE  
AND RECEIVE COMMUNICATION.*

220

Of course, that means within his ability to have time enough to hear everything that is said to him but, nevertheless, he can hear quite a bit. And he certainly must have that ability to communicate.

Furthermore,  
*A LEADER MUST HAVE THE ABILITY TO HAVE  
AFFINITY FOR THE PEOPLE HE IS LEADING.*

And

*A LEADER MUST BE ABLE TO INSPIRE  
SOME AFFINITY IN THEM FOR HIM*

and

*THE GOALS AND THINGS HE STANDS FOR MUST BE QUITE  
REAL AND THEY MUST BE TO SOME DEGREE OBTAINABLE.*

The agreement has to be fairly good on the goals.

In addition to that

*A LEADER MUST BE CAPABLE OF A REALITY ON THE  
PLIGHT OF THE PEOPLE HE IS TRYING TO LEAD.*

What is *their* reality. And recognizing their reality clearly, he need not necessarily fall into it at all.

One of the great empires of all time, the early Turkish Empire, had in charge of it a fellow named "Suleiman, the Magnificent." He had one great fault: he never appointed any task within human possibility. He got a lot done, but he shattered the whole thing. He never took a long look at, or got a reality on, **what people could** really do. Therefore he fell away from being a leader of that particular nation.

But leaders do not just lead nations. Every family has to have a leader, unless it is composed of Clears. Two people can come to an agreement but two people cannot plan. There has got to be somebody who, in the final analysis, makes the last decision. Otherwise that decision is never made and all activities undertaken are flimsy for that one reason.

**RESPONSIBILITY AND LEADERSHIP**

You will find people who are getting Clear or being Clear starting to take leadership in their own zones of action. They are taking more and more responsibility for what is going on around them. And, taking more and more responsibility, they become more and more leaders. And, because they are surrounded by people who are not Clear and because they are surrounded by people who are in doubt or feel insecure or muddled up or scared, they will find out that by their own ability to communicate, their own ability to have affinity, their own concept of reality and the agreement they have with their fellows-by these tokens alone-they will lead. Whether they want to or not.

(A funny part of it is, the more they lead, the less gold braid you will see them wearing because gold braid is to identify a leader who cannot be identified otherwise.)

As we look at this, we look at our next step up the line which will be influencing spheres of action, intentionally or unintentionally-intentionally, I hope. And, influencing these spheres of action, we should better and better understand what we are doing. People start turning to us for some idea of what to do or where to go or what to

221

say. It is all right for you to keep saying, "Well, you make up your mind." But sooner or later, to get the show on the road you are going to have to make the decision and say (and the clearer you get the more willing you will be to say it) "Black, white, yes, no."

If we are going to get the show on the road at all, whether we are Clear or not-just by reason of what we know-we have to take a little wider responsibility on this Earth today, a little more responsibility for the reactive banks of our fellows, a little more responsibility for the state of order in our immediate vicinities. And if we do that we can win.

It does not seem to me to be a very difficult job. It is a job you are already well embarked upon.

**L. RON HUBBARD**

Founder

Issued in HCO PL form from the original 1959 tape lecture No. 5901CO4 by Midshipman Council International

Accepted by the

BOARD OF DIRECTORS of the CHURCH OF SCIENTOLOGY OF CALIFORNIA

BDCSC:LRH:MCI:nc.gm Copyright © 1959, 1981 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: The original mimeo copies of this policy letter were incorrectly numbered as Executive Series 32.]

222

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 JANUARY 1982

Remimeo REISSUED 10 MARCH 1982

*Executive Series 34*

**WHAT IS AN EXECUTIVE?**

What is an executive? Is it someone who is important? Who gets more pay? Who has authority? Perhaps. But these are not the real reasons that such posts exist.

Most successful executives can personally do more work than other people: their output, quite usually, is very large. And though this is often necessary, that isn't the reason either.

Let us take up the meaning of the word "executive." It is derived from the word "executor" which means "a person who gets something done or produced." The word comes from the Latin ex-completely + sequi-to follow, and means "to follow through to the end." In other words, to get something DONE!

In any business or production organization, its prosperity depends upon GETTING THINGS DONE!

The executive is there to ensure that the people produce what they are supposed to produce and in viable quantity and with no overt products.

And that is why an executive is there and that is what he is supposed to do.

In these druggie days of supersocialism, people can get other ideas of why an executive is there. And, unfortunately, executives themselves can get other ideas of their role.

It is an unfortunate fact, whether in a capitalism or a communism, that when an individual human being does not produce, he not only, in the short run or long run, cuts his own throat but he also drags the whole team down. A team or organization that does not produce not only loses its morale and pride, it also is committing eventual suicide.

The graveyards of history are full of "leisure classes" that did not produce: The peasants get real tired of seeing the aristocrats loaf and eventually cut off their heads. Modern times are crammed with beautiful experiments of "workers' paradises" where everyone is starving to death.

One sees the TV commercials and reads the paperbacks and they tell him that his goal is expensively bought leisure and that the ideal is to lie beneath the palm trees and do no work. Whole ideologies get built around this beautiful dream of a world in which no single person ever lifts a finger and sighs away his days in loafing bliss.

Unfortunately, this does not align with the facts. The unhappiest little kids in the world are those who have nothing to do: They whine and mope and quarrel and are quite a burden to their mamas. People on relief or living on social security are the most miserable lot, morale-wise, one ever collided with: They will tell you they would rather have a job. The death rate of men who have retired is startling: Cast aside and feeling purposeless, no longer producing anything, they, as insurance

companies will tell you, mostly pine away and die. In short, people who don't produce are very unhappy people.

223

Union agitators, once upon a time, promised all the workers that in a few decades they would be in clover. Less work and more pay was the slogan. And where today is this dream? Failing to produce, union members are out there in their millions, unemployed! And this lack of production is making the cost of living so high that even if they did work, they would have trouble finding enough dollar bills to buy a hamburger.

A certain amount of lying in the sun is a good thing. A laborer should not be worked to death.

But all things are best in moderation. The "leisure class" goes to extremes of purposeless loafing, the working man produces far less than he's paid for and in either case down comes the organization or the country.

A worker-oriented executive is trying to be liked by not requiring work from his organization: what is he actually accomplishing? He is lowering their living standards; he is pushing them into poverty; if he keeps on failing to persuade them to produce, he will kill them off. It categorizes as a suppressive act. "Go on, Joe, take the day off." "Oh, you poor fellow, you shouldn't work so hard." "Who cares about the stats, let's only work from eleven A.M. to noon." "Are you all comfortable as you doze? Oh, that's good, snore on." Such a person is surely not an executive: he's an imposter with a pistol leveled at the staffs' head. For surely, surely it is HE who has them drawing such low pay and it is HE who will at last, through their tolerated indolence, get them fired. It is HE who will lose the org. That's a pretty high price to pay for "being a good fellow."

Holding a post on which he is entrusted to get things DONE, he is a traitor to his organization and to his staff.

Of course, there are penalties connected to getting people to produce. They are often green and unhatted and need somebody to show them where to put what when. They are often bewildered and don't understand why these papers have to go in the right folders. And when one tries to get them to do some work, they sometimes snarl back or walk off and won't play pool with one anymore.

But if one thinks that by taking it easy on staff he will make points, an executive is VERY mistaken. Usually such an executive is actually despised. Down deep the staff knows what he SHOULD be doing with them and if he, having the title, doesn't do it, they see him as a fake.

It is interesting that staffs respect competent executives who get the job done. They respect the one that makes them work and they trust him.

It is a maxim that crews, staffs and employees respect only those in power who do their jobs and get them to do theirs. Oh, yes, they will elect people who tell them they don't have to work. But it's interesting that the first ones they blame when things go wrong are these worker-oriented softies: in the chaos of their wake, the next one people will support is a tough, strong one who knows his business.

The only executives that staffs and crews really respect are those who get them to produce and get the job done.

Look at Carter, the past unlamented president. Although he talked a lot about leadership, although he was the darling of the working man and all that, in office he was so wishy-washy, soft and incompetent-everybody's pal-that they eventually threw him out with a landslide victory for his opponent, a very tough talking man who was actually anti-socialist.

However one tries to coat the pill, there is no substitute, in an executive, for the ability to get the crew to produce.

The fire-breathing product officer will be followed and supported when the wishy-washy old pal guy will be stepped all over in the rush to follow a real leader.

224

Across the world, looking at organizations, one can spot every company and org which has executives who do not get their crews to produce. Such areas loom up like danger flags of trouble. Although their executives might think they are being good fellows, loafingly cheered by all, the fact is that their crews, behind their backs, despise them, the public regards them with contempt and the upper management echelons look at those loafing stats and put the names of those executives in a little black book for soonest firing.

It is not hard to detect a happy, cheerful org: its stats are up. And it is not hard to detect executives who are NOT making their crews produce: there's lots of conflict and trouble in the place and their stats are down.

Management looks everywhere for executives who can get their crews to really produce. And oddly enough, so do the crews. If you don't believe it, try it.

#### **L. RON HUBBARD**

Founder

Adopted as official

Church policy

by the

**CHURCH OF SCIENTOLOGY**

**INTERNATIONAL**

CSI:LRH:dm.gm Copyright c) 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

225

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 19 MARCH 1982**

Remimeo

*Finance Series 31*

*Marketing Series 19*

*Executive Series 35*

**EXECUTIVE SUCCESS**

"The whole story of marketing is told in just a few words:

**ONE FINDS OR STRENGTHENS OR CREATES A DEMAND.**

"The whole story of economics is told in a few words:

**ONE SUPPLIES OR DOES NOT SUPPLY A DEMAND AND GETS ADEQUATELY PAID OR DOES NOT GET PAID FOR IT.**

"The speed with which one can collect information, debug, write immediate bright, applicable, doable programs or evaluations on each area that will handle marketing, economics, delivery and collection and, above all, the speed with which one can get out letters, despatches and telexes based on the programs and get real done on them back determines the volume of income in any given time period.

"And that's the full essence of executive success-"

L. RON HUBBARD

Founder

Assisted by

Operations Chief

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:OC:kjm.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

[*Note:* The original mimeo copies of this policy letter were incorrectly numbered as Executive Series 33.]

226

## **HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill** Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 DECEMBER 1982R

Remimeo REVISED 30 JULY 1983

All Orgs

All Executives (*Revised to show changes which have been*

All Management

Personnel *made in the Executive Status levels.*)

(*Revisions in this type style*)

*Org Series 64R*

*Executive Series 36R*

*Esto Series 54R*

*Admin Know-How Series 44R*

## **THE TOOLS OF MANAGEMENT**

(*R efs:*

HCO PL 28 July 72 Esto Series 26

Executive Series 16

Org Series 32

ESTABLISHING - HOLDING

THE FORM OF THE ORG

## MANAGEMENT COORDINATION

HCO PL I I Apr. 70 THIRD DYNAMIC TECH)

There is a simplicity to managing effectively. It begins with the basics of management.

Although it may appear so to some, successful management is not a highly complicated, esoteric activity. But, just as an auditor or a C/S must know and be able to use the exact tools of first dynamic tech in handling cases in order to achieve exact and standard results on a one-for-one basis, so must an executive or manager know and be able to use the exact tools of third dynamic tech in handling groups to achieve successful and exact results in every instance.

Within the wealth of data on third dynamic tech contained in HCO Policy Letters, the OEC Volumes and tapes and books on the subject, there are certain definite, specific tools a manager uses. These are the tools of management.

The difference between brilliant management and mediocre or no management, at any level, lies in

1. Knowing what the tools of management are, and
2. Knowing how to use them.

Many people are not aware that, like a carpenter or any other workman, a manager uses specific and exact tools. Thus, we see people here and there who are doing the equivalent of using the handle of a chisel to drive nails into wet concrete.

It is a common fault with inexpert workmen to find them using their tools wrongly or not using them at all. They make a breakthrough when they discover what the specific tools are for.

227

One can see this in **people who** can't mix sound or can't become mixing engineers. They sit with all these knobs in front of them, reach out and grab this knob or that one, hoping hopefully something will happen to the sound. Yet every component they have in front of them is an exact tool to do an exact thing with sound!

There are a lot of comparisons one could make, but the point is that people in management positions have precise tools available to them in Dianetics and Scientology which happen to be far better tools than have ever been available on the planet.

One can have very good people on management posts who still can drown if they don't know and put to use the basic management tools.

But without these being specified as exact tools, one might not see the simplicity of it.

## MANAGEMENT ECHELONS

Operating as it does into an expanding scene, Scientology has grown into the need for and use of various echelons of management.

In orgs, for some time we have had division heads and above them we have the Executive Council, headed by the CO or ED of the org.

***Above the level of service orgs we have middle management and still above that we have the senior executive strata of management And each of these echelons must know the tools of management and how to use them-***

What has brought this about is the rapid expansion of Scientology into wider zones of responsibility and therefore increased responsibility with a resultant increase in traffic. This naturally has to be handled by increasing efficiency. What it has done, in effect, is push some up from lower level management status to upper level management status, necessarily. Without realizing it, some executives have been climbing a status stairs in terms of influence and zones of control. And they can go only so high without being terribly precise in their use of tools. After that, without this acquired precision, they drown.

The OEC (Org Executive Course) and the FEBC (Flag Executive Briefing Course) have long been established as the essential courses for training executives **at service org level and above.**

These courses, and the OEC Volumes upon which they are based, teach the form of the org and how to use the parts and posts and functions that go to make up the whole. They give us executives who know how to correctly utilize staff and their assigned posts and duties. We call it "knowing how to play the piano"-it's a matter of knowing what key to hit when and which keys to use in combination to produce a desired result. (Ref- HCO PL 28 July 72, ESTABLISHING - HOLDING THE FORM OF THE ORG.) In other words, it's a matter of knowing and using one's tools. **The OEC and FEBC courses teach this data and much, much more.**

**While at this writing there are numerous OEC and FEBC grads and more in the making, thousands more will be needed to handle the current rate of expansion.**

**Meanwhile an executive at any level and whatever his training needs to know and use his management tools NOW if he is to function at all.**

**A div head must "know how to play the piano" within his division.**

**The posts of CO or ED, Chief Officer, Supercargo, Org Exec Sec and HCO Exec Sec require executives who are capable of "playing the piano" across the divisions of the entire org and using hats and posts and functions correctly in order to achieve immediate production from the org as a whole.**

228

**At middle management one is handling not one function nor only one org but many orgs and their functions, which requires "knowing how to play the piano" at that level.**

And at the senior executive strata of management, we get into the vital need for "knowing how to play the piano" across a much wider sphere, using the full scope of management tools and using them with high skill. One might be using the same tools as lower stratas of management but a higher level of expertise is required as one's planning, decisions and actions are influencing far, far broader areas.

The obvious answer to all of this is an executive training program *which instants that executives on the fundamental tools of management and provides Management Status Checksheets through which an executive or manager raises his status by BECOMING MORE AND MORE EXPERT WITH THESE AND AN EVEN WIDER RANGE OF TOOLS. And such a program has now been developed!*

## MANAGEMENT STATUS CHECKSHEETS

The new executive training program consists of *three* status levels.

*These levels are to be covered in a series of Management Status Checksheets.*

Working up through these status levels, a manager not only becomes more proficient in handling an org, any org, but becomes fully certified to operate at middle or senior echelons of management.



1. EXECUTIVE STATUS ONE: *Instant-hats an exec on the most basic and fundamental tools of management. At this level, the person is simply thrown on post, the basic management tools are put into his hands via a brief, rat-a-tat-tat Executive Status One Checksheet (with prerequisites of Staff Status Two and the Basic Study Manual or Student Hat), and he then gets on with it*

Some of these basic tools are the Admin Scale, target policy, strategic planning and programing, the use of org lines and terminals, org boards, despatches and telexes, statistics and graphs, conditions, hats and hatting, importance of files, personnel folders, ethics folders, etc. Each one is a specific tool.

*(Note: Even an OEC or FEBC grad would do his Exec Status One level, as when he comes out of an FEBC, all in the clouds, the Exec Status One level is needed to bring him back down to Earth and tell him het dealing with tools which are very finite tools.)*

2. EXECUTIVE STATUS TWO: *For one to be certified at this level, one must have*

- a. Completed the OEC;*
- b. Done the Exec Status Two Checksheet;*
- c. Have an adequate production record.*

*The Exec Status Two course covers such tools as survey tech, PR, pilots, general economics, finance systems, cost accounting, control through networks, admin indicators, morale, legal, goodwill, exchange, missions (action missions), economical management and managing by dynamics.*

3. EXECUTIVE STATUS THREE: *For one to be certified at this level, he must ha ve*

- a. Completed the FEBQ*
- b. Done the Exec Status Three Checksheet;*
- c. Have a proven production record.*

229

*The Exec Status Three course takes up each of the eleven points upon which the senior executive strata operates and trains the person in each of these as a specialist action.*

*Once these Executive Status Checksheets are issued, middle and central management personnel should not draw full pay or be bonus eligible until they have gotten up through Executive Status Three, as they will not be operating effectively until they have done this.*

With the release of the new Management Status Checksheets, precise and gradient training levels for all echelons of management will exist comparable to the precise and gradient training levels required for all echelons of technical delivery,

Quite an unbeatable combination!

One winds up with managers fully familiar with their exact tools, having the one-two-three of management tech at their fingertips, and "knowing how to play the piano" effectively across an org, a continent, a planet!

So the answer to current expansion is an action which is geared to bring about even further expansion. And that is the only way to go!

It begins with the basic tools of management.

**L. RON HUBBARD**

Founder

Adopted as official

CSI:LRH:pm.iw.gm Church policy by the

Copyright © 1982, 1983

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

[Note: This issue was added just as the book was about to go to press and after the subject index was completely typeset. Thus index entries from this issue do not appear in the main subject index. However, a supplementary subject index has been added on page 731.1

230

## **HUBBARD COMMUNICATIO**

**Saint** Hill Manor, East Grinstead

HCO POLICY LETTER OF 7 A

Remimeo

All Staff

All PRs

Div 6's

Class IV Orgs

Saint Hills

AOs

FSO

Missions *Executive Series 37*

*PR Series 48*

## **GOODWILL**

*References:*

HCO PL 10 Sept. 82 Finance Series 36

EXCHANGE, ORG INCOME AND

STAFF PAY

HCO PL 28 Feb. 65 DELIVER

HCO PL 26 May 61 Keeping Scientology Working Series 2

Reiss. 30.8.80 A MESSAGE TO THE EXECUTIVE

SECRETARIES AND ALL ORG STAFF

QUALITY COUNTS

HCO PL 21 Nov. 68 SENIOR POLICY

HCO PL 2 Sept. 70 FIRST POLICY

HCO PL 17 June 69 THEORGIMAGE

HCO PL 24 Aug. 65 11 CLEANLINESS OF QUARTERS

AND STAFF-IMPROVE OUR IMAGE

## HCO PL I I Dec. 69 APPEARANCES IN PUBLIC DIVS

The amount of public demand for service and your future income are both largely dependent upon GOODWILL.

Goodwill is the reputation an organization has with its publics for integrity, good service, prompt bills paying, high quality delivery, friendliness, etc.

Excellent technical delivery is what generates a blaze of goodwill and PR that spreads by word of mouth like wildfire.

Events, open houses, tours, film or slide presentations-all such activities serve to generate public interest and goodwill.

Training and processing are commodities that are far, far more desirable than anything else this world has to offer. And when they are delivered with superlative technical application with the out-of-this-world gains that are possible, you would drum up so much public support that you would soon have an army of ardent supporters outside your door, no matter how much the psychs and press railed about us (even if they are still around to do so).

### PR

Good technical delivery makes it possible to have good "PR" (public relations). By definition, PR is the art of making good works well known. It is effective cause well demonstrated. When technical is creating miracles on a regular basis, it is simply a matter of making this broadly known. Your public will even do it for you on a "word of mouth" basis.

231

### WORD OF MOUTH

Almost all Scientology prospects come from people who have had service who are urging other people to have service or read books on the subject. That is called WORD OF MOUTH. Word of mouth comes from having numerous people in the field who are happy and cheerful and satisfied with their service and who are active in the fields of Dianetics and Scientology. There is where the bulk of your income comes from.

Word of mouth is a superior form of advertising to newspaper, radio and TV ads. People tend to believe their friends. They are skeptical of advertising. "It worked for Joe, it will probably work for me" is what people think. And in Scientology they are correct.

When word of mouth and PR have been in neglect, it will be because the org has not worked on the basis of goodwill and has let its tech go out (and is therefore costing itself a mint). This applies to all organizations and missions all the way up to the FSO and includes other units and networks as well.

The "word," whether good or bad, spreads like wildfire. That's why you'll never see anything empty out quite as fast as an Academy that is run nonstandardly; or conversely, anything fill up as quickly as a tightly scheduled, smartly run, in-tech Academy.

### SUMMARY

Other factors also enter in where goodwill, word of mouth and PR are concerned. The public, in dealing with the business world, has grown to expect clean, pleasant quarters and smart, friendly service.

There is nothing as destructive of goodwill as dirty quarters, sloppy, "help yourself" service and an unfriendly staff.

Clean quarters, professional conduct, good service and above all, a friendly staff, all go a long way to promoting goodwill.

It is not only the job of the Public Relations Officer to secure goodwill. It is part of EVERY staff member's job to help build goodwill for the organization by doing those things that will cause the public to think well of it, and by refraining from doing those things that would result in bad PR for the organization.

Above all, it is every staff member's primary concern that the organization is delivering the best tech quality possible. This point *IN is the* source of goodwill.

You must take a hand in creating goodwill. It is YOUR org!

**L. RON HUBBARD**

**Founder**

Adopted as official

Church policy by the

**CHURCH OF SCIENTOLOGY**

**INTERNATIONAL**

CSI:LRH:fa.iw.gm Copyright © 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

232

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 20 AUGUST 1979**

Rernimeo

*Marketing Series I*

*PR Series 34*

**DIANETICS AND SCIENTOLOGY ARE NEW**

People who have been in Dianetics and Scientology for years see it as a way of life. They accept it.

But to listen to them you'd think Dianetics and Scientology had been around for the last 50 billion years at least!

They have lost their viewpoint of the newness of Dianetics and Scientology.

They do not realize that Dianetics and Scientology are new news to the bulk of the world's population.

They do not realize that the oldest Dianetics or Scientology books are *brand new* books to the bulk of humanity!

Before 1949 Man's knowledge of himself, the spirit and the mind was a black barbarism. Look over the psychology, psychiatric and religious texts of the '30s and '40s. Man could not change. He was a degraded animal. The way you applied therapy was dreams or drugs, ice picks and ice baths.

Only Dianetics and Scientology began the road out of that witch pit.

But the witch pit is still there for almost all the world!

Because Scientologists number millions, Scientologists do not look at the *billions* to whom Dianetics and Scientology are BRAND NEW!

Those billions are still in the witch pit. They are still boiling.

Dianetics and Scientology are NEW NEWS.

We are the only road out.

Just because YOU are making it is no reason the world will. (If you *aren't* making it in auditing, if you are a "failed case," get yourself a repair-Scientology is the only approach ever developed that repairs itself too! And that is also new news!)

Let them in on the new news!

Cultures change slowly. It took centuries for Man to realize that slavery was wrong and could be changed. Cultures don't shift overnight.

So write and act like you have *new* news.

Recover your viewpoint by comparing what you now know to what they still don't know in even "modern" institutions.

You have new news. And Dianetics and Scientology are good news. In fact, the best news Man has ever had. Don't sit on it!

**L. RON HUBBARD**

Founder

LRH:ab.gal.gm Copyright a 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

233

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 SEPTEMBER 1979

Remimeo

*Marketing Series 2*

*PR Series 35*

**MARKETING, PROMOTION AND DISSEMINATION**

**DEFINED**

*MARKETING*: The conceiving and packaging and the moving of a specific product into public hands. It means to prepare and take to and place on the market in such a way as to obtain maximum potential and recompense.

*PROMOTION*: To make something well known and well thought of. In our activities it means to send something out that will cause people to respond either in person or by their written order or reply to the end of applying Dianetics or Scientology service to or through the person or selling Dianetics or Scientology commodities, all to the benefit of the person and the solvency of the org.

Promotion is the art of offering what will be responded to. It consists only of what to offer and how to offer it that will be responded to.

By promotion in a Scientology organization we mean *reach the public* and *create* want.

*DISSEMINATION*: Spreading or scattering broadly. By dissemination in a Scientology organization we mean making broadly known the materials, services and results of Dianetics and Scientology through books, promotional material, letters, films or other media or activities, including word of mouth.

L. RON HUBBARD

Founder

LRH:nc.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

234

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 JANUARY 1977RA

Remimeo REVISED 29 AUGUST 1979

*(Revisions in this type style)*

*(Re-revised 29 August 1979 to include Marketing Purpose and reissued as part of the Marketing Series.)*

***Marketing Series 3***

*PR Series 33R*

MARKETING HAT

*The Marketing Bureau motto is CREATE WANT!*

*The PURPOSE of marketing is to CREATE WANT and to SELL SOMETHING.*

*That includes selling something that can be delivered.*

The keynotes of any marketing action are

1. Search around and find what there is to sell. Get very full lists.
2. Pick one item.
3. Find out all about it.
4. Find any past history of it or any similar item in sales.
5. Survey the item on a variety of publics to find out
  - a. Which public will buy it
  - b. What that public wants, needs or would demand
  - c. Any past surveys on it or a similar item
  - d. Do a positioning survey per HCO PL 30 Jan. 1979, *Reissued 30 Aug. 1979, Marketing Series 5, PR Series 30, POSITIONING, PHILOSOPHIC THEORY*
- 6R. A. Use the survey results to position (particularly 5d).

B. Use the remaining survey results to write the copy, keeping in mind that your positioning dominates it.

7R. Write a sales campaign including what want it fulfills (by survey) and what the key buttons are for that public chosen (by survey). Include fliers, info sheets, ads, material for salesmen of it, order forms. Use graphic design which forwards the positioning and use the positioning in the surveys in all issues regarding the campaign. "The Basics of Marketing Stable Data" has to be applied heavily at this point to all issues, ads and campaigns. (See HCO PL 7 Feb. 1979R, Rev. 3 Sept 1979, *Marketing Series 7*, PR Series 31R, *THE BASICS OF MARKETING*.)

8. Design or get designed and laid out the items in the sales campaign.

9. Get them printed (or placed, when ads) according to the design.

235

10. Write a full program for the item's release whether new or old.

11. Assure a supply of the item can be gotten for selling at the points it will be sold.

12. Release the campaign.

13. Adjust and handle any bugs in any points above.

14. Arrange a continuation of the campaign so that it is not just a "one-shot" action but will go on and on, such as distribution and continued issue of the literature.

15. Keep a visible record of the successes of the campaign week to week and be prepared to correct, review or restart the campaign whenever it falters.

16. While working on the above, during the wait periods, pick another item and go through all steps for it as above.

17. Keep each item's checklist (as per this PL) in a folder for that item which contains all marketing actions. All pertinent papers, work and work copies to be filed in this folder with all results as they continue to come in.

18. Review folders from time to time to evaluate them and restart them or reinforce them.

19. Do not leave any stone unturned to find old or new items that could be marketed.

20. Do not fall for needing new items only or pushing only the new and realize that volume selling of everything you have is the way to market successfully, and that you have to keep on selling anything in order to get a large constant gross.

21. Be a high-volume success!

**L. RON HUBBARD**

Founder

for the

**BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY**

BDCS:LRH:lf.jk.gal.gm Copyright @ 1977, 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

236

**HUBBARD COMMUNICATIO**

Saint Hill Manor, East Grinste

**HCO POLICY LETTER OF 2 SEP**

Rernimeo

All Staff

Marketing Hats

Dirs Promo

PRs

Div 6 *Marketing Series 4*

*PR Series 36*

## **SURVEYS ARE THE KEY TO STATS**

(From LRH ED 161 INT, 18 Dec. 1971, same title.)

### *References:*

HCO PL 13 Aug. 70 PR Series 2

Issue 11 THE MISSING INGREDIENT

HCO PL 13 Aug. 70 PR Series 3

Issue III WRONG PUBLICS

HCO PL 27 Nov. 71 Executive Series 3

MONEY

HCO PL 3 Dec. 71 Executive Series 4

EXCHANGE

HCO PL 2 Jun. 71 PR Series 10

Issue II BREAKTHROUGH, PR AND PRODUCTION,

TONE SCALE SURVEYS

HCOB 25Sept.71RB TONE SCALE IN FULL

HCOB 26 Oct. 70 OBNOSIS AND THE TONE SCALE

We can do too much.

By just flying ruds on people we could cure what often passes as insanity.

By Word Clearing we could change the whole educational picture.

We could handle the whole problem of psychosomatic (mentally caused) physical illness.

We could lower industrial absenteeism from illness.

We are the only people who can cure drugs.

We could do a thousand other things with our tech.

That makes us unbelievable. Nobody on the whole track could ever do these things.

So when we broadly offer *everything* we can do. it is too much.

## **SURVEYS**

To find out what people want or will accept or will believe, one does SURVEYS.

HCO PL 2 June 71, Issue II, PR Series 10, BREAKTHROUGH, PR AND PRODUCTION, TONE SCALE SURVEYS, tells you how to phrase survey questions.



It is not hard to do surveys.

237

When you have one done, the data should be USED. The real fault in doing surveys is not using the result in promotion.

#### EXCHANGE

You and your org are involved in exchanging valuables for valuables.

You offer a valuable service in return for valuable money.

(See HCO PL 27 Nov. 71, Executive Series 3, MONEY and HCO PL 3 Dec. 71, Executive Series 4, EXCHANGE for further information on what exchange is.)

So in surveying, you are in actual fact seeking to know **WHAT SERVICE THAT YOU CAN DO WILL PEOPLE CONSIDER VALUABLE ENOUGH TO GIVE MONEY OR VALUABLES FOR.**

#### STATS

When you have this answer, you have the answer to prosperity stats.

#### PROMOTION

Promo done without survey, magazine ads without survey, flyers without survey, you are going it blind.

It's pathetic to realize that you might be within an eighth of an inch of the right offering without making it. Sort of like digging two feet away from the gold vein and getting an empty hole when you could have a million dollar mine.

Working without surveys, you could spend thousands a month on promotion and lose it all.

Or working **WITH** surveys, you could spend hundreds on promotion and make hundreds of thousands.

It all depends on knowing how to do surveys, doing them, really tabulating the **results and USING** what you find.

#### INVOICES

You can even do a survey out of invoices. You can see what book sells best lately and then look into the book to see what it seems to promise and then promote that; you do that and you'd increase your delivery volume.

Or you could find the popular book by invoices, find who'd bought it and survey the buyers as to what they would consider valuable in it and promote that *service*, and you'd increase delivery sales.

You could review invoices to tabulate what part of the town or state your customers came from and saturate (fill up) the area with promo and increase your delivery sales.

You could see by invoice survey what they bought and do a flyer on that and use that flyer to saturate that area.

Invoices are very useful. It is a must to set up an invoice-counting project to see what to put in the next bulk mailing.

#### SUCCESS STORIES

Taking all back success stories, particularly from an affluent period, and finding out what the people were most appreciative about and then converting that to a training or processing offer and using it for promo is a vital action. Not to quote the

238

success stories-we do that and it's fine. But to SURVEY the success stories to find out what to offer.

#### EXAMINER REPORTS

A survey of past Examiner Reports for exam comments after certain specific actions or courses have been completed is very revealing.

This gives you what you can offer with confidence.

It gives you a promotion base on which to build a campaign.

#### PAST PROMOTION

One also surveys past promotion. What gave the largest percent of response?

Promo which returned 11% or 16% is phenomenal.

*You judge the accuracy of your survey by the success of the promo based upon it. If the success is not great you resurvey.*

#### SATURATION

When you are serving only the same people all the time, you can hit a saturation point (all filled up) by never offering their next action.

This next action requires a survey.

And new people must be fed in.

An example is an AO that got fat selling OT VII to old customers and neglected promotion to get new customers and eventually saw its stats begin to sink.

So surveys of old customers and new customers have to be done and each promoted to.

Thus, you have different PUBLICS which have to be surveyed. In this case "old public" and "new public." Each requires a different survey and a different survey action and different promotion.

#### TOTAL EFFECT

Desperation often leads one to try for a TOTAL EFFECT. (See Effect Scales in HCOB 18 Sept. 67, corrected 4 Apr. 74, "Scales," and in the book *Scientology 0-8*.)

One has sometimes seen a student trying to push home a full Dianetics Course in fifteen minutes to his non-Scientology friends.

His R is wrong. He sometimes doesn't even get an ack in exchange!

If, perhaps, he demonstrated a Touch Assist expertly, explaining body comm, they would look on him as a wizard!

Some student can make his whole audience depart by talking about past lives and OT states when if he explained that people often led sad lives after a family member died he might have an awed audience.

But to be sure how to have an awed audience, even the student would have to "survey" a little bit. He'd have to ask them what they wanted handled or something and then talk about that. In that way he would be certain of attention.

A student or an org can get desperate and try for a total effect by telling or

239

offering everything they know-and fly right out of the reality of their audience.

## MISSION

You as a Scientologist have a certain mission toward the world.

It is not a very civilized world.

You can bring it friendliness, peace and understanding,

How do you find an entrance point into this unfriendliness and lack of love?

The answer is surveys.

Hereinafter, issue authority must be given only when promotion can cite what survey it has based this upon.

Survey, lack of, is the weak link in all promotion.

To better your stats you must get this in.

Failure to survey can cost you thousands in ineffective promo and tens of thousands in lost stats.

So the word is

**SURVEY!**

**KNOW BEFORE YOU PROMOTE!**

**L. RON HUBBARD**

Founder

LRH:nc.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

240

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 30 JANUARY 1979**

**PRs CORRECTED AND REISSUED 9 FEBRUARY 1979**

**Marketing Pers RESTORED 28 JULY 1983**

Copywriters

Artists

Designers

Lecturers

Div 6 (Cancels HCO PL 30 Jan. 1979R, revised 16 June

1980, POSITIONING, PHILOSOPHIC THEORY.

That issue was illegally revised by another. The original LRH version issued on 30 Jan. 1979 was reissued 9 Feb. 1979 to correct the address in the second paragraph. That original version is hereby restored.)

*Marketing Series 5*

*PR Series 30*

## **POSITIONING, PHILOSOPHIC THEORY**

Although Madison Avenue has used "POSITIONING" for some years, it has not fully understood the actual philosophical background that makes "POSITIONING" work.

There is an excellent booklet called *The Positioning Era* put out by Ries Capiello Colwell, Inc., 1212 Avenue of the Americas, New York, N.Y. 10036. Copies of it are probably available from the company or the Marketing Bureau on Flag or Publications Organization US. It is an **excellent booklet. It does not, however, give the** philosophical background which, probably, is not generally known. Probably it was never discovered. I had to work it out myself.

Buckminster Fuller, an engineer and architect of some renown, says that it is a two-terminal universe. In other words, the universe is built by twos.

In electricity you have heard of two "poles"-the positive and the negative. You only get movement or generated energy in the presence of two poles. That is the principle of the electric motor, why current flows from one point to another point and so forth. There are four possible arrangements of these two poles: they are positivenegative, positive-positive, negative-negative and negative-positive.

In the reactive bank a positive and a negative, when occurring together, tend to bring about a stuck point in time. You sometimes see this in a marriage where the husband is jolly and carefree and the wife is sad and morose. One wonders why these people would ever stay together. The fact of the case is, due to reactivity of the mind, they can't do anything else,

Despite propaganda that "one should live for oneself alone," the fact is that it is very difficult and most disappointing to do so. Life really can't be lived on the first dynamic alone. If you don't believe it go on out in space 300 miles and sit there for a while, you won't like it. You'd be calling Houston every few minutes.

241

In any event, one could say that life was at *least* a two-pole activity. Actually, it is not only always just two but certainly it doesn't go along well with just one and goes best with several, ask any popular person.

Fast communication is most easily done by comparisons. When one asks "What is the book like?", he really is not trying to get you to describe the book. He means that he wants some comparison. He will be happiest with the answer if he is told that it is like another book with which he is familiar. It would take you a lot longer and involve you in a lot more arguments if you just tried to describe the book to him instead of comparing.

"What does it taste like?" is satisfactorily answered, "Like candy." That, if it has some shadow of truth and accuracy, is a perfectly satisfactory answer to the other person.

So we get a law which is this:

THE UNFAMILIAR IS RAPIDLY INTRODUCED OR COMMUNICATED BY COMPARING IT TO A FAMILIAR.

Joe knows nothing about practice boxing gloves and there are none there to show him and he will be fairly satisfied if he is given a familiar object, pillows, to compare them to,

Thus, one can achieve a very rapid communication by observing the following law:

ONE CAN ACHIEVE THE APPARENCY OF FAMILIARITY, EVEN WHEN THE PERSON HE IS COMMUNICATING TO HAS NO KNOWLEDGE OF THE SUBJECT OF COMMUNICATION, WHEN HE ASSOCIATES IT IN THE MIND OF THE OTHER WITH SOMETHING WITH WHICH THE OTHER IS FAMILIAR.

Positioning takes advantage of a fact that one can compare the thing he is trying to get the other person to understand with desirable or undesirable objects. Desirable objects are now more commonly used in advertising. Undesirable objects are more commonly used in propaganda. By comparing this unfamiliar thing or the thing he wants to sell to another desirable object or by comparing something he wants people to **detest to** an undesirable thing, he can achieve a rapid communication and comparison.

Further advantage is taken of the fact that one can position *above* a familiar object, *with* a familiar object, *below* a familiar object, *at*, *to*, *against* and *away from* a familiar object. This opens the door to an opportunity to establish an opinion of the thing one is seeking to communicate. You might call it an "instant" opinion.

For example, we know that an astronaut is a familiar, highly regarded being. Thus, we position a product above, with, below, at, to, against or away from an astronaut.

We know that people think angels are good, sweet and kind, so we position another something above, with, below, at, to, against or away from angels.

We know people loathe psychiatry, so we communicate something as being loathsome as saying it is below (worse than) psychiatry. We could also make people think something was good by saying it was against psychiatry, bad because it would bring them to psychiatry, or awful because it used psychiatrists (like the tax people).

242

A common use of positioning in advertising is to take a product which, by reason of advertising, is familiar to the public and is regarded by them as the leader in the field and then *positioning* a new, untried, unfamiliar product above it, with it, or just below it. Thus the new product gains a sudden spurt in sales by being compared to the leader.

In fact, in the field of advertising this has been the primary use of positioning, probably because no one had carried the idea back to a point of formulating the actual laws of it and thus broadening its use. They thought in advertising, evidently, that the basic theory of it was the "pecking order of hens" which means that the whole barnyard is usually found to have a top hen and a bottom hen and they peck each other in that order.

Apparently, from talking to ad guys, they thought that by putting their products in the pecking order against the top product they made their product higher or just with or just below the top hen. That's what the advertising people get for associating with such "experts" as psychologists.

POSITIONING can be seen to have far, far broader uses than "cola" and "uncola" ads when you study the above basic PL data. The horizon becomes very, very vast and all around because with it you can attain fast communication about the unfamiliar and can formulate "instant opinion."

When used in advertising, posters, write-ups, PR, propaganda, or any one of many activities, forceful and effective positioning requires certain requisites:

1. The selection and identification of the public or person one is trying to cause to have an instant opinion, desire or repugnance.

2. Work out whether you are trying to do a good or bad relationship to the familiar object you will find and what kind of an opinion, desire or repugnance.

3. Survey that public with questions which do not even mention the thing you are eventually going to use the survey for to find what they consider wonderful, popular, useful, etc., etc., or awful, terrible, etc., etc. You can survey for attitudes, objects, professions or anything else you have chosen that will even dimly compare with something you are going to use the survey to push.

4. From the majority answer of this survey, choose an object, profession, attitude, etc., etc., that they think is great or awful or whatever.

5. Get a bright idea of how to compare the thing you were trying to communicate to the familiar object, attitude, profession, etc., that they all firmly have an opinion on.

Do as many other surveys as you like of this same public you are trying to reach to get their attitudes in general or attitudes about what you found or even their general likes and dislikes, vocabulary, habits of dress, etc., so you can write copy and draw pictures that seem to be them or what they would say or do.

Do your drawings and write your copy.

If you have been clever, you will succeed in communicating forcefully and effectively and instantly at a glance something that was very unfamiliar to them previously.

All the other rules of copywriting, art and design, impingement, etc., are dovetailed into this to make more of it.

243

By doing a lot of practice with this and drill, drill, drill, drill and getting experienced with it, you will suddenly find yourself able to use this in PR, advertising, marketing, and communication in general with an impact that will be very effective and very startling.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm Copyright © 1979, 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

244

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 JUNE 1978

Org Staffis REISSUED 31 AUGUST 1979

Div 6s

Registrars (BPL of 25 June 1978 now issued as  
FSMs an HCO PL under same date and title.)

Missions

Groups

*(Reissued 31 August 1979 as part of  
the Marketing Series.)*

Marketipg Series 6

*PR Series 32*

**COME-ON DISSEMINATION**

A recent look at dissemination revealed the following data:

DISSEMINATION BY MEANS OF PURVEYING A LITTLE PIECE OR SEVERAL  
LITTLE PIECES OF TECH (to answer questions, show *how* a person's problem could be handled,  
show *how* the mind works, etc.) *ENDS THE CYCLE AND TERMINATES THE REACH.*

DISSEMINATION BY MEANS OF "COME-ON" STRENGTHENS THE REACH AND  
LITERALLY PULLS THE PERSON IN.

**COME-ON**

Come-on is defined by Ron as follows:

"A thetan is a mystery sandwich. If we tell him there is something to know and don't tell him  
what it is we will zip people into Div 6 and on into the org." (LRH)

So in using come-on, one simply does the above. You either have or you create interest in your  
prospects-then you *channel* them along. Their own curiosity will pull them along the channel,  
providing you created the correct mystery in the first place.

You channel by indicating where and how *to get* the data-never just GIVE the data. And one  
can keep on doing this to a person-shuttle them along using mystery. Dept 17 services especially  
should be geared to this, one service ending in some mystery that only the next Div 6 (or better yet,  
Div 4) service will solve. One can also put this type of come-on promotion in books one sells so the  
person buying the book is put into mystery and doesn't just end on a win by reading that one book  
alone.

**END-OFF**

Reach gets blunted or terminated once a person gets his question answered, the solution to his  
problem, etc. Purveying random and little pieces of tech to a prospect and the public at large does just  
this. This is end-off dissemination.

Thus one should gear one's dissemination to the come-on and keep the prospect's appetite for  
knowledge and mystery well stimulated and channel the person right along so that he will and does  
become an actual Scientologist.

In our case, the curiosity restimulated eventually will be fully answered and to the person's  
complete advantage. When he is given a mere scrap of information, he has

been denied the full data, gains and technology which will be his if he attains the benefits of major services.

#### DEFINITIONS

**"MYSTERY:** the glue that sticks thetans to things." (*Dianetics and Scientology Technical Dictionary*).

**"MYSTERY SANDWICH:** 1. the principle of mystery is, of course, this: the only way anybody gets stuck to anything is by a mystery sandwich. A person cannot be connected to his body, but he can have a mystery between him and his body which will connect him. You have to understand this thing about the mystery sandwich. It's two pieces of bread, one of which represents the body and one of which represents the thetan, and the two pieces of bread are pulled together by a mystery. They are kept together by a volition to know the mystery. (PAB 66) 2. a thetan stuck to anything is, of course, just a mystery sandwich. Thetan, mystery, object-mystery sandwich. (SH Spec 48, 6108C3 1)" (*Dianetics and Scientology Technical Dictionary*).

**COME-ON:** (noun) "something offered as an inducement" (*Webster's New World Dictionary*).  
"something offered to attract or allure; enticement; inducement" (*World Book Dictionary*).

#### SUMMARY

Imbue your prospects and the public at large with a thirst to find out.

Mystery, not little scraps of data, will be found to be the biggest puller.

L. RON HUBBARD

Founder

Assisted by

Suzette Hubbard

for the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SH:dr.jk.gal.gm Copyright © 1978, 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 FEBRUARY 1979R

Remimeo REVISED 3 SEPTEMBER 1979

(Revisions in this type style)

(References updated and reissued as part of

Marketing Series, 3 September 1979.)

Marketing Series 7

PR Series 31R

**THE BASICS OF MARKETING**



There are certain stable data anyone engaged in marketing or preparing the materials for marketing should memorize so that he can think with them. These are not just stable data which one uses to qualify whether or not a marketing thing is okay; these are the stable data from which a marketing person, or anyone connected with the development of marketing, use to create the products related to marketing such as fliers, ads, info sheets, material for salesmen, posters, etc., etc. Memorize the basic data given below and be familiar and able to work with the material contained in parentheses after them so that you can think with these stable data.

0. Be a professional in anything you do.

I . Survey for the public and then survey that public with regard to any product. (HCO PL 2 Jun. 71 11, PR Series 10, BREAKTHROUGH-PR AND PRODUCTION-TONE SCALE SURVEY; HCO PL I Jan. 77RA, Rev. 29 Aug. 79, *Marketing Series* 3, PR Series 33R, MARKETING HAT, HCO PL 12 Nov. 69, APPEARANCES AND PRO; HCO PL 13 Aug. 70 11, PR Series 2, THE MISSING INGREDIENT, HCO PL 13 Aug. 70 111, PR Series 3, WRONG PUBLICS; HCO PL 23 Nov. 69, INDIVIDUALS VS. GROUPS, and any other survey tech.)

2. Do your homework. (Study the market, competitors, field, publics, etc.)

3. Be fully familiar with the propaganda line of PR or public image your company is currently following.

4. Know your product.

5. Establish and use a positioning for every product. (HCO PL 30 Jan. 79, *Reissued* 30 Aug. 79, *Marketing Series* 5, PP Series 30, *POSITIONING, PHILOSOPHIC THEORY.*)

6. Impinge! (Applies to graphic design, campaign ideas, anything else.)

7. Be alive! (Don't compose dead downgrades.)

8. Direct people's attention. (This applies to graphic design, wording of ads, placement of ads, color choices, ideas, capers and stunts.)

9. Make material aesthetic. (Know how to use geometric design, color wheels, color depth perception, layout, etc.)

247

10. Be clean, clear-cut, comprehensible. (Don't be complex and muddy.)

11. Use come-on. (In advertising you never tell all you know, just tell people how they can get it or find it.) (See HCO PL 25 Jun. 78, *Reissued* 31 Aug. 79, *Marketing Series* 6, PR Series 32, *COME-ON DISSEMINATION.*)

12. Create want!

L. RON HUBBARD

Founder

LRH:dv.1r.jk.gal.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

248

HUBBARD COMMUNICATIONS OFF

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 SEPTEMBER

**Rernimeo Marketing**

**Personnel**

**Copywriters**

**Artists *Marketing Series 8***

**Designers**

**Div 2 *PR Series 37***

**Div 6**

**Lecturers**

## **PR MORE ON MARKETING BASICS**

The duty of marketing is to make sure that something gets marketed in such a way that it will be wanted and delivered. To accomplish that, one needs to know his marketing basics.

### **PRODUCT AVAILABILITY**

Marketing is supposed to create want and demand, but it is fatal to create want and demand where no delivery is going to occur.

Marketing is also supposed to engage in and result in some sort of exchange. Another way of saying "we deliver what we promise" would be, for marketing purposes, "we promise and promote what we can deliver."

A created demand which then cannot be fulfilled results in ARC breaks with, further, the time, effort and money put into that marketing action down the drain. Also, in such a case, as far as the public goes, the credibility of any future marketing done is apt to suffer.

Thus, one markets **WHAT IS THERE RIGHT NOW IN EXISTENCE THAT CAN BE DELIVERED**. And the marketing of a **NEW** item must be dovetailed with the actual release and availability of the new item for delivery.

In this way we reap a whirlwind of business, the public gets delivered to and the created demand gets fulfilled.

### **TWO VITAL MARKETING DATA:**

#### **REALITY ON THE PRODUCT/REALITY ON THE PUBLIC**

There are two important data which must be used in marketing. When these are not applied, the result is a marketing piece which does not communicate to the public it was intended for, and therefore the promotion is worthless and a waste of money.

These data are

1. TO GIVE ANY READER **REALITY ON AN ITEM**, THE COPYWRITER HIMSELF HAS TO HAVE **REALITY ON THE ITEM**.

2. TO COMMUNICATE TO AN AUDIENCE, YOU HAVE TO HAVE A **REALITY ON THE AUDIENCE AS TO WHERE THEY ARE AT AND WHAT THEY ALREADY KNOW OR DON'T KNOW**.

Applied, these two data are the basics on which any successful marketing campaign, small or large, is built. If one knows the product and knows his audience, the remainder of the actions necessary to bring the two together become relatively easy.

### **THE MARKETING CYCLE**

Probably some marketing failures result from a false datum that to market is synonymous with directly selling to the customer. That is a wrong concept and woefully incomplete.

Marketing includes all actions from before the beginning of the production right

249

on through to its use by the customer and its word-of-mouth promotion by the public. Your first step is you've got to have a product to market that will market. And you have to groom that product up so you can market it.

From the first moment a product is conceived, much less produced, marketing has to be in there with surveys to establish the design and use of the product, and it carries on through at every stage to make sure that it will eventually sell and get good word-of-mouth promotion.

Advertising enters into it. The basis of advertising is: you have to *attract*, you have to *interest*, and you can then *get your message across*. It's in that sequence.

Another part of marketing is distribution planning. Without a plan to get the promotion and the product distributed to those points where the promo will be used and the product sold and consumed, you can't market.

And there is one more step in marketing that you have to take, which is the standard step of PR. You have to review your marketing program and your issues and your promo and find out if they were put to use. Did the issues and promo ever arrive? Did the promo ever get printed? Was it actually used? And what was the response to it?

A completed marketing cycle would always include such a follow-up. The success of an existing marketing campaign or the success of the next marketing campaign would depend upon it.

### SHOTGUN MARKETING

"Shotgun marketing" is marketing without any concentration on the actual marketing of any one individual product. Pushing everything all at once scatters the audience attention and weakens the impact of the individual items.

Cure yourself of sending all your materials out in a wad as it is a fatal failure. It is only the amateur in PR and marketing who sends out everything he has or has ever heard of in a single shot and thus winds up selling nothing.

On the professional side, one sends materials out piece by piece to arouse and stimulate interest. When interest is stimulated one gets response.

**So just don't indulge in shotgun marketing.** And don't allow yourself to be talked into it for whatever reason.

Release your materials strategically.

That's part of effective marketing and it's what brings about sales.

As a stable datum, the most attacked and suppressed line in any org or management unit is promo and marketing and one has to know his business to spot it and halt it before it does him in. Were we able to clean out just this one factor in management in every org, we'd have a boom, just like that!

A large part of handling this factor lies simply in both marketing and management terminals *understanding* marketing and its basics. From there it's a fairly short step to getting the marketing basics applied.

That's really all it takes to produce a boom.

**L. RON HUBBARD**

Founder

LRH:nc.gm Copyright a 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

250

HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinste

HCO POLICY LETTER OF 5 SEP

Rernimeo

Marketing

Personnel

Copywriters

Artists

Designers

Layout

Printers *Marketing Series 9*

Div 2

Div 6 *PR Series 38*

## **THE ASSEMBLY LINE FOR PRODUCED PROMO**

A few years back I found, in a study of the flow lines of promo, that it was very difficult to get a line to move from idea stage to a disseminated piece of promotion.

### **DESIGN OMISSION**

A study of the graphic arts textbooks on layout being used revealed that they began their org boards and flow lines in the print shop! That's several notches down the line in the production of effective promo. Omitted was the vital step of design.

The textbooks were a printer's idea of the world and, being printers, they would not really know much about the source of copy or ideas. The book misdefined "dummy" as "rough layout" and misdefined "rough layout" as **full** design and layout. And that was the text being used. As a result, when requests were made for promo pieces, the reply was, "Well, give us the dummy," and when the dummy came, it was, "This isn't the layout."

*You can't* start making columns of printing (galleys) without somebody doing a design and dummy. And you can't do a "rough layout" or any layout at all unless you have a design of what the piece is trying to look like.

But there was no design step in the assembly line. Instead the printer was being asked to put together a "layout" when he hadn't a clue of what the person ordering the piece was trying to present. The result of that could only be hackneyed (trite), badlooking promo as there was no real design-just type columns and photos.

Design is *quite* a subject; one I happen to know more about than printing, I'm afraid. So to see it omitted in texts explained all. The result, no matter how hard the printer worked, would be apt to be ineffective.

Once the real bug and omission was spotted, it was not difficult to get the missing vital functions added in and org boarded correctly to straighten out the scene.

We now have a correct and complete assembly line for produced promo which permits a flow to occur from idea onward.

251

## ASSEMBLY LINE FOR PRODUCED PROMO

1. IDEA

2. WORDS - DUMMY - ART

PHOTOS

3. DESIGN

4. ROUGH LAYOUT

5. TYPESETTI

-7

6. ASSEMBLY, PASTE-UP

PREPARATION

SHOOTING BOARDS

7. PROCESS CAMERA WORK

8. PLATEMAKI

9. PRESS WORK

10. FINISHING, CUTTING,

FOLDING, BINDING

1

TO ORDERER 1

1

12. FD-ISTRIBUTION

252

## DEFINITIONS OF PROMO ASSEMBLY LINE FUNCTIONS

**The following definitions** correctly describe the functions at each step of the **promo assembly line**.

*IDEA:* A concept or notion of something to be done; a plan of action; intention.

*DUMMY-* A scrap paper expression of the idea. Includes in the same package the written materials or words (called copy), all surveys used, captions, photos and art work.

*DESIGN:* The artful format that will *interest* and lead the viewer to involvement in and finally desire to act (to attain, to meet a challenge, to acquire, to achieve, etc.).

*ROUGH LAYOUT-* The precisely measured pages, spaces, type, croppings, laid out with great mechanical accuracy so that typesetting can begin and separation negatives or blocks that will fit can be made.

*TYPESETTING:* The act. art or process of setting type for printing.

*SHOOTINGBOARD LAYOUT-* (Includes assembly, paste-up, preparation.) The exact, final arrangement and execution of each page, its type, art and pictures and page arrangement in signatures, ready for the process camera (or in letter press, the press).

*CAMERA WORK:* Where plates are made and photos or art plates are made. This has a branch line, in color, which comes just before it, of making color separation negatives.

*PLATEMAKING:* The process of making a thin, flat piece of metal or plastic called a plate, upon which a picture or a page of type is engraved.

*PRESS WORK:* This is the actual printing.

*FINISHING:* That which completes or gives a finished appearance to any kind of work. It includes the cutting, collation, folding and binding, stapling or stitching of the printed sheets, to make a finished product.

*CUTTING:* The trimming or separating of the printed sheets to the specified size.

*COLLATION:* This is assembly of the printed sheets.

*FOLDING:* This is doubling or bending the sheets over to the specified form and size, if they are designed to be folded, or if they are to be folded for mailing. It is done by machine or by hand.

*STAPLING OR STITCHING:* This fastens the sheets together.

*BINDING:* This fastens the sheets together into a cover (if one is to be used).

*PACKAGING:* This envelopes or boxes the material.

*SHIPPING:* This gets the product off to destination.

While many substeps may occur, these are the main steps. Each has its own tech.

If the above steps of dummy, design and rough layout are confused with one another or are tried out of sequence, the final product cannot occur, and if by some bungling does happen, it will be an overt product.

Printers and graphic arts texts hint at a mysterious upper world called "commercial advertising firms." This is as close as they get to mentioning DESIGN as noted above.

253

Graphic arts texts confuse "dummy" and "rough layout." As a result, the industry is in a spin most of the time, as you may have noticed.

The only place the above assembly line backs up is when "rough layout" cannot execute the design due to limitations, inadequate facilities or errors. This requires liaison between these two to iron it all out.

Ignoring or misapplying these flow lines will give you poor promo or, at best, make it hard to get promo out.

The line tangles AT THE TOP THREE POINTS below "idea" unless these are *well understood* and done exactly in this sequence.

If the DESIGN definition is understood and well used, promo will be effective.

HCOB 30 August 1965, ART and HCOB 29 July 1973, ART, MORE ABOUT are vital if one is going to do promotion. They regulate the first three steps of this line.

L. RON HUBBARD

Founder

LRH:gal.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

254

HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinstead

HCO POLICY LETTER OF 6 SEP]

Rernimeo

Marketing

Personnel

Copywriters

Artists

Designers *Marketing Series 10*

Layout Artists *PR Series 39*

## **THE RELATIONSHIP BETWEEN DESIGN AND ROUGH LAYOUT**

What you're trying to get down the line is a product.

You've got the idea for a promo piece expressed in the dummy and you're trying to take it from *design* (the artful format that will interest and involve the viewer and stimulate him to act) into a precise rough layout (the precisely measured parts of the piece laid out with mechanical accuracy).

And right here between these two-design and rough layout-your product could hang up and bog or get hopelessly bungled if the difference between these two actions and their relationship to each other is not fully understood.

DESIGN

The Purpose of Design

To do a rough layout or any layout at all, you must begin with design, and the guiding line there is HCOB 29 July 1973, ART, MORE ABOUT.

What you're trying to do with the design of a layout throughout is

A. ATTRACT

## B. INTEREST

## C. DELIVER THE MESSAGE.

If you use the communication formula, you get an extension of this.

Some people abandon art for the message; others abandon any message for what they believe to be art. But if you double it-apply ATTRACT-INTEREST-MESSAGE and the comm formula to the layout as a whole-and then redouble it-apply ATTRACT-INTEREST-MESSAGE and the comm formula to the message itself-you get a double punch of impingement.

You want a design that, in itself, communicates-a design that talks. It requires the use of art forms.

### Art Forms - Design Basics

The art forms we're talking about here are shapes or objects.

A keyhole, for example, is an art form. Different shapes, different sizes of keyholes, convey different things. Circles, squares, triangles, etc.-these are all art forms.

There is a simple drill one can do, using art forms, to grasp the basic idea of design. Take ovals, squares, rectangles, circles. Throw down certain shapes on an open

255

page of a brochure on each page and you get a specific design. Is it pleasing? Not pleasing? Dramatic? Not dramatic? What is the effect?

Do this again and again, using the various shapes or combinations of them. You can play around with this until you get the full feel of design basics.

Beyond this, one can experiment (but not on the final product!) with different formats, different sizes, horizontals, verticals, different sizes of photos and backgrounds in color or not, textures and two dimensions giving the impression of textures, as well as background designs.

The possibilities are many and one should feel at home with a wide range of them and how they align and integrate, or not, with the rules of standard composition.

### Composition and the "Eye Trail"

When we talk about composition, we are talking about how you dispose of the objects in a picture or design, not how you draw one object. Composition is how you arrange or group the objects or shapes.

There are certain stable composition lines and there are dynamic lines. There are various types of mood lines. These must be used. They are part of standard composition, and they have everything to do with design.

In composition you are working not only with the mood of the piece but with the EYE TRAIL. The EYE TRAIL is vital in the layout of a design.

The eye must go somewhere-i.e., start at the top and follow down. *Where* it starts and *where* it goes is called the eye trail. And right here you get into the basic formula of ATTRACT-INTEREST-MESSAGE. The eye trail should lead one-pull one-involuntarily through ATTRACT-INTEREST-MESSAGE.

You can have a design which, by itself, is so irritating that it forbids reading it-it defeats the message. If you don't believe it, look at some pictures in cubism. Cubism is a dead art, by the way. But



why did it die? Well, it specialized in irritating pictures, jagged, angry pictures, confused pictures. If the layout is ragged, the eye does not follow down easily.

The actual design will deliver an emotional impact. In other words, your design can be such as to prevent the piece from being read or deliver the wrong emotional impact for that piece, and therefore all the money and the work and all the ideas and all the think that went into it is totally defeated.

Take squares. You put squares in the wrong place and have the eye trail going in the wrong direction and you have an irritated person who will not go further.

Mono-sized shapes or objects or monotone lines-the piece will have no impact and no real eye trail. It's all monotone. It goes nowhere. Or a so-called center spread where the eye is distracted by two other disrelated photos and the attention is dispersed-wrong eye trail.

Thus design, the way you put something together, is very, very able to deliver an emotional impact by itself. Brilliant design will deliver exactly the emotional impact you intend. Brilliant use of the eye trail will carry one to and then through ATTRACT-INTEREST-MESSAGE.

The conclusion, therefore, is that format and layout-the design of the piece-is the key to saleability.

So you use the emotional patterns of design and design itself as a means of communicating, to project the desired emotional response.

256

You're working for the final appearance of the final product when it arrives in somebody's hands.

You're working for a technical quality which all by itself will deliver an impact.

That's DESIGN.

## ROUGH LAYOUT

Once the design has been established, rough layout can be done.

Rough layout precisely measures the pages, precisely measures the spaces within the pages, precisely measures the copy and selects the type that will be used for the copy in the various spaces. It crops, precisely, the photos or other artwork that will be used in the piece.

## Cropping

In cropping we see distinctly the relationship between design and rough layout.

There are two types and two stages of cropping:

1. Artistic (design)

2. Mechanical (rough layout).

1. In the design stage you indicate (describe) the artistic on the *design* in the space for the photo. Any crude black and white sketch will do.

2. Mechanical-rough layout-makes it fit and marks in the exact dimensions and the crop on the *board* the negative or transparency is in.

Cropping has to do only with format. The actual size of the photograph has nothing to do with the established rules of cropping. It has to do with taste.

Rough layout follows the design and scales the design to fit in the prescribed space. It does this precisely and accurately *without altering* the design and according to the balances and relationship described by the design.

When we get into rough layout, we are into the graphic arts. (One could get into a confusion here between the terms graphic arts, graphics and graphic, so it had better be made clear. Roughly, most encyclopedias describe graphic arts as engraving, etching, etc., involving representation or expression by means of lines on flat surfaces. Graphics is described as the art or science of drawing especially by mathematical principles, as in mechanical drawing, or calculating by means of graphs or diagrams. But you look in the dictionary and you find *graphic* means "vivid." So graphic arts and graphics do not mean the same thing as graphic.)

Graphic arts deals with the mechanical reproduction of a picture or design. It is done by means of graphing. You don't use arithmetic in graphic arts. It's more a form of plotting.

They call the rough layout the mechanical, and they call it the mechanical for a good reason-it's MECHANICAL. What's mechanical? That means "by machine."

So in rough layout you're into the area where it's all machine. We're not talking here about a system of pistons and gears and levers and crankshafts, but we are talking about a mechanical action.

If you've ever been on the bridge of a ship plotting a course, or if you've ever taken arithmetic that gave you vectors whereby you draw one line and then you draw another line and then you measure the length of the second line and that gives you a

257

mathematical solution, you'll see that this is a mathematics of sorts. And that is what is used in graphic arts. But it doesn't have much arithmetic involved in it. It's a system of graphing. You draw a line this way and that intercepts or stops a line over here and then that makes a line over here do something. It's plotting, graphing, a machinelike action.

The only way numbers enter into it is that negatives have sizes, paper has a size, prints have a size-and those things have to be accounted for. Your job in rough layout is to make the back wall join with the roof.

From the rough layout you will be able to get the type selection and size and you'll be able to get the cropping.

So you do the design in rough layout so that it is totally practical. Rough layout is totally a practical, a mechanical action. "This type will fit here and it fits the design as close as we can get. . . ." Etc.

#### Design and Rough Layout Liaison

There may be instances where the design as presented cannot be followed exactly by rough layout. This can be due to limited equipment or materials or an error in the design or other reasons. When there are legitimate reasons it can't be followed, rough layout liaises with design to get it worked out so that the design can be executed. Otherwise, they are two separate and distinct functions.

The watchword in rough layout is precision. It is done with fine mechanical accuracy so that the preparation of the materials for the shooting boards, the typesetting of the copy, the processing of the separation negatives, etc., can begin. It's all got to be made to fit precisely so that it is doable when it goes to the final shooting board stage.

If it's not mechanically accurate, the shooting boards won't be doable. If it gets to final shooting board stage without it being doable, or to the printer as a faulty shooting board, you won't get a product or you'll get an overt product.

When it gets to the printer and the shooting of the plates, if you are to have two plates, one to follow the other, they've got to be in total, absolute register. There can't be a millimeter of difference. Now we're into precision. But it's precision of what? It's the precision of following what was laid down by rough layout. So the rough layout had better be correct.

If it got up to final shooting board stage without the thing being able to be doable, then somebody can't lay out the plate, he can't lay out the printing, the halftone dots won't match, the this won't match, the that won't match, the color separation negatives won't fit in that piece.

The essence of it in the final analysis is, is it doable?

You've taken the design and you've executed it in layout as it's going to be—each part scaled precisely to the right size and mechanically accurate so it all fits together perfectly. It's ready to go onto a shooting board for business so it can then be put under a camera. It's doable.

That's ROUGH LAYOUT.

**L. RON HUBBARD**

**Founder**

LRH:gal.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

258

HUBBARD COMMUNICATIONS

Saint Hill Manor, East Grinstead

HCO POLICY LETTER OF 19 SEP

Marketing

Personnel

Copywriters

Directors

PRs

Div 2

Div 6 *Marketing Series 11*

*PR Series 40*

**PROMOTION**

Promotion is, of course, an essential part of marketing.

It is the action of making something well known and well thought of.

It is the art of offering what will be responded to.

RESPONSE is the key word here. Whether it's in terms of services sold or commodities sold or communication or goodwill, it's *response* that is the test of all promotion.

In order to get response you've got to first find out what people want. You've got to find out what people consider valuable. When you know what people want and what they consider valuable, you know what they will respond to.

It takes surveys. It's no good flying blind or trying to guess at it. You won't KNOW until you survey.

So your first question on all promotion is, "Am I absolutely sure, before I invest any money in this promotion (make-up, printing, postage) that people will consider what I am promoting valuable enough to exchange their hard-won valuables for it?"

The answer lies in the results of your survey. Promotion is always, always, always based on surveys, and it must include the exchange factor.

The real test of good promotion is: Are you getting an effective exchange? The exchange may be communication, it may be goodwill, but-are you *getting exchange*?

Communication and goodwill are valuable in themselves and, as well, they precede and lead to the material exchange of valuable for valuable. So any of these is considered effective exchange in promotion.

One must, however, in order to continue to survive and to continue to promote, arrive very shortly at a material exchange of valuable for valuable-a consumption of the product one is promoting. On a material exchange basis, if you are trying to produce something and nobody is busy absorbing or consuming it, you are in trouble right away because nobody is going to support you, and that's where your income is. So the final value of promotion and where you get the money to do the promotion is in the CONSUMPTION of the thing you're promoting.

The important datum here is YOU PROMOTE WHAT CAN BE DELIVERED AND CONSUMED.

Make it a firm policy that you push what you have ready to put in public hands at the time of the promotion and that you do not heavily promote future products not yet in hand.

259

~v

Then, in any promo piece, be it an ad, brochure, a flier, a pamphlet, a poster, you follow the line of-

1. Attract
2. Interest
3. Get your message across,

That sequence, followed, can look many different ways in many different promo **pieces depending upon the** subject, the mood, the design and the copy of the piece. But in any successful promotion, the basic sequence will be found to be just that: Attract-Interest-Message.

## TWO GUIDING RULES

There are two guiding rules to be followed in any type of promotion:

1. Don't soft sell.
2. Don't set us up for false claims.

The results of Dianetics and Scientology are fantastic enough to please all but the most psychotic in the society. These results have never before been seen on the planet. But there are always SPs out there who don't want people to get well and who use literature to get you in trouble.

The art of hard sell is you tell people to do something. Hard sell is based on knowing and promoting in the line of truth and not being reasonable about people who want "other things" and

"other practices." There is nothing to compare with Dianetics and Scientology. They are infinitely valuable and transcend time itself.

So don't understate things in your promotion. Just tell the truth and you'll find that it's very effective.

### QUALITY DEGRADES

A degrade of the quality of something means an action that lowers or reduces its excellence or degree of excellence.

In promotion, a quality degrade would be a poorly designed piece or a sloppy printing job or dull, cliché-ridden or otherwise inappropriate copy or any other of a number of carelessly done or not done actions that would show up in the final result.

Quality degrades can be caused by:

- a. Willful unhattedness, or
- b. Lack of good taste or a sense of the fitness of things, or
- c. Knowing products or promotion are of poor quality but, for one reason or another, neglecting to remedy them or call them to the attention of those who can and will remedy them.

There is no excuse, with all of the tech at our disposal, for any of the above.

The standards for the quality of our promotion must be high and must be maintained. We are not playing children's games. This is your show and your planet too. You aren't doing this just for me-but I am sure you know that,

We have an incomparable technology. In order to get it delivered we MUST communicate and in the communication we MUST interest people in order to be seen and listened to.

A quality degrade in promotion cuts our comm lines to a greater or lesser degree. And the world depends in no small measure on our comm lines.

260

Thus, quality degrades are no slight matter. They cut our comm lines because, with dropped-out quality, what we make and the promotion of what we make would be so flawed that it would not communicate.

So realize, when promoting, that the world needs us and our technology. Make it well known and well thought of.

And keep the quality of your promotion such that it does attract and interest and communicate and bring *response*.

L. RON HUBBARD

Founder

LRH:gal.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

261

**HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill Manor, East Grinstead, Sussex**

**HCO POLICY LETTER OF 26 SEPTEMBER 1979**

Rernimeo Issue III

Marketing

Personnel

Copywriters

Dirs Promo

PRs *Marketing Series 12*

Div 2

Div 6 *PR Series 42*

## **COPYWRITING**

*References:*

Marketing Series PLs

PR Series PLs

HCO PL 10 Feb. 1965 AD AND BOOK POLICIES

There are many trends promotion and ad copy can take. One of them is dignified, hard-hitting and dramatic. Another is warm, human and truthful. Another, the kind we don't need, is pointless or banal. It specializes in words like "exciting" and "don't miss" which are clichés (worn-out, overworked, hackneyed phrases) and would attract no attention and get you no customers.

The approach to promo and copywriting, whatever the mood or trend it takes, should be fresh and truthful. Insincere, overdone or stereotyped advertising will never sell or bring anybody into anything.

It is possible to do promotion and write copy that is alive and interesting, that attracts and is in good taste.

### **PRIMARY MISSION**

The primary mission of any piece of promo is to create want and sell the item. When one goes to the trouble and expense of putting an ad together, it has to accomplish its purpose. If you're getting up an ad for a book, the purpose is to create a want for the book and sell the book. If you're getting up an ad on a service, the purpose is to create want for the service and sell the service.

The question one asks himself is, "What ad would accomplish this purpose?" and "How am I going to convince this audience that they ought to . . ."

You dig into your surveys and you find what people want and expect of the item. You yourself must have reality on the product and the worth of the product, and you must also have a reality on your audience if you're going to reach that audience and communicate to them in your copy.

This comes under the heading of "homework."

### **HOMEWORK**

By "homework" is meant all the necessary preliminary or preparatory work done, all the relevant facts dug up, all the data needed that will enable one to get a product out.

In copywriting it would mean getting fully familiar with the product or service one was promoting, knowing all about it. How is it produced? What does it do? Why is it valuable? What results can one expect from it?

**Wherever possible, the copywriter would have personal** experience with the product or service himself to be able to promote and sell it honestly. He would make it his business to find out about the experience of others with it, delve into results produced, success stories, wins, achievements. He'd *know* the product or service and he'd be able to turn out copy that shone with reality and conviction.

And he would make it his business to know his audience. Who is the product for? Who is this public? Has this particular public been surveyed? Were the survey questions correct? What does the survey show this public wants? What do they expect from such an item? What "buttons" has this survey turned up?

When the homework has been correctly done, you know the product and you know your public and you can produce a piece of promo that will bring the two together.

You use your knowledge of the product, you use the survey buttons, you use audience viewpoint and you use positioning to attract and interest and get the message across.

#### COPY AND POSITIONING

There has been some think in the past that when positioning is done it is **then put at the beginning** of the promo piece and after that one pays no attention to it. This is a misuse of positioning. It can ruin the impact of your ad; it can disperse the reader.

Everything streams out from the positioning. If one has positioned something against an airplane, then the rest of the copy would be in terms of flight. It would be inherent in the way one used his words. A new item, a can opener, would take off from the drawer and dive effectively at a can. It would also give your hand a smooth ride. This is known as frame of reference. The vocabulary one uses is all inside a frame of reference. Positioning gives you a frame of reference. So you write your copy out of that frame of reference and you plan your promo piece around that frame of reference, and you keep it consistent.

Impact depends mainly upon consistency and staying on the same subject without departure from the frame of reference.

A good copywriter will make the most of positioning to enhance his copy and make it all-of-a-piece with the whole of the ad.

#### ASSUMING AUDIENCE VIEWPOINT

A common fault in writing ad copy or other material, both in marketing and other areas, is an inability to assume the viewpoint of the reader and get the idea of what impression the reader may have when he reads the ad. An ad must be written from the viewpoint of the public that is going to read it.

The actual trick of writing that wins is to be able to put oneself in the valence of the person who will read it. What kind of public is that? Who is this person? Get a reality on your reader, and then, just like an actor, you assume that beingness and read your copy back. An experienced actor can flip into a beingness in about 1/25th of a second and flip out of it again. So just slide into such a beingness and read your copy, and you will see what I'm talking about.

It is a skill in writing to be able to read one's copy newly as though one has never heard of it before, from the beingness of the reader. It is something one should acquire.

#### MAINTAINING VIEWPOINT

If the writer doesn't have a firm viewpoint from the beginning and hold that viewpoint throughout the copy, his ad will lack impact. Further, it will disperse his audience. If he switches viewpoints within the ad, if he writes from the viewpoint of the

263

producer one moment and moves in from the viewpoint of the consumer in the next paragraph, his copy is going to be confusing and he'll lose the reader.

One can't have two different approaches to the same subject in one piece of literature.

Similarly, if he has no audience viewpoint or has difficulty assuming the viewpoint of a reader, his ad will fall that much short of really communicating.

#### WHAT THE PUBLIC ASKS OF AN AD

In an ad or flier, you don't try to enforce understanding on the reader. That violates come-on. And it's not even what the public wants. An ad does not have to teach anything; it merely has to create want. And when the want is created, you must, must, must tell the reader where he can get it. You never leave a mystery as to where someone can get the product or the service.

Ad copy can defeat its own purpose (to create want and *sell something*) if it doesn't include the seven points of an ad as listed in HCO PL 10 **February 1965, AD AND BOOK POLICIES**.

That list contains the questions a public person actually asks himself or asks of an ad or a flier. What is this service? How valuable is it? What does it do? How easy would it be for me to do it? How much does it cost? How do I get it? Where?

A good copywriter carries the reader, his interest increasing, right on through the final question. Where this is missing, you have a writer who doesn't have the audience viewpoint. He may even create a want but then leaves his audience dangling. **Where** it is handled and handled well by a good copywriter, you have an ad that sells.

#### HARD SELL

It is necessary in writing an ad or a flier to assume that **the person is going** to sign up right now. You tell him that he is going to sign up right now and he is going to take it right now. That is the inference. One does not describe something, one commands something. You will find that a lot of people are in a more or less hypnotic daze in their aberrated state, and they respond to direct commands in literature and ads. If one does not understand this, and if he doesn't *know* that Dianetics and Scientology are the most valuable service on the planet, he will not be able to understand hard sell or be able to write good copy.

So realize that you're not offering cars or life insurance or jewelry or stocks or bonds or houses or any of the transitory and impermanent things which are based on things not surviving or on things that are in fact being destroyed. You're offering a service that's going to rehabilitate the thetan and that is *lasting*.

Hard sell means insistence that people buy. It means caring about the person and not being reasonable about stops or barriers but caring enough to get him through the stops or barriers to get the service that's going to rehabilitate him.

That is the sole reason for our use of surveys and promotion and marketing in the first place.

When that one fact becomes real, it all falls into place and it should be a short step then for a copywriter to produce an ad that attracts, interests, creates want and *sells* Scientology products and services.



LRH:nc.gm L. **RON HUBBARD**

Copyright © 1979 Founder

by L. Ron Hubbard

ALL RIGHTS RESERVED

264

HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinstead

HCO POLICY LETTER OF 27 SEP

**Rernimeo**

**Marketing**

**Personnel**

**Copywriters**

**Dirs Prorno**

**PRs**

**Div 2**

Div 6 *Marketing Series 13*

*PR Series 43*

## **ADS AND COPYWRITING**

*References:*

Marketing Series PLs PR Series PLs

Ad copy has got to carry a message. It is a communication.

Some photographers never find out that a photograph is a communication. Some artists never find out that art is a communication. And that is also true of some copywriters.

### **SPLIT-SECOND TIMING**

An ad is not textual information. It is a communication. But it has to be a very fast communication because people won't look at it very long. It has to be able to deliver its message in about a quarter of a second. That's how long it takes somebody to go through the reflex of throwing the piece away.

You could actually go around with a stopwatch and time how long it takes for a person to see if he is going to throw something away or not. It is that span of time that you have in order to absorb the message.

The actual test of a piece of ad copy is **WILL IT REGISTER IN THE INSTANT IT TAKES THE INDIVIDUAL TO PICK IT UP AND DECIDE HE IS GOING TO THROW IT AWAY?**

If it communicates in that split instant of time, he won't throw it away. That is the test of an ad or a flier.

At each point a person would throw a promo piece away, he must be stopped. You have to figure out the cycle by which he would throw something away and then you can write the ad copy. You have to figure out the points of stop when a person is going to discard this thing and catch him on each one of them.

## ADS AND THE COMM CYCLE:

### DIRECTING THE PUBLIC

You must recognize that the public has to be able to send for something or be able to communicate easily or they don't buy the item. You have to direct the public. An ad or flier must have something for them to do. It must give them somewhere to go, or someone to write to, or someone to call or contact. You first direct them. Then make it easy for them to respond. That's part of the comm cycle.

265

### LOOKING AT MADISON AVENUE

The beautiful artwork and gorgeous stuff you see in magazines is Madison Avenue's effort to keep people from throwing the piece away because it is aesthetic. But it doesn't communicate.

I've looked through a few magazines trying in vain to find out what to order and where to order it from. I had the wildest time and finally found in one magazine they had enclosed a card. But it wasn't actually a card; it was a piece of a card that had to be cut off another card. It wasn't recognizable as a card so I didn't recognize it as something you could use to send away for something. It just didn't register as a card, so there was no simple way to send away for the item.

Here's an example of an ad that doesn't communicate. It's an isolated object, beautifully photographed, sitting out in the middle of space. Then underneath it all they say they've just won an award for something or other. But what's the ad about? It doesn't say. The message isn't there. It doesn't communicate.

Here's another: It's actually supposed to be a cigarette ad but it shows somebody getting dragged on a sled through the snow. It's obvious what they're selling-they're selling snow!

Most of the ads in the better magazines aren't ads at all; they're just assertions about a product. You will find that hardly any of them are ads that bring about exchange.

If this is the best of Madison Avenue, they don't know the basics of advertising.

If our promo people are looking at or studying that kind of ad all the time, they won't be able to write good ads themselves. Because these aren't good ads. They don't communicate.

### SURVEYS AND COMMUNICATION

In magazines you have something on the order of half a million dollars worth of advertising or more. It has pretty poor impact.

It is very outpointy for grown men to be spending this much trying to trickily capture somebody's attention. They get so involved in the trickery of it that they don't communicate what they want, which is, "We want you to buy this product."

Advertising must represent something that people want which they are willing to exchange something for. The ad has to tell them what it is.

If you have a surveyed message, it has got to offer something. Advertising people, with all their flossiness, all of the color and everything else, aren't *communicating*.

Some ads use mainly only a symbol or a hallmark and attempt to make that into a communication. But you can't take a symbol or a hallmark and make it into a communication. They are just decorations. That doesn't make an ad.

You have got to get the communication that matches the survey. But promo people have found a new way of avoiding a survey. They just put it all down in the text, so the communication doesn't match the survey.

I realize that in school they teach you that you must be original. But communication is duplication. You do a survey, the public feeds you a button, so you just feed it back to the public. That's duplication. And it works. Don't make the mistake, in writing ads or copy or promotion, of thinking that you have to do something else besides feed the surveyed button back to the public.

266

## CONCLUSION

Actually, in advertising you haven't got any competition at all.

So why is it that some promo people don't write good ads? Because the ads they see all the time aren't good ads. That's the Why!

The handling is to write good ads!

With the survey and promotion tech we have, and the tech we have on communication, there's absolutely no excuse whatsoever not to produce a good ad-one that communicates!

L. RON HUBBARD

Founder

LRH:nc.gm Copyright C 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

267

## HUBBARD COMMUNICATIONS OFFICE

**Saint Hill Manor, East Grinstead, Sussex**

**HCO POLICY LETTER OF 18 OCTOBER 1979**

Remimeo

*Marketing Series 14*

## VIEWPOINT

Before successfully doing or okaying copy or materials for marketing purposes, one must learn the skill of assuming the viewpoint of the eventual reader or public who will be expected to react to it.

The essence of marketing is to create want and sell services or products. The only reason one writes copies or prints fliers or handouts, handbills or posters is just that

Any pictorial or written material is done or written for the sole purpose of being viewed by the eventual consuming public.

To execute or authorize material which does not bring about the basic purpose of marketing is of course extravagant. It may even be destructive. It costs money to print and distribute material. So material which does not bring about the purpose of marketing in the public for which it is intended is a waste of money and time.

Further than that, unless one learns to assume the viewpoint of the eventual viewer of the copy, one can make quite destructive mistakes which, in addition to losses and waste in printing, actually destroy income for the organization by preventing people from wanting or trying to acquire the products or services.

One must learn to shift from the viewpoint of a copywriter or layout person to the beingness of the eventual viewer. In this way, one can estimate, quite accurately, the impression that will be made by the pictures and copy when they are released to that public.

A thetan is quite capable of momentarily shifting his identity to another identity and getting an idea of the impressions or ideas that will occur to the identity shifted to. This skill is easily acquired. In a simpler sense, let us say one is writing a letter to Aunt Mamie. One can go on and on and write the letter from the viewpoint of self, which in this case, let us say, is Joe. And the letter can be sent off and totally bomb out because Joe had not the least concept of how Aunt Mamie would view his letter to her. He may be later dismayed to find out that Aunt Mamie now believes that he has taken to drink. Actually, all he put in the letter was that he had attended a lot of parties lately. Now, you could say that he would have to have an intimate idea of the character of Aunt Mamie before he could assume her viewpoint. But the truth of the matter is, Aunt Mamie is just a garden variety, unmarried, middle-aged person who is quite critical of the gay side of life. It isn't vital to know much about the character of Aunt Mamie in order to assume her viewpoint, but it helps. Joe is not writing this letter with the tools of surveys but he knows from family discussions that Aunt Mamie is a fairly straight-laced person. What he failed to do is read his letter back from the viewpoint of Aunt Mamie. Had he done this, he would have seen that his glowing descriptions of parties he was going to lately and having a good time at would have registered an entirely incorrect impression that he had entered upon a career of debauchery.

So what impressions do people get when they read copy or see posters or are exposed to ads? They get the impressions from their own viewpoint, of course. These people, by and large, do not exercise the tech of assuming the viewpoint of the copywriter. That is not part of the requisite of watching TV or looking at billboards. It is the responsibility of the person conceiving, planning or executing or approving such copy or pictures to assume the audience viewpoint.

268

In this, one is helped by surveys. One has some idea of what his audience likes or doesn't like. The survey will permit him to get into agreement more quickly so as to get his message across. But a survey is not a substitute for assuming the audience viewpoint.

One can take a glowing, marvelous, beautiful, carefully executed piece of copy, design a marvelous, glowing, beautiful flier and then leave in it something which would be viewed totally incorrectly from the audience viewpoint. When the flier is issued, if it is not planned and done with the audience viewpoint in mind, don't be surprised if there is a sudden crash of stats when it's issued. The audience might get an entirely wrong impression out of it.

Let us give a case in point. Flag acquired new quarters as an addition to their already extensive quarters. Somebody wrote a poster and sent it through for approval and it came all the way along the line without anyone noticing that, when viewed from the audience viewpoint, it definitely stated that Flag had moved. This would have caused considerable consternation. But Flag hadn't moved. The message was that they were getting so much business that they had had to acquire new property quite in addition to their existing property and that they now were running an annex. And people also would have wondered, "Is this 15 miles away from the service center?" and had to be told that it wasn't. But the person who ordered it, planned it, those who okayed and authorized it, all missed the point that that poster all by itself could have cost Flag a half a million dollars or more in lost business and could have started a black PR campaign of "See? They got chased out." And all of this because nobody anywhere along the line assumed the viewpoint of the audience and looked at the poster with a brand new, fresh eye to see what it actually was saying. Now, it didn't say anything destructive. It simply announced a

new resort hotel, but it omitted to say that Flag was still there. It also omitted, in boldface, where it was located. This new resort hotel might have been conceived to have been in North Africa.

Another example is copy which said that the NED Course was now being offered to Class IV auditors, which meant that you had to have done the Class IV Course in order to do the NED Course.

One has to be aware of what impression the consuming public is going to get from any ad copy, picture, offering of any kind whatsoever.

There is more to it than just assuming the viewpoint. One has to assume the viewpoint as though he knows nothing whatsoever about the copy. One has to un-know everything he knows about the copy and assume the viewpoint without knowing anything about the copy and then look at it. It is, as I say, a skill. This skill is possessed by any writer worthy of the name. Actually, a trained writer can read one of his own stories from the viewpoint of a future reader without knowing anything that is going to be said in the next two words. Then he can get an estimate of exactly what the reader will think or see. Not only that, a well-trained writer can rewrite the whole thing and then turn around and not know what it was in the first place and what it was in the rewritten state and read it all over again, totally from the viewpoint of a future audience as though he knew nothing about it. An excellent composer can also listen to his own compositions as though he knew nothing about them and from the viewpoint of the eventual listening audience.

There is another aspect of this which is of interest. A lot of people who wish they could write stories or music or ad copy or do some creative work of this character are so solidly audience that they can never assume the viewpoint of the originating professional. In other words, they're too much audience in the first place to assume the creative role. This shows up when you ask such a person what about a piece of music. He answers you with an idiot answer from a professional viewpoint, "I like it." To a professional, that is an idiot answer. An audience is no more articulate about art forms or its technique than, "I like it. I don't like it." Really educated.

So for some who are trying to write marketing pieces or design or present or authorize them, one is already in an audience viewpoint and has never assumed the

269

**professional viewpoint** in *planning, writing* or executing or approving. This shows up particularly on an approval line where the person on the approval line cannot say what is wrong with the piece or what has to be corrected about it but only can say, "I didn't like it." This is not very helpful.

**So there are probably three** stages one has to go through. One is to uneducate oneself as an **audience, then take the** viewpoint of a professional and do his job, and then reassume the viewpoint of an audience to see what they will think about it or like or not like it. **And then one** has to be enough of a technician or creative professional to fix it up so that it will be accepted or liked.

What we're examining here is simply the facility to shift from one viewpoint to another. It is also the facility to see something newly.

Unless this is mastered, people on marketing and promotional lines can actually now and then cause a catastrophe.

There are two ways a catastrophe can be caused in marketing. The first is to not write anything at all and leave something unmarketed and unpromoted. The second is to market it or promote it in such a way that the marketing is destructive of the offering.

Both of these are a matter of failure to assume a viewpoint. The person who isn't writing up or marketing anything at all has not assumed the viewpoint of a professional. A professional marketing or

copy or advertising man who would sit around without marketing anything would be so ashamed of himself he probably couldn't even look at himself in a mirror. He would cringe. He would think of himself as an incompetent boob. Because he wasn't producing anything, his morale would be in the basement. He would have nothing to be proud of. If he assumed the viewpoint of a professional and found he wasn't doing anything, he'd get busy. He'd learn the tools of his trade and start batting it out.

The second viewpoint, that of the eventual public for whom the piece is intended, has to be assumable at every step. Only then can one achieve marketing items that actually do create want in that exact public for which they are intended and sell products and services.

One can practice this. Just walk around for an hour or two being Joe the ad copywriter and think what he would think and do what he would do. And then open some magazines or walk through some stores and, for a couple of hours, just be a middle-class public and think all the things about everything that is seen that that public would think and see. And then go through the same operation as a downstat bum and think and see all of things that a downstat bum would see. And then go around as Mr. Got-bucks and see all these things or even new and different things as Mr. Got-bucks would see them.

One can keep up such actions until one actually can do it in the flash of a second. It's actually quite fun. It gives one a brand new world. In fact, one can have a lot of new worlds-one for every public he assumes the viewpoint of. You would be utterly amazed.

The ability to do this is quite valuable. In fact, it is the difference between success and failure in marketing,

L. RON HUBBARD

Founder

for the

BDCS:LRH:cb.gal.gm BOARDS OF DIRECTORS

Copyright © 1979

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

270

HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinste~

HCO POLICY LETTER OF I DE(

Marketing

Hats

Copywriters

Dirs Prorno

Survey Hats

PRs *Marketing Series 15*

Div 2

Div 6 *PR Series 44*

**SURVEY BUTTONS ARE NOT THE MESSAGE**

*References:*

HCO PL 2 Sept. 79 Marketing Series 4, PR Series 36,

SURVEYS ARE THE KEY TO STATS

HCO PL 7 Aug. 72R PR Series 17R,

Rev. 9 Aug. 72 PR AND CAUSATION

The book *Fundamentals of Thought*, chapter five: The A-R-C Triangle

The difference between survey buttons and the message in a promo piece must be crystal clear to those working in promotion and marketing.

The first thing to understand is that they are NOT the same thing.

The *message* is the communication, the thought, the significance you want to get across to an audience or public.

A *button* is what is used to get the public's agreement to hear the message.

Too often promo and marketing people seem to get all tied up with the use of buttons and thus they never put any message in the promo piece. But the message is the whole reason for the promo piece in the first place!

Surveys can appear to not work very well when survey buttons and only survey buttons are used, as the result is messageless promo.

A survey is done so that you elicit response and agreement. But you get response because you've elicited agreement. You elicit agreement by using the right button. The button is the R-factor. It's how you establish a reality with an audience.

To do a proper survey and to then use its results effectively requires an understanding of the purpose of surveys, and of ARC and the ARC triangle. It requires an understanding of what reality is.

One uses the ARC triangle in conducting a survey initially and, following that, one applies the ARC triangle in putting the survey results to use.

It goes like this: One *communicates* to an audience (via a survey) with *afft'nity* to find out what the *reality* of that audience is. Reality is agreement as to what is. The reason you do a survey is to find out what that audience will agree with.

One then approaches the public with that *reality* in a promo piece to get the public's agreement to hear the message, the *communication*, in the promo. And thus one raises the public's *affinity* for the item one is promoting.

That is the simplicity of it. But it will only be simple to the person who understands the ARC triangle. It is basic Scientology data we are using here. By improving

271

one corner of the ARC triangle, one improves the other two corners. The most important of these three related points, ARC, is communication. But without reality or some agreement, communication will not reach and affinity will be absent.

Thus, surveys are done to get agreement. Dispel the idea that surveys are done for any other purpose. They're done to establish agreement with an audience.

In a survey, you question people to get their opinion on something-an idea, a product, an aspect of life, or any other subject. A *button* is the primary datum you get from this action. It is the answer given the most number of times to your survey question.

You ask ten or ten hundred people what they would most want or expect of an automobile tire and seven or seven hundred of them tell you "durability." That's the button. That's the reality, the point of agreement on automobile tires among that public. So you use that button with that public and you've established reality; you've got agreement and they will then listen to what you have to say about automobile tires.

Buttons have their use but we are not so much interested in them as we are in MESSAGE. The message is the real essence of any promo piece. Buttons are just the grease to use to get your message through.

It would be a good idea for anyone with any confusion on these points to work them out in clay. One should be able to make a clear distinction between these two terms, button and message, and to view them in the correct relationship.

Once that distinction is made, it will be the end of messageless promo.

In its place we'll have promo that uses a button to strike just the right note of agreement and establish a reality with the audience and then, without fail, communicates, really DELIVERS THE MESSAGE, to what is now a receptive audience.

That's the secret of promo that gets response.

The first thing about it to understand is that SURVEY BUTTONS ARE NOT THE MESSAGE.

**L. RON HUBBARD**

**Founder**

LRH:kjm.gm Copyright Q 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

272

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 FEBRUARY 1982

Rernimeo Issue II

All Staff

Marketing Hats

Dirs Prorno Pubs

PRs

All Pubs &

Comps Units

*Marketing Series 16*

*PR Series 45*

**BOOKS AND MARKETING**

Don't plan books to be printed without marketing liaison and don't mishmash and cross publics when marketing books. Don't market with generalities; marketing is aimed at specific publics. And



above all, don't downgrade or put black PR in books. Also, don't hit at allies to upset them. This is a theta line. Make it theta all the way. If any black PR is done on it, it is only to blow enemies off it. But the theta in these works, all by itself, will blow the enemy away.

L. RON HUBBARD

Founder

Assisted by

Special Marketing Pgm Ops

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:SMPO:bk.gm Copyright Q 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

273

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 MARCH 1982

Remimeo CORRECTED AND REISSUED 21 MAY 1982

Exec Hats

Finance Hats (Correction in this type style)

*Marketing Series 17*

*Finance Series 30*

### **PROPORTIONATE MARKETING**

In marketing, one must always push *harder* toward the largest bulk of future business. It is peculiar to Scn marketing that you have to push hardest at the lowest levels to make the upper levels come off.

This gives you a sort of scale that tells you the target proportion of finance and effort to allocate in marketing.

For Scn and types of orgs, it goes like this:

Heaviest: Raw public not yet into Scn.

Next heaviest: First services they will take.

Next heaviest: Into HGCs and Academies.

Next heaviest: To SHs.

Next heaviest: To AOs.

Next heaviest: On to Flag.

You can also draw a scale of this for individual business or orgs of any class.

It can be done simply by how much money and personnel and pieces are to be devoted to each point of the scale.

Failure to do this gives one faltering stats as the flow is not being proportionally marketed. Done correctly, one gets a very heavy and quite even flow up the Grade Chart. Doing it unevenly, one gets booms, depressions, and instances of cannibalizing.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:dr.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

274

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 APRIL 1982

Orgs and

Mgmt Only

NOT BPI

*Marketing Series 17-1*

### **PROPORTIONATE MARKETING ADDITION**

How to create a *REAL* BOOM as per a recent breakthrough on marketing (proportionate marketing), the heaviest outflow must be to raw public.

The merchandise one markets to raw public is books. Given enough booksales and providing the orgs don't have iron bars across their doors or hide-heavy inflow on orgs becomes inevitable.

While there are other problems in achieving the heavy outflow of books into public hands, one factor above all has the greatest influence in affecting this.

The one factor is called "order of magnitude." This means how large or how small something is in relation to other things.

When one conceives the wrong order of magnitude, all else can fail.

This Earth civilization is a great example of wrong orders of magnitude. They think small. Even microscopic about too many things. How much water does California need? Count on Earth think to underestimate it IOOX! The result is deserts, lack of food, crazy worries about "overpopulation" (on a grossly underpopulated planet).

Earth engineers apparently cannot conceive of the order of magnitude of the engineering works required. You'd think they were playing with mud pies.

This underestimation-wrong orders of magnitude-is ingrained in the present culture. Typical of losers.

So let's not make the same mistake. Let's get rid of the cultural habit.

The order of magnitude of marketing and booksales is SO much higher than Pubs Orgs, orgs, Management or Marketing has ever conceived of, that the comparison is a fly to an elephant.

Unless this think is adjusted, Int stats will go on limping in low range and clearing a planet will be far off.

Marketing is a game called "getting one's share of the market." Every big manufacturer plays it.

Pubs Orgs, orgs, Management and Marketing must adjust to a proper order of magnitude on the effort and action it will take to adequately flood out books.

Here is the question to answer: What would one have to do to capture our share of the world book market?

To do our job, one would aim at capturing at least 5% of all books sold in the world. And aim for 10% and up.

275

It's a question of thinking in proper orders of magnitude.

If Int stats are to really boom (and that means every org's stats) then, one has to work to capture our share of the world's book market.

Got it?

We've got the product. The demand is provenly there.

Well, get going!

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:bk.gm Copyright @ 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

276

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 APRIL 1982

Orgs and

Mgmt Only NOT BPI

*Marketing Series 18*

## **PLANETARY DISSEMINATION**

There is often an omitted step and sequence part in marketing and Scientology management.

It is a shortfall. And must be given attention.

This planet is an "almost" planet. It almost has airplanes (save they crash). It almost has space flight (but it costs \$100 million every launch and carries no one outside the moon orbit). It almost has radios (except you only listen to your own city). It almost has education (except the students taught can't do their jobs).

This almost factor is visible on every hand. The best example is almost governments (except that they have lost control and allegiance of their people and cannot even manage their money).

This factor probably comes from several things. (I will not mention suppressive ones as I am in a kind mood.)

One of these factors is the short life span. Of all civilizations around, Earth, at 70 years average, is the shortest. This makes it hard to get anything really started-one has an almost life. This also makes for hectic change-a frantic feeling of it is too late already. Or apathy-why do anything at all?

But regardless of these factors, there is no excuse to almost disseminate, almost market, almost run orgs.

We must not continue to omit the sector of planetary dissemination.

The cycle currently-and omittingly in vogue-is only to do those things that immediately affect the org GI.

Admittedly this is vital. On this planet the only real crime is to be broke. But the shortfall think is affecting this GI and reducing it very greatly.

There is a correct sequence-it goes: planetary dissemination, org procurement dissemination, high bodies in the shop and service and resulting GI.

By varying or changing or omitting parts of that sequence, trouble is made for an org.

We have seen orgs only sell and not deliver. Their GI fails at last-they crash.

Well, there are other ways orgs can be crashed.

Suppose one sells books only to people who come into the org. Well, this is backwards. If you sell books to raw public, a certain percent will walk into the org. Another example-Pubs Orgs market to in-org public. If they do only this, their market shrinks-and they can do this in several ways-by omitting to publish basic books is one.

Until its publisher (Grosset & Dunlap) was gotten onto lately, DMSMH paperback was not in most bookstores. Yet no one noticed.

277

The best ambassadors to the raw public are books and cassettes. Sell enough of them to raw public and a percent will come into the org.

Yet, aside from an occasional DMSMH or radio or mag ad (very small), there is no Pubs Org or Management push on books to raw public.

Not only this but a black PR item has been put out and believed that "a radio ad **for DMSMH** is too expensive. It costs \$20 of ads to get a person into Div 6." What a mixed outpost! DMSMH was not even in many wog bookstores. But it indicates that the think was that the only value in selling DMSMH was to get bodies in the shop at once!

DMSMH is not an org come-on leaflet. It was written to begin the clearing of a planet. And it has made some progress.

But let's look at this-here Dianetics and Scientology sit, a total monopoly on effective handling of the mind and spirit-no other even close rivals or competitors at all-and a group is selling to in-org public? Preposterous.

Some trainees used to hoard the tech-to be an only one. Is somebody hoarding Dianetics and Scientology and not letting it flow out? Not me, brother, not me.

What's missing here is the concept of planetary dissemination.

Here we are in a short-lived planet. The Reds and Democrats are getting ready to hit an atomic button. And a yellow dwarf star like Sol? Oh, come on, man. A yellow dwarf is not the favored star for civilizations. No way! They're a last stage impending catastrophe-a yellow dwarf blows up! (Before anyone panics, a yellow dwarf lets out radio signals strong enough to wreck radio for several centuries before they bang and this one may have some life left in it.)

But what I'm saying is, let's get this in perspective. Let's put the real values on it and quit fooling.

**ONLY** Clears and OTs will survive this planet!

And we're the only ones that can make them.

The order of magnitude of what it takes to do planetary dissemination is not even just now at this writing being conceived of. In fact Pubs Orgs are not even thinking of raw public marketing. And that is sure an awful shortfall.

The majority of three billion people out there have never even heard of Dianetics and Scientology, much less read a book!

No, it's not the enemy. We cream them whenever they raise their heads. It's simply just not thinking in a correct order of magnitude.

What would one really have to do to clear this planet?

**So all this PL is about** is just that-planetary dissemination. It simply points out one omit. At least conceive of it.

So let's go!

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CSI:LRH:bk.gm

Copyright © 1982

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

278

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 MARCH 1982

Remimeo

*Finance Series 31*

*Marketing Series 19*

*Executive Series 35*

## EXECUTIVE SUCCESS

"The whole story of marketing is told in just a few words:

ONE FINDS OR STRENGTHENS OR CREATES A DEMAND.

"The whole story of economics is told in a few words:

ONE SUPPLIES OR DOES NOT SUPPLY A DEMAND AND GETS ADEQUATELY PAID  
OR DOES NOT GET PAID FOR IT.

"The speed with which one can collect information, debug, write immediate bright, applicable, doable programs or evaluations on each area that will handle marketing, economics, delivery and collection and, above all, the speed with which one can get out letters, despatches and telexes based on the programs and get real dones on them back determines the volume of income in any given time period.

"And that's the full essence of executive success."

L. RON HUBBARD

Founder

Assisted by

Operations Chief

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:OC:kjm.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

[*Note:* The original mimeo copies of this policy letter were incorrectly numbered as Executive Series 33.]

279

## HUBBARD COMMUNICATIONS OFFICE

**Saint Hill Manor, East Grinstead, Sussex**

**HCO POLICY LETTER OF 29 AUGUST 1970**

Remirneo Issue I

Dept I Hat

HCO Area Hat

ES Hats

Dept 13 Hat

Dept 14 Hat *Personnel Series I*

Qual Sec Hat

## PERSONNEL TRANSFERS

**CAN DESTROY AN ORG**

It is an observation that personnel, by critical definition, is "that function which creates havoc in one place in an org by trying to solve a personnel mess in another."

Example: We have just gotten in our Div 6. It has two people. The org has been suffering for lack of Div 6 actions. Now we've finally got two people there and they are being trained up. Meanwhile there is a shortage of staff in CF. Personnel "solves" the CF problem by transferring those in Div 6 to CF in Div 2. There goes any progress on Div 6.

By solving one problem, another is created.

Also there is the fact that it takes a while to train someone on a post and get the post in order. So rapid transfers defeat any post training or competence.

We call this action "musical chairs." That is a game in which people rapidly change positions.

So these transfers defeat not only the org on the third dynamic but also the individual on the first dynamic.

An earlier action similar to this went on. Then whenever Tech got an auditor trained up, Personnel would transfer the auditor to an admin post.

As the auditor was *tech* trained and not OEC trained, you began to find auditors in charge but they didn't have any admin training, thus shattering, by ignorance, the org form and defeating the org's production.

I've just seen a case where a staff member went on full-time training Class VI (very expensive) and was made HCO ES on his return. *But* had never had an OEC.

Using the Tech Divs as a "personnel pool" and taking tech people for admin posts thus defeats twice-defeats the org as a producing activity and defeats its form by not training people in admin (OEC) when they are going to be used in admin.

These personnel errors (or crimes) cause every staff member to suffer in terms of lowered income, lowered pay, lowered facilities, lower success. I doubt there is any org where these errors (or crimes) are not current at this writing.

To give the HCO ES candidate full-time training on the OEC or FEBC would make sense. Not Class VI! If you reverse it, you'll see what I mean: we give a new staff member an OEC only and put him onto auditing. Of course that would be disastrous. It's just as disastrous the other way around-taking an auditor who is a Class VI but not an OEC grad and making him the HCO Area Sec!

There is an optimum executive who is *both* an experienced, trained administrator (OEC and time on org posts) and an auditor. But an org would have to be in high production with *lots* of auditors before *that* could happen.

280

## **ERRORS**

These errors are of long duration. They happen over and over. And they do more to destroy an org than any other action.

- A. Making a hole in one place to remedy a hole in another
- B. Training a person for tech but not admin and putting him in admin
- C. Using the Tech Divs as personnel pools from which to man other divs
- D. Rapid shifts of post

E. Leaving areas in an org unmanned.

## SOLUTIONS

The reason why these things are done all come under the heading of failures to recruit and properly train.

Org expansion often gets pinned by false economy in personnel. "If we hired anyone else, we would get less pay." This completely overlooks the fact that if the org doesn't hire more people it will go broke. An org has to be of a certain size to be solvent; it has certain basic expenses such as rent which makes it cost just so much to run. Yet personnel can be so poorly thought out that the org is kept at starvation level.

I heard one not long ago which takes a prize, "But we don't need an Advance Registrar. We can't afford one anyway. You see we have pcs booked in advance for ten weeks already as we don't have enough auditors, so why should we have any further promotion?" An idiot smile went with this of course. Backlog became "advance registration."

Orgs in various ways fix their income and prevent its increase. First and foremost of these is personnel.

In every org where I have acted as Executive Director, I have had a personnel procurement problem. In each case the problem was *internally* created. First I would get, "Well, units are low . . ." or "Nobody ever applies." I would take it from there. I finally became very clever at these impasses. "What," I would ask the Receptionist, "do you tell people who come looking for a job?" Cunning. "Oh them!" I would get, "I tell them we aren't hiring of course." I would set up a line from a specially appointed personnel person to me only and would shortly have enough people. I have run an org from eight people to sixty-three in thirty days and its GI from E50 to F-3,000 in sixty days. Just by doing the usual. It created *awful* problems of course, like auditing rooms, classrooms, hand grooving people onto posts-it was busy. The favorite graveyard calm, so adored there before that, got shattered to hell!

I concluded many times then and conclude now that it is a characteristic of an org to refuse new personnel and to keep them off. In approaching this problem in an org, I am afraid experience has taught me to begin with that assumption and handle it from that viewpoint.

So I normally set up a line that can't be stopped and get people on post. Then I force in training on posts. And I personally inspect and talk to every section every day about what they need and how it's going and keep up their section production.

LRH Comms tell me they *can't* get execs to inspect their areas daily. And personnel shortages show that others do not blow the lines open on recruiting and even prevent handling,

So here is one area where I do some things in managing a production org that not many others do:

281

1. Force recruitment
2. Train on post
3. Daily inspection and comm with everyone in the place in his post area
4. Concentrate on section and individual production
5. Let people finish the job they are on.



The result of all this has uniformly been sky-high stats, sky-high pay, huge reserves and excellent tech produced.

So these are the magic solutions.

I do NOT empty out tech to fill admin. I do NOT encourage transfers. I do NOT create problems in one area by transferring to another. I will NOT accept that no one applies for jobs. And I don't wreck one project by grabbing people off it to start another. I FIND NEW PEOPLE.

### **IMPOSSIBILITIES**

Behind every "impossibility" lies some great big WHY which if not found keeps things messed up. One area that "couldn't get any auditors" had expelled 60% of the field from the church! Another area had dismissed 50% of staff every time the income dropped. Another area cut the staff's pay very low and then made it go lower each time the gross income fell. Another "never could find the right people."

Sometimes internal squabbles are given a much higher importance than the org itself.

Some areas use "social acceptability" instead of stats to handle personnel.

Whatever the reason an org isn't getting on, it is *internal*. It isn't some other org or some senior management body. It's right inside that org. Further, it has to do with personnel mishandling.

Any org at any time has *not* given as much quantity of service as the public demanded. If you continued to expand at the rate of demand, giving very high quality of service mind you, the org would expand to hundreds or even thousands of staff members.

Somewhere, when that doesn't happen, personnel mishandling has cut off the expansion.

So when we look this over, we find that quality of delivered product determines how much it will be in demand and that the only thing which will limit an expansion to meet that demand is personnel procurement, training and stability on post, getting the staff to produce and holding the form of the org and making it go.

When personnel commits the errors (or crimes) mentioned here and when management fails to do the I to 5 listed above that I do in an org, there will be a halt.

True, an org is complex. True, quality is hard to maintain. True, one has to work. But unless personnel procurement and handling is IN, all else will fail. So that's the weak spot.

An undermanned division will empty.

An undermanned org will pay badly and go down.

The point to handle is personnel.

L. RON HUBBARD

Founder

LRH:sb,gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

282

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## HCO POLICY LETTER OF 29 AUGUST 1970

Rernimeo Issue 11

Dept I Hat

HCO Area Hat

HCO ES Hat

Dept 13 Hat *Personnel Series 2*

### **PERSONNEL PROGRAMING**

**If** personnel are not programed, you get chaos.

The subject of personnel carries with it always the subjects of training and experience and suitability.

Dept 13 has been created to permit personnel to be "enhanced" or improved.

This is done by programing.

HCO should make known what it will need in the org in the next year. How many of what kind it now has.

Dept 13 must work out what programing is now needed. It posts a board, puts the names on it and sees that part-time study will occur and be followed for the *next* post. It sees that this will be made.

HCO by looking back over some period of expansion will be able to forecast what will be needed more easily. Anyone in the org is usually aware of the undermanned points that exist and the unfilled posts as they get hit with them continually. So if HCO doesn't know what these points are by record, it is easy to do a survey.

With an inefficient HCO which has not recruited and programed, the org is already starting well behind the gate and is already howlingly undermanned and undertrained. Yet to solve all this by instantaneous transfers will unmock the lot.

The RIGHT way to do it is to

1. Count up what you have.
2. Figure out where they will be promoted to.
3. Program them on part-time training and
4. Recruit.
5. When recruits are on, get them genened in fast on the lower posts so they can operate.
6. Shift the programed people to the posts for which they have been programed.
7. Begin to train up the recruits with part-time programing.
8. Recruit.

This does not mean you shift every post in the org. It does mean your more experienced people are the ones that go up.

Various rules go with this:

TRY TO KEEP TECH TRAINED PEOPLE IN TECH.

TRY TO TRAIN ADMIN PEOPLE FULLY FOR ADMIN.

There are ways to waste enough training time to crash your org. Train a person to Class VI, put him in Public Divs. Train up a PES and transfer him to tech training. All sorts of goofs can be made in programing, all of them costly to the org, all of them defeating the objects of Personnel Dept I and Enhancement Dept 13. One obvious way is to train somebody up with no contract or note. But the main one is not to program at all and just rattle around as a total effect.

Part of the action by Dept I is to beat down all the reasons why we can't hire anyone. I recently reviewed an area where personnel problems were desperate. Five to ten people a week were applying. Only one to two were "suitable," whatever that meant. That ratio is wrong. Eighty percent unsuitable? Ten percent maybe, not 80%.

The area Dept 13 has to beat down is arranging work so no part-time study can occur. Only about 20% of a staff won't study. Nearly 90% will handle their post if it's overloaded rather than study, which is okay. But putting somebody on Day *and* Foundation and putting one man on a ten thousand name address section to keep it up and in use are the usual reasons for no study time.

This comes together between Dept 1 and Dept 13 AND IS AN INDICATOR THAT DEPT I IS GOOFING ITS RECRUITING ACTIONS.

Dept 3, Inspections, or the Executive Secretaries or Secretaries can also foul up both Dept I and Dept 13. By not inspecting and not running on and by stats, these salt the org down with idling people. So you see Dept 22, let us say, with six people and no production while the Treasury Sec has to work every night to handle an undermanned Dept 8.

The answer is stats, honest stats for everyone.

You can get a situation where you have enough people in the whole org to run an org but a third are overloaded and the rest dev-ting around. That's where there is no stat watching and no daily area inspections or executive interest.

I know of one org that has forty-four on staff doing the work and potential service load of about seventy-five. Naturally they can't take time off to study so they can't be programed. Yet the stat situation is not watched or used nor is the place inspected so the production is about a twenty-person org and no funds exist to pay forty-four much less seventy-five. The clue is that it's all manned except for Tech! The customers are there in droves. They can't get service. So no pay.

It is silly situations like this that occur when personnel are not programed. Two years ago the above org did not train anyone, worked as a clinic and would not even audit staff. All its auditor contracts expired. HCO and the OES sat there in a fog and let it happen. There was no Dept 13 to program anyone.

So here is a new angle to the recruitment problem. HCO is faced with the vital necessity of recruiting trained auditors NOW. Yet at this writing hasn't even sent around a bulk mailing to ask field auditors to drop in.

DEPT 14

So this is where Dept 14 gets into the act. It is a problem in org correction. If even Qual is empty, it's all an OES function. The correct solution is to force recruitment of trained auditors, force recruitment of ordinary applicants, and program it in Dept 13 to train up new auditors as well.

## THEREMEDY

You should realize that no matter how rough the problem looks, it involves *recruitment* and *programing*. Instant transfers can utterly wreck an org. Yet, inevitably, transfer! is all you hear when a solution is required to org production failures.

I think this comes in from the world of "psychology." Maybe labor unions. If a man isn't doing well on a post you transfer him. It assumes that each person has "aptitude." It never changes so you fit the post to the person by finding a new post. That's really nonsense. You can actually more profitably fit the person to the post.

Only when programing has failed (or doesn't exist) does one resort to transfers to solve personnel problems. Of course experienced, able people get promoted. But unless they are programed and trained, watch out! He was a fine CF Clerk and a lousy Dissem Sec. Why? It *isn't* his personality. It's that nobody trained him to be a Dissem Sec. He wasn't programed.

It's cruel to promote a person and let the guy fall on his head.

Transferring because somebody doesn't do well is discipline, it is not "adapting people to jobs they can handle."

There is quite an awful jolt in losing one's post. Never think there isn't.

Promote-demote occurs when the person is not programed. Therefore the new Dept 13.

Therefore this Personnel Series.

L. RON HUBBARD

Founder

LRH:rr.rd.gm Copyright C 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

285

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 AUGUST 1970

Rernimeo Issue III

Dept I Hat

HCO Area Sec Hat

ES Hats

Dept 13 Hat

Dept 14 Hat ***Personnel Series 3***

Qual Sec Hat

RECRUIT IN EXCESS

I have always followed a doctrine of hiring or recruiting in excess.

There is a heavy turnover in personnel. There are many stresses in human society.

You lose people from all ranks, particularly toward the top. Early on, for instance, I never could keep a secretary. Because she'd been my secretary, she could get a big-pay job (one of them

\$ 10,000 a year) from a bigwig. Or some young man had to marry her (and divorce her when she was no longer so glamorously placed). Anyway she was trained and had become an executive secretary. The only one I know of who didn't go UP had a commie husband making sure she went down.

So the higher they go

A. The more altitude they have that has market value, and

B. The more stress that hits them and blows them apart.

This is true of auditors. You'll lose three times as many Class VIIIs as you lose Class VIs. You'll lose three times as many Class VIs as you do Class IVs. Etc. And you'll lose more auditors than you will admin people,

Therefore you have to be very careful indeed who you send for full-time, expensive technical training. You have to ask these questions:

A. Is the candidate a uniformly good HDC auditor?

B. Is the candidate scheduled for a technical post?

C. Is the candidate a fast study by record?

D. Is the candidate uninvolved with anti-Scientology or non-Scientology connections such as wife or family?

E. Is the candidate out of personal debt?

F. Does the candidate have a good record of keeping his promises?

G. Is the candidate willing to sign a new contract and note?

H. Have the candidate's stats been high on post or especially in auditing?

I. Does the candidate stay with the org and not go into franchise?

If the answer to all these is emphatically yes there is a chance that the org will benefit. If any of these are no, or if any are even maybe, then *don't do it*. Find somebody who will be able to get a YES on every one. They are more numerous than you suppose.

This is also true for highly specialized admin training. The same list except for B (and is scheduled for an admin post and is a candidate for higher org admin training) applies rigorously.

286

**Failing to establish these** things first and getting it all understood, you can find yourself with all such funds expended and no highly trained personnel either.

## LOSSES

The percentage of loss or incompetence discovered is hard to establish but is remarkably high. In the decade from 1960-1970, personnel turnover was quite heavy even in orgs that were booming.

During that time staff auditing was at a minimum. The orgs were jittery under psychiatric inspired attacks. Dianetic tech was not in use until mid-1969. From 1966 to 1970 Scientology tech was quickie and the Grade and Class Chart not followed. Pay, after I ceased to

be Executive Director, was low. Therefore you can make a list of things that have to be in hand to reduce heavy turnover.

1. Audit staffs well and train them for Staff Status.
2. Keep PRO area control in, in areas and in the org.
3. Use Dianetics heavily and teach it well.
4. Keep all Scientology tech materials in action with tapes and all materials and books in full use, well used, well taught.
5. Keep personal and sectional, departmental and divisional stats high.
6. Keep the org recruited up.
7. Keep personnel programed.
8. Hold the form of the org.
9. Deliver an excellent, flubless product.
10. Work for volume of training and processing as the org's product.

As recruitment was also neglected and as contracts expired without being filled, we can add

11. Overrecruit always.

If you have an idea you will need twenty people in the next six months, you had better take on at least forty and you will have your twenty. And double is a low figure.

#### LINEAR RECRUITING

A firm hires a girl to write their letters. After 60 days they find she doesn't do her job. So they get rid of her and hire another. And in 90 days find she can't do her job. So they fire her and hire another.... That's 150 days of no correspondence. It's enough to ruin any firm. It's costly.

#### SIMULTANEOUS HIRING

A firm hires three girls feeling they need one.

At the end of 150 days they have one girl.

But they had 150 days of correspondence. And a profit.

The economical answer in terms of saved profit is *keep up the production*. Don't fixate on personnel. Always do multiple personnel procurement.

In actual practice when you do this, you seldom fire anyone. They blow off or they were actually needed.

If people *are* let go, you don't just brush your hands of it. You in an organization

287

can let them continue being **programed while they hold** an outside job, fix them up, get them trained and hire them later.

Modern society is *very* loose footed. The state pays them not to work (apparently only). The society is suppressively oriented. The push and pull of personal relationships is poor.

You are edged in upon a society of dying cultural values, encroaching drugs, threatened annihilation.

No one out there feels very safe.

This insecurity leaks into the org and people get pushed around or push people around.

Real or fancied wrongs occur.

People are rather timid really.

And the more the society buys the idea it's a world of tooth and claw, the more it becomes so.

All this reflects into the picture of personnel.

You have to really work to keep orgs manned and trained up.

You do this by

- A. Running a very good org
- B. Delivering an excellent product
- C. Keeping a steady inflow of new personnel
- D. Training and processing well those you have.

If the I to I I are in, in the org, then EXPANSION occurs and, losing hardly anyone, you have to scramble to keep up.

As the INCOME OF THE ORG DEPENDS WHOLLY ON ITS GDSes (Gross Divisional Statistics) and as these are wholly *under the control of the org*, then it's obvious that the only finance trouble or pay trouble an org can have is by undermanning, undertraining and underproducing.

No great international GI slump has ever occurred unless there has been a long GDS slump. So it's obvious that an undermanned org is asking for a cave-in.

Much of this has been learned in recent years.

At this writing there is little or no recruitment by HCOs and training of staffs could be better.

But the lessons we learn, we learn and apply.

And so it is with personnel.

**L. RON HUBBARD**

Founder

LRH:rr.rd.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

288

HUBBARD COMMUNICATIONS

Saint Hill Manor, East Grinstead,

HCO POLICY LETTER OF 30 AUG

Remimeo

Dept I Hat

HCO AS Hat

ES Hats *Personnel Series 4*

Dept 13 Hats

Dept 14 Hats

## **RECRUITING ACTIONS**

The first thing one has to handle in recruiting is the willingness of an org staff to have new people as staff members.

New people tend to cut pay down, they stretch internal staff services thinner, they are not yet "with it" and create a lot of dev-t. Ethics problems rise. Deadwood goes overlooked. Staffs have a certain esprit and plan and aren't all that willing to confer it.

Some orgs plug along on a fixed inadequate gross income, refusing to recruit, losing old staff by contract expiry or graduating to higher orgs or general wear and tear.

They have a sort of horror of green staff members. One can't blame them-files get upset, comms vanish, body interruptions go high, one gets overloaded just handling the dev-t generated.

**BUT THERE IS A WAY TO HANDLE ALL THIS.**

HCO PL 4 Jan. 66, PERSONNEL-STAFF STATUS, and Staff Status 0, 1, II and III take care of these faults.

All this is programed in LRH ED 121 INT, 29 Aug. 70, STAFF TRAINING PGM NO. 2, which is a part of this series.

Taking on new staff has to be done. Otherwise the org will not expand; that which stays the same shrinks and the org faces collapse.

So recruitment is a vital necessity.

To overcome any objections, one makes sure that HCO PL 4 Jan. 66, STAFF STATUS is IN. Otherwise the place becomes a maelstrom. It is gotten in by the LRH ED, STAFF TRAINING PGM NO. 2.

## **RECRUITING POOLS**

HCO PL 24 June 1970 lists proper personnel pools for a Dianetics or Scientology organization.

This covers areas for recruitment and gives ways to do it.

The main thing, the most important thing, is that IT HAS TO BE DONE. It doesn't just happen.

Any organization or activity has to recruit and it has to train.

The dream of the industrialist and even the modern agriculturalist is an activity which is totally automated (automatically run by machinery not people). The more "overpopulated" the world becomes, the more the bigwigs dream about automation. I had a psycho editor once (cured him of being psychotic but never cured him of being an editor) who used to dream up civilizations where the machines were even repaired by machines.



**The lovely part of machines is that they are supposed to be invariable** in action. Each part meshes smoothly with every other part.

If you conceive of a machine made out of human beings instead of metal parts, you see at once that the parts are not exact nor are they perfectly adapted to each other.

This is the fact about beings that dismays the industrialist. The parts don't fit, they vary, they have ideas of their own.

The "parts" also drop out of the "machine."

Any old-time personnel system seeks to fit the people into the "machine" composed of people or fit the "machine" to the people.

All these systems were based upon a psychological principle that no person ever changed or got better.

Also the idea was that people's social order as it existed was the basic social order. (That the existing departure from the ideal scene was the ideal scene. See the Data Series Policy Letters.)

Thus it was conceived that an organization composed of human beings required perfect human beings or it wouldn't run at all. But there are no perfect human beings.

In "straightening an organization up" there is a belief that one must get rid of all its imperfect beings.

And this can go so far as to refuse to try out or let in any beings who are not perfect.

When things get to this pass, one is looking at the probable death of an org.

In real life only a small percentage of people are "unsuitable." They come in four general classes:

- a. Those who are destructively anti-social (suppressive persons).
- b. Those who are connected with the destructively anti-social outside the org (potential trouble sources).
- c. Those ill, diseased or in some way unable to function.
- d. Those who are active enemies sent in by active enemies to harm the org.

Anyone hiring should be familiar with the HCOBs covering suppressive persons and HCOBs and policy letters concerning potential trouble sources.

He should also be familiar with testing procedures: (1) E-Meter tone arm position and needle manifestation (HCO PL 26 August 66, Ethics E-Meter Check), (2) IQ tests, (3) aptitude tests, (4) leadership score, (5) Oxford Capacity Analysis, (6) The Chart of Human Evaluation (*Science of Survival*).

These skills and procedures are part of the Hubbard Consultant (HC) Checksheet.

Using this technology, one minimizes the entrance onto staff of persons who will upset the place.

If no reasonableness (faulty explanations) enters into this, the 10% who would enter disturbance into the place are eliminated.

If this barrier is put up and held up, then the people brought in on staff will not upset anything.

Following the Staff Status procedure, one grooves them in.

And all is well.

If this procedure is NOT followed rigorously, the org will become educated into resisting new staff or recruiting. If it IS followed rigorously, the place will smoothly expand.

### BEGINNING HIRING

To begin a cycle of recruitment, one must first apply all the test procedures to all on the existing staff and compare it to production records.

This is important. In one case where scores of green personnel were recruited, the place was very upset. The whole organization blamed the new recruits. BUT THE TROUBLE WAS COMING FROM THREE PERSONS ALREADY THERE-two were on drugs, the third was a suppressive of a classic kind and these three blocked all training and processing of the new recruits! The three eventually blew off, people got trained and processed and the whole org went upstat. There were no undesirables amongst the new people! They were just so battered around and left so untrained that they were made to look bad!

Any org which has lost a lot of staff and has failed to recruit had hidden in it someone who should have been screened out!

So one is looking for a small percentage. He is NOT trying to find perfect people!

With that small percentage screened out, one can make recruits into valuable staff members.

Whenever I see "80% were unsuitable" I really raise an eyebrow. Wrong percentage. When I see "we dismissed 50%" I raise the other eyebrow. Wrong percentage. Ten percent yes. Fifty to 80% no.

So when I see figures like that, I know that the screening is taking place in the wrong area. Somebody already IN is blocking others out and getting rid of them.

The test is not PAST. The test is what the E-Meter reads (no questions, just what is the read). What's the IQ, leadership, aptitude and Oxford? Where does he sit on the Chart of Human Evaluation?

If that's all okay and the personnel is IN now, what's his stat of production? What's his study stat? What's his case gain?

And that handles that. Without much trouble. Without opinion. Without any oppression or threats.

### THE CHARACTER OF MAN

You see, Man is not a savage beast at all. He is rather timid. He is easily alarmed.

His symptoms of revenge grow out of his fears.

His basic nature is social, not anti-social. He is not an animal. He likes to communicate. He actually would like to be friends. Rebuffs and upsets and failures to understand him and efforts to harm him can make him hide under a mask of aggression. And this when it gets too bad and is wrong is apt to drive him crazy.

If he isn't crazy, he is decent and tries to do his best.

That he put a foot wrong is unimportant. Will he put his foot right? is all I ever care about.

Discipline and punishment and threats can go far too far and can upset him very badly rather than crowd him "into line."

When madmen are amongst him he responds badly, is upset and becomes turbulent. Protected, he acts well and behaves well and is constructive.

A lot of experience is talking. I've even made great crews out of people the government had made into convicts.

A very few have gone so wrong that only huge amounts of processing would ever repair. In *personnel* recruiting and training they have to be audited so long that they are only cases, not personnel. They cause upsets for too long a period before they are handled as cases to be trusted.

They are not even natively bad. They think they are psychiatrists or wolves or vultures or something. They are crazy and think they have to kill or destroy.

People closely connected to them are a bit psycho as they go into terror.

When any weeding out goes further than this, it is a bad mistake, upsets an organization, blows people off and is itself oppressive.

#### THE TOOLS

You have to realize that we have precision tools. If we lose them or don't use them we get into trouble.

For a long while the E-Meter as a personnel instrument was out of use in the test battery. The Chart of Human Evaluation was laid aside. The Oxford Capacity Analysis was not used.

And personnel errors almost destroyed several orgs.

The tools we have tell the story well. They can be disregarded; opinion, police record, social acceptability, etc., get put into use instead and we are for it. Those are the OLD tools that failed.

But to use the tools we have, one has to realize they are precise tools. One doesn't get a bad needle on a personnel and explain it away. It's a bad needle (a rock slam or a dirty needle or a stuck needle or a stage four needle). It means we are dealing with dynamite.

We *can* handle it in processing. We *can* bring the person up to a valuable person IF WE ARE PROCESSING THE PERSON AS A PC.

But we are discussing *staff members*. We are discussing PRODUCTION. We are discussing hiring personnel.

Only about 10% fall into an unacceptable category. And they too can be saved.

#### **BUT WE DON'T WANT THEM AS PART OF AN ORG STAFF.**

You see, there are two different things here. One is CASES. The other is PERSONNEL.

When a person knows he can handle offbeat cases, he tends to get careless about cases being offbeat as personnel. **AND IT'S A NEAR FATAL ERROR.**

It costs the org its calm, staff members their pay and deprives the area of full use of the product.

So it's quite an overt to overlook the niceties and technology of personnel and goof it up.

A very bad off case on staff can actually cause enough trouble to blow off and bar out all good staff.

Bad recruits can make a whole org allergic to any recruits.

It's up to those in charge of personnel to get trained as HCs and act accordingly.

L. RON HUBBARD

Founder

LRH:rr.rd.gm Copyright Q 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

293

# L. Ron Hubbard

## EXECUTIVE DIRECTIVE

LRH ED 121 INT Date: 29 August 1970

To: LRH Comm

HCO ES

STO

ALL STAFF

From: RON

Subject: STAFF TRAINING PGM NO. 2

Reference: LRH ED 27 INT 20 Sept. 1969

LRH Comm Staff Pgm No. I

The LRH ED 27 INT "LRH Comm Staff Pgm No. I" is discontinued.

By and large this was a very successful program. In all those orgs where it was applied-especially those where No. I Pgms were checked out on all staff and followed-a considerable gain was achieved. We made LOTS of HDCs, HDGs and OECs.

I wish to thank all those who participated in it.

### COMPLETION

Anyone on the HDC, HDG or OEC currently should complete his existing course. This ED does not "pull people off courses they are on."

THIS ED RESTORES THE TIME-HONORED STAFF STATUS ADMIN STUDIES-STAFF STATUS 0, STAFF STATUS 1, STAFF STATUS 11, STAFF STATUS 111-FOR USE ON OLD OR NEW STAFF.

### PURPOSE:

To improve admin and stats of orgs.

### MAJOR TARGET-

To revive Staff Status 0, 1, 11, 111 on administratively untrained or new staff in your org.

*PRIMARY TARGETS:*

1. LRH Comm or HCO ES to accept this program and get it in.
2. Qual Sec or OES to activate Dept 13 Div V, HCO PL 8 August 1970, "Reorg of the Correction Div" so that staff can get training and processing.
3. HCO Area Sec to bring up-to-date or begin staff personnel records, Dept 1, and open them to new Dept 13 information.

294

4. Staff Training Officer to **take post in Dept 13 as per HCO PL 8 Aug. 1970** "Reorganization of the Correction Division" as a double or single-hatted function depending on staff size.
5. Dissem Div to dig up and make available to HCO Dept I and Dept 13 adequate copies of HCO PL 4 January 1966, Issue V, "Personnel Staff Status" and to redistribute copies of it to all staff members.
6. HCO to hand out HCO PL 4 Jan. 1966 to all new applicants.
7. Dissem Div to exhume all old study packs of Staff Status 1, 11, and III and hand them over to Dept 13. If no packs available, Dissem Div is to make them up from checksheets.  
Staff Status 0 - HCO PL 4 Jan. 1966 Issue V  
Staff Status I - SEC ED 196 INT (1966)  
Staff Status 11 - SEC ED 217 INT (28 Feb. 1966)  
Staff Status III - Pack of staff member's division as made up.
8. Division III Disb is to work out any pay scales and adjustments or bonuses to suit staff status, OEC completion and tech class, get them okayed by EC and distributed.

*OPERATING TARGETS:*

1. Dept 13 is to draw up a staff list and establish status of each staff member.
2. OEC grads are credited with all three staff status classifications unless Dept 13 on examination decides in individual cases to require checkouts before awarding.
3. Dept 13 is to program each executive and staff member.
  - a. Administratively posted personnel, executives and staff, attain and use the knowledge and know-how contained in staff status materials and eventually OEC.
  - b. Technical personnel are not only technically qualified but also have a staff status, as they are also part of the org, and should be programed.
  - c. Get courses on which a staff student is progressing, completed before pushing on with staff status.
4. Dept 13 to coax and two-way comm staff up through their program.
5. HCO Dept I to make the staff status of each staff member and any tech class visible on the main org org board after his name.

6. Dept 13 to keep HCO informed of staff status, case completions and technical advances of each staff member.

7. HCO Dept I to keep org board statuses in PT.

8. HCO Dept I to keep staff personnel files in PT.

9. Certs and Awards Dept 15 to issue certs based on staff study achievements.

10. HCO Dept I to RECRUIT (see HCO PLs Personnel Series 1970).

11. HCO Dept I to follow Staff Status HCO PL 4 Jan. 1966, Issue V, in hiring and in staff status and to ADVISE DEPT 13 CONTINUALLY ON NEW PERSONS.

295

12. Dept 13 to follow through to program new **personnel for** staff status.

13. Div III Disb to follow through with pay changes or bonuses based on status achieved.

14. WARNING - When this program re temporary staff (HCO PL 4 Jan. 1966, Issue V) was first put in, the temporary status was let drag on; undesirable new hirings that could not achieve staff status were left on post and not routed off staff. Also they were often left in temporary status by neglect. The ETHICS OFFICER and HCO ES must see that

a. Newly hired people are not left to accumulate as temporary

b. New personnel are either routed off staff or up in status.

15. Dept 13 is to program any person sent off staff to improve his employability for the future.

16. THE CHAPLAIN or Pub Div personnel are to inform and handle any person routed off staff using the data from Dept 13.

THE LINE IS HCO DEPT I WRITES DISMISSAL OF TEMPORARY OR OTHERS, PASSES IT TO DEPT 13 FOR PROGRAM, PASSES IT TO CHAPLAIN OR PUB DIV FOR INFORMING THE PERSON.

17. THE CHAPLAIN (or PUB DIV PERSON) is to see that HCO PL 4 Jan. 1966, Issue V, is not violated in dismissals as violations upset both staff and field.

18. The ETHICS OFFICER handles all BLOWS, gets them back or dismisses according to his own and Dept 13 data and HCO PL 4 Jan. 1966, Issue V.

19. EXECUTIVES CONSISTENTLY NOT ON POST are turned in to the nearest Guardian's Office by the ETHICS OFFICER or, failing that, the LRH Comm.

20. HCO Dept 3, Inspections and Reports, which handles stats, advises HCO ES, OES, HCO Dept I and Dept 13 of all EXTREME CONDITIONS of personnel, meaning very high upsurges and low falls, so that personnel and staff training actions can occur.

21. Dept 13 dates all beginnings and ends of all checksheets and keeps track of Staff Status overdue completions and advises HCO ES and Personnel of all overdue completions.

22. Dept 13 posts or releases to the org all completions of all staff completions as to Staff Status and other studies and case completions.

23. When this program is fully and honestly in, the LRH Comm (or HCO ES) will advise Flag via LRH Comm WW.

THE ULTIMATE RESPONSIBILITY FOR ACHIEVING STAFF TRAINING PGM NO. 2 LIES WITH THE LRH COMM OF THE ORG OR THE HCO ES

WHERE THERE IS NO LRH COMM.

Program Code: STPGM No. 2

Program Comm: LRH Comm Flag.

L. RON HUBBARD

LRH:rr.gm Founder

Copyright @ 1970

by L. Ron Hubbard

ALL RIGHTS RESERVED

[Note: This issue is part of the Personnel Series as stated in Personnel Series 4, paragraph 7, page 289.]

296

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 SEPTEMBER 1970

Remimeo

*Personnel Series 5*

## TRANSFERITIS

A survey of personnel on posts who would ordinarily be considered for transfer brings to light certain factors which underlie WHY they are failing on post even while seeming to work at it.

People on personnel posts in companies have followed a 19th century psychological approach that if a person can't do one post he can be transferred to another post to which he is better "adapted." "Talent," "native skill," all sorts of factors are given. But if a person with all things considered in the first place is then found to do badly on that post, the second think of 19th century personnel was to transfer him to another post and yet another and another. The third think when *again* he fails is then to fire him.

Transferring under these circumstances is usually not only wrong for the person but strews the error all through the org.

The HCO PL 24 June 70, "Management Cycle," gives an answer to "has to be transferred."

## CAMOUFLAGED HOLES

A "camouflaged hole" means a hole in the org line-up that *appears* to be a post. Yet it isn't a held post because its duties are not being done. It is therefore a *hole* people and actions fall into without knowing it is there. It can literally drive an org mad to have a few of these around. *Camouflaged* means "disguised" or made to appear something else. In this case a hole in the line-up is camouflaged by the fact that somebody appears to be holding it who isn't.

Let's take a Receptionist who doesn't receive and route people. You will find the people in the org being fouled up by this. They all have to act *after* the fact of no Reception. This makes them

handle Reception in the midst of a mess of Reception goofs. But there *appears* to be a Receptionist. If there were NO pretended Receptionist, people would at least know this and keep an eye out. But as there "is a Receptionist" who isn't a Receptionist, all Reception actions have to be handled by others each time *after* there has been a goof! Guaranteed to mess up the environment and strain tempers more than somewhat.

An executive post is much harder to detect. Those below it are not aware of the skills the post needs and are only aware of trouble. Yet it easily can be just a camouflaged hole.

Given the fact that one is not dealing with a sick person or a scoundrel (any post requires that a person be fairly healthy and with a clean ethics record), for a person to be on a post and not doing it, he or she must be suffering from one or more of the following conditions:

I. Never trained up for the post in the first place (per Management Chart)

297

2. Never grooved in on the post purpose

3. Unreality or unfamiliarity with the ideal scene in its practical aspects, resulting in omitted data or a missing scene.

Furthermore, for a person to *remain* on a post under these conditions he/she must

a. Be unaware of their lack of knowledge

b. Blame it on another or

c. Have considerations about status (i.e., it would be damaging to their reputation for it to be found out that they didn't know).

This last point, status, puts any post flub onto a WITHHOLD basis resulting in continuously deteriorating performance each time it occurs.

In actual fact in each one of the cases examined, one or more of the above points were evident in greater or lesser degree. My suggested remedy would be

1. *Thorough* training as deputy before putting any person on a major post. The purpose being to familiarize the person with actual working conditions.

2. A clear, approved statement of post purpose must be written in the front of the post hat write-up, which is easily comprehensible and simple. This post purpose is then cleared to F/N in Qual before the person can be considered fully on post.

3. Once on post the person must constantly maintain and increase their working knowledge of their appointed areas of responsibility and study and familiarize themselves with old and new HCOBs and P/Ls as they apply.

**That they** undergo a competent examination from time to time on the duties and actions of their post as they exist or are extended.

4. That to this end any poor performance on post be reported to Div V, Dept 13 for investigation and correction by examining the above points and putting in those found out.

5. That within the framework of Cases and Morale Policy Letter, priority be given to those posts in the org that most likely could be expected to collect a 64status value" so that the integrity of those holding such posts be maintained.



6. That in any case, notwithstanding the above paragraph, persons on such posts should make every attempt to keep themselves clean of O /Ws, including making it known to the proper terminals when they find they have misunderstandings or missing data on post.

If there is any trouble in training a person up for a post, it will be traced ordinarily to LACK OF ADEQUATE MATERIAL about that post and no checksheet to be thoroughly checked out on.

This should be checked as a point.

It is common not to have a pack of data or checksheet for a post and, if so, one must be made.

298

## SUMMARY

Given a person on post not producing, TRANSFER is almost never the right answer. Yet it is the one most frequently done.

If a person is morally unfit, a criminal or mad, it is obvious that "transfer" is the wrong answer.

So this leaves us with these actions to do:

As given in the Management Cycle, HCO PL 24 June 70.

L. RON HUBBARD

Founder

LRH:rr.rd.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

299

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 SEPTEMBER 1970

Rernimeo

### *Personnel Series 6*

## TRAINING

By actual test and practical experience, a fully trained, on-policy executive will raise the stats of an org.

An untrained executive will depress the stats.

An officer trained on the Flag Executive Briefing Course will send stats up where an equivalent officer not so trained will send them down.

This appears so obvious that it can be missed.

It means that it costs an org thousands upon thousands to use an untrained executive who has not done an FEBC. It costs personnel their pay, their facilities and their security.

If an FEBC cost \$30,000 (which it does not), the org would make it back in a few weeks.

If an untrained executive is placed in charge of an org, it can prepare for losses and can succumb.

This is a very simple lesson. It is a matter of actual fact, not of PR.

This is shown up well when a fully trained executive is placed in charge of a whole org.

It is less visible but just as decisive regarding ANY post.

An untrained person on a post will be at best somebody not too destructive and at worst a camouflaged hole.

These facts are facts.

When you do not know this, be prepared to have lots of trouble, losses and dev-t,

It costs money not to spend money pretraining for a post. It also costs money not to train a person *on* a post to familiarize him with it.

Training is of course a relative word. The materials taught must be practical and useful and must apply to the job to be held.

Given this, a personnel officer who does not advise or provide for full prepost training will be found to be very costly.

One who insists on full pretraining and on-post training will be found to be a very valuable asset.

This data *is not* theoretical. It is the living truth.

## **L. RON HUBBARD**

Founder

LRH:rr.rd.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

300

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 SEPTEMBER 1970

Remimeo

*Personnel Series 7*

## **HATS - VITAL DATA**

I can prove conclusively and utterly that any down statistic traces at once to two points:

1. Failure to *hire* or recruit
2. Failure to train people on their hats.

Regarding training, the failure of any executive is traceable to three points:

- A. Not making up a checksheet for the posts of juniors under him
- B. Not making up a pack for the checksheet and a hat for each junior
- C. Not fully training his juniors up on their hats as per A & B.

To do all this an executive must himself be trained.

HAT-means the duties of a post. It comes from the fact that jobs are often distinguished by a type of hat as fireman, policeman, conductor, etc. Hence the term HAT.

A "hat" is really a folder containing the write-ups of past incumbents on a post plus a checksheet of all data relating to the post plus a pack of materials that cover the post.

One also has a "staff hat" which is to say a folder containing all his duties as a staff member, the org itself and its lines and purposes.

There is also a hat folder for general or technical directives issued to all the staff regardless of post.

So there is a

Post Hat

Staff Hat

Tech Hat

for every staff member.

Before Personnel transfers and begins a musical chair parade, it is well to inspect and see if

a. The post has all these hats and knows them

b. The post's senior has actively provided them and checked them out or had them checked out on the junior.

301

If (a) and (b) are not true then I can assure you Personnel will be replacing and musical chairing forever.

It well may be that the executive is the trouble, not the incumbent.

A senior who does not see to full hats in the possession of juniors and does not see they are fully checked out is a liability.

**ANY ORG'S TROUBLES CAN BE TRACED TO THESE TWO POINTS.**

Therefore one must be very sure that seniors take responsibility for the hats, checksheets, packs and know-how of juniors.

A successful executive is one who understands

1. Organization

2. His own hat, has a checksheet and pack for it and knows these

3. That he is at extreme risk if he does not enforce hat, checksheet and pack checkouts on his juniors.

**ANYONE WHO HAS JUNIORS UNDER HIM IS A TRAINING OFFICER FOR THOSE JUNIORS AS A VITAL ADDITIONAL DUTY.**

So really, Personnel, if you want to know who your executives are, find one who

i. Has been trained

ii. Who produces well himself

iii. Who enforces hats, checksheets and packs on his juniors and

iv. 'Trains his juniors as per (iii).

There you have an excellent executive, if not an executive director.

It is a cruel, vital, total truth that you normally can trace the reason for inefficient areas in an org or company to

1. Lack of hiring or recruiting
2. Lack of trained executives
3. Lack of executives who will assemble hats for and train their juniors.

An organization is a third dynamic technology.

When the hats aren't known or worn, it's a mob.

A division which blows up or unmocks is usually

1. Undermanned
2. Unorganized
3. Untrained.

302

Whenever a senior on the line of command fails to see to the hats and full training of his juniors, you have a total breakdown.

Personnel sees this in terms of hiring and firing and transfers.

Look into any area that can't keep its people and you find not enough people or untrained people. And you for sure will also find an executive who WILL NOT train his people, see that they have post hats and checkouts.

The solutions are pretty obvious.

L. RON HUBBARD

Founder

LRH:sb.rd.gm Copyright v 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

303

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 SEPTEMBER 1970

Rernimeo

Personnel Hats

Ethics Hats

***Personnel Series 8***

ETHICS AND PERSONNEL

(Applies to E/Os.)

Personnel can be harassed by utilization failures.

Demandsfor personnel are usually met by an inspection of the area (dept or div or activity) that is demanding the personnel.

A personnel demand received by Personnel is properly routed to the Ethics Officer with the following request:

"Dept (or activity) - is asking for personnel.

"Please check these points.

"A. Are existing personnel there busy?

"B. Have there been recent blows from that area?

"C. Are their mest and comm lines in good condition?

-D. Do the personnel in that area each have HATS, FULL CHECKSHEETS FOR POST AND AREA?

"E. Does the senior officer of that area have and support a program for training and grooving in his personnel?

"F. Have the personnel now on post been ill (PTS)?

"G. Is there an SP in the area by meter check?

"H. Is study and auditing time arranged for?

"Please note by HCO PL 16 Sept 70, ETHICS AND PERSONNEL, that if D and E above are out and no vigorous action is in progress to get these two points in, a Comm Ev should be convened.

"Please let me have a report on this area so that I can expedite needful personnel or demand utilization of existing personnel.

Personnel 1/C"

#### UTILIZATION

An area which does not make hats, checksheets and packs for its staff members and does not vigorously groove in and get personnel on purpose lines and knowledgeable will cause endless trouble for personnel recruitment officers and personnel control officers.

304

An area can get into this hideous cycle

Recruit

Don't train

Don't groove in

Don't utilize

Apply heavy ethics

Lose personnel

Demand personnel

Don't train

Don't groove in

Don't utilize

Apply heavier ethics

Lose personnel

It will just keep on and on and on.

The staff member who goofs is NOT the proper ethics target. The correct ethics target is the divisional officer or department head who does not hat, checksheet and pack and train on them and groove in on post every personnel he has.

In some areas this failure is not sloth or "no time" but a solid great big WON'T TRAIN.

As the area subjected to this is downtone and poor imaged and overloaded, the job of recruitment is made nearly impossible.

#### PURPOSE AND CRIME

A breakthrough in the know-how of civilization is that a thetan evidently considers any beingness better than no beingness.

This would explain how people cling to an even painful existence and why even a slave or prisoner does not just drop a body.

Beingness is valuable.

A post or job is enormously valuable. Even the most minor post has a status value.

The only quality that is critical about a job is can it be held at all? By heavy overload and harassment a job can be made untenable. But a "blow" or departure is only occasioned by hope of a better one elsewhere in this same life. A workload can be heavy. But when it gets impossible, one gets a blow.

An overloaded division will empty.

The most common way to overload an area is to fail to hat, checksheet and pack the personnel and not train them. Then they work badly as a team with lots of friction as the jobs are not meshed with one another. Dev-t results. An apparency of hard work ends up in poor or little production.

Then personnel begin to make goofs which absorb the time of other personnel.

Not only this but A PERSONNEL WITHOUT PURPOSE CAN COMMIT CRIMES.

The secret of a turbulent society is contained in these facts.

A welfare state pays people not to work. It is paying to have people without purpose or hats. Therefore it gets crime. There is NO surer way to beget an insurgent society than to deny purpose and posts to its members.

305

Knowingly or unknowingly, welfare statism is aimed at disenfranchising citizens. From Rome on forward, every welfare state has eventually erupted in revolt and civil war. And every state which denied jobs or status has blown up in revolt. The French and Russian revolutions were fully concerned with breaking a monopoly of status.

However you view it or however it was done, **FAILURE TO PROVIDE JOBS, PURPOSE AND TRAINING ON JOBS BEGETS REVOLT.**

Unhappiness, social misery, are not answered by denying in any way actual, useful jobs.

The sense of belonging and purpose in living can be strangled in many ways.

Whenever it is done, it is done by some mechanism (like the dole or relief or plain unemployment) which prevents participation.

Participation is only achieved by the worthwhileness of the activity, the factualness and understanding of the activity, explained purpose and an exact and trained-in set of duties.

Crime stems totally and entirely from lack of belonging and understanding that to which one belongs. The criminal or juvenile gang is a substitute for society. It is an outlaw pack at the throat of that which forced it not to belong.

Preventing youthful participation, permitting airy-fairy education, unreal values and lack of understanding turns youth against the state.

Politicians and financiers have been too deficient in imagination to provide real jobs, real training, real objectives. It is easier to toss contemptuous starvation handouts to the multitude. Or lock them out entirely.

The wages of such action are revolt and social decline.

There is work and thought needful in providing

- A. A worthwhile cause
- B. Valuable production
- C. Jobs and status
- D. Real education for the posts held
- E. Perpetuation of a valuable activity.

Any businessman for various reasons tries to do this. He is usually overburdened by the state.

In Russia, where there is only the cynical state, police duress is all that holds the rickety framework together.

Thus there is a direct coordination between (a) social disorder and (b) no job or no hat or no training on it.

#### ETHICS AND HATS

Wherever Ethics has to be heavy you find

- 1. No real hats
- 2. No checksheet or pack
- 3. No thorough grooving in.

306

Given a worthwhile cause, Personnel can be made a near impossible post by neglect of grooving in.

When a person is unable to wear a hat, *processing* can trace back *the cycle of attaining status and losing it* until the person can have a hat.

Personnel placement is far less important than on-the-job hats, checksheets and packs grooved in.

Promotion follows any good production in due course.

This is how Ethics and Personnel work together or conflict.

If Ethics does not target those who fail to train rather than those who aren't trained or processed and goof or commit crimes, Ethics and Personnel both will come a resounding cropper.

In support of what I say, Ethics can trace any trouble in an area back to a failure to recruit and fully, realistically train on posts.

And Personnel can trace any trouble in an area to past failures to recruit and fully, realistically train on posts.

You have here in an org what has been destroying all of Man's civilizations denying jobs and status, failing to groove in and train. Man has only had force and Cossacks to remedy these lacks when what he really needed was imagination, jobs and training.

A full appreciation of this solves many riddles regarding social planning and societies.

In our own sphere we must use this understanding well and drive the social aberrations out of our orgs and keep them out by recruiting, hats, checksheets, packs and full training for every post and the sweeping removal of all blocks and barriers which prevent it.

A man wants to belong. He can't if he does not know the purpose of that to which he belongs and *all* the duties and actions of his post.

So make it so by recruiting, training and processing that he *can* belong and be valuable.

And by having upstat orgs make it so the public can come in, get service and also belong by membership.

If you understand this fully, we can triumph, for it is a know-how few other men have.

## **L. RON HUBBARD**

Founder

LRH:nt.gm Copyright C 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

307

### **HUBBARD COMMUNICATION**

Saint Hill Manor, East Grinstead

HCO POLICY LETTER OF 22 SEP

Rernimeo

Exec Hats

Personnel Hats

Ethics Hats *Personnel Series 9*

*Org Series 4*

*A N URGENT IMPOR TA NT A ND STA RRA TE PL*

*HATS*

HAT-A term used to describe the write-ups, checksheets and packs that outline the purposes, know-how and duties of a post. It exists in folders and packs and is trained-in on the person on the post.

HAT TECHNOLOGY



"Hats" developed in 1950 for use in Dianetic orgs as a special technology. The term and idea of "a hat" comes from conductors or locomotive engineers, etc., each of whom wears a distinctive and different type of headgear. A "hat" therefore designates particular status and duties in an organization.

A "hat" is a specialty. It handles or controls certain particles in various actions and receives, changes and routes them.

A "hat" designates what terminal in the organization is represented and what the terminal handles and what flows the terminal directs.

Every hat has a product.

The product can be represented as a statistic.

Any job or position in the world could have its own hat. The reason things do not run well in a life, an org, a group, nation or the world is an absence of hats.

The reason why an org runs well when it does is hats.

Any protest of anyone against things not running right can be traced to lack of hats.

Any slump an org goes through can be traced directly and at once to an absence of one or more hats being worn.

#### HAT CONTENT

A hat must contain

A. A purpose of the post.

B. Its relative position on the org bd.

C. A write-up of the post (done usually by people who have held it before relief and when so done it has no further authority than advice).

D. A checksheet of all the policy letters, bulletins, advices, manuals, books and drills applicable to the post. (As in a course checksheet.)

308

E. A full pack of the written materials or tapes of the checksheet plus any manuals of equipment or books.

F. A copy of the org bd of the portion of the org to which the post belongs.

G. A flow chart showing what particles are received by the post and what changes the post is expected to make in them and to where the post routes them.

H. The product of the post.

1. The statistic of the post, the statistic of the section, the statistic of the department and division to which the post belongs.

#### STAFF HAT

There is also a general staff hat.

This hat contains

(a) The overall purpose of the org, its aims, goals and products.

(b) The privileges or rewards of a staff member such as auditing, training on post, general training availability, pay, vacations or leave, etc.

(c) The penalties involved in nonproduction or abuse of post privileges or misuse of the post contracts.

(d) The public relations responsibilities of a staff member.

(e) The interpersonal relations amongst staff members including courtesy, cleanliness, attitudes to seniors and juniors, office etiquette, etc.

(f) The mess of posts generally, its papers, despatches, files, equipment.

(g) The comm and transport system of the org.

#### GRADIENT SCALE OF HATS

A "gradient scale" means "a gradual increasing degree of something." A nongradient scale would be telling someone to enter a skyscraper by a 32nd story window.

Thus there is a gradient scale of organizing.

A key to this is found in *Problems of Work's* theory of confusion and the stable datum.

One in actual practice has to cope while organizing.

COPE means to handle whatever comes up. In the dictionary it means "to deal successfully with a difficult situation." We use it to mean "to handle any old way whatever comes up, to handle it successfully and somehow."

#### IF YOU *REMAIN* IN COPE, THE DEMAND TO COPE INCREASES.

In that you have the key to "exhausted executives" or staff members. You have why the President of the US ages about 20 years in one term of office as you can see by comparing dated photographs of past presidents. He is totally on cope. His government has an org board that looks like a pile of jackstraws. He has no hat. His staff have no hats. His government departments have no hat. The technologies of economics, law, business, politics, welfare, warfare, diplomacy, have been lost or neglected (they do exist to some extent).

309

The guy is on total cope. And the post has been on total cope since it was created as an afterthought by the Constitutional Congress that began the post in the 18th century. Even what it says in US civics textbooks is not found in practice.

So "difficult situations" are the order of the day and are handled by special actions and appointments.

The people who *should* handle them haven't got real hats.

This is all catching up with the country at this writing to such a degree that the citizen cannot benefit from a stable society or social order. The country looks more like a war of insurgency.

In other words departures from hats has lead into total cope and it is steadily worsening.

Any organization put in by one political party is knocked out by the next incumbent and who could totally organize a country in four years? (The term of a president.)

Yet it is hanging together some way and some way meeting increasing demands and pressures.

I have stated this in a large example so that it can be seen in a smaller unit.

To handle this one would first have to want to straighten it out and then assemble the tech of admin to straighten it out. And then one would have to begin on a gradient scale of org bd and hats.

A cope sort of hat would be tossed off orders to some other people on staff who have some title of some sort.

Along with this would be a posted org bd that has little to do with duties actually performed and used by a staff that doesn't know what it is.

One begins to move out of cope (as given in other series) by putting an org board together that labels posts and duties and getting people on them to handle the types of particles (bodies, mailings) of the org.

The next action would be brief write-ups of the posts and their duties and checking people out on them.

Actually if you only got to the middle of the last paragraph with an org the executives would remain in cope. So much know-how would be missing in the org's staff that every rough bit would shoot up to the executive for special handling and that is cope.

Hats only in this far is not good enough as it still takes a genius to run the place.

The next gradient scale is to get the hat to contain

- (i) The post write-up itself
- (ii) The theory and practical necessary to run it.

This is done by a preparation of checksheets of data and a pack matching it for key posts.

Naturally the org bd now has to become more real and staff has to be checked out on it.

then hats as post checksheets and packs are extended to the rest of the staff.

310

The mechanisms of training have to exist by this time.

Seniors have to be made responsible that every junior below them has a hat consisting of write-up, checksheet and pack.

Meanwhile one continues to cope.

Gradually, gradually staff begin to know (through checkouts) their hats.

New staff coming on are grooved in better.

Cope begins to diminish and the organization tends to smooth out.

Here and there competent handlings begin to show up brightly.

Now we find a new situation. With everyone throwing together checksheets and packs for staffs we find nonstandard checksheets. Some messenger has to do the full checksheet of the HCO Division pages and pages long. The HCO Sec has a checksheet with just 10 items on it.

So a central authority has to standardize post checksheets and survey and put in overlooked bits of data.

But that is way up the line. The org long since has become smooth and prosperous.

So that is the gradient scale of getting in hats.

### EXPERTS

Here and there you find an area of special expertise in an org where the expertise is so expert in itself that it obscures the fact that the person does not also have a full post hat.

A lawyer would be a case in point. It takes so long to learn law in some law school that an org executive can overlook the fact that the *post* hat is missing. Org policy on legal matters and staff hat remain unknown to this legal post AND JAM IT UTTERLY. This came to light when a whole series of cases was being neglected because the legal staff member, an excellent lawyer, did not know how to make out a purchase order or that one could or should. Investigation found *no* post or staff hat. Only a legal degree.

Orgs continually do this with auditors. They are technical experts in *auditing*. So they get assigned to posts in the HGC WITH NO HAT. Backlogs occur, things goof up. Tech fails. All because it is overlooked that they are **PART OF AN ORG** and need staff and post hats and need to be trained on them.

Worse than that, a highly classed auditor is often put on an admin post without hat or training for it.

You would not take an admin trained person and without further training tell him to audit. So why take an auditor and tell him to handle an admin division?

Without his post write-up, checksheet and pack FOR THE POST and without training on it, the person just isn't qualified for it no matter what *other* line he is expert in.

It is great to have an expert who has been specially trained in some profession. But lawyer, engineer or public relations, he must have his hat for the *org* post and be trained on it or he will goof! Yet one won't suspect why that area is goofing because "he's a Class VI isn't he?"

311

### UTILIZATION

Personnel can recruit madly, answering every frantic demand for personnel and yet HAVE THEM ALL WASTED for lack of full hats and full training on those hats.

An investigation of blows (desertions) from orgs shows that lack of a grooved-in hat was at the bottom of it.

People come on a job. It is at once a great mystery or an assumption of total know-one or the other.

Either one continued leads them into a state of liability to the org.

People who don't know what they are doing and people who don't but think they do are both NONUTILIZED PERSONNEL.

Pay and prosperity for the rest of the staff will go down unless this is remedied.

The whole org can sag and even vanish under these conditions.

So Personnel has a vested interest in hats being complete and staff trained on them. For Personnel people cannot possibly cope with "no pay so can't hire anyone" and "no people so can't produce."

The answer is H-A-T-S.

And a hat is a write-up, a checksheet and a pack.

And the staff member trained on them.

## ETHICS

When a person has no hat he lacks purpose and value.

When he has no purpose and value he not only goofs, he will commit crimes.

It is apparently easier to hit with ethics than to program and give someone a full hat and get him trained on it.

Police action is not a substitute for having purpose and value.

This is so fundamental that one can even trace the unrest of a nation to lack of purpose and value. A huge welfare program guarantees crime and revolt because it gives handouts, not hats.

Even a field Scientologist should have a hat.

By doing only this over the world we would own the planet as in an expanding population, individual purpose and value are the most vital and wanted commodities.

If there are no real hats there will soon be no money of any value and no bread!

## SUMMARY

ANY HAT IS BETTER THAN NO HAT according to the way a thetan seems to think.

But be that as it may, the downfall of any org can be traced directly and instantly to no recruiting or no org board, no hats or unreal hats or no training on hats.

The sag of an org can be traced directly to lack of hats and lack of training on hats.

312

The overload of any post can be traced directly to lack of an org bd and lack of hats and no training on hats.

The way out is to organize the org board and hats while you cope.

If you do not your cope will become an overwhelm. If you do your burden will lighten and your prosperity increase.

It took 13 months of hard work and 20 years of org experience to learn that, given a product, lack of HATS was *the* WHY of departures from the ideal scene and that working toward providing full complete HATS was the way to get back toward the ideal scene.

L. RON HUBBARD

Founder

LRH:sb.cden.ts.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

313

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 OCTOBER 1970

Remimeo Issue 11

*Personnel Series 10*

## **"MOONLIGHTING"**

Staff members of an org who also have other jobs outside the org are said to be MOONLIGHTING.

Day staff with an evening or weekend job or Foundation staff with a day job have been accused unjustly in the past of injuring an org.

An org only gets injured when its doors get closed and it ceases to promote and deliver good service.

If a whole staff of a Day org decided to close the org all day and open it only in the evening, "moonlighting" would have destroyed the Day org. This would be heavily frowned upon.

If a Foundation staff closed the Foundation to get evening work, it would be a highly nonsurvival act and injurious.

An org which is just starting up or which has been so un-org boarded and unhatted that it fell into such a slump that staff could not live on its pay, the staff would be remiss not to moonlight while they built the org back up. Built up, org boarded and hatted, the org could pay its staff adequately.

To forbid the practice of moonlighting would be to force a staff member to blow in self-defense,

## **INFLATION**

As money inflates (purchases less) and as the cost of operating rises and fees remain unchanged, an org can get into a situation where it is inefficient and pays low salaries.

"Moonlighting on the government" would be quite permissible. With governments anxious to hand out welfare, in some depressed area it would be quite all right to go on the dole or relief and work as a church volunteer in the org.

The higher unemployment rises, the less money will buy, the more finance trouble there is.

Org staffs under such duress can even live as monasteries for food, shelter and pocket money and keep an org going.

## **SUBSIDY**

At this writing the only subsidies available from governments are for those who kill people. The money the government should be spending to support our orgs goes to special interest groups like psychiatry who pocket it and deliver nothing.

Up the years this may change.

314

Until it does we have to keep our heads up financially.

That also applies to an org staff member. There is no reason he should lose his staff job because he also has to moonlight to live.

A well-run, well-recruited, well-org boarded, well-hatted, well-trained org delivering high quality training and auditing makes very adequate income and pays well. But it sometimes takes time to build up from a mismanaged slump to an ideal scene again.

There is no policy against MOONLIGHTING where it does not injure the org.

L. RON HUBBARD

Founder

LRH:sb.gm Copyright @ 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

315

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 OCTOBER 1970

Rernimeo

Personnel Hats

PR Checksheets

*Personnel Series 11*

*PR Series 4*

## **THE PR PERSONALITY**

A public relations personnel has to be spot on in

- a. Confronting
- b. Organizing
- c. Working.

## **CONFRONT**

In confronting, a shy or retiring PR is not about to handle suppressive persons or situations. A PR must be able to stand up to and handle the more wild situations easily and with composure. When he does not, his confront blows and any sense of presentation or organization would go up in smoke. A PTS (potential trouble source) person or one who roller-coasters casewise or one who tends to retreat has no business in PR. His connections that make him PTS and his case would have to be handled fully before he could make good on PR lines.

## **ORGANIZE**

In organizing, a PR has to be able not only to organize something well but to organize it faultlessly in a flash.

Every action a PR takes concerns groups and therefore has to be organized down to the finest detail; otherwise it will just be a mob scene and a very bad presentation.

A PR who can confront, can "think on his feet" and grasp and handle situations rapidly and who can organize in a flash will succeed as a PR.

## **WORK**

The last essential ingredient of a PR is the ability to **WORK**,

When appointing people to PR training, the person's *work record* is very, very important.

The ability to address letters, push around files, haul furniture into place, handle towering stacks of admin in nothing flat are all PR requisites.

To be able to tear out to Poughkeepsie before lunch and set up the baby contest and build a scene for a press conference on catfish before two and get dressed, meet the governor by six is WORK. It takes sweat and push and energy.

A PR should be able to get out a trade paper in hours where an "editor" might take weeks.

316

The ability to work must be established in a potential PR before wasting any training time, as a PR who can't work fails every time.

#### DELUSORY REQUIREMENTS

People *think* a PR must be charming, brilliant, able to inspire, etc., etc.

These are fine if they exist. But they are actually secondary qualities in a PR.

Lack of the (a), (b), (c) qualities is why you see PRs begin to hit the bottle, get sick. fail.

If a PR is also charming, brilliant, able to inspire, he is a real winner. Possibly one is born with all these qualities every few generations.

Personnel in appointing and training PR must look for the wish to be a PR and (a), (b) and (c).

And anyone taking up PR who does so to escape hard work will fail as it IS hard work.

A real top PR wants to be one, has the abilities of (a), (b) and (c) and is trained hard and well on the subject. Then you have a real stat raiser, a real winner, a real empire builder.

#### L. RON HUBBARD

Founder

LRH:sb.gm Copyright 0 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

#### *Personnel Series I I Addition*

[Note: HCO PL I I Apr. 1972, Personnel Series I I Addition, PR Series 4 Addition, THE PR PERSONALITY has been canceled. This issue, not written by L. Ron Hubbard, corrected a typographical error in HCO PL 9 Oct. 1970, Personnel Series 11, PR Series 4, THE PR PERSONALITY. Since this correction has now been made, this additional issue is no longer necessary and has been canceled by Scientology Policy Directive 8, CANCELLATION OF PERSONNEL SERIES I I ADDITION, PR SERIES 4 ADDITION-THE PR PERSONALITY, dated 27 Apr. 1982.]

317

#### HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 NOVEMBER 1970

CORRECTED AND REISSUED 29 AUGUST 1974

Remimeo

*Personnel Series 12*

*Org Series 15*

#### ORGANIZATION MISUNDERSTOODS

**By** Scientology study technology, understanding ceases on going past a misunderstood word or concept.



If a person reading a text comes to the words "Felix Domesticus" and doesn't know it simply means HOUSE CAT, the words which appear thereafter may become meaningless, "uninteresting" and he may even become slightly unconscious, his awareness shutting down.

Example: "Wind the clock and put out the Felix Domesticus and then call Algernon and tell him to wake you at 10:00 A.M.," read as an order by a person who didn't bother to find out that "Felix Domesticus" means "house cat" or "the variety of cat which has been domesticated" will not register that he is supposed to call Algernon, will feel dozey or annoyed and probably won't remember he's supposed to wake up at 10:00 A.M.

In other words, when the person hit a misunderstood word, he ceased to understand and did not fully grasp or become aware of what followed after.

All this applies to a sentence, a book, a post or a whole organization.

Along the time track a crashing misunderstood will block off further ability to study or apply data. It will also block further understanding of an organization, its org board, an individual post or duties and such misunderstands can effectively prevent knowledge of or action on a post.

ALL THIS IS THE MOST COMMON CAUSE OF AN UNACCEPTABLE POST PRODUCT, OR NO PRODUCT AT ALL.

The difficulties of an organization in functioning or producing stem from this fact.

Personal aberration is the cause of products that are in fact overt acts.

Scientology technology today easily handles the personal aberration part of the problem, **IF IT IS USED AND PROPERLY APPLIED**. Leaving an org unaudited or being unable to figure out how to run a viable org so that it can afford to audit its staff members is asking for post or org products that are overt acts.

Employing persons of the Leipzig, Germany, death camp school (psychologists, psychiatrists) to handle personal aberration is like throwing ink in water to clean it up. Governments stupidly do this and wonder why their final product as an organization is riot, war and a polluted planet. The point is not how bad psychology and psychiatry are, but that one does have to *handle* personal aberration in an organization and these schools were too vicious and incompetent to do so.

Those who are personally very aberrated are not about to produce anything but an overt act. They are difficult to detect as they are being careful not to be detected. Things "just sort of go wrong" around them, resulting in a product that is in fact an overt act. But these constitute only about 10 or 20 percent of the population.

318

The remaining 80% or 90% where they are nonfunctional or bungling are so because they do not understand what it's all about. They have in effect gone on by a misunderstood such as what the org is supposed to do or the admin tech they use on their posts or where they are or what their product is.

Earth organizations like governments or big monopolies get a very bad reputé because of these factors:

- I . Personal aberration of a few undetected and unhandled.
2. Inadequate or unreal basic education technology and facilities.
3. Inadequate or unknown organization technology.

4. Noncomprehension of the individual regarding the activities of which he is a part.
5. Noncomprehension of the basic words with which he is working.
6. Purposes of the post unclear.
7. Admin of the post not known or comprehended.
8. Technology in use not fully understood.
9. A lack of comprehension of products.

Out of these nine things one gets organizational troubles and the belief that it takes a genius to run one successfully. Yet all the genius in the world will fail eventually if the above nine things are not handled to some degree.

The common methods currently in use on the planet to handle these things are very crude and time-consuming as the items themselves are either dimly comprehended or not known at all.

1A. Personal aberration is met by torture, drugs or death when it is detected. Yet only the very serious cases who are obviously screaming, muttering or unconscious are singled out whereas the dangerous ones are neither detected nor handled at all and become with ease generals or presidents or dictators, to say nothing of lesser fry. Ten percent to 20% of any organization is stark staring mad, doing the place in so adroitly that only their actual product betrays them.

2A. Basic education as well as higher general education has become a massproduced area crawling with bad texts and noncomprehension and used mainly by hostile elements to overturn the state or pervert the race and its ideals.

3A. Organizational technology is so primitive as to change national maps and leading companies many times a century, an extremely unstable scene for a planet.

4A. Very few individuals on the planet have any concept of the structure entities such as their country or state or company. Persons surveying the public in the US, pretending to advise acceptance of "new measures" already in the Constitution were threatened for being revolutionaries. Hardly anyone knew the basic document of the nation's organization much less its rambling structure.

5A. The basic words of organization are glibly used but not generally comprehended-words like "company," "management," "policy." Vocabularies have to be increased before comprehension and communication occur and misunderstandings drop out.

6A. Post purposes are often glibly agreed with while something entirely different is done.

319

7A. Administrative actions involving posts are often only dimly comprehended and seldom well followed but in this matter of communication, despatches, etc., the planet is not as deficient as in others except that these functions, being somewhat known can become an end-all-tons of despatches, no actual product. In some areas it is an obsession, an endless paper chain, that is looked on as a legitimate product even when it leads to no production.

8A. The planet's technology is on the surface very complex and sophisticated but is so bad in actual fact that experts do not give the planet and its populations 30 years before the smoke and fumes will have eaten up the air cover and left an oxygenless world. (The converters like trees and grass which change carbon dioxide to oxygen are inadequate to replace the oxygen and are additionally

being killed by air impurities coming out of factories and cities.) If the technology destroys the base where it is done-in this case the planet-it is not adequate and may even be destructive technology.

9A. The whole idea of "product" is not in use except in commercial industry where one has to have a car that sells or a washing machine that actually washes.

### THE HARD ROAD

It is against this primitive background that one is trying to run an organization.

If it were not for improvements made on each one of these points the task could be hopeless.

I have gone to some length to outline the lacks in order to show the points where one must concentrate in (a) putting an org together and (b) keeping it viable.

In these nine areas we are dealing with the heart of it in running orgs.

Enthusiasm is a vital ingredient. It soon goes dull when insufficient attention is paid to resolving and getting in these nine points.

Bluntly, if they are not gotten in and handled, the task of living and running a post or an org will become so confused that little or no production will occur and disasters will be frequent.

### THE WORDS

The by-no-means-complete list of words that have to be fully cleared and understood just to talk about organization as a subject, and to intelligently and happily work in an org EVEN AS ITS LOWEST EMPLOYEE is

A company A board of directors Top management Policy Management Programs Targets Orders Technology Know-how Org bd Post Hat Cope Purposes Organize Duties A checksheet

320

A checklist A comm channel A command channel A relay point A stable terminal Double-hatted A product Aberration VIABILITY

This is key vocabulary. One could draw up a whole dictionary for these things and no one studying it would be any wiser since it would become salted with other words of far less importance.

The way to do this list is sweat it out with a meter until one knows each can't mean anything else than what it does mean.

Out of a full understanding of what is implied by each, a brilliantly clean view is attained of the whole subject of organization, not as a fumble but as a crisp usable activity.

Unless one at least knows these words completely so that they can be used and applied they will not buffer off confusions that enter into the activity.

Glibness won't do. For behind these words is the full structure of an activity that will survive and when the words aren't understood the rest can become foggy.

We do know all these needful things. We must communicate them and use them successfully.

L. RON HUBBARD

Founder

LRH:kjm.rd.ts.gm Copyright a 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: The 29 August 1974 reissue corrected the word *test* to *text* in the second paragraph of this HCO PLJ

## **HUBBARD COMMUNICATIONS OFFICE**

**Saint** Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 DECEMBER 1970

Remimeo

Dept 14 Hats

*Personnel Series 13*

*Org Series 18*

### **THIRD DYNAMIC DE-ABERRATION**

The exact mechanism of 3rd dynamic (group or organization) aberration is the conflict of COUNTER-POLICY.

Illegal policy set at unauthorized levels jams the actions of a group and IS responsible for the inactivity, nonproduction or lack of team spirit.

Counter-policy independently set jams the group together but inhibits its operation.

Out-reality on org bds, hats, etc., is to a large degree caused by disagreements and conflicts which are caused by illegal policy.

If we had a game going in which each player set his own rules, there would be no game. There would only be argument and conflict.

### **VARIETIES OF COUNTER-POLICY**

At the start it must be assumed or effected that there is someone or somebody to set authorized policy for the group. Absence of this function is an invitation to random policy and group conflict and disintegration. If such a person or body exists, new proposed policy must be referred to this person or body and issued, not set randomly at lower levels or by unauthorized persons.

Policies so set by the policy authority must be informed enough and wise enough to forward the group purpose and to obtain agreement. Ignorant or bad policy even when authorized tends to persuade group members to set their own random policy.

When no policy at all exists random policy occurs,

When policy exists but is not made known, random policy setting will occur.

Ignorance of policy, the need or function of it, can cause random policies.

Hidden not stated random policies can conflict.

Correct policy can be relayed on a cutative basis-a few words left off or a qualifying sentence dropped which makes policy incorrect or null. "Children may not go out" can be made out of "Children may not go out after midnight."

Altered policy can be limitless in error.

Attributing a self-set policy to the authorized source can disgrace all policy as well as pervert the leadership purpose.

Policy can be excluded from a zone of a group that should be governed by it. "Pipe-making policy does not apply to the small pipe shop."

Such masses of unnecessary policy can be issued that it cannot be assimilated.

Policy can exist in large amounts but not be subdivided into relevant subjects as is done in hat checksheets.

Disgrace of policy can occur in a subsequent catastrophe and render any policy disgraceful, encouraging self-set policy by each group member.

#### CLEARING A GROUP

All authorized policy must be set or made available in master books and adequate complete policy files. This makes it possible to compile hats and checksheets and issue packs.

Group surveys of "What policy are you operating on?" can reveal random policy.

All bugged (halted) projects can be surveyed for illegal policy and cleaned up and gotten going again.

Other actions can be taken all of which add up to

1. Get existing policy used.
2. Get areas without policy crisply given policy from the authorized source.
3. Debug all past projects of false policy.
4. De-aberrate group members as per the Organization Misunderstoods PL and other materials.
5. Educate the group members concerning policy technology,
6. Set up systems that detect, isolate and report out-policy and get it corrected and properly set, issued and known.
7. Monitor any new policy against statistics and include policy outnesses as part of all statistical evaluations.

#### ADMIN SCALE

I have developed a scale for use which gives a sequence (and relative seniority) of subjects relating to organization.

GOALS

PURPOSES

POLICY

PLANS

PROGRAMS

PROJECTS

ORDERS

IDEAL SCENES

STATS

VALUABLE FINAL PRODUCTS

This scale is worked up and worked down UNTIL IT IS (EACH ITEM) IN FULL AGREEMENT WITH THE REMAINING ITEMS.

In short, for success, all these items in the scale must agree with all other items in the scale on the same subject.

Let us take "golf balls" as a subject for the scale. Then all these scale items must be in agreement with one another on the subject of golf balls. It is an interesting exercise.

323

The scale also applies in a destructive subject. Like "cockroaches."

When an item in the scale is *not* aligned with the other items, the project will be hindered if not fail.

The skill with which all these items in any activity are aligned and gotten into action is called MANAGEMENT.

Group members only become upset when one or more of these points are not aligned to the rest and at least some group agreement.

Groups appear slow, inefficient, unhappy, inactive or quarrelsome only when these items are not aligned. made known and coordinated.

Any activity can be improved by debugging or aligning this scale in relation to the group activity.

As out-reality breeds out-comm, and out-affinity, it follows that unreal items on the scale (not aligned) produce ARC breaks, upsets and disaffection.

It then follows that when these scale items are well aligned with each other and the group there will be high reality, high communication and high affinity in the group.

Group mores aligned so and followed by the group gives one an ethical group and also establishes what will then be considered as overts and withholds in the group by group members.

This scale and its parts and ability to line them up are one of the most valuable tools of organization.

## DEBUG

When orders are not complied with and projects do not come off, one should DETECT, ISOLATE and REPORT and handle or see that it is handled, any of the scale items found random or counter.

If any item below POLICY is in trouble-not moving-one can move upwards correcting these points, but certainly concentrating on a discovery of illegal or counterpolicy. Rarely it occurs some old but legal policy needs to be adjusted. Far more commonly policy is being set by someone verbally or in despatches, or hidden, that is bugging any item or items below the level of policy.

So the rule is that when things get messed up, jammed up, slowed or inactive or downright destructive (including a product as an overt act) one sniffs about for random or counter-policy illegally being set in one's own area or "out there."

Thus in the face of any outness one DETECTS-ISOLATES-REPORTS and handles or gets handled the out-policy.

The *detection is* easy. Things aren't moving or going right.

The isolation is of course a WHAT POLICY that must be found and WHO set it.

Reporting it would mean to HCO.

Handling it is also very easy and would be done in Qual.

This admin tech gives us our first 3rd dynamic de-aberrater that works easily and fast.

Why?

324

Well, look at the Admin Scale. Policy is just below purpose.

Purpose is senior to policy.

The person who is setting random or counter illegal policy is off group purpose. He is other-purposed to greater or lesser degree.

From 1960 to 1962 I developed a vast lot of technology about goals and purposes. If we define a goal as~ a whole track long, long-term matter and a purpose as the lesser goal applying to specific activities or subjects we see clearly that if we clean up a person's purposes relating to the various activities in which he is involved and on the eight dynamics we will handle the obsession to set random or counter-policies! ,

So it is an auditing job and the tech for it is extensive. (The African ACC was devoted to this subject. Lots of data exists on it.)

It happens however that around 20% (probably more) of any group's members are actively if covertly anti-group and must be handled at a less profound level under "personal aberration" in the Org Misunderstood policy letter before you can begin to touch purpose.

Thus any group member, since this tech remedy helps them all, would be handled with

1. General case de-aberration (called LIN on Flag).
2. Purpose handling for posts.
3. Org bd, hatting and training.

Those setting random or counter-purpose later detected would get further no. 2 and no. 3.

As the universe is full of beings and one lives with them whether he likes it or not, it would be to anyone's interest to be able to have functioning groups.

The only way a group jams up and (a) becomes difficult to live in, and (b) impossible to fully separate from, is by random and counter-purposes.

If one thinks he can go off and be alone anywhere in this universe he is dreaming.

The first impulse of a hostile being is "to leave" a decent group. What a weird one.

The only reason he gets in jams is his inability to tolerate or handle others.

There's no road out for such a being except through.

Thus all we can do to survive even on the first dynamic is to know how to handle and be part of the third or fourth dynamic and clean it up.

Probably the reason this universe itself is considered by some as a trap is because their Admin Scale is out regarding it.

And the only reason this universe is sometimes a trial is because no one published its Admin Scale in the first place.

All this is very fundamental first dynamic tech and third dynamic tech.

It is the first true group technology that can fully de-aberrate and smooth out and free within the group every group member and the group itself.

325

Thus, combined with auditing tech, for the first time we can rely wholly on technology to improve and handle group members and the group itself toward desirable and achievable accomplishment with happiness and high morale.

Like any skill or technology it has to be known and done and continued in use to be effective.

The discovery, development and practical use of this data has made me very, very cheerful and confident and is doing the same thing on the test group.

I hope it does the same for you.

L. RON HUBBARD

Founder

LRH:nt.rd.ts.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

326

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 DECEMBER 1970

Remimeo

*Personnel Series 14*

*Org Series 19*

## **GROUP SANITY**

The points of success and failure, the make and break items of an organization are

1. HIRING
2. TRAINING
3. APPRENTICESHIPS
4. UTILIZATION
5. PRODUCTION
6. PROMOTION
7. SALES
8. DELIVERY
9. FINANCE
10. JUSTICE
11. MORALE

These eleven items **MUST AGREE WITH AND BE IN LINE WITH THE ADMIN SCALE** (Org Series 18).

Where these subjects are not well handled and where one or more of these are very out of line. the organization will suffer a third dynamic aberration.

This then is a **SANITY SCALE** for the third dynamic of a group.

The group will exhibit aberrated symptoms where one or more of these points are out.



The group will be sane to the degree that these points are in.

Internal stresses of magnitude begin to affect every member of the group in greater or lesser degree when one or more of these items are neglected or badly handled.

The society at large currently has the majority of these points out.

These elements become aberrated in the following ways:

#### 1. HIRING

The society is running a massive can't have on the subject of people. Automation and employment penalties demonstrate an effort to block out letting people in and giving them jobs. Confirming this is growing unemployment and fantastic sums for welfare-meaning relief. Fifty percent of America within the decade will be jobless due to the population explosion without a commensurate expansion in production. Yet production by US presidential decree is being cut back. War, birth control, are two of

327

many methods used to reduce population. **THIS THIRD DYNAMIC PSYCHOSIS IS A REFUSAL TO EMPLOY PEOPLE. EXCLUSION OF OTHERS IS THE BASIC CAUSE OF WAR AND INSANITY.**

#### 2. TRAINING

Education has fallen under the control of one-worlders, is less and less real. Data taught is being taught less well. Less data is being taught. School and college unrest reflect this. Confirmation is the deteriorated basic education found in teenagers such as writing. Older technologies are being lost in modern rewrites. **THIS THIRD DYNAMIC PSYCHOSIS IS A COVERT REFUSAL TO TRAIN.**

#### 3. APPRENTICESHIPS

The most successful industries, activities and professions of earlier centuries were attained by training the person as an apprentice, permitting him to understudy the exact job he would hold for a long period before taking the post. Some European schools are seeking to revive this but on a general basis, not as an apprentice system. **A THIRD DYNAMIC PSYCHOSIS IS A DENIAL OF ADEQUATE EXPERIENCE TO SUCCEED.**

#### 4. UTILIZATION

In industries, governments and armed services as well as life itself, personnel are not utilized. A man trained for one thing is required to do something else. Or his training is not used. Or he is not used at all. **A THIRD DYNAMIC PSYCHOSIS IS FAILURE TO UTILIZE PEOPLE.**

#### 5. PRODUCTION

Modern think is to reward downstats. A person is paid for not working. Governments who produce nothing employ the most people. Income tax and other current practices penalize production. Countries which produce little are given huge handouts. War which destroys attains the largest appropriations. **A THIRD DYNAMIC PSYCHOSIS IS TO PREVENT PRODUCTION.**

#### 6. PROMOTION

Promotion activities are subverted to unworthy activities. True value is seldom promoted. What one is actually achieving gets small mention while other things are heavily promoted. Reality and PR are strangers. **A THIRD DYNAMIC PSYCHOSIS IS UNREAL OR NONFACTUAL PROMOTION.**

## 7. SALES

Sales actions are unreal or out of balance. Clumsy or nonfunctioning sales activities penalize producers and consumers. In areas of high demand, sales actions are negligible even when heavy advertising exists. This is proven by the inability to sell what is produced even in large countries so that production cutbacks are continual threats to economies and workers. A population goes half-fed in times of surplus goods. With curtailed car factories a nation drives old cars. With a cutback construction industry people live in bad houses. Sales taxes are almost universal. A **THIRD DYNAMIC PSYCHOSIS IS *THE IMPEDING OF PRODUCTION DISTRIBUTION TO POTENTIAL CONSUMERS.***

## 8. DELIVERY

Failure to deliver what is offered is standard procedure for groups in the humanities. Commercially it is well in hand.

328

## 9. FINANCE

One's own experience in finance is adequate to demonstrate the difficulties made with money. A **THIRD DYNAMIC PSYCHOSIS IS *THE PERVERSION OF FINANCE.***

## 10. JUSTICE

Under the name of justice, aberrated Man accomplishes fantastic injustices. The upstat is hit, the downstat let go. Rumors are accepted as evidence. Police forces and power are used to ENFORCE the injustices contained I to 9 above. Suppressive justice is used as an ineffectual but savage means of meeting situations actually caused by the earlier listed psychoses. When abuses on I to 9 make things go wrong, the social aberration then introduces suppressive injustices as an effort to cure. Revolt and war are magnified versions of injustices. Excess people-kill them off in a war. A **THIRD DYNAMIC PSYCHOSIS IS *THE SUBSTITUTE OF VIOLENCE FOR REASON.***

## 11. MORALE

A continuous assault on public morale occurs in the press and other media. Happiness or any satisfaction with life is under continuous attack. Beliefs, idealism, purpose, dreams, are assaulted. **INSANITY IS A REFUSAL TO ALLOW OTHERS TO BE, DO OR HAVE.**

Any action which would lead to a higher morale has to be defended against the insane few. A **THIRD DYNAMIC PSYCHOSIS IS *A DETESTATION OF HIGH MORALE.***

The **COMMON DENOMINATOR** of all these insanities is the desire to **SUCCUMB.**

Insanities have as their end product self or group destruction.

These eleven types of aberration gone mad are the main points through which any group **SUCCUMBS.**

**THEREFORE,** these eleven points kept sane guarantee a group's **SURVIVAL.**

## EXAMPLES

Seeing all this in one example permits one to see that these third dynamic insanities combine to destroy.

A. Believing it impossible to obtain money or make it, a firm cannot hire enough people to produce. So has little to sell, which is badly promoted and is not sold so it has no money to hire people.

B. Needing people for another job the firm robs them from a plant which then collapses and fails to make money so no new people can be hired. This reduces production so people have to be dismissed as they can't be paid.

C. Persons are in the firm but are kept doing the wrong things so there is little production and no promotion or sales so there is no money to pay them so they are dismissed.

D. A new product is put in. People to make it are taken from the area already making a valuable product which then collapses that area and there is not enough money to promote and selling fails so people are dismissed.

The examples are many. They are these same eleven group insanities in play upon a group, a firm, a society.

329

## SANITY

If this is a description of group aberration, then it gives the keys to sanity in a group.

### 1. HIRING

Letting people INTO the group at large is the key to every great movement and bettered culture on this planet. This was the new idea that made Buddhism the strongest civilizing influence the world has seen in terms of numbers and terrain. They did not exclude. Race, color, creed, were not made bars to membership in this great movement.

Politically the strongest country in the world was the United States, and it was weakened only by its efforts to exclude certain races or make them second-class citizens. Its greatest internal war (1861-65) was fought to settle this point, and the weakness was not resolved even then.

The Catholic Church only began to fail when it began to exclude.

Thus *inclusion* is a major point in all great organizations.

The things which set a group or organization on a course of exclusion are (a) the destructive impulses of about 10 or 15% of the society (lunacy) and (b) opposition by interests which consider themselves threatened by the group or organization's potential resulting in infiltration (c) efforts to mimic the group's technology destructively and set up rival groups.

All these three things build up barriers that a group might thoughtlessly buy and act to remedy with no long-range plans to handle.

These stresses make a group edgy and combative. The organization then seeks to solve these three points by exclusion, whereas its growth depends wholly upon inclusion.

No one has ever solved these points successfully in the past because of lack of technology to solve them.

It all hinges on three points: (1) the sanity of the individual, (2) the worthwhileness of the group in terms of general area, planetary or universal survival, and (3) the superiority of the group's organization tech and its use.

Just at this writing, the first point is solved conclusively in Scientology. Even hostile and destructive personalities wandering into the group can be solved and, due to the basic nature of Man, made better for the benefit of themselves and others.

The worthwhileness of the organization is determined by the assistance given to general survival by the group's products and the actual factual delivery of those valid products.

The superiority of a group's admin tech and its application is at this current writing well covered in current developments.

Thus inclusion is almost fully attainable. The only ridges that build up are the short-term defense actions.

For instance, Scientology currently must fight back at the death camp organizations of psychiatry whose solution is a dead world, as proven by their actions in Germany before and during World War II. But we must keep in mind that we fully intend to reform and salvage even these opponents. We are seeking to include them in the general survival by forcing them to cease their nonsurvival practices and overcome their gruesome group past.

330

There are two major stages then of including people-one is as paid organization personnel and one as unpaid personnel. BOTH are in essence being "hired." The pay differs. The wider majority receive the pay of personal peace and effectiveness and a better world.

The org which excludes its own field members will fail.

The payment to the org of money or the money payment to the staff member is an internal economy. Pay, the real pay, is a better personal survival and a world that can live.

Plans of INclusion are successful. They sometimes contain defense until we can include.

Even resistance to an org can be interpreted as a future inclusion by the org. Resistance or opposition is a common way point in the cycle of inclusion. In an organization where everyone wins eventually anyway the senselessness of resistance becomes apparent even to the most obtuse. Only those who oppose their own survival resist a survival-producing organization.

Even in commercial companies the best organization with the best product usually finds competitors merging with it.

## 2. TRAINING

Basic training, hats, checksheets and packs MUST exist for every member of a group.

Criminal or antisocial conduct occurs where there is no hat.

Any type of membership or role or post in the whole organization or its field requires individual and team training. Only where you have a group member who will not or cannot bring himself to have and wear a hat will you have any trouble.

This is so true that it is the scope of personnel enhancement.

Ask yourself "Who isn't trained on his post and hatted?" and you can answer "Who is causing the trouble?"

Basic training, slight or great, is vital for *every member* of a group, paid or unpaid.

A field auditor must have a hat. A student needs a student hat, etc., etc.

This requires training,

Training begins in childhood. Often it has to be reoriented.

Training as a group member must be done.

Training in exact technology or in the precise tech of admin is not the first stage of training. Basic training of group members, no matter how slight, must exist and be done.

Otherwise group members lack the basic points of agreement which make up the whole broad organization and its publics.

Training must be on real materials and must be rapid. The technology of how to train is expressed in speed of training.

The idea that it takes 12 years to make a mud pie maker is false. TIME in training does not determine quality of training. Amount of data learned that can be applied and skills successfully drilled determine training.

331

That the society currently stresses *time* is an aberrated factor.

The ability to learn and apply the data is the end product of training. Not old age.

The rate of training establishes to a marked degree the expansion factor of a group and influences the smoothness of the group during expansion.

If training is defined as making a person or team into a part of the group then processing is an influencing factor. The facilities for processing and quantity available are then a determining factor in group expansion.

### 3. APPRENTICESHIP

Training on post is a second stage of any training-and processing-action.

This is essentially a familiarization action.

To have a person leave a post and another take it over with no "apprenticeship" or groove-in can be quite fatal.

The deputy system is easily the best system. Every post is deputied for a greater or lesser period before the post is turned over and the appointment is made. When the deputy is totally familiar he becomes the person on the post.

Rapid expansion and economy on personnel tend to injure this step. Lack of it can be *very* destructive.

Optimally there should be one or two deputies for every key post at all times. This is a continual apprenticeship system.

Economically it has limitations. One has to weigh the *losses* in not doing it against the cost in doing it. It will be found that the losses are *far* greater than the cost, even though it increases personnel by at least a third for a given organization.

When an organization has neglected it as a system (and has turned over too many posts without deputy or apprenticeship action) its economics may decay to where it can never be done. This is almost a death rattle for an organization.

In a two-century-old, highly successful industry, only the apprentice system was and is used (Oporto wine industry). The quality of the product is all that keeps the product going on the world market. If the quality decayed the industry would collapse. Apprenticeship as a total system maintains it.

Certainly every executive in an organization and every technical expert should have a deputy in training. Only then could quality of organization be maintained and quality of product guaranteed.

The total working organization should be on this system actually. And whenever a person is moved up off a post, the deputy taking over, a new deputy should be appointed. The last step (appointment of a new deputy) is the one that gets forgotten.

Failure to recruit new people over a period will very surely find the whole organization declining soon solely because there is no apprentice system of deputies. The organization expands, singles up the posts, promotes some unapprenticed people and begins to lose its economic advantage. Low pay ensues, people blow off, and then no one can be hired. It's a silly cycle, really, as it is prevented easily enough by hiring enough soon enough when the org is still doing well.

The rule is **DEPUTY EVERY POST AND NEWLY DEPUTY THEM WHEN PROMOTIONS OCCUR.**

The most covert way to get around this is just to call each person's junior a deputy

332

even though he has other duties. This makes it all look good on an org board. "Do you have each post deputied?" "Oh yes!" But the deputies are just juniors with posts of their own.

A deputy is *used* to run the same post as it is deputied for. This means a double posting pure and only.

You'd be amazed at how much production an executive post can achieve when it is also deputied and when the principal holder of the post will use the deputy and gen him in, not get him to cover an empty lower post.

#### 4. UTILIZATION

People must be utilized.

Equipment must be utilized

Space must be utilized.

Learning to USE is a very hard lesson for some. Untrained people, bad organization, poor machinery. inadequate space all tend to send one off utilization.

The rule is, if you've got it use it; if you can't use it get rid of it.

This most specifically applies to people. If you've got a man, use him; if you can't use him get him over to someone who can use him. If he isn't useful, process and train.

Anyone who can't figure out how to use people, equipment and spaces to obtain valuable final products is not worthy of the name of executive.

Reversely we get what an executive or foreman is-an executive or foreman is one who can obtain, train and use people, equipment and spaces to economically achieve valuable final products.

Some are very skilled in preparing people, systems, equipment, property and spaces to be used. But if these then go to someone who does not USE them you get a bad breakdown.

The welfare state and its inflation is a sad commentary on "executive ability."

An executive whose people are idle and whose materiel is decaying is a traitor to his people and the org, just that, for he will destroy them all.

UTILIZATION requires a knowledge of what the valuable final products are and how to make them.

Action which doesn't result in a final product that adds up to valuable final products is destructive, no matter how innocent it seems.

Man has a planet as a valuable final product. Improper *use* of the countries and seas, air and masses which compose it will wind up with the destruction of Man, all life on it and the usefulness of the planet. So *proper* utilization of anything is a very real factor.

The 19th century industrialist, like the mad kings who built great structures, used up men; they didn't properly use men.

And not using them at all, the current fad, is the most deadly of all.

UTILIZATION is a big subject. It applies to resources, capabilities and many other factors.

333

The question being asked in all cases is, "How can we USE this to economically obtain a valuable final product?"

Failing to answer that question gives one the "mysteries of life."

## 5. PRODUCTION

One may be prone to believe there is no sense in any production at all. Such a one would also be likely to say, "There is no sense at all." Or "If they keep on producing it will become impossible to destroy it all."

Production of some final valuable product is the chain of all production sequences.

Even the artist is producing a *reaction*. The reaction's service in a wider sphere to enforce it is what gives art its sense. A feeling of well-being or grandeur or lightheartedness are legitimate valuable final products, for instance.

The production areas and activities of an org that produce the valuable final products are the most important areas and activities of the org.

## 6. PROMOTION

The acceptance of valuable final products and of their value depends in a large degree upon (a) a real value and (b) a desire for them,

Promotion creates desire for the valuable final product.

The old saw that the man who builds a better mousetrap will have the whole world coming to his door is a total falsity.

Unless the value is made known, and the desire created, the mousetraps are going to go unsold.

Promotion is so important that it can stand alone. It can have limited success even when there is no product! But in that case it will be of short duration.

Promotion must contain reality and the final product must exist and be deliverable and delivered for promotion to be fully successful.

Public relations and advertising and all their skills cover this area of promotion.

## 7. SALES

It is hard to sell what isn't promoted and can't be delivered.

Economics greatly affect selling.

Anything must be sold for a price comparable to its value in the eyes of the purchaser.

COSTING is a precise art by which the total expenses of the organization administration and production must be adequately covered in the PRICING allowing for all losses and errors in delivery and adequate to produce a reserve.

PRICING (the amount being asked) cannot be done without some idea of the total cost of the final valuable product.

The sale price of one final valuable product may have to cover the cost of producing other products which are delivered without price.

PRICING however does not necessarily limit itself to only covering immediate

334

cost of a product. A painting with a dollar's worth of paint and canvas may have a price of half a million dollars.

Also a painting used in promotion may cost two hundred dollars and be displayed at no cost at all to the beholder.

These relative factors also include the SKILL of the salesman himself and there is much technology involved in the act of selling something to someone and the world abounds in books on the subject.

Therefore sales (once promotion is done) are bound up really in COSTING, PRICING AND SELLING.

The value in the eye of the purchaser is monitored by the desire created in him for it. If this is also a real value and if delivery can occur then SELLING is made very easy-but it is still a skilled action.

The production of a valuable final product is often totally determined by whether or not it can be sold. And if it can be sold at a price greater than the cost of delivering it.

That it *gets* sold depends on the salesman.

The skill of the salesman is devoted to enhancing the desire and value in the eyes of the buyer and obtaining adequate payment.

## 8. DELIVERY

The subject and action of DELIVERY is the most susceptible to breakdown in any organization. Any flaw on the sequence of actions resulting in a valuable final product may deteriorate it or bar off final delivery.

There are many preparatory or hidden-from-public-view steps on a production line. When any of these break down, delivery is imperiled.

Given the raw materials and wherewithal to make some valuable final product, the valuable final product should occur.

WHEN A VALUABLE FINAL PRODUCT DOES NOT GET PRODUCED AND CANNOT BE DELIVERED, REPAIR THE EARLIER STEPS OF ITS PRODUCTION.

Example: An auditing result is not delivered. Don't just repair the pc. Repair training of auditors and C/Ses. Repair the assembly line *before* the valuable final product. The subproducts are less visible. Yet they add up to the valuable final product.



THE LAW OF THE IRREDUCIBLE MINIMUM occurs in all delivery problems. Someone is trying to produce only the visible end product of a post or production line and neglects the earlier contributory actions and products as these are not plainly visible.

When an organization or its posts operate only on an irreducible minimum, production goes bad and DELIVERY crashes.

Take a cook who has his post at an irreducible minimum. Food is appearing on the table. If he reduced just one bit more the food would no longer be edible at all. He neglects purchasing, menus and preparation. That these occur is invisible to the diners. That food appears on the table is visible to the diners. If the cook operates at any less level than he is, no edible food would be visible-hence, irreducible minimum. The food served will be bad. But it will be visible. Invisible-to-the-diners actions aren't being done.

To improve the food, get the less visible actions *done*. Get the sequence of actions all done. The result will be improved food.

335

Take training. The final valuable product is a trained auditor. The Course Supervisor who runs his post on an irreducible minimum is simply there, appearing to supervise.

His final product may be horribly unskilled. The teaching may take "forever."

To improve this one goes earlier on the assembly line-materials, packs, tapes, student tech services, recorder repair. scheduling-dozens of actions including getting the Course Supervisor trained.

The visibility is still a Course Supervisor and students being taught. But with the *whole* earlier line in, the final valuable product is excellent!

A being hopes lazily for instantaneous production. It doesn't happen this way in the mest universe. Things are produced in a sequence of subproducts which result in a final valuable product. Hope all you want to. When you omit the subproducts you get no valuable final product.

When the people in an organization do not know the valuable final products of the org and when a person on a post does not know the final products of his post, a condition arises where no org DELIVERY will occur, or if it does occur it will be poor or costly. It is vital that a person knows what his post final products are and what his unit, section, department and division subproducts are and how his own and each of these contribute to the valuable final products of the organization for actual delivery to occur.

Delivering other than valuable final products or useless final products or final products that need constant correction also adds up to nondelivery.

A whole civilization can break down around the point of DELIVERY. So can an organization.

Since money can be looked upon as too valuable a final product it can actually prevent DELIVERY.

Failure to deliver is the one point beings do not forgive. The whole cycle hangs upon DELIVERY.

DELIVER WHAT IS PROMISED when it is expected, in sufficient volume and adequate quality, is the first maxim even of a group in politics or the humanities.

9. FINANCE

Finance too often disregards the other factors in this scale or the other factors in this scale too often disregard finance for organizations to long remain viable.

Financing must be in agreement with all the other factors of this scale and all the other factors must be in agreement with finance for viability to occur.

Because money is interchangeable for commodities then people can confuse it with too many things.

If you regard money like so many beans, as a commodity in itself, you open the door to understanding it.

Money is so many beans in to get so many beans out.

When you can master this you can handle FINANCE.

The FINANCE persons of an org, a civilization, a planet, should put so many beans in and expect more beans out than **they put** in. This is quite correct as a viewpoint for finance.

336

The difference of beans in and beans out for a planet is made up by adding beans enough to those already in existence to cover new commodity.

When finance people fail to do this beans cease to be in pace with production and inflation and deflation occur.

In an org or any of its parts, industriousness of the staff makes the difference between the beans in and beans out.

An org has to have income greater than outgo. That is the first rule of finance. Violating it brings bankruptcy.

Now if the FINANCE people of an org apply the same rule remorselessly to all its transactions (financial planning) with each person and part of an org, finance becomes real and manageable.

So many beans in to support the first division means so many beans out of the org back to finance because of the cooperative work of the first division.

A hectic effort to work only with production products will wind finance up in a knot.

One has to estimate (COST) the contribution of each part of an org to the valuable final product to know what to allow what part of an org.

Finance has to have a full reality on the valuable final products and the subproducts and post products of the whole org to intelligently allocate funds.

This person, that division, each contributes some part of the action that results in the money received for the valuable final products.

So finance can extend so much money for each and expect that and an additional amount back,

If this occurs, so will expansion.

Finance comes unstuck when it fails to "COST" an organization and fails to support valuable final product production.

Finance must not only practice "income greater than outgo" for the org, it must practice it for each part of the org as well.

Then solvency becomes real.

The greatest aberration of finance is that it seeks to save things into solvency. The real losses in an org are the sums never made. These are the most important losses for finance to concentrate upon.

An org that makes f-500 a week that should make E5000 a week in potential is losing the finance people f-4500 a week!

Finance can force production along certain lines by putting in funds and getting more back.

Finance becomes too easily the management of an org but it only does that when it ceases to deal in its own commodity-money.

An org which has executives unfamiliar with finance will fall at once into the control of the finance people in the org. And these finance people, if they don't really know money, will fall at once under the control of outside finance people.

One has to know finance in any organization anywhere, even in a socialism. Sooner or later the books get balanced in any society.

337

## 10. JUSTICE

Without justice there can be no real organization.

Even a government owes its people an operating climate in which human transactions and business can occur.

Where insane and criminal individuals operate unchecked in the community, justice is uncertain and harsh.

The society in which the insane rise to positions of power becomes a nightmare.

Justice is a difficult subject. Man handles it badly.

Justice cannot occur until insanity can be detected and cured.

The whole task of justice is to defend the honest man. Therefore the target of justice is the establishment of a sane society.

The inability to detect or cure the insane destroys civilizations.

Justice is an effort to bring equity and peace. When one cannot detect and cure insanity then sooner or later justice actions will become unjust and be used by the insane.

To us, justice is the action necessary to restrain the insane until they are cured. After that it would be only an action of seeing fair play is done.

## 11. MORALE

When all factors balance up in an org and give the group a common direction and mutual viability, morale can be expected to be good.

When the Admin Scale and the ten elements described are out of balance (without proper importance given to each) and when one or many of these (Admin Scale and the elements herein described) are not in agreement one with another, then morale will be poor.

Morale is not made of comfort and sloth. It is made of common purpose and obstacles overcome by the group.

When the Admin Scale and these elements are not held together by similar aims, then morale has to be held up artificially.

The most ghastly morale I have ever seen was amongst "the idle rich."

And the highest morale I've ever seen was amongst a furiously dedicated, common-purposed group working under fantastic stresses with very little against almost hopeless odds.

I used to observe that morale in a combat unit would never materialize before they had been through hell together.

All drama aside, morale is made up of high purpose and mutual confidence. This comes from the Admin Scale items and these elements of organization being wellaligned, one with the next, and honest sane endeavor to achieve a final goal for all.

L. RON HUBBARD

Founder

LRH:ms.rd.ts.gm Copyright a 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

338

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 DECEMBER 1970

Remimeo

SO Member Hat

Staff Member Hat

*Personnel Series 15*

*Org Series 20*

## **ENVIRONMENTAL CONTROL**

**The** differences between a competent person and an incompetent person are demonstrated in his environment (surroundings).

A person is either the effect of his environment or is able to have an effect upon his environment.

The 19th century psychologist preached that man had to "adjust to his environment." This false datum helped begin a racial degeneration.

The truth is that Man is as successful as he adjusts the environment to him.

Being competent means the ability to control and operate the things in the environment and the environment itself.

When you see things broken down around the mechanic who is responsible for them, he is plainly exhibiting his incompetence-which means his inability to control those things in his environment and adjust the environment for which he is responsible-motors.

When you see the mate's boats broken up you know he does not have control of his environment.

Know-how, attention, and the desire to be effective are all part of the ability to control the environment.

One's "standards" (the degree of rightness one is trying to establish and maintain) are directly related to one's desire to have a controlled environment.

The attainment of one's *standards* is not done by criticism (a human system). It is done by exerting control of one's environment and moving things effectively toward a more ideal scene.

Control of the environment begins with oneself-a good case state, a body that one keeps clean and functioning. This extends to one's own gear, his clothing, tools, equipment. It extends further to the things one is responsible for in the environment. Then it extends out into the whole environment, the people and the mest.

One can get pretty dirty fixing things up. That's okay. But can one then also clean oneself up?

The ability to confront mest is a high ability. After that comes the ability to handle and control it.

The ability to confront people is also a high ability. After that comes the ability to get along with them and to handle and control them.

There is the supreme test of a thetan-the ability to make things go right.

The reverse of this is the effort to make things go wrong.

339

Incompetence-lack of know-how, inability to control-makes things go wrong.

Given some know-how or picking it up by observation, sane people make things go right.

The insane remain ignorant intentionally or acquire know-how and make things go wrong.

Insane acts are not unintentional or done out of ignorance. They are intentional, they are not "unknowing dramatizations." So around insane people things go wrong.

One cannot tell the difference really between the sane and insane by behavior. One can tell the difference only by the product. The product of the sane is survival. The product of the insane is an overt act. As this is often masked by clever explanations it is not given the attention it deserves. The pretended good product of the insane turns out to be an overt act.

A large percentage of this planet's population (undetermined at this time for the "general public" but in excess of 20%) are insane. Their behavior looks passable. But their product is an overt act. The popularity of war confirms this. The products of existing governments are mainly destructive. The final product of the human race will be a destroyed planet (a contaminated air cover rendering the planet unable to sustain life, whether by radiation or fumes).

Thus, due to the inability to detect and handle the insane, the sane majority suffers.

The hidden actions of the insane can destroy faster than an environment can be created UNLESS one has the know-how of the mind and life and the tech of admin and the ability and know-how to handle mest.

An area or activity hit by an influx of new recruits or new customers tends to unsettle. Its mest gets abuse, things go out of control.

Gradually, working to put in order, the standards are again being attained. The minority insane get handled, the know-how of groups and orgs becomes more generally known, the tech of mest gets used again.

As an organization expands it goes through cycles of lowered condition and raised condition. This is normal enough since by taking on more and more area one is letting in more and more insane even though they are in a small proportion to the sane.

Order is reestablished and survival trends resumed to the degree that the sane begin to reach out and handle things around them and as the insane are made sane.

Thus one gets downtrends and uptrends. As soon as a group begins to feel cocky, it takes on more area. This includes more unhandled people, admin and mest and a downtrend begins. Then the sane begin to handle and the insane begin to be sane and the uptrend starts.

This is probably even the basis of national economic booms and depressions.

This is only bad to the degree that the insane are put in charge. As soon as this happens the downtrend becomes permanent and cultural decay sets in.

A group expanding rapidly into a decadent culture is of course itself subjected to the uptrend-downtrend cycles and has to take very special measures to counteract the consequences of expansion in order to maintain any rate of growth.

The individual member of a group can measure his own progress by increased ability to handle himself, his post and environment and the degree of improvement of the group itself because of his own work within it.

340

A group that is messing up its gear and environment worse than it did a while ago and is not improving it of course has to be reorganized before it perishes.

No group can sit back and expect its high brass to be the only ones to carry the load. The group is composed of individual group members, not of high brass.

The survival of a group depends upon the ability of its individual members to control their environment and to insist that the other group members also control theirs.

This is the stuff of which survival is made.

A sane group, knowing and using their technologies of handling men and mest, cannot help but control their environment.

But this depends upon the individual group member being sane, able to control his mest and those around him and using the tech of life, the tech of admin, the tech of specific types of activity.

Such a group inevitably inherits the culture and its guidance.

L. RON HUBBARD

Founder

LRH:sb.rd.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

341

HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinste

HCO POLICY LETTER OF 27 DE

Remirneo

HCO Area Sec

Dir RAP

## **HATS PROGRAM PITFALLS**

The main outnesses about hats are

1. Personnel having a hat and title but doing some *other* job or jobs.
2. Personnel falling between two divs or posts and being in neither.
3. Personnel having no hat at all.
4. Personnel unable to even cope because people around them don't have hats.
5. Hats matching an org board but the org board itself is disorganized.
6. Personnel holding a part-time hat but no other hat even though full-time.
7. Hats lost in post turnovers and no complete hat file.
8. The only other copy in the hat file issued and also lost.
9. Org pattern changes which make hats unreal.
10. Juniors trying to wear their hats but a senior, being unaware of them, issuing different orders.
11. Seniors trying to wear their hats but juniors unaware of them and making different demands.
12. Personnel moving off not replaced, leaving others in the organization to carry a load for which they have no hat.
13. Missing ideal scene for hat.
14. Missing general ideal scene for division.
15. No concept of the scene at all.
16. A person just not doing his hat.
17. Checksheet and/or pack missing or incomplete for post.
18. Missing any part of full hat content per HCO PL 22 Sept. 70, HATS.
19. Hat checksheet contains (a) omissions (too short); (b) highly irrelevant data; (c) doesn't belong to the post.
20. Counter-policy present in hat write-up.
21. Seniors issue counter-policy in despatches or verbally.
22. Senior not grooving personnel in on post or seeing to proper hat study.
- 342
23. Valuable final product missing for hat.
24. Purpose and/or valuable final product missing in hat for group's whole activity.
25. An *earlier* or more basic hat is out such as a top executive not knowing the basic staff hat fully.
26. Nonutilization in any of its various forms such as a personnel trained for one thing is required to do something else. Or his training is not used. Or he is not used at all.

If the Hats Officer can do his job and not get caught up in these pitfalls, we'll really soar.

L. RON HUBBARD

Founder

LRH:sb.rd.gm Copyright @ 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

343

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 JANUARY 1971

Remimeo

**Personnel Series 17**

**Org Series 21**

**DUPLICATING FUNCTIONS**

All you have to do to run out of personnel, finance and get no production is to duplicate the same functions that give the same product in an org.

Take three orgs side by side under the same management. Only if each division of each org had entirely different products would this be possible.

Now let's do it wrong. Each of these 3 orgs have an HCO and full personnel duties. Each separately promotes. Each has its own finance office, each has its production div producing the same products. Each has its own correction div-the place in general would be very overmanned, yet each div would be undermanned for its full functions. The product would be terrible if it existed at all. Morale would be ghastly, inter-org collisions continual.

The right way would be to work out the different products and then assign them to one or another of these orgs. One org would have to be the source org that produced the other two. One org would have all the finance with liaison only in the other two orgs. One org would have to hire, hat and train with only liaison in the other two. The orgs would have org bds which *had* the function but under it would be the note "Liaison with <sup>19</sup> source org.

In the impatience and emotion of organizing, one org tends to individuate and establish a duplicate function because "it can't get service." This begins the catastrophe. Now they'll all begin to go broke while having men bulging out of the windows.

In looking over potential insolvency, look over duplicate functions.

L. RON HUBBARD

Founder

LRH:mes.gm Copyright 0 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

**Personnel Series 18**

[Note: BPL 10 Feb. 1971R, Personnel Series 18, ADDS TO PERSONNEL SERIES NO. 8,16 SEPT. 1970, ETHICS AND PERSONNEL has been canceled. It has been replaced by Scientology Policy Directive 22, Personnel Series 18, ADDS TO PERSONNEL SERIES NO. 8,16 SEPT. 1970, ETHICS AND PERSONNEL, dated 14 July 1982. The text of Personnel Series 18 remains essentially the same.



Personnel Series 18 is based on a Founder advice to write an issue on I&R Forms being done on all personnel demands coming into Dept 1. As it was not written by L. Ron Hubbard, Personnel Series 18 is not included in this volume.]

344

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 MARCH 1971

Issue IV

**Remimeo**

*Org Series 25*

*Personnel Series 19*

### **LINES AND HATS**

It will be found that in organization there are *MANY* major factors involved.

The following three, however, give the most problems:

1. Personnel
2. Hats
3. Lines.

Technology is a subdivision of both personnel (who may have to be specially trained before they can be considered personnel) and hats (which are mainly admin technology and line functions).

To solve any problem, one has to recognize what the problem is. One cannot solve problem A by trying to solve problem B or C. Example: Problem: broken-down car. You cannot fix the car by repairing the kitchen lino. Example: You cannot floor the kitchen by fixing the car.

All this may seem obvious when obviously stated. But there is a more subtle version. ANY PROBLEM THAT DOES NOT SOLVE IS NOT THE PROBLEM. There must be some other problem.

Locating and isolating situations (problems) in an organization is the technique of the Data Series. That technology will find for one the problem that should be solved.

As there are three major organizational factors these then also form the core of all organizational situations (or problems, same thing).

Each one of these is its own zone-personnel, hats, lines.

Each one has its own problems. There are situations in personnel. There are situations in hats. There are situations in lines.

They are related. They are not identical.

You will find you cannot wholly solve a problem in lines by solving personnel. You cannot wholly solve a problem in hats by solving lines. You cannot wholly solve a problem in personnel by solving the other two.

Example: Production hours are down. Fifteen new personnel are added to the area. Production stays down. It was a problem in lines.

Example: Confusion reigns in the pipe shop. The lines are carefully straightened out. Confusion still reigns. It was a problem in hats.

Example: Broken products are wrecking org repute. Hats are carefully put on. Products continue to be broken. It was a problem in personnel.

345

Example: The org stays small. Executives work harder. The org stays small. It was a series of problems in personnel, hats *and* lines, none addressed at all.

You will see symptoms of all this in various guises. The test of whether or not the right problem was found is whether or not production increased in volume, quality and viability.

In actual practice one works on all three of these factors constantly-personnel, hats and lines-when one is organizing.

You will find with some astonishment that failure to have or know or wear or do a *hat is* the commonest reason why *lines* do not go in. That personnel is hard to procure and train because hats and lines are being knocked out. That hats can't be worn because lines or personnel are out.

Situations get worsened by solving the wrong problem instead of the real problem. In the Data Series this is called finding the right Why.

Organizational problems center around these three things in the broadest general sense. More than one can be present in any situation.

Production problems are concerned with the particles which flow on the lines, changed by the hatted personnel, with consumption and general viability. So to make a full flow from organization through to distribution, one would add raw materials, changed state of materials and their consumption. Organization is not an end-all. To have value it must result in production.

But when personnel, hats and lines are not solved, production is very difficult. Therefore to get production one must have an organization to back it up. And personnel, hats and lines must exist and be functional. If these exist, the rest of the factors of establishment can be brought into being.

It goes without saying that organization involves other problems like space, materiel, finance, etc. These and many more also enter into "Whys" of no production. But dominating others are problems in personnel. hats and lines. Others tend to solve if these are handled and organized.

## **L. RON HUBBARD**

Founder

LRH:mes.sb.rd.gm Copyright 0 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

346

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 MARCH 1971

Remimeo

*PerNonnel Series 20*

## **PERSONNEL PREDICTION**

Sudden and unauthorized transfers of personnel for whatever reason disrupt hats and lines. Every such transfer is a failure to predict concerning personnel.

By a few transfers ("musical chairs"), an area can be totally unmocked.

Personnel people tend to undervalue the time and care necessary to train, hat and apprentice people.

Even a small unit is a "working installation" if it produces. An order to "turn over the hat this morning and take another post" is quite unreal.

Prediction is the button that is usually out in personnel handling.

How many will we need in - weeks or months? is the key question. It is the one Personnel should *continually* work on. Stressing only "Who can we assign to - - 9" shows a lack of prediction.

Man tends to run in today and seldom in tomorrow much less next week or year. The fault will someday destroy him as a species. He is even unable to predict the fate of his habitat, the planet.

Thus Personnel should be very wary of this fault.

Recruiting for tomorrow instead of yesterday, people in full-time training, future executives being sorted out by today's performance, all add up to good prediction by Personnel people.

One must catch up the backlog of yesterday's needs by gradual moving up into the future.

*Every* key post should have a deputy in training or in apprenticeship for the post. By key post is meant one that has urgent responsibility and great expertise.

Personnel will see where it stands by just listing their *current* answers to these questions:

1. What are the key posts of the org or activity that require *great* expertise and *training*?  
From top to bottom list them out.

2. How many of the above list have people in training or apprenticeship for them?

3. What will be the personnel scene on these posts in one year?

4. What plans did you have *yesterday* to do this?

5. What plans can be made now to do this?

347

Having actually done the above questions, one will see what prediction consists of regarding personnel and a sample of what it means to predict.

This should be done at full org level and then at divisional level and then at department level.

Then one will see that sudden transfers done without training or apprenticeship can be avoided in the future at key levels IF ONE PROGRAMS IT NOW. And then ACTS to make the program work out.

Where prediction is out, expansion becomes impossible to do without collapse.

For one has to predict expansion as well.

An action on expansion would be:

1. To increase the org's stats five times (GDSes and GI) how many more trained, hatted people would be needed:

a. In the C/O or ED Office?

- b. In HCO?
- c. In Div 2?
- d. In Div 3?
- e. In Dept of Training?
- f. In the HGC?
- g. In Qual?
- h. In the Distribution Division?
- i. In the LRH Comm Office?
- j. In the Estate area?
- k. In the Guardian Office?
- l. In space?
- m. In furniture?
- n. In equipment?
- o. In decoration?
- P. Finance?
- q. Personnel care (food, shelter, clothes)?

While the last (I to q) are not properly "Personnel" the personnel action would collide with them so hard that personnel action would be *stopped*. "Do not hire anyone else!" "Do not. . . ." "Do not. . . ."

So somebody says, "We are going to boost the GI from \$100 to \$50,000."

Well, to do that one would have to promote and deliver as well as make money.

So, when such a prediction is made, what does a good Personnel Officer do?

He does the computations outlined in this policy letter and any other that seem indicated and says, "There you are, chums. This is my part of the deal and (presenting a plan) this is how I'll go about it, to hire, recruit, get trained and apprenticed the needful personnel. Now what are YOU doing about (1) to (q) in this P/L so you don't stop my progress doing my job of getting you eighty additional, functional, useful, nongoofing, producing staff?"

This wakes up the prediction elsewhere so Personnel's prediction doesn't fall down plop.

Once the action is begun, part of the prediction is that it will require continuous guiding, handling and pounding to make it come true.

For instance, it can be predicted that as Personnel loads them in, there will be failures to program, hat, train, apprentice and utilize. One Personnel loaded an org full

348

and a month later *fifty-seven* nonutilized, nonassigned people were combed out of the debris. "But they are so new. . . ." "But you can't assign. . . ." etc., etc. And Personnel got blamed for recruiting "unsuitable people." Because the hatting, training, apprenticing actions were neglected! You can only recruit untrained people, really.

So Personnel regards unutilized people as a backlog on his lines. Recruited not utilized means he still has them as they have not "fed into the org."

"Prove you have used what I got. Show me the programing of their training. How many have hats? How many are apprenticed?" These are legitimate Personnel questions. And they are demands.

Until utilized, personnel are regarded as still on Personnel's plate no matter where they've gotten to in the org.

Otherwise, Personnel is pounded, pounded for people, people, people when the halls are impassable with nonutilized personnel.

Yet I've never heard a Personnel man say, "What'd you do with the guys I got you last week?" It would produce some blushes.

Personnel aren't personnel really until they are utilized.

Hectic transfers from working posts, "musical chairs," all come from lack of personnel programs based on predictions.

When programs are made and are in action, a failure to predict probable failures to hat, train, apprentice, post, is a legitimate prediction and should be watched carefully and corrected by Personnel.

L. RON HUBBARD

Founder

LRH:mes.rd,gm Copyright C 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

349

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 JULY 1971

Remimeo

**Org Series 28**

**Personnel Series 21**

**WHY HATTING?**

A few days ago when I found that musical chairs and flubbed hatting had unstabilized some areas, I wondered whether or not this might stem from some social aberration that was very general in the societies in which we are working.

And it seems to have been the case. I worked on it a bit and found this:

**LAW: THE POWER OF A THETAN STEMS FROM HIS ABILITY TO HOLD A POSITION IN SPACE.**

This is quite true. In Scn 8-80 the base of the motor is discussed. It holds two terminals in fixed positions. Because they are so fixed, power can be generated.

If a thetan can hold a position or location in space he can generate POWER.

If he cannot, he cannot generate power and will be weak.

We have known this for 19 years. It applies here.

Observation: MODERN SOCIETY TENDS TO CONFUSE AND UNSTABILIZE PERSONS WITH ITS HECTIC PACE.

Observation: BEINGS WHO ARE AFRAID OF STRONG PEOPLE TRY TO WEAKEN THEM.

Observation: PERSONS WHO ARE PUSHED AROUND FEEL THEY CANNOT HOLD A POSITION IN SPACE.

Observation: PEOPLE HATE TO LOSE THEIR POSTS AND JOBS. THEY FIND IT DEGRADING.

In processing picking up this chain of lost positions achieves very good gains and rehabilitates a person's ability to hold a job.

LAW: BY GIVING A PERSON A POST OR POSITION HE IS SOMEWHAT STRENGTHENED AND MADE MORE CONFIDENT IN LIFE.

LAW: BY LETTING A PERSON RETAIN HIS POST HE IS MADE MORE SECURE.

LAW: BY HATTING A PERSON HE IS GREATLY STRENGTHENED AS HE IS HELPED TO HOLD HIS POST.

A basically insecure person who feels he is unable to hold his position in space, is sufficiently strengthened by hatting to feel secure enough to do his job.

LAW: HAVING A HAT, BEING HATTED, AND DEMONSTRATING COMPETENCE MAKES A PERSON FEEL CAPABLE OF HOLDING HIS POSITION IN SPACE AND HE BECOMES MORE STABLE, CONFIDENT IN LIFE AND MORE POWERFUL.

350

LAW: UNHATTED PERSONS ON A POST CAN BECOME CRIMINAL ON THE POST BECAUSE THEY FEEL INSECURE AND BECOME WEAK.

When a person is secretly afraid of others he instinctively will not hat them or hats them wrongly and tends to transfer or move them about-

When a person is insecurely posted and insufficiently hatted he can try to weaken others by trying to prevent their hatting and trying to get them transferred or even dismissed.

This is apparently the social aberration at work.

The answer to a sane org and a sane society is not welfare and removal. It is

Recruit them Train them Hat them Apprentice them Give them a post.

This is so strong in truth it would de-aberrate the bulk of the crime out of a society.

And it sure will put an org in POWER.

L. RON HUBBARD

Founder

LRH:nt.rd.gm Copyright © 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

351

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## HCO POLICY LETTER OF 11 AUGUST 1971

Rernimeo Issue 11

### ***Personnel Series 22***

#### **DON'T UNMOCK A WORKING INSTALLATION**

The stable rule of a good HAS or HCO Cope Officer is NEVER UNMOCK A WORKING INSTALLATION.

It takes a lot of executive time and effort to build up a section or dept or division.

For someone to then come along and scramble it up with transfers is a criminal action.

If a unit, section, dept or division is operating well, *don't unmock it*.

Strengthen it. Hat it better. Put apprentices in it opposite to its posts to learn. Give it help.

But DON'T SCRAMBLE IT.

The work of years can be destroyed overnight by "urgent," "vital" personnel action.

Such crazy actions are only done by people too lazy to recruit and train new people or by unreal financial planning or a failure to get it to produce.

THE MAIN REASON WE HAVE EVER HAD SLUMPS HAS BEEN UNMOCKING ORGS OR UNITS.

Firing people, too heavy ethics, putting off people as "PTS" when all you needed was to pull their withholds, a thousand reasons can be given for unmocking an org or its parts.

They are all cover-ups for execs who won't keep the place busy and for HCO failures to recruit, train and hat.

To do so is a sign of insanity.

People like their jobs.

DON'T UNMOCK A WORKING INSTALLATION.

L. RON HUBBARD

Founder

LRH:sb.rd.gm Copyright © 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: See also HCO PL 13 July 1974, Issue 11, Org Series 34, WORKING INSTALLATIONS on page 423 of *Management Series Volume 1*.]

352

### **Personnel Series 23R**

[Note: BPL 23 Dec. 1971R, Personnel Series 23R, 1:1 TECH ADMIN RATIO ON NEW RECRUITS, which was not written by L. Ron Hubbard, has been canceled by Scientology Policy Directive 23, BPL 1: 1 TECH ADMIN RATIO ON NEW RECRUITS CANCELED, dated 14 July 1982. The subjects of "tech/admin ratio" and "manning up an org" are more properly covered in the following list of issues:

HCO PL 2 June 60 REQUIREMENTS FOR STAFF POSTS

HCO PL 20 July 66RA STAFF STATUS

Re-rev. 21 Dec. 78

LRH ED 49 INT ORGANIZATION PROGRAM NO. I

HCO PL 29 Aug. 70 Personnel Series 2

Issue 11 PERSONNEL PROGRAMING

HCO PL 29 Aug. 70 Personnel Series 3

Issue III RECRUIT IN EXCESS

HCO PL 24 Sept. 71 RB ASSIGNMENT, MODEL TO BE USED

HCO PL 14 Nov. 76 Admin Know-How Series 36

Org Series 36

Executive Series 18

Personnel Series 28

MANNING UP AN ORG

HCO PL 23 Dec. 79R TECH ADMIN RATIO

Rev. 17 June 81

HCO PL 30 Dec. 79R TECHNICAL TRAINING CORPS

Rev. 13 Feb. 80

HCO PL 30 Oct. 80 Personnel Series 37

Issue III POST TRANSFERS

FO 3756RA RECRUIT TRAINING LINE-UP

(Sea Org orgs only)]

#### **Personnel Series 24**

[*Note:* HCO PL 14 Jan. 1972, Issue IV, Personnel Series 24, THE "OK TO BE A-" SYSTEM has been canceled by Scientology Policy Directive 10, CANCELLATION OF HCO PL 14 JAN. 72 ISSUE IV -PERSONNEL SERIES 24, PERSONNEL PROGRAMING SERIES I I - THE "OK TO BE A--" SYSTEM, dated 28 Apr. 1982. Personnel Series 24, which was not written by L. Ron Hubbard, was based on a sequence of hatting which has since been changed. The correct basic sequence of hatting is given in HCO PL 23 July 1972R, Esto Series 23R, Exec Series 15R, Org Series 31 R, THE VITAL NECESSITY OF HATTING and HCO PL 24 June 1970, MANAGEMENT CYCLE.]

353

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 MAY 1972R

**Remimeo REVISED 27 OCTOBER 1982**

**Int Finance**

**Network for**

**Enforcement**

(Revised to update the distribution  
in light of the new Finance Network)

ETHICS

***Executive Series 13R***

***Finance Series 12R***

***Personnel Series 25R***

**PTS PERSONNEL AND FINANCE**



PTS means Potential Trouble Source. This is a person who is connected to a suppressive person, group or thing. (For further data on PTSness see HCOB 24 Nov. 65, SEARCH AND DISCOVERY and HCO PL 27 Oct. 64 (reissued 23 June 1967), POLICIES ON PHYSICAL HEALING, INSANITY AND POTENTIAL TROUBLE SOURCES.)

NCG means No Case Gain despite good and sufficient auditing.

A chronically ill person, whether the person is known to be connected to a suppressive or not, is always found to have been so connected and PTS.

IT IS UNSHAKABLE POLICY HEREAFTER THAT NO PERSON WHO IS PTS OR CHRONICALLY ILL OR WHO GETS NO CASE GAIN MAY BE ON FINANCE OR REGISTRAR LINES OR IN TOP COMMAND POSTS OR AS HAS OR ETHICS OFFICER OR MAA.

#### TECHNICAL FACT

A person who is connected to a suppressive person, group or thing will dramatize a "can't have" or an "enforced overt have" on an org or staff members.

A "can't have" means just that-a depriving of substance or action or things.

An "enforced overt have" means forcing upon another a substance, action, or thing not wanted or refused by the other.

The technical fact is that a PTS person got that way because the suppressive was suppressive by depriving the other or enforcing unwanted things upon the person.

The PTS person will dramatize this characteristic in reaction to the suppression.

Therefore, a PTS person as an ED, C/O, Product Officer, Org Officer, Treasury Sec, Cashier, or Body Reg will run a can't have on the org and its staff by

a. Refusing income

b. Wasting income made

354

c. Accepting wrong customers (like psychos) and forcing them on the org

d. Fail to provide staff or service

e. Advocate overt products.

#### HISTORICAL

When staffs went on proportionate pay in the late 1950s, so long as I ran the orgs directly, the staffs made more money than before.

When I moved off these lines directly, the staffs began to receive less money personally.

At that time it seemed to me that proportionate pay served as an excuse to some in an org to run a can't have on the staff.

We knew that some Registrars could take money in easily and others never seemed to be able to.

The technical reason for this has just emerged in another line of research entirely.

In completing materials and search on Expanded Dianetics, I was working on the mechanism of how a PTS person remained ill.

1 found suppressives became so to the person by running a -can't have" and "enforced overt have." This pinned the PTS person to the suppressive.

Working further 1 found that a PTS person was a robot to the suppressive. (See HCOB 10 May 1972, ROBOTISM.)

This research was in the direction of making people well.

Suddenly it was apparent that a PTS person, as a robot to SPs, will run "can't haves" and "enforced overt haves" on others.

Checking rapidly, it was found that where finance lines were very sour a PTS person was on those lines.

#### RECOVERY

PTS tech, Objective Processes, PTS Rundowns, Money Processes and Expanded Dianetics will handle the condition.

However, one cannot be sure that it has been handled expertly in orgs where a money "can't have" has been run as its tech quality will be low due to an already existing lack of finance.

Only stats would tell if the situation has been handled fully.

Thus the policy stands. Handled or not handled, no person who is PTS or who has no case gain will be permitted in top command or any lines that influence finance.

Any org which has consistently low income should be at once suspect of having PTS or NCG persons on the key finance posts, and an immediate action should be taken to discover the PTS or NCG condition and replace such persons with those who are not connected to suppressives or who do get case gain.

Nothing in this policy letter permits any PTS person to be in an org or cancels any policy with regard to PTS.

This policy letter *requires* direct check, close investigation and handling of PTS or

355

SP situations on these posts that may go undetected otherwise.

NOTHING IN THIS POLICY LETTER PERMITS ANY KEY ORG POST TO  
REMAIN EMPTY.

#### NATIONAL

As a comment on something that may impinge on orgs and might affect them, the

FOREMOST reason for a failing national prosperity and inflation is a personal Income Tax agency. This runs a vicious can't have on every citizen and makes them PTS to the government. Individuals even begin to run a can't have on themselves and do not produce. This IS the cause of a failing national economy. It can be a factor in an org and must be handled on the individuals so affected.

L. RON HUBBARD

Founder

Revision written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

CSI:LRH:iw.gm Copyright@ 1972, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: In addition to the updated distribution, the first paragraph of this policy letter has been revised. That paragraph in the original policy letter read as follows: "PTS means Potential Trouble Source. This is a person who is connected to a suppressive person, group or thing. (For full information on PTS see HCO PL 31 May 1971, Issue IV, revised 5 May 72, a checksheet.)" I

*Personnel Series 26R*

[Note: BPL 3 Apr. 1973R, Issue 1, Personnel Series 26R, HATTING, has been canceled by Scientology Policy Directive 9, PERSONNEL SERIES 26R HATTING CANCELED, dated 28 Apr. 1982. Personnel Series 26R, which was not written by L. Ron Hubbard, was found to be an unnecessary restatement of already existing policy on hatting and Hats Officers.]

356

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 JUNE 1973R

Remimeo REVISED 23 OCTOBER 1975

(The revision is the signature.)

*Establishment Officer Series 29R*

*Personnel Series 27R*

The concept of what is a "complement" is probably generally misunderstood. This means the officially allowed number of persons and the officially designated posts for an activity, whether an org or a ship.

Without these basic complements orgs get misposted. Instead of ten auditors they have one auditor and nine admin personnel somewhere else.

This general concept of complement is generally missing and underlies the reason why org boards are, to some degree, in disuse.

In any org which is not doing well you may find not enough personnel and too many personnel. You may also find that the personnel there are not posted onto the post necessary to be held.

Designating the post necessary to be held is what is meant by "assigning a complement."

I never realized the concept was hard to get across until recently. In the dictionary it says that a complement is simply a full list of the officers and men of a ship. This falls so far short of the actual definition that it generates confusion

A complement is the full list of posts and where they belong on the org board, which must be held. This gives you a slightly different idea of what is meant by "complement."

One org, for instance, didn't have a standard complement. It simply had all possible posts which could be held in the org. This does not tell you what posts should be held in the org.

Therefore, personnel control is not possible.

In the case of another org there was a maximum allowed complement but it was never filled up.

There is a complement for every separate and individual org.

Until the complement of an org is laid out, known and filled, there will be continual trouble with personnel and difficulties in handling it.

The sooner this is straightened out, the easier time there will be for all.

## **L. RON HUBBARD**

### **Founder**

LRH:mg.gm Copyright © 1973, 1975 by L. Ron Hubbard ALL RIGHTS RESERVED

357

## **HUBBARD COMMUNICATIONS**

Saint Hill Manor, East Grinstead,

## **HCO POLICY LETTER OF 14 NOV**

Remimeo Flag Bu All Orgs

Ext HCO FB *Admin Know-How Series 36*

*Org Series 36*

*Executive Series 18*

*Personnel Series 28*

## **MANNING UP AN ORG**

The Sequence of Posting Depts and Divs

You need an org bd first and an allocation board.

The sequence in which an org is manned up is roughly:

- Dept I
- Dept 11
- Reg and Body Routers and Intro people in Div 6
- Dept 12 (enough auditors and C/Ses to approach 2 admin to I tech in org)
- Dept 6
- Dept 7
- Dept 3
- SSO and Supers in Qual to train staff
- Dept 5 for CF Address and Letter Reges
- Dept 4 for promo
- Dept 21 (LRH Comm)
- Dept 10
- Dept 20

- FR & execs
- Full Div 6
- Full Div I
- Full Div 4
- Full Div 2
- Full Div 5
- Full Div 7
- Full Div 3

(Note, an AO always mans up the AO dept or div along with the SH one in each case.)

Wrong sequence of manning is Dept 6, Dept 12, Dept 6, Dept 12, Dept 6, Dept 12, as you wind up with a stuck clinic that won't expand.

Wrong sequence will contract an org while trying to expand it as the org will go out of balance, bad units, noisy and unproductive.

If manned in a correct sequence its income has a chance to stay abreast of its new staff additions.

Emphasis on GI without comparable emphasis on delivery and organization can throw an org into such a spin only a genius can run it.

Manned in proper sequence, and hatted as it goes, an org almost runs itself.

358

Single-handing from the top comes from longstanding failures to man or man in sequence, from earlier noncompliance with explicit orders or from not understanding orgs in the first place.

An unhappy org that doesn't produce has usually been manned only partially and out of sequence.

The trick is planned manning, ignoring the screams of those who know best or demand personnel; just manning by posting those who have been screamed for the loudest is a sure way to wind up with no people and total org problems instead of a total org that is prosperous and producing.

Incidentally, this is a rough approximation of the sequence of hats the ED gradually unloads as his org takes over.

L. RON HUBBARD

Founder

LRH:nt.gm Copyright © 1976 by L. Ron Hubbard ALL RIGHTS RESERVED

359

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 NOVEMBER 1978

Rernimeo

*Admin Know-How Series 37*

*Personnel Series 29*

## **HOW YOU HANDLE DEMANDS FOR PERSONNEL**

(Ref.

HCO PL 22 Sept. 70 HATS

HCO PL 1 Jul. 65 HATS, THE REASON FOR

HCO PL 15 Sept. 59 HATS AND OTHER

FOLDERS)

HCOs get continual demands for personnel from all areas of an org. To keep an HCO from going mad with all these demands, they must, on every request, (1) have the Dir of I&R do a full utilization survey on the division, dept or section requesting personnel and (2) do a full hat inspection on all personnel in that division, dept or section.

Only if these two steps are done for *each* personnel request will sanity reign in HCOs on the subject of personnel.

HCO PL 15 Sept. 59 HATS AND OTHER FOLDERS (Vol 0, page 65), HCO PL 1 Jul. 65 HATS, THE REASON FOR (Vol 0, page 66) and HCO PL 22 Sept. 70 HATS (Mgmt Vol, page 21 **W** must be well known by all staff in Depts 1 and 3.

Personnel can recruit madly, answering every frantic demand for personnel, and yet **HAVE THEM ALL WASTED** for lack of full hats and full training on those hats.

The whole org can sag and even vanish under these conditions.

So Personnel has a vested interest in hats being complete and staff trained on them. For Personnel people cannot possibly cope with "no pay so can't hire anyone" and "no people so can't produce."

So for every demand for personnel, **ALWAYS** demand a utilization survey *AND* an inspection of hats in that area.

**L. RON HUBBARD**

Founder

LRH:kjm.gm Copyright Q 1978 by L. Ron Hubbard ALL RIGHTS RESERVED

*\*[Note: In Management Series Volume 2 see page 308 for the text of HCO PL 22 Sept. 70, HATS.]*

360

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 16 SEPTEMBER 1980**

Remimeo

(Originally LRH OODs item

of 10 Oct. 1970)

*Personnel Series 30*

**UTILIZATION**

Personnel utilization is a very important factor. Overmanned and undermanned areas are the first consideration. The next is hatted and producing. An area can be overmanned and also not producing, the reason being lack of org board or lack of hats or both,

Utilization is proven only by production, not by busyness.

Org board and hat and training when done and followed add up to production.

Lack of org board, hats and training or neglect of them can add up to frantic busyness with poor production. A government does this so well it takes millions of them to add up to liability.

Only if well organized and trained and producing can a small group attain any control of its area.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

for the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:bk.gm Copyright @ 1970, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

361

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 SEPTEMBER 1980

Issue 11

Rernimeo

(Originally LRH OODs item  
of 29 Oct 1970)

***Personnel Series 31***

***Org Series 44***

AN ORG BOARD

REF: HCO PL 28 Oct 70 ORGANIZING AND HATS

An org board is a list of hats with seniorities. The hats are in flow sequence.

A hat is a duty. It outlines the actions necessary to accomplish a production and receive what's needed, change and route it.

In theory the I/C holds all functions. When he doesn't fully outline them they can't be hatted. If they're not hatted he wears them as an unknown fog. Simple as that.

What defines a hat is a product.

If you count up the expected products you get the minimum number of hats. The steps to get the product is the hat. Products are also composed of lesser products, so hats can be enlarged. It's what

you designate as a product that makes a hat. It's the importance of that product to others on the line that makes the hat's importance.

The completeness and size of the product make the seniority of the hat.

The overall product of a division determines the hat of the divisional officer. The lesser products that when combined make the overall product determine the rest of the division hats.

Until you can define in one go the overall product of a division you aren't likely to be able to post any real part of its org board. For the product of hats of that div add up to the div product.

When you see an unposted or unreal org board, the head of the div is not producing a product with that div, no matter how busy it all looks or how exhausting.

## **L. RON HUBBARD**

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

**BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY**

BDCS:LRH:SA:dr.gm Copyright 0 1970, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

362

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 24 SEPTEMBER 1980**

Remimeo Issue 11

(Taken from an LRH OODs item

of 31 Aug. 71)

*Exec Series 32*

*Personnel Series 32*

## **OVERLOAD AND HATTING**

I have found that whenever I have had to handle something, I found the person who should have handled it unhatted and with misunderstood words on things intimately connected with his duties.

Thus I have found this cycle of great use and thoroughly recommend it.

I . Emergency item or omission requiring handling turns up.

2. Handle it right now fast (my handling something time lapse is about 5 minutes to half an hour). (That means terminatedly.)

3. Spot who should have handled it.

4. Interrogate the person on basics of his post (not ask about "hat folders," etc.).



In all cases so far I have found the person not doing his post duties, unhatted, with huge misunderstandings on words like "post," "hat," "muster," etc.

5. Hat the guy.

So I can tell you that any overload you have is from unhattedness of the most basic kind.

An org is as efficient and looks as good as its people are individually hatted and do their jobs.

It's a very good system. I recommend it.

A sort of a do-it-yourself HCO!

It works.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BDCS:LRH:SA:dr.gm BOARDS OF DIRECTORS

Copyright@ 1971, 1980

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

[*Note:* The original mimeo copies of this policy letter were incorrectly numbered as Exec Series 24.]

363

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 SEPTEMBER 1980

Remimeo

(Originally LRH OODs item

of 12 February 1971)

**Personnel Series 33**

**HAT KNOCK OFF**

Also issued as Flag Order 2740 with same title.

*Ref:* HCO PL 13 Jan. AD29, ORDERS, ILLEGAL AND CROSS

Corr & Reiss 2.5.79

Your functions will be found in PLs and HCOBs.

If anyone tells you your job is different than stated in such issues, please realize that there are no orders senior to such issues and an "illegal order" is defined as one contrary to existing issues. Accepting an illegal order is actionable.

What one gets comm-eved for is in the PLs and HCOBs.

You can't be comm-eved for failing to follow an illegal order. You sure can be for departing from policy issues.

Orders don't equal orders equal orders. That's the road to disaster. Some orders are senior to others. A dock worker telling you to put on your jacket is not the same as your division head telling you to do so.

Similarly a "senior" giving you orders contrary to your hat is knocking your hat off. He may have no idea what your hat is. If you follow such an illegal order and fail to follow the policy in your hat, you could be in for it.

Orders are not orders are orders are orders.

You have policy to keep things straight. If policy doesn't cover, request clarification. If you are doing something other than your hat, sooner or later it will catch up to you.

Seniors should have a list of the hats and their duties of everyone in the org and know them.

Unless such a list exists and you are foolish enough to accept a hat misinterpretation, not only you but all of us are at risk.

You are counted upon to wear your hat as laid down by PLs and HCOBs.

Don't let the group down.

L. RON HUBBARD

Founder

Compiled and edited for issue by

Sherry Anderson

Compilations Missionaire

Accepted and approved by the

BDCS:LRH:SA:dr.gm BOARDS OF DIRECTORS

Copyright o 1971, 1980

by L. Ron Hubbard of the

ALL RIGHTS RESERVED CHURCHES OF SCIENTOLOGY

364

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 OCTOBER 1980

Rernimeo Issue 11

Hats Officer

HAS (Originally LRH OODs item

*of 6 June 1971)*

*Org Series 51*

*Personnel Series 34*

## **A MAJOR DUTY OF THE HATS OFFICER**

REF: HCO PL 7 JANUARY 1966 LEAVING POST

If you leave a post without turning over your hat and grooving in your relief, you are at risk. You can be called back for the next two years if that post goes wrong.

You must HAVE a hat in a folder and its write-ups (all of them) and you must turn it over.

The Hats Officer is supposed to see this is done. It is really his major duty. He must see that it is done and he must be able to attest that the relief on the post HAS and CAN DO and IS DOING the hat.

Hats, checksheets and packs are also furnished by the Hatting Section under Hats Compilations. These are issued as prepared. However there is ALWAYS a hat.

Anyone on post without a hat cannot be expected to be paid.

If a Hats Officer only compiles hats he unmocks the org.

The Hats Officer must be there in a flash at every post change and see that the hat and duties of the post are turned over and the relief grooved in. Records, Assets and Materiel Dept 9 sees that the materials are turned over and are correctly inventoried or the Dir of RAM or the Treas Sec can be hit for any lost items.

This is an old, old drill.

There are standard ways to do things.

Any post not so turned over MUST be turned over correctly with hat and materiel or the org will shatter.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:ns.gm Copyright 0 1971, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

365

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 OCTOBER 1980

Issue III

Rernimeo

(Originally LRH OODs item

of 24 June 1972)

*Personnel Series 35*

*Esto Series 47*

**POSTING**

I am finding that persons not grooved in on new posts before being asked to act have a high confusion level which is hard on the area. Estos should groove people in hard on the duties and existing scene and if the person is too confused or out-ethics, alert HCO and not place them.

A person needs a day or two to find his feet on the new ground before acting or he'll be nervous and uncertain.

We want certain and competent people on post.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:dr.gm Copyright © 1972, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

366

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 OCTOBER 1980

Rernimeo

(Originally LRH OODs item  
of 20 August 1971)

*Personnel Series 36*

**MUSICAL CHAIRS**

HCO PL 29 Jul. 71, Issue 1, WHY HATTING? is truer than I knew.

Musical chairs in life is the mechanism below ARC breaks in Grade III! To unstabilize gives ARC breaks!

Whole staff can be put into a sad effect!

This is the mechanism governments use.

It's the basic tool of the socialist. If he can just unstabilize everyone, he can kill them with degrade.

It's a basic tool of the insane to maintain their own stability by unstabilizing everyone else.

There's more to it, but it's a major discovery that affects even the ARC break rud and affects the no case gain case.

So that's where I've been working lately in research and wow is it paying off!!!

It began when I assumed that the musical chairs we get in orgs was a social aberration, not an admin error. From there it's been discovery all the way.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:dr.gm Copyright v 1971, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

367

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 OCTOBER 1980

Issue III

Remirneo

(Originally LRH OODs item

of 13 December 1969)

*Personnel Series 37*

## **POST TRANSFERS**

Don't, please, don't start musical chairs again.

People aren't checkers. Their jobs are valuable to them.

The correct way to get a Dianetic auditor in Qual is to demand one be selected off a noncritical post and trained.

Also, the next lot of recruits will give us new people. Thus, somewhere there in a noncritical post one can find a Chaplain, get him to part-time study the Chaplain's post. When recruits arrive, he can turn over his post to a recruit and groove it in, then relieve the Chaplain and the Chaplain goes to Dianetic auditor. It takes time. It takes skill to shift personnel without caving the org in by removing stable terminals. These wild shifts deluge us with dev-t, invalidate post importances and make, actually, one unstable dangerous environment.

No more musical chairs, please. It's absolute hell on everyone.

In actual fact musical chairs comes about through recruitment failures and improper org design.

There should be HCO Expeditors to take up the slack. From lack of them, all else goes to blazes. When you have no excess personnel, any transfer starts musical chairs.

We also ask people if they want a post.

Get some HCO Expeditors through better recruitment and all is solved.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Approved and accepted by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:dr.gm Copyright@ 1969, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

368

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 OCTOBER 1980

Rernimeo

(Taken from an LRH OODs item

*of 28 March 1971)*

*Personnel Series 38*

## **PERSONNEL TROUBLES**

*Ref.. HCO PL 29 Aug. 701* PERSONNEL TRANSFERS CAN

DESTROY AN ORG

All personnel troubles are coming from the practice of paragraph No. 1, Personnel Series No. I (HCO PL 29 August 1970).

Working installations are being used as personnel pools.

So long as Dept I fails to solve this, it will have personnel troubles and form-of-the-org troubles, and hatting troubles.

That is why paragraph No. I of Personnel Series No. I is paragraph 1. Unsolved, all other personnel actions become a miserable mess.

Also the training of future personnel is not being predicted. There are no apprentice appointments for any post in any org. Thus experience is never passed on.

We have a year backlog of personnel problems and deficiencies, plus expansion, plus export requirements.

Unless this backlog is caught up and apprentices get posted, paragraph No. I of Personnel Series No. I will continue to prevent any smooth personnel handling.

L. RON HUBBARD

Founder

Compiled and issued by

Sherry Anderson

Compilations Missionaire

Accepted and approved by the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SA:ns.gm Copyright@ 1971, 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

369

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 NOVEMBER 1980

Issue III

Remimeo

(Originally LRH OODs item  
of 31 Oct 71)

*Org Series 60*

*Personnel Series 39*

FULL HATTING

A person is responsible for his own hatting. Dept I is also responsible.

As lack of full hatting is the WHY of declining organization it is very important that persons be fully hatted.

The gradient is instant hatting, mini hatting and full hatting.

A person found on a post who is not fully hatted is liable to ethics action.

Awareness of the scene does not seem to exist in the absence of hatting. Thus unhatted persons look sort of blind.

For instance, an unhatted Dissem Div is completely unaware of no money, no students, no pcs.

It's sort of strange. Mystery about the post seems to result in no perception of its environment. Mystery on post equals mystery of environment. You see this as a sort of frightened no confidence.

I think hatting even changes eyesight. We ought to test it out.

We already know that unhatted people get hurt more than hatted people. We know overts stem from misunderstands. And we know running overts changes eyesight.

It then probably follows that unhatted people couldn't see a tiger if it was biting them!

So, how to be mystified by it all and afraid-remain unhatted.

Get hatted and *see*.

L. RON HUBBARD

Founder

Compiled and issued by Sherry Anderson Compilations Missionaire for the

BDCSC:LRH:SA:dr.gm **BOARD OF DIRECTORS**

Copyright © 1971, 1980 of the

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED OF CALIFORNIA

[Note: The original mimeo copies of this policy letter were incorrectly numbered as Personnel Series 38.]

370

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 MARCH 1982

Remimeo REISSUED 14 APRIL 1982

(Only change is to make this issue

a part of the Personnel Series.)

*Personnel Series 40*

## **PERSONNEL POLICY**

We are building strongly for the future.

Scientology is going to go on for a VERY long time.

The way to build a strong future is to build a strong organization.

Internally, the only way we have been held back is by out-ethics and nonproduction. This does not build a strong organization or a strong future.

Therefore, we have no room on staffs for those who do not produce-or worse, are extravagant and produce overt products-or (which goes with poor production) are out-ethics.

We need productive people who keep their ethics in.

Individuals, and above all execs, are the building blocks of organizations.

To build strongly for the future, keep the above points in mind where appointing, promoting or handling personnel.

Personnel of that caliber belong outside orgs-they are the pcs and cases. Do not recruit them, appoint them or leave them on post when found.

One can mend people. But one cannot build a new world with broken straws.

It takes the ethical few to handle the many. And these are what our orgs must be built with now. The strong within only then can handle the weak outside.

Make it easy in the future for all of us. We have a long way to go. The speed we get there is measured by the ethical quality of persons on exec posts and on staffs. It is fine to be big brother to all the world-so long as we keep our staffs the top people. Be them.

L. RON HUBBARD

Founder

Adopted as official

CSI:LRH:bk.gm Church policy by the



Copyright @ 1982

by L. Ron Hubbard **CHURCH OF SCIENTOLOGY**

**ALL RIGHTS RESERVED INTERNATIONAL**

*Personnel Series 41*

[*Note:* Personnel Series 41 was issued 14 Sept. 1982 as Scientology Policy Directive 36, Personnel Series 4 1, POST CHANGES AND PRODUCTION. Since it was not written by L. Ron Hubbard, it is not included in this volume.]

371

**HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill** Manor, East **Grinstead, Sussex**

**HCO POLICY LETTER OF 19 DECEMBER 1982**

All Orgs

All Execs

All Staff

All Div Heads

LRH Comms

**HCO**

Dept 1 Hats

Dept 3 Hats

*Personnel Series 42*

*Org Series 63*

**"DOING A QUICKSILVER" FORBIDDEN**

*References:*

HCO PL 19 Mar. 71 Personnel Series 20

PERSONNEL PREDICTION

HCO PL 24 June 70R 11 PERSONNEL POOLS

Rev. 30.4.75

HCO PL 7 Jan. 66 URGENT-LEAVING POST

WRITING YOUR HAT

HCO PL 20 Apr. 69 11 HATS, NOT WEARING

HCO PL 20 Oct. 80 Personnel Series 36

MUSICAL CHAIRS

HCO PL 11 Aug. 71 11 Personnel Series 22

DON'T UNMOCK A WORKING

INSTALLATION

HCO PL 7 Mar. 65 111 OFFENSES AND PENALTIES

HCO PL 13 July 74 Org Series 34

## WORKING INSTALLATIONS

There is a condition that can exist in orgs which differs slightly from "musical chairs" (the rapid transfer of personnel from post to post) but is akin to that and every bit as deadly.

We could call it a "quicksilver personnel" scene. ("Quicksilver" is another name for mercury, the silvery-white metallic element, liquid at room temperature, which is used in thermometers, barometers and similar instruments.)

Used figuratively, the term "quicksilver" means something that is quick-moving, unpredictable and as elusive as mercury, or "mercurial." Something that is mercurial is changeable, variable, volatile.

To anyone who has ever observed a drop of quicksilver, or mercury, in an open container or placed on a slab of glass, this will be real. One second it's here, the next second it's there. Just about all you have to do is breathe on it and it changes its position. And where it was a second ago there's now nothing.

It is miserable (if not impossible) for an executive or management body trying to run things with staff doing a quicksilver. One can hit up against some nasty surprises.

For example, an org's personnel scene may look great on the board, with posts filled, hats existing and known, production occurring and on the rise-all is looking good when suddenly the stats crash.

372

An initial check may show there haven't honestly been any post transfers, per se. But dig a bit further and you're likely to find a quicksilver personnel scene. The top delivery auditor is off on a two-week vacation. The Qual Sec has been fired on a recruitment tour. The Reg has gone out-ethics and been suspended, unreplaced, pending some ethics handling. The Chief Officer is off on maternity leave and the CO, holding her post from above, is being the guest speaker at an event in the next city.

It happens and it happens not only in Class IV Orgs but in the higher service orgs and management units where tours are essential and missions need to be fired and other situations can crop up requiring personnel.

It has shown up drastically at times in several large orgs. In one, the head of a vital network went off on mission and, with no one left being the senior, the stats in the area crashed. In another, the sales manager took his leave, his routine functions were ignored and sales suffered severely. And in still another org, no less than six key delivery terminals were all found to be out on regging tours in one week, some of them over a period of several weeks, at a time when delivery of paid-in-full services was backlogged!

None of these terminals had been removed or transferred or promoted. And one could say the actions being done are all covered in some way in policy, are needed, and therefore justified. But these terminals were all off post unreplaced, weren't they?

That's a quicksilver personnel scene. It's unstable.

## CONTRIBUTING FACTORS

Executives who issue orders that unmock working installations where production is occurring at "A" to get something done at "X" bring about such scenes.

Personnel who, like quicksilver, accommodately move off their assigned posts unreplaced to do something else at the first invitation or order, help to generate and sustain such scenes.

Seniors who permit or condone this are also a party to them.

Personnel can do a quicksilver for any of a number of reasons. For some, the chance to go off and see other people and new places may be an alluring prospect. Some are too timid to refuse a

destructive order and so they comply, under protest. For others there is financial gain involved-there are often commissions or a bonus at stake.

Tours have been used by some, apparently condoned by executives, to take longer leaves (more time off on leave per year) by combining 4 to 6 or even 8 weeks of a "regging tour" with a "leave," with the org paying both the person's fare and living expenses and no clear distinction made between the period of "tour" and the period of the "leave." (While this is part of an unstable personnel scene it is also a situation requiring a separate ethics handling in itself.)

Sometimes a staff member is made to feel, by a very convincing exec, that the action which calls for his suddenly going off post with no or inadequate replacement is actually more important than his job. Where this threatens production and there is no adequate replacement this is almost always a falsehood,

It is true that missions need to be fired. Tours are vital to income and delivery. Staff sometimes do need to go off post temporarily for handling of one type or another. Events are valuable in terms of promotion, goodwill, PR and sign-ups; and for certain types of these, key personnel or trained tech delivery personnel may be required. Emergencies do arise. Personnel are entitled to annual leave. And speed of operations is important.

373

On the plus side, we do have capable and versatile staff who are willing to extend themselves, when needed, to make things go right. We have demanding, fire-breathing executives who are out to handle situations and open up new fields for delivery which, in itself, is a good thing. And many of these go about it standardly.

But the senior or exec at any level who endangers ongoing delivery and production and/or unstabilizes a producing personnel scene to get these things done is simply advertising to one and all that he can't predict and plan and organize or get others to do so. Control is lacking here as well as just plain common sense. The kindest thing one could say about such an exec is that he is short-sighted. And "quicksilver" is a rather mild term for the staff member who steps so easily off his post and leaves a hole in the lineup with no thought of the consequences.

One could say that everyone has personnel problems. BUT that is no WHY.

#### HANDLING "QUICKSILVER PERSONNEL" SCENES

The first policies *missing in application* are those covering replacements and hat turnovers.

BECAUSE IT IS A "TEMPORARY" ABSENCE, NO ONE IS DEMANDING REPLACEMENT AND TURNING THE HAT OVER TO SOMEONE WHO CAN COVER THE POST COMPETENTLY.

But policies exist in abundance on this subject. HCO PL 29 Aug. 70 1, Personnel Series 1, PERSONNEL TRANSFERS CAN DESTROY AN ORG, points up the outnesses which can destroy an org faster than any others. HCO PL 7 Jan. 66, LEAVING POST, WRITING YOUR HAT, covers the staff member's responsibility for a post he is vacating under *any* circumstances. HCO PL 20 April 69 11, HATS, NOT WEARING, emphasizes the staff member's responsibility for knowing that he is the Qual Sec, or Reg, or the post title for the post and functions he has accepted. HCO PL I I Aug. 71 11, Personnel Series 22, DON'T UNMOCK A WORKING INSTALLATION, cites the main reason we have ever had slumps in orgs.

The personnel policies are there. But very often, where a "quicksilver personnel" scene is permitted, BECAUSE SOMEONE PULLS OFF A SUCCESS IN ONE AREA, EVEN THOUGH STATS IN HIS OWN AREA MAY CRASH, THE EXISTING ETHICS POLICIES THAT COVER

SUCH A CRASH OR THE COLLAPSE OF AN AREA MAY BE OVERLOOKED OR DELIBERATELY IGNORED.

So how do we handle "quicksilver personnel" scenes?

The answer is to add some teeth to the existing policies:

1. AN ABSENCE FROM POST FOR EVEN A TEMPORARY PERIOD OF AS LITTLE AS HALF A WEEK IS AN ETHICS OFFENSE, UNLESS SOMEONE IS NAMED AND THERE AS A REPLACEMENT WHO HAS HAD THE POST PROPERLY TURNED OVER TO HIM AND WHO CAN COVER THE POST *COMPETENTLY*.

2. IF SUCH ABSENCE WITHOUT COMPETENT REPLACEMENT OCCURS *AT ALL*, AN IMMEDIATE COURT OF ETHICS MUST BE CALLED ON THE STAFF MEMBER WHO LEAVES HIS POST UNFILLED OR INADEQUATELY COVERED, AS WELL AS ON THE SENIOR OR EXECUTIVE ORDERING, CONDONING OR PERMITTING IT.

3. IF IT OCCURS AND RESULTS IN STATS CRASHING IN A COURSE, A DIVISION, DEPARTMENT, SECTION, UNIT, AREA, ZONE OR ORG, A COMMITTEE OF EVIDENCE MUST BE CALLED WITH *ALL* INVOLVED NAMED AS INTERESTED PARTIES.

374

The charges are

CONDONING OR CONTRIBUTING TO CIRCUMSTANCES OR OFFENSES CAPABLE OF BRINGING A COURSE, SECTION, UNIT, DEPARTMENT, ORG, ZONE OR DIVISION TO A STATE OF COLLAPSE.

and

NEGLECT OF RESPONSIBILITIES RESULTING IN A CATASTROPHE EVEN WHEN ANOTHER MANAGES TO AVERT THE FINAL CONSEQUENCES.

With this policy made known and enforced, there is a cure for those who do a "quicksilver" and for executives and seniors whose out-planning and out-prediction bring about quicksilver personnel scenes.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:pm.iw.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

375

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 AUGUST 1970

Remimeo Issue I

Div 6 Hats

Div 7 & 8 Hats

Div 2 Hats

Ltr Reg Checksheet

PES Hats

I/A Hat

PR Crs Checksheet

*PR Series I*

## **LIABILITIES OF PR**

**PR** = public relations, a technique of communication of ideas.

A casual investigation of the activities and effects of "PR" as practiced in the first 70 years of the 20th century gives one ample data to regard "PR" with caution.

The subject is one which can be said to be dangerous in its incomplete stage of development or in the hands of inexperienced or unscrupulous people.

Thus we have three major liabilities in PR usage:

1. It is an incomplete technology as developed and used up to 1970.

a. The human mind was not a known field.

b. Any early technology of the human mind was perverted by the University of Leipzig studies and animal fixations of a Prof. Wundt in 1879 who declared Man a soulless animal subject only to stimulus-response mechanisms and without determinism.

c. Further perversions entered upon the scene in the 1894 libido theory of Sigmund Freud attributing all reactions and behavior to the sex urge.

PR is essentially a matter of reaching minds. Therefore, the above three factors have given PR strange elements and bedfellows which have curtailed its development as a subject.

Naturally you'd have to know something of the mind to handle PR. Yet if a PR man is operating not only without knowledge of the mind but with a corrupt idea of it (as in Wundt or Freud), his use of PR technique can spread a fantastic amount of aberration into the society and can result in an aberrated society. PR men operating in the "mass media" (press, radio, television, magazines and in lobbying parliaments) push strange mental ideas.

2. Inexpert PR men can make a gruesome mess out of the subject and the society.

a. Working with an incompletely developed subject, yet using the powerful communication systems of the society, it is not only not unusual for the work of a PR to recoil on his own employers but is usual to bring them into decay.

3. PR lends itself to the use of unscrupulous persons and cliques.

a. The extremists such as the Nazis and Stalinists saw in PR techniques the means of subjugating their own people, perpetrating horrors and

376

bringing their opponents into disrepute. Such extremist groups were enormously assisted by PR techniques.

b. Using PR technique to bring about disrepute of their imagined enemies, unscrupulous persons have brought about an atmosphere of war, crime and insanity on the planet.

These are of course harsh words. But it is better to know all sides of a subject.

PR practitioners of course spread PR about PR. But the use of black PR far exceeds its other uses in this year of 1970. Yet teachers of PR in the smoky cloister (smoke from marijuana) give us only the Sunday school version. According to them, PR is a nicey-nicey way of *bringing good works to public notice* and that is their favorite definition. In actual fact ten times as much PR work is done in getting rid of someone or something imagined to be dangerous to the PR's employer.

Bribing newspapermen and "free-lance writers" to write horrible lies about a competitor, bribing or lying to congressmen or ministers or members of Parliament to get a law passed to enable a fast buck to be made and countering the ploys of the other firm's PR men are the common duties of a working public relations employee.

This scene doesn't seem to be quite the same as PR as represented in the ivory skulls of its professors.

It's a PR world.

When you read the papers, books and watch the TV of the 20th century, it's not a very nice world. Well, that's PR at work.

The far right PRs against the far left. And in between, more moderate groups PR both.

Every government department in England has a PR office. The beginning of the decline of the British Empire and the first British government "information office" are of similar date.

The unsavory history of PR, its use to perpetuate questionable interests and cause needless and murderous quarrels must be confronted as part of the study of PR.

It is not for no reason that PR men are often of pitiful morals and degenerate character.

The countless trillions of volts of radio and TV, the rivers of newsprint and pages tearing through presses, pour fantastic lies into the overwhelmed population of Earth.

The prevailing tone of dismay and contempt across the world is stimulated and kept alive by PRs.

So disabuse yourself of any idea of a pleasant scene in the field of PR.

Even if you are engaged in the promotion of the most worthwhile objects pushed by the most altruistic leader, PR work is done cheek by jowl with some pretty questionable characters whose objects are far from worthwhile and whose masters are about as altruistic as a rattlesnake.

Thus PR easily becomes a cynical activity. The PR deeds of the bad hats throw the Field into disrepute and throw the whole world into a whirlpool of hate and decay.

So in entering or studying this field, do not walk into it like a wide-eyed virgin

377

making an incautious visit to a military brothel.

There is no reason to be disillusioned if one does not start out with illusions.

PR is a partially-developed technique of creating states of mind in different types of audiences or publics.

PR can be used or abused.

Thus before proceeding any further with the subject, it was necessary to restudy the subject and find out what was wrong with it, add it to the subject and thus make it less dangerous to use.

The liabilities of PR, as taught and used before 1970 were

- A. It inevitably recoiled in greater or lesser degree to the harm of its user.
- B. It had long repute as a carelessly or badly used subject, full of failures.
- C. It is normally used into the teeth of competitive PR.

Unless these objections could be nullified or new discoveries and developments could be accomplished, the basic techniques of PR were about as safe as a cocked Spanish pistol-ready to blow up its user long before it hit anyone else.

This is what has been done with PR in our hands:

- 1. Its more dangerous points have been located.
- 2. A full study of its texts is required.
- 3. It is designed now for use that is beneficial as well as offensive and defensive.

Thus the standard texts of PR have to be studied and studied well. And they must be studied **WITH THE ADDITIONAL DEVELOPMENTS KNOWN AND GIVEN HIGH IMPORTANCE.**

Only then is it safe to use PR techniques. Otherwise PR activities are almost a complete liability and will lead to trouble.

In this series we will bring PR up-to-date from the liabilities which exist in its purely PR college textbook practice.

## **L. RON HUBBARD**

Founder

LRH:sb.nt.gm Copyright © 1970, 1973 by L. Ron Hubbard ALL RIGHTS RESERVED

378

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 13 AUGUST 1970**

Remimeo Issue 11

Div 6 Hats

Div 7 & 8 Hats

Div 2 Hats

Ltr Reg Checksheet

PES Hats

I/A Hat

PR Crs Checksheet

*PR Series 2*

## THE MISSING INGREDIENT

The primary corrective discovery about PR has to do with the ARC triangle of Scientology.

This triangle is Affinity-Reality-Communication. If one corner (say A) is raised, the other two will rise. If one corner is lowered, the other two are as well.

Thus with high affinity, one also has a high reality and a high communication. With a low affinity one has also a low reality and a low communication.

With a high or low R one has a high or low A and C.

And so it goes. The whole triangle rises and lowers as one piece. One cannot have a low R and a high A and C.

PR is supposed to be a *communication* technique. It communicates ideas. Suppose one were to try to communicate an out-the-bottom R. In such a case the communication would possibly at first reach, but then it would recoil due to its R.

This is of course an advance in the mental technology of Scientology. It was not available to early pioneers of PR. So they talked (and still talk) mainly lies.

Older PR practitioners *preferred* lies. They used circus exaggeration or black propaganda. They sought to startle or intrigue and the easiest way to do it was with exclamation point "facts" which were in fact lies.

"Mental health" PRs dreamed up out of whole cloth the "statistics" of the insane. "Nine out of every 15 Englishmen will go insane at some period of their lives" is a complete lie. Streams of such false statistics gush from PR lobbyists to get a quick pound from Parliament.

The stock in trade of PRs, whether hired by Stalin, Hitler, the 1 Will Arise Society, the US President or the International Bank, has been black, bald-faced lies.

The US President has given 2 different figures of the percentage of increased government cost per year in 2 months. His PR man was trying to influence Congress.

The "Backfire 8" as the "Car of the Century" and the parachute exhibition "record delayed drop" and the ambassador's press conference on "Middle East Aims" are all PR functions-and salted throughout with lies.

You pick up a newspaper or listen in the street and you see **PR-PR-PR-all** lies.

A battle cruiser makes a "goodwill visit" to a town it is only equipt to crush and you have more lies.

379

The tremendous power of newspapers, magazines, radio, TV and modern "mass media" communication is guided by the PRs of special interests and they guide with lies.

Thus PR is corrupted to "a technique of lying convincingly."

It makes a cynical world. It has smashed idealism, patriotism and morality.

Why?

When an enforced communication channel carries only lies, then the affinity caves in and you get hate. For the R is corrupted.

PR, dedicated to a false reality of lies, then becomes low A, low C and recoils on the user.



So the first lesson we can learn that enables us to use PR safely is to KEEP A HIGH R.

The more lies you use in PR the more likely it is that the PR will recoil.

Thus the law

NEVER USE LIES IN PR.

The trouble with PR then was its lack of *reality*. A lie of course is a false reality

The trouble with PR was R!

In getting out a press release on a new can opener that opens cans easily, and you want to say "A child could use it," find out if it's a fact. Give one to a child and have him open a can. So it's true. So **use the line and say what child**. Don't call it the "Can Opener of the Century." It won't communicate.

Just because radios, TVs and press pour out does not mean they communicate. Communication implies that somebody is reached.

Don't tell a lie to city officials when the truth is just as easy to tell. Why go to all the work of dreaming up a lie? If you do, it will weaken you if it is found out that it is a lie. Now you do have a PR problem with the "official public."

Any lie will either blunt the C (communication) or end the C off one day with revulsion.

Handling truth is a touchy business also. You don't have to tell everything you know-that would jam the comm line too. Tell an *acceptable truth*.

Agreement with one's message is what PR is seeking to achieve. Thus the message must compare to the personal experience of the audience.

So PR becomes the technique of communicating an acceptable truth-and which will attain the desirable result.

If there's no chance of obtaining a desirable result and the truth would injure, then talk about something else.

PR is employed to obtain a result desired by the PR and his group.

Or it is employed to cancel out the undesirable PR of others.

380

Thus there is offensive and defensive PR.

In defending against hostile PR, once more it is the *R* that counts. Sun Tzu in his book about warfare gives several types of agent. One of these is the "dead agent" because he tells lies to the enemy and when they find out they will kill him.

Hostile (or counter-PR) is usually the usual fabric of lies.

If one finds out the lies being told and documents just one as being false, he has made counter-PR recoil. His hearer will never believe him again. He's dead.

In the war between psychiatric hostile PR and the truth of Scientology, the "dead agent" caper has a field day. Psychiatric PR has been lying for 20 years. Documented, the fact of these lies are lies is *killing off psychiatry*.

You understand, it's not one PR's word against another's. It's one PR's documents against the other PR's lies! That is correct defensive PR.

So you see that using out-R PR can be very dangerous.

If one is trying to PR an abuse into decay (a dangerous activity in itself), he obtains the desirable result by documenting TRUTH. But using the "dead agent" caper is quite enough almost always.

The use of *R* not only involves truth, it involves acceptable truth and that involves the fixed opinions of another or others and their experience. All this is contained in the subject of REALITY.

What is the *R* of another or others?

This involves SURVEYS.

Then you know what truth he or they will accept.

Imagination in PR is not limited at all. It takes lots of imagination. But the imagination should be devoted to how the truth is made acceptable to the *R* of others and how the comm is delivered.

A totally imaginary statement or story is quite useful so long as it is known to be imaginary and not passed off as truth.

In a PR world truth is the almost unknown commodity. This world is full of the "noise" of many lies, many babbles, many old fixations and hates.

But truth has comm value. All the lies will dead-end someday.

A (affinity) supports the *R* and *C*.

Therefore PR which seeks to incite hate will not have the *C* value of a message that carries actual affinity.

But affinity can also be falsified and in the PR world too often is.

A person who is sane has a high ARC value.

So the PR who is sane has a high potential. And those who have corrupted their

381

A, *R* and *C* into a hole, wind up on the bottle or beating their dogs or cynical beyond belief.

Serving mad masters, a PR hasn't much chance.

So there is a technique known as public relations. And it has the high liability of abuse through lies and the degrade of its practitioner.

But if one strictly attends to the values of truth and affinity, he will be able to communicate and can stand up to the strain.

Knowing this, PR becomes a far more useful and mature subject.

L. RON HUBBARD

Founder

LRH:sb.rd.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

382

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

## **HCO POLICY LETTER OF 13 AUGUST 1970**

Remimeo Issue III

Div 6 Hats

Div 7 & 8 Hats

Div 2 Hats

Ltr Reg Checksheet

PES Hats

I/A Hat

PR Crs Checksheet *PR Series 3*

### **WRONG PUBLICS**

What is a "public"?

One hears "*the* public," a star says "my public." You look in the dictionary and you find "public" means an organized or general body of people.

There is a specialized definition of the word "PUBLIC" which is not in the dictionary but which is used in the field of public relations. "PUBLIC" is a professional term to PR people. It doesn't mean the mob or the masses. It means "a TYPE OF AUDIENCE."

The broad population to PR professionals is divided up into separate publics. Possibly the early birds in PR should have begun to use "audiences" back in 1911. But they didn't. They used the word "publics" to mean different types of audiences for their communications.

So you won't find this in the dictionaries as a PR professional term. But you sure better wrap your wits and tongue around this term for USE. Otherwise you'll make more PR errors than can easily be computed.

WRONG PUBLIC sums up about 99% of the errors in PR activities and adds up to the majority reason for PR failures.

So what's a "public"?

In PRese (PR slang) use "public" along with another word always. There is no single word form for "public" in PR. A PR never says THE public.

There is the "community public," meaning people in the town not personally grouped into any other special public. There is the "employee public," meaning the people who work for the firm. There's the "shareholder public," meaning the birds who own shares in the PR's company. There's the "teenage public," meaning the undertwenty people. There's the "doctor public," meaning the MD audience the PR is trying to reach.

There are hundreds of different types of publics.

An interest in common or a professional or caste characteristic in common-some similarity amongst a special group-determines the type of public or audience,

The PR needs this grouping as he can expect each different type of public to have different interests. Therefore his promotion to them must be designed specially for each type of public.

In the PR world there aren't kids-there is a "child public." There aren't teenagers-there's a "teenage public." There aren't elderly people-there's an "elderly public."

383

The PR man thinks not in huge masses. He thinks in group types within the masses.

PR is an activity concerned with *presentation* and *audience*. Even when he writes a news release, he "slants" it for a publication that reaches a type of audience and he writes it *for* that audience (modified by editorial idiosyncrasies).

A PR *surveys* in terms of special publics. Then he presents his material so as to influence *that* particular public.

He doesn't offer stories about wheelchairs to the teenage public or Mickey Mouse prizes to the elderly public. If he is a good PR man.

All releases should be designed to reach a special public.

When you mix it up, you fail.

When you get it straight and survey it, you succeed.

The "police public" is not going to buy the glories of hash. The "criminal public" isn't going to go into raptures over the "heroes in blue."

All expert PR is aimed at a specific, carefully surveyed, special audience called a "public."

When you know that, you can grasp the subject of PR.

When you can use it expertly, you are a pro PR!

To give some examples of wrong publics, Ron's Journal was designed for org staffs as an intimate chat with staff members to let them in on what's going on and what we're planning so that staffs could be informative to the Scientology public. It was a "staff public" medium of communication.

Somebody (in NY) broke the rules, played it to the Scientology public. Then somebody else figured it was a substitute for a congress and dropped congresses.

The exact end result was to cut totally my comm line to org staffs. The other day I heard how staffs missed hearing from me.

If my line to staffs in orgs is going to be played to PE attendees, that's it. Wrong public. No comm line to staffs.

I do a briefing of SO members on Flag, some dimwit uses it to play to Public Div public. Wrong public. So that line is cut.

Clear News publishes Treason orders on students to promote an AO! Wrong public.

Clear News is used for an FSM newsletter. Wrong public.

Clearing Course fliers go to new book buyers. Wrong public.

Letter Registrars write to people on a mailing list sent in by a mail order house, Wrong public.

A conclusion someone not knowledgeable in PR technique could reach would be "promotion doesn't work."

Promotion never works on wrong publics.

384

## **THE SYSTEM**

The PR has to figure out his precise publics. There may be several distinct types.

Then he has to survey and look over the reactions of each different type.

He then plans and designs his communication and offerings for each one.

An orderly org has each different public categorized and labeled in Address.

Then the PR sends the right message to the right public in each case. There may be a dozen different messages if there are a dozen different publics. Each one is right for that public.

The PR is after a result, a call in, a reply, a response.

The right message in the right form to the right public gets the result.

A wrong message to the wrong public simply costs lots of money and gets no result.

Even if a PR is engaged in "molding public opinion," it still requires a different message to each different public.

L. RON HUBBARD

Founder

LRH:rr.rd.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

385

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 OCTOBER 1970

Remimeo

Personnel Hats

PR Checksheets

*Personnel Series 11*

*PR Series 4*

## **THE PR PERSONALITY**

A public relations personnel has to be spot on in

- a. Confronting
- b. Organizing
- c. Working.

## **CONFRONT**

In confronting, a shy or retiring PR is not about to handle suppressive persons or situations. A PR must be able to stand up to and handle the more wild situations easily and with composure. When

he does not, his confront blows and any sense of presentation or organization would go up in smoke. A PTS (potential trouble source) person or one who roller-coasters casewise or one who tends to retreat has no business in PR. His connections that make him PTS and his case would have to be handled fully before he could make good on PR lines.

## ORGANIZE

In organizing, a PR has to be able not only to organize something well but to organize it faultlessly in a flash.

Every action a PR takes concerns groups and therefore has to be organized down to the finest detail; otherwise it will just be a mob scene and a very bad presentation.

A PR who can confront, can "think on his feet" and grasp and handle situations rapidly and who can organize in a flash will succeed as a PR.

## WORK

The last essential ingredient of a PR is the ability to WORK.

When appointing people to PR training, the person's *work record* is very, very important.

The ability to address letters, push around files, haul furniture into place, handle towering stacks of admin in nothing flat are all PR requisites.

To be able to tear out to Poughkeepsie before lunch and set up the baby contest and build a scene for a press conference on catfish before two and get dressed, meet the governor by six is WORK. It takes sweat and push and energy.

A PR should be able to get out a trade paper in hours where an "editor" might take weeks.

386

The ability to work must be established in a potential PR before wasting any training time, as a PR who can't work fails every time.

## DELUSORY REQUIREMENTS

People *think* a PR must be charming, brilliant, able to inspire, etc., etc.

These are fine if they exist. But they are actually secondary qualities in a PR.

Lack of the (a), (b), (c) qualities is why you see PRs begin to hit the bottle, get sick, fail.

If a PR is also charming, brilliant, able to inspire, he is a real winner. Possibly one is born with all these qualities every few generations.

Personnel in appointing and training PR must look for the wish to be a PR and (a), (b) and (c).

And anyone taking up PR who does so to escape hard work will fail as it IS hard work.

A real top PR wants to be one, has the abilities of (a), (b) and (c) and is trained hard and well on the subject. Then you have a real stat raiser, a real winner, a real empire builder.

## L. RON HUBBARD

Founder

LRH:sb.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

*PR Series 4 Addition*

[Note: HCO PL I I Apr. 1972, Personnel Series I I Addition, PR Series 4 Addition, THE PR PERSONALITY has been canceled. This issue, not written by L. Ron Hubbard, corrected a typographical error in HCO PL 9 Oct. 1970, Personnel Series 11, PR Series 4, THE PR PERSONALITY. Since this correction has now been made, this additional issue is no longer necessary and has been canceled by Scientology Policy Directive 8, CANCELLATION OF PERSONNEL SERIES 11 ADDITION, PR SERIES 4 ADDITION-THE PR PERSONALITY, dated 27 Apr. 1982.]

387

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 NOVEMBER 1970

Rernimeo Issue 11

### ***PR Series 5***

#### **PR DEFINITION**

The definition of public relations is very precise. The definition is not given sufficient importance in the texts and it is way down in the middle of most books. It is what the subject is all about and without it the subject doesn't make sense. (And doesn't make sense to many PR pros either.)

It took me a whole hour to clear this definition and misunderstandings of it and related words on a PR student. It should be meter cleared. Every word in it should be clay tabled.

THE DUTY AND PURPOSE OF A PUBLIC RELATIONS MAN IS

THE INTERPRETATION OF TOP MANAGEMENT POLICY TO THE DIFFERENT PUBLICS OF THE COMPANY-TO ADVISE TOP MANAGEMENT SO THAT POLICY IF LACKING CAN BE SET-TO MAKE THE COMPANY, ITS ACTIONS OR PRODUCTS KNOWN, ACCEPTED AND UNDERSTOOD BY THE DIFFERENT PUBLICS-AND TO ASSIST THE COMPANY TO EXIST IN A FAVORABLE OPERATING CLIMATE SO THAT IT CAN EXPAND, PROSPER AND BE VIABLE.

If a PR man understands all that so he can apply it rapidly and perfectly, he will *then* be in a position to know what PR procedures are and do his job.

L. RON HUBBARD

Founder

LRH:sb.rd.gm Copyright © 1970 by L. Ron Hubbard ALL RIGHTS RESERVED

388

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF I I MAY 1971

Remimeo Issue 11

### ***PR Series 6***

#### **OPINION LEADERS**

An "opinion leader" is that being to whom others look for interpretation of publicity or events. Through wisdom, proximity to data sources, personality or other factors including popularity itself, certain members of the group, company, community or nation are looked to by others for evaluation.

In the teething days of public relations, George Creel, who conducted the massive Liberty Loan drives for the US Government, considered that it was enough to batter avalanches of publicity down on the heads of the "general public." Given enough money, enough media of communication and no real opposition this proved successful enough.

But as time unreeled, some unsung PR man recognized the fact that the "general" public was made up of smaller groups. Churches, social clubs, factories, and thousands of other large or small groupings of the population were what made up the "general" public.

Each of these groups had its own "opinion leader" and within each group there were smaller groups who each in turn had its own opinion leader.

"To whom do they listen?" "Whose opinion do they accept?" "Whom do they trust?" "On whom do they depend?" are the questions, which, answered, identify the opinion leader of the group, large or small.

Further, the opinion leader of a very large group, in turn, is interpreted by the opinion leaders of the smaller units which go to make up the larger group.

As an example, government spokesman X puts out Bulletin A on the radio and TV and into the press. He is NOT talking to masses of people. He is in reality talking to opinion leaders. On a crucial question there will not be a reaction to X until the listeners have heard what their opinion leaders have to say about Bulletin A.

If there have been other issuances like Bulletin A, the opinion leaders will have voiced their own opinions. Their groups will then know the attitude. In this case Bulletin A will receive an apparent "general public" reaction. In short, the opinion about Bulletin As will have been preformed by the opinion leaders. This makes it look like there is mass public opinion without opinion leaders.

One of the great dangers of PR practice comes from not really knowing the subject well enough or in twisting it or in losing bits of it.

Having discovered the principle that "opinion leaders" form public opinion, not the "general" public, many PR people forgot it, or didn't give it enough importance or even in some cases chose to be willfully destructive of their employers.

It should be very obvious that if general public reaction to an event is dependent upon the reaction and interpretation of opinion leaders, then a PR action's success depends upon favorably influencing the opinion leaders of that part of the population one is trying to reach and calculating what opinion leaders one can neglect or even offend.

This would be almost mathematical in computation. Spokesman X issuing a

389

Bulletin A that offended 55% of the opinion leaders would get, roughly, a 55% opposing reaction from the whole public.

Surveys for the identities of opinion leaders would then become a MAJOR activity of PR in any area and for any type of message or event.

Even a rough estimation, which is easily done, would serve better than no thought of it at all.

PR men go for Very Important People. PR wears this out beyond belief. But it is an alter-is. VIPs to PR are only opinion leaders. A government minister is tagged automatically by PR people as a VIP because his car has flags and he is a minister. Yet he may be a drunken nephew whose opinion is about as welcome to his colleagues as a hangover. So he may be a VIP but he is not an opinion leader.



When he says "blue," his colleagues think "black" and the opinion leaders in the public think "red." The only PR use of this minister would be to get him to embrace and speak up for someone you wanted shot or some cause you wanted opposed!

There is such a situation currently in a man called Goodrich or some such name, head of FDA in Washington. Thirty-two years in that agency, big record. Head of it = VIP. All he has to do is open his mouth and his staff writhes, Congress spits and opinion leaders say no-no-no. So he could only be used to oppose something you wanted popular.

So it's very lazy PR to assume that a "VIP" is worth knowing or using. Sometimes VIPs are also opinion leaders.

Celebrities are more often opinion leaders as they arrive at their role by popular acclaim. But even here one has to operate with good sense. Paul Robeson, the great American singer, was used by Communists in the 1930s to popularize their cause. It did not achieve this. Paul Robeson championing his own race probably would have advanced civil rights legislation greatly. The misuse brought anti-Communists to believe that all the Negroes would now become a Communist fifth column and brought about strong opposition to Negroes and to Communists.

The rule that should not be violated is to use an opinion leader only to further an opinion he could have visibly. The equation must add up with all factors of a kind, not a strange factor interjected into the sequence. Like music, you don't introduce a wrong note in the scale if you want harmonious rendition. Robeson (black singer)-opinion leader of blacks-communism. Too odd a sequence. Robeson (black singer)-opinion leader of blacks-black relief. Obvious sequence.

The equation:

Bertrand Russell (British philosopher)-academic opinion leader-communism: caused a strengthening of the Communist cause because he was a thought symbol and "anybody was free to think" and "they're always forming odd ideas in the halls of learning." His statement "Better red than dead" was a classic PR caper. It was widely quoted. Helped Russell, of whom few ever would have heard, and possibly helped communism, at least to be talked about, and obviously was picked up by the group in which Russell existed. To the rest of us this may have sounded like naked atomic war threat and war-mongering. But it was the proper use of a foreign opinion leader by a large group.

Now if the paragraph above jarred on you in any way or seemed to espouse a strange cause, etc., etc., you will have the reason why PR men cannot always see clearly and objectively. They themselves are too involved in causes and pros and cons to remain pan-determined (viewing or handling all sides).

By permitting prejudice to get in the way of handling opinions, a PR man loses control of his subject. He becomes so violently partisan that many of his stable data become blurred or abused.

390

Thus the subject of opinion leaders can become abandoned. Disagreement with the views of some of them remove not only the opinion leaders but the whole subject of opinion leaders out of use.

While conducting themselves like status-mad prima donnas, seeking to exist mainly by PR techniques, most people in government power positions are remarkably badly served by their PR men and by their own prejudices or jealousies.

Essentially, a person *in* power is not the same person seeking power.

Maintaining power is a different subject than attaining power.

A politician by definition is someone who handles people. Even the word means "people." Thus the subject of "public relations" does a natural closure with government.

Yet the alteration of the subject of PR and its misuse, neglect or abuse by government PR men could be in itself a considerable study.

The vast majority of population unrest stems from the misuse, neglect or abuse of PR technology by governments, even those governments that consider themselves experts.

A politician commonly is boosted to power by opinion leaders. This could be called the "will of the people." Once he has attained power, the garden-variety politician of this age finds himself committed to special interests that have little to do with the "will of the people." Few are the politicians who have the integrity to continue to look to the people-the opinion leaders-who put them there. Thus, now apparently serving other masters, they appear to have been false in their earlier pretensions. Not remaining true to their opinion leaders, politicians as a general subject acquires a cynical reputation with the "people."

A Labor leader in England, put into power by opinion leaders, then spends his time in office talking about bankers, banking, deficits and all that mumbo jumbo of modern government, speaks hostilely about unions, seeks to restrain shop stewards and union bosses, puts on a tax to penalize any company that hires someone and then has the dullness to wonder why he took a beating at the polls eventually and lost. He turned on his opinion leaders. Where were his vaunted PR experts?

The US Government routinely achieves the impossible of turning the bulk of the population against it on most issues. Its politicians are regularly forced to maintain their positions by huge avalanches of public funds.

Hiring more and more police and spies for more and more government police agencies, the government is becoming less and less popular. "Patriotism" and "idealism" are now considered dirty words.

Why? How did this get this bad?

Well, one reason is that government PR is continually recoiling on the government. Either they don't hire good PR men, or if they do, they don't take their advice. Or their PR men don't know their subject or aren't permitted to practice it.

The general unrest and unpopularity is largely traceable to a violent disregard of the subject of *opinion leaders*.

Attaining power is done usually by the consent of or with the help of the opinion leaders. Arrival in a position of power too often causes the person to shift the basis of his operation. He is now associating with different people in a power strata. It would require quite an effort of will to not be seduced. Having achieved power by opinion leaders, the person may forget them and seek to maintain power by other means or by force. This is essentially a violation of the Power Formula which indicates one should

391

not disconnect. By disconnecting from the previous opinion leaders, the person begins his own demise.

This is terribly easy to do in the case of government. It is so easy for a government to use FORCE that a disregard of previous opinion leaders can occur.

Money power is usually available to persons who rise to positions of **leadership** and can be, like force, a substitute.

Thus a truly suborned leader would desert "opinion leader" as a basis of power and begin to use FORCE and MONEY to hold his position.

But when one assumes a position of power, regard for opinion leaders should *broaden*, not be dropped.

The astute leader on his way up may tread heavily on the opinion leaders of the opposition. This has its benefits in reinforcing the favor of opinion leaders for him. But it also has its liabilities for, now in power, he may have serious enemies who are all the more perturbed now that they too have him as a leader.

Few politicians-indeed few men who move into any kind of power-ever satisfactorily solve this problem. The *very* able ones do solve it and become far more powerful as a result since they do not violate the Power Formula.

Not only does the brilliant leader refuse to disconnect from the opinion leaders who put him there through "public approval," he also connects with the previously opposing opinion leaders. If truly magnificent, he gains the good opinion of former hostile opinion leaders without decreasing the goodwill of the opinion leaders who put him there. This actually defines the difference between a second-rate politician and a real statesman. The genius required to arrive at such solutions cannot be underestimated, but the formula of achieving it is elementary PR.

The leader of the "blues" (supported of course by the opinion leaders of the "blues") rises to power in the teeth of "green" opposition. Now in power, he has sway over both the blues and the greens. The blue's opinion is that this should signal a panorama of dead greens. But unless this rule is to be just one long bloodbath it is now necessary to cool off tempers all around, preserve blue support and *win* green support. That is an elementary equation.

Attilas and Huns and Genghis Khans solved this by simply murdering all imagined hostile elements. They may be known in history but politically they built nothing that endured. Even the pyramids of skulls vanished.

Men like Hitler went so far in reverse in handling this problem as to finally slaughter even their adherents.

In the general field of human activities every different or specialized group can be considered a political unit. It elects with a wide variety of formalities or lack of them its leaders, and when different agencies than themselves elect them (inheritance, appointments from without), the group at least elects its opinion leaders if only by listening.

And people strive to *be* opinion leaders and also back down or otherwise react when someone else is so "elected."

So being an opinion leader involves the responsibility of maintaining the position by remaining well-informed or personable or whatever else seems to be required.

One has to decide in some degree what he is an opinion leader for or against or at least about. And one has to set a zone or have one set for him in which he operates.

A usual example is the family. Often someone in it is the opinion leader. It is not

392

necessarily the one with the money or the force. **Where** one member or clique has the money or force and uses these and the opinion leader is someone else, strife and domestic upset may result.

**All the** children may look to an aunt for their styles, thoughts and approval. Where this runs counter to the money-force persons, somebody is going to have a broken home or a horrible old age.

Such is human prejudice-or ignorance-that the money-force persons almost never dream of winning the support of the opinion leader aunt by sound but popular policy based on consultation.

The right answer of course is for the money-force power to operate in consultation with the opinion leader.

This is true all the way on up to government-sized groups.

Money-force may bribe and break necks but it really never does become the leader in the absence of the approval of a majority of opinion leaders.

Prosperity and an easy rule depend utterly upon the cooperation of opinion leaders.

The US Government in the last few decades has seemed obsessed with the antagonizing or destruction of opinion leaders.

Using the broad mass approach long since found faulty in PR activities, the US Government has lately sought to reach the "public" without that annoying step of reaching and getting the approval of opinion leaders.

Instead, an army of spies from every agency (according to the Committee of Senator Ervin), descend upon any and every popular leader, hound him, annoy him, discredit him. Even managers of businesses are so plagued by government they can hardly do their work. This is also true of England and other countries.

The unrest in the United States and some other countries is traceable directly to this fantastic omission in their PR technical expertise. They not only do not seek the favor of opinion leaders, they actively harass and seek to destroy them.

In return the opinion leaders feel endangered and have and state opinions accordingly. The power of the government drops back on money and force only. Governmental survival is thus greatly impaired.

The so-called "mass news media," by which is meant newspapers, TV, radio and magazines, has the fault built into its title. It cannot and never will reach any masses directly. It reaches only through opinion leaders. It has to quote this one and that one which it fancies as an opinion leader. But it never finds out WHO the opinion leaders are.

Newspaper editorials are a direct effort to force opinion. They quote the opinions of other papers just as though these were opinion leaders.

They believe they "mold public opinion" but PR men long since have given up this idea and even greet it with raucous laughter.

Newspapers have ceased to wonder about their rapid demise. They are getting fewer fast. They thought it was radio. Then TV. It wasn't.

Willy Hearst's 1890 yellow journalism and scandal mongering began to dig the grave of the newspaper that many decades ago.

Hear this: while seeking to control public opinion, newspapers began to strike

viciously at opinion leaders. Name him, sooner or later any really important opinion leader in the area would be hit with scandal. It happened so often that opinion leaders automatically began to say, "Don't believe the newspapers."

The day of the newspaper is dead. The not-mourned London Daily Mail hit one too many opinion leaders one too many times. And nobody believed it anymore and nobody bought it. And it folded.

So government or newspaper or church or hockey club, the same rule applies. The goodwill of the opinion leaders is necessary for survival. Not the good opinion of the masses! Since that cannot be reached.

The Russian state talks down about individualism. The "cult of the individual" is a bad thing.

Their internal police is vital to them. They have forgotten that the Czar's Okhrana\* destroyed the Czar by destroying every opinion leader amongst the people whom they could seize or slay.

Almost amusingly, the US Government has taken over the exact operational pattern of the Okhrana. You can hardly get to your desk through the government forms and mobs of spies urging the staff to commit crimes so they can be arrested or holding out bribes to falsify the tax reports. All one has to do is mention the US Government in a pop program and he'll have three army sergeants from G-2 pushing the band out of the way. That's the way it was in pre-1917 Russia just before the opinion leaders decided NO in one final bloodbath.

So as I said earlier in this series, PR is dangerous stuff if one doesn't really know it and if one only applies half of it.

Omitting the opinion leader is bad enough. Seeking to destroy him is far, far worse.

Yes, one says, but how about the violent opposition? How about that fellow?

Well, he's a problem. But he is an opinion leader.

One has to decide how much of an opinion leader he is.

If you don't handle a would-be opinion leader who is anti but who is NOT an opinion leader, people get cross.

The decision here stems from

- a. Is he talking about actual abuses, or
- b. Is he just lying?

In either case one has certain courses of action. If the abuses are actual, work to remedy them. If he is just lying, lay out the truth. If he really isn't an opinion leader, ignore him.

But one can only interfere with him or remove him if many, many are getting cross because you don't. But that's a risky business.

As a rule, only that dissident person should be removed who is speaking in your name and on your lines and using your power to do you down. And then he can only be removed off your lines as you are under no obligation to finance or empower your own opposition. That's suicide. He is not an opinion leader but a traitor, for he owes his power to you.

394

Usually anti-opinion leaders are *made by neglect*.

PR-wise, one has to catch them early and handle.

Abuses by those in charge are never put right by force. They are only worsened.

Perhaps there is no excuse whatever to use force to enforce an opinion. Wars are notorious for failing to solve. You can always find a point years or decades before the war when a point existed that PR and cooperative rule could have solved.

PR imperfectly known or unknown as a subject leads to big trouble.

PR is powerless when it doesn't know.

PR loses when it neglects.

Early enough, PR alone does it.

Later, PR with concessions is needed.

Then, PR is out and only force is thought to serve.

This would be a DETERIORATING SITUATION.

The longer PR takes to catch it up, the more imminent loss or force becomes.

From this, technically adept PR could be seen to have too limited a role in the affairs of nations or groups.

The way to attain a more dominant role with PR is first to know it well, next to be sure others, who should, understand it and then to use it effectively,

As it is a subject which is meant to reach masses, remember that it must reach them through opinion leaders.

Opinion leaders may or may not be VIPs. But they are, whoever they are, barber or king, VIPs to the PR.

Thus surveys for opinion leaders are necessary. And the opinions of opinion leaders must be known.

And for heaven's sake restrain the boss from shooting opinion leaders no matter how just his wrath.

But also don't tell him Dr. Kutzbrain is an opinion leader just because he talks to two nurses and his wife.

Peace is not necessarily a target of PR. Survival is. And survival requires some control of opinion.

When this becomes control of numbers of people, PR is only accomplished through opinion leaders.

**L. RON HUBBARD**

LRH:nt.rd.gm Founder

Copyright © 1971

by L. Ron Hubbard

ALL RIGHTS RESERVED

(\*Okhrana or Ochrana: [Russian, literally, protection, guard] The Russian secret political police under the czarist regime. *Webster's New International Dictionary Second Edition.*)

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 MAY 1971

Remimeo Issue III

*PR Series 7*

**BLACK PR**

About the most involved employment of PR is its covert use in destroying the repute of individuals and groups.

More correctly this is technically called BLACK PROPAGANDA.

Basically it is an intelligence technique.

It can be a serious error to cross intelligence and PR.

These are two different fields. They have two distinctly different technologies.

A PR man must also know something of intelligence technology. Otherwise one day he will be left gaping.

Intelligence is intelligence. PR is PR,

When you gather information by intelligence procedures and at once employ it for PR, the result is likely to be poor.

It is not that it isn't done. It's that it isn't very effective. Also it is an act of desperation.

PR IS OVERT.

INTELLIGENCE IS COVERT.

PR is at its best when it begins and ends overtly.

Intelligence is best when it begins and ends covertly.

PR with an open demand by known authors, a demonstration, a conference, is normal PR.

Intelligence trembles on the edge of PR when filched data explodes a storm in the public. It recoils when the authors are then known.

Black propaganda is, in its technical accuracy, a covert operation where unknown authors publicly effect a derogatory reaction and then remain unknown.

The effect of black propaganda is largely wiped out by, "Oh, it was the Germans who set them up."

So PR enters intelligence in this way: One finds who set up the black propaganda and explodes that into public view.

This use of PR is almost that of an auditor to the group. One is disclosing hidden sources of aberration.

To use intelligence to find where they hid the body and then flip over into wide publicity is not very powerful in actual practice. There better be a body there and one better tell the police, not the public.

If there are no effective police, then one has the problem of police action. Exploding it to the public, ideally, is an effort to make the public a vigilante committee. Modern publics seldom rise this high. Educated publics seldom explode to the explosion.

A PR man who thinks of taking Blitz & Company's crimes to the public is really just dreaming hopefully-without foundation. It may or may not hurt Blitz. It might recoil. The ability of the public to stand around and look stupidly at a dripping-handed murderer without doing a thing about it is a symptom of our civilization. They *ought* to act. They don't. You can form an opinion amongst them but governing bodies won't consult it.

Exposure is not an effective road to *action*. It can be to opinion. It is slow.

Then what is effective?

#### INTELLIGENCE

By definition intelligence is covert. Under cover. If it is kept so all the way, it is effective.

When intelligence surfaces, it becomes very ineffective.

Threat and mystery are a lot of the power of intelligence. Publicity blows it.

Take the Red Orchestra, World War 11, Stalingrad Campaign. In Berlin SchulzeBoysen and other highly placed Russian agents got the whole German plan of the battle that was to Stalingrad. Brilliant and covert intelligence. They passed it to the Russians. Brilliant and covert comm. The boss at Center in Moscow put the ring's names and addresses in a code radio message. The Germans of course broke the code. The Germans rounded them up and messily executed them on meat hooks. The Germans had no other battle plans but contemplated not attacking Stalingrad that way. This put the whole coup at risk. Then the Germans did use the plans the Russians knew and that was the beginning of the end of WW 11.

So TWO exposures threatened the success of this intelligence coup. One was the stupid radio message. The other was the realization the Russians had the battle plans.

Exposure is the basic threat of intelligence.

PR is the willful broadcast of information.

The two don't mix well.

#### BLACK PROPAGANDA

Possibly used since the morning pale of history, black propaganda was developed by the British and German services in World War I into a fine art.

The word "propaganda" means putting out slanted information to populations.

One propagandizes the enemy population or one's own or neutrals.

In popular interpretation it is a parade of lies or half-truths or exaggerations.

PR and advertising technology and mass news media are employed as well as word of mouth and posters.



The trouble with it is that it can often be disproven, discrediting the utterers of it.

It may serve the moment but after a war it leaves a very bad taste.

If one is engaging on a campaign of this nature, its success depends on sticking to the truth and being able to document it.

The entire black propaganda campaign conducted for twenty-one years against Scientology began to fold up in its 16th year because never at any time did its instigators (a) have any factual adverse data or (b) tell the truth.

The Scientology movement continued if only by heroic means and much sacrifice.

But at last nobody of any note believed the propaganda.

The attackers pulled in on themselves a counterattack based on penetrating, horrible, documented truth.

It required intelligence-like tactics to discover who it was exactly.

The "dead agent caper" was used to disprove the lies. This consisted of counter-documenting any area where the lies were circulated. The lie "they were . . ." is countered by a document showing "they were not." This causes the source of the lie and any other statements from that source to be discarded.

That real trouble and damage was caused Scientology is not to be discounted. The brilliance of the defense was fantastic. The depth and inroads the propagandists reached was alarming. BUT THEY DIDN'T MAKE IT.

Some black propaganda campaigns have won in other areas, not Scientology.

The British got the US into World War I with black propaganda, despite a president elected on a peace platform.

Many individuals have been destroyed by black propaganda. Wilhelm Reich was, by the lies and violence of the FDA.

So black propaganda is not a certain-result technology. It is costly. It makes fantastic trouble.

Essentially it is NOT a PR campaign. It is a cross between PR and intelligence.

The technique is

A hidden source injects lies and derogatory data into public view.

Since it is a hidden source, it requires an intelligence approach to successfully end it.

In the meanwhile the "dead agent caper" is the best tool to counter it.

Legal action can restrain such a campaign but is chancy unless one knows the source or at least has counterdocuments. It is risky solely because "law" is unpredictable. However, legal action has a definite role in restraining, not in ending, such a campaign.

A good policy when faced with a black propaganda campaign is to defend as best you can (dead agent and legal restraints) while you find out (intelligence) WHO is doing it. Then, confrontation can occur. Finding and suing false whos can make things much more involved.

Black propaganda countercampaigns are inevitable. One engages upon them

398

whether he would or not. These are engaged on while one narrows down the area to an exact WHO. For instance, one knows the whatsits are attacking one. Thus he can counterattack the whatsits. But *what* are the whatsits exactly, and to whom are they connected, and exactly WHO (an individual always) is keeping it going? These last three have to be answered eventually. And that requires an intelligence-type search.

#### THE CROSS

So there is where intelligence and PR cross.

**When PR goes into black** propaganda (hidden source using lies and defamation to destroy) it has crossed intelligence with publicity. They don't mix well.

The action is risky to engage upon as it may run into an ex-intelligence officer or trained intelligence personnel. It may also run into a dead agent caper or legal restraint.

Anyone engaging in black propaganda is either using a wrong way to right a wrong or confessing he can't make it in open competition.

#### PROTEST PR

Outright protest PR, based on facts, is a legitimate method of attempting to right wrongs.

It has to be kept overt. It has to be true.

Protest PR can include demonstrations, hard news stories and any PR mechanism.

Minorities have learned that only protest PR can get attention from politicians or lofty institutions or negligent or arrogant bosses.

Where protest PR is felt to be a necessity, *neglect* has already occurred on the issues.

The riots of Panama some years ago were very violent, verging on open war. This followed the negligence of the US in negotiating new treaties, a matter arranged for long ago and arrogantly skipped for several years by the US.

The slaves were freed in 1864 but were either misused or neglected for the next century and finally became a key racial problem full of demonstrations and riots and social unrest. Imperfect redress of wrongs following these then continued the riots. This is probably the biggest PR mess of the last century and a half, wobbling this way and that. It is still in the stage of protest PR, possibly because it went so very, very long unhandled.

The only real recourse these people had was protest PR. Recently, black congressmen were refused audience by the President and had to stage a demonstration before it was granted. But protest PR *did* obtain an audience.

The silliest idea of modern times is conscription. Drafted soldiers might possibly be excused as a levee en masse but not as the habit of government in peace and war just to overcome their lack of ability to make the country worth fighting for and the armed services a stable attractive career. This is all the more foolish since hardly anyone in history ever had any trouble recruiting an army that could pay for one. Even Gibbon remarks on it as an amazingly easy thing to do in any civilization. And that is true today.

So conscription is continued. Facing every young man with an arbitrary military future was a bad thing. Napoleon invented it and he lost.

Protest PR was the answer used to contest it. Met by force and violence, it has not halted.

399

Somebody will have to give the country a nobler cause more decently prosecuted, will have to better the services and conditions and will have to admit men without demanding their right names or perfect physique and make them immune to recall for civil offenses. Probably that army would fight well. Conscript services are too expensive, too inefficient and too ready to revolt for any sane government to use them. But here this unhandled wrong has to resort to protest PR.

So protest PR has its place. It is a fine art. It is the subject of fantastic skill and tech.

It is not good. But it does work and it is used as a last resort when normal hearings and good sense fail.

When money and force lead and opinion leaders are unheeded, when special privilege enters management or government, protest PR, the strike, the demonstration, is the tool employed.

If that doesn't work, or if it is crushed, subversive actions, general intelligence actions, black propaganda and other evils occur.

PR used soon enough can avert much of these consequences.

But there are always two in any fight and the other side may not want to live and so set themselves up.

Intelligent, early PR is the best remedy. But it is not always possible.

**L. RON HUBBARD**

Founder

LRH:sb.rd.gm Copyright © 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

400

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 MAY 1971

Remimeo

*PR Series 8*

**TOO LITTLE TOO LATE**

The hallmark of bad promotion is "Too Little Too Late."

Probably the most aggravating and most suppressive error that can be made by those doing promotion or other PR actions is to plan or announce an event too close to the date for anyone to come.

Typical report, "Only 50 came to the congress. I guess it just wasn't popular."

An exec hearing this can validly suspect "too little too late" as the real WHY. He would be 95% right without even querying further.

"When did you announce the July I congress?" Usual true answer: June 25! "How many mailings were sent?" Usual true answer: 500 "because FR . . ." "What other promotion was done?" Usual true answer: None.

Reason for only 50% at the congress: "Too little promotion announced too late for anyone to come."

Often this factor is hidden. Other more dramatic reasons, not the true WHYs, are advanced. "There was a football match the same date." "We are in disrepute." "There is an anti-campaign." "The press. . . ." Yap, yap, yap. All lies. It was just too little promotion too late.

"Nobody showed up for the VIP dinner." The right response to this is, "When did you send the invitations?" "Well, you see, FP wouldn't give us any stamps so ..... "WHEN did you send the invitations?" "The same morning as the dinner was held." "Were they engraved?" "No, we sort of ran them off on mimeo."

Just why event failures are 95% traced "handled at the last moment without proper planning and without proper verified addresses and without enough posh or volume" is itself a mystery.

Undermanned PR section is the most charitable reason.

PR in reality is about 80% preparation of the event and about 20% event.

If the preparation is not planned and prepared fully well in advance of the event, the events fail.

Off-the-cuff PR is sometimes necessary. But usually made necessary by lack of foresight and hard work.

There is a rule about this:

**THE SUCCESS OF ANY EVENT IS DIRECTLY PROPORTIONAL TO THE  
TIMELY PREPARATION.**

In other words, poor preparation made too late gives an unsuccessful event.

401

PR is hard work. But the hard work mostly occurs before there is any public view of it. The work in the event itself is pie.

You see these beautifully staged affairs, these flawless polished occurrences. They look so effortless. Well, they LOOK effortless because a fantastic amount of preparation went into them ahead of time.

A well-attended event is planned and drilled and announced ages ahead of the occurrence.

Even a mere dinner has to be announced at least a week in advance.

PRs who don't work hard to plan and drill and who don't announce in time with enough promotion have flops.

So PR flops come from failures to plan, drill, promote enough and in plenty of time.

Therefore, PR successes are best guaranteed by data gathering, sharp planning, heavy drilling, timely announcement and adequate promotion.

Even a surprise event has to be handled this way for everyone except those for whom the surprise is intended.

So gather the data that will guide planning, plan well, program it, do all the clerical actions necessary, announce it in ample time, drill all those connected with it heavily until they're flawless and then stage it.

And there you are, a "spontaneous," highly successful event.

Whether it's a protest march, a press conference, a congress, a new course or dinner for VIPs or even just friends, if it's to be a success, prepare it and announce it widely in plenty of time.

There was this grave where they buried a failed PR man. And on the headstone they put, "George Backlog. Too Little, Too Late." They had to shoot him because he broke the company's leg.

A mediocre event very well-prepared and announced well and in time will succeed better than the most splendid event done off-the-cuff.

The next time you see empty seats remember and use this PL. Or better still, do it right in the first place.

L. RON HUBBARD

Founder

LRH:sb.rd.gm Copyright C 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

402

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 MAY 1971

Remimeo

*PR Series 9*

MANNERS

The original procedure developed by Man to oil the machinery of human relationships was "Good Manners."

Various other terms that describe this procedure are politeness, decorum, formality, etiquette, form, courtesy, refinement, polish, culture, civility, courtliness and respect.

Even the most primitive cultures had highly developed rituals of human relationship. In studying twenty-one different primitive races, which I did firsthand, I was continually impressed with the formalities which attended their interpersonal and intertribal and interracial relationships.

Throughout all races, "bad manners" are condemned.

Those with "bad manners" are REJECTED.

Thus the primary technology of public relations was "manners."

Therefore, a public relations man or team that has not drilled and mastered the manners accepted as "good manners" by those being contacted will fail. Such a PR man or team may know all the senior PR tech and yet fail miserably on the sole basis of "exhibiting bad manners."

"Good manners" sum up to (a) granting importance to the other person and (b) using the two-way communication cycle (as in *Dianetics 55!*). Whatever motions or rituals are, these two factors are involved. Thus a PR violating them will find himself and his program rejected.

Arrogance and force may win dominion and control but will never win acceptance and respect.

For all his "mental technology" the psychiatrist or psychologist could never win applause or general goodwill because they are personally (a) arrogant beyond belief (b) hold others in scathing contempt ("Man is an animal," "people are all insane," etc.). Born from Bismarck's military attitude,

these subjects have borrowed as well the attitude which made the Nazis an object of worldwide condemnation. No matter how many people were maimed or killed, the Nazis would never have dominated the world any more than their "mental scientists" will ever win over humanity.

They just don't have "good manners"; i.e., they do not (a) consider or give others a feeling of importance and (b) they are total strangers to a comm cycle-

#### SUCCESSFUL PR

All successful PR, then, is built upon the bedrock of good manners, as these are the first technology developed to ease human relations.

Good manners are much more widely known and respected than PR tech. Therefore NO PR tech will be successful if this element is omitted.

403

Brushing off "mere guards" as beneath one's notice while one goes after a contact with their boss can be fatal. Who talks to their boss? These "mere guards."

Making an appointment and not keeping it, issuing an invitation too late for it to be accepted, not offering food or a drink, not standing up when a lady or important man enters, treating one's subordinates like lackeys in public, raising one's voice harshly in public, interrupting what someone else is saying to "do something important," not saying thank you or good night-these are all "bad manners." People who do these or a thousand other discourtesies are mentally rejected by those with whom they come into contact.

As PR is basically acceptance then bad manners defeat it utterly.

A successful PR person has to have good manners.

This is not hard. One has to assess his attitude toward others and iron it out. Are they individually important? One has to have his two-way comm cycle perfect, so perfect it is so natural that it is never noticed.

Given those two things, a PR can now learn the bits of ritual that go to make up the procedure that is considered "good manners" in the group with which he is associating.

Then given PR tech correctly used, one has successful PR.

#### IMPORTANCE

You have no idea how important people are. There is a reversed ratio-those at the bottom have a self-importance far greater than those at the top who are important. A charlady's concept of her own importance is far greater than that of a successful general manager!

Ignore people at your peril.

Flattery is not very useful, is often suspect, as it does not come from a sincere belief and the falsity in it is detectable to all but a fool.

A person's importance is made evident to him by showing him respect, or just by assuring him he is visible and acceptable.

To see and acknowledge the existence of someone is a granting of their importance.

To know their name and their connections also establishes importance,

Asserting one's own importance is about as acceptable as a dead cat at a wedding.

People have value and are important. Big or small they are important.

If you know that, you are halfway home with good manners.

Thus PR can occur.

## COMMUNICATION

The two-way comm cycle is more important than the content.

The content of the comm, the meaning to be put across to another or others, is secondary to the fact of a two-way comm cycle.

Comm exists to be replied to or used.

Comm with the comm cycle being in first must exist before it carries any message.

404

Messages do not travel on no line.

Advertising is always violating this. Buy Beans! Into the empty air. Other things must establish the line. And the line must be such as to obtain an answer, either by use or purchase or reply.

A funny example was a letter writer who without preamble or reason told people to buy a multi-thousand dollar package without even an explanation of its use or value. Response zero. No comm line. He was writing to a name but not really to anyone.

In social intercourse a comm cycle must be established before any acceptance of the speaker can occur. Then one might get across a message.

Good manners require a two-way comm cycle. This is even true of social letters and phone calls.

Out of this one gets "telling the hostess good night as one leaves."

One really has to understand the two-way comm cycle to have really good manners.

Without a two-way comm cycle, PR is pretty poor stuff.

## PRIMITIVES

If an American Indian's ritual of conference was so exact and complex, if a thousand other primitive races had precise social conduct and forms of address, then it is not too much to ask modern man to have good manners as well.

But "good manners" are less apparent in our times than they once were. This comes about because the intermingling of so many races and customs has tended to destroy the ritual patterns once well-established in the smaller units.

So one appears to behold a sloppy age of manners.

This is no excuse to have bad manners.

One can have excellent manners by just observing

a. Importance of people

b. Two-way comm cycle

C. Local rituals observed as proper conduct.

These are the first musts of a PR man or woman.

On that foundation can be built an acceptable PR presence that makes PR succeed.

**L. RON HUBBARD**

**Founder**

LRH:nt.rd.gm Copyright @ 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

[*Note:* Paragraph 4 under the "Communication" section which formerly read "Comm without the comm cycle being in first must exist before it carries any message" has been corrected to read "Comm with the comm cycle being in first must exist before it carries any message."]

405

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 2 JUNE 1971 R

Remirneo Issue 11

PRO Course REVISED 28 JULY 1983

Checksheet

Div 6 Sec Hats

Dept 16 Hats (*Revised to correct typos in the original issue and to correct the word "average" to read "majority" in the second last paragraph.*)  
(*Revisions in this type style*)

***PR Series JOR***

**BREAKTHROUGH**

**PR AND PRODUCTION**

**TONE SCALE SURVEYS**

(*Reference: FEBC Tape No. 2*  
which contains the full text.)

THE LAWS OF PR

THE PRIMARY BARRIER TO PRODUCTION IS HUMAN EMOTION AND REACTION.

PR IS THE SOCIAL TECHNOLOGY OF HANDLING AND CHANGING HUMAN EMOTION AND REACTION.

A LOW PRODUCTION AREA IS OUT-MORALE BECAUSE IT IS LOW PRODUCTION. IF YOU CAN NURSE THE AREA UP TO PRODUCTION, YOU HAVE MORALE.

DON'T USE NEGATIVE ARC IN A PR SURVEY. MAKE IT LIGHT SO IT INVOLVES COMMUNICATION.

To get a PR survey done in an area that is barriered against production, you begin by writing down three VERY DIRECT questions that you want answered. One question for each of BE, DO, HAVE.



On a survey of Lower Slobovia central command point, the three direct questions could be

1. (BE) Do you want this joint to succeed?
2. (DO) Are you personally going to be active in getting this show on the road?
3. (HAVE) Are you going to directly assist Scientology to acquire Lower Slobovia?

Now you translate these into the field of human emotion. Each direct question is concerned with one or more of A, R and C. You put down by your direct question what each question is concerned with.

In the example above,

1. is A
2. is A or C
3. is R.

406

You now phrase a question to which you will get a reaction, and that reaction you get has to be the reaction of the individual to the *direct* question, but you get that reaction by asking him a different question translated into terms of emotion that will give you his reaction willy-nilly. He can figure his way round the direct question to give you a PR answer. He cannot help but give you his reaction if you involve his emotions. The direct question does not involve his emotions so he doesn't give a reaction you can observe clearly as *the* reaction to the question.

Having established your BE, DO, HAVE questions **and added** your connotations of A, R, C, you can translate the direct question into a survey question that involves his emotions and gives you his reaction.

The examples above could translate as follows:

I Do you think that increased efficiency in management would bring about a more desirable organization?

2. Would it be more pleasant working within such a framework?

3. Have you envisioned improvements that would occur in Lower Slobovia if Scientology were more widely used?

Now you pretest the survey mentally, paying attention to *diction* and comprehension, rephrasing to ensure adequate communication without losing any of the sense of your question, per the art formula.

The surveyor contacts the people to be surveyed, asks his questions and makes notes of the answers given; he also makes sure he notes the reaction. He should write down the *tone level* of the reaction to each question. He doesn't handle anything-just the question, recording the answer and the reaction.

Tabulation of the results gives you a majority of reactions on one tone level.

You can now design your PR campaign on a tone level half or one notch above that level and be sure to obtain wide agreement, by the rules contained in *Science of Survival*.

Thus the barrier of human emotion and reaction is removed.

The duty and function of PR is to remove the barrier of human emotion and reaction.

You hit at the heart of reaction when you get into human involvement.

You hit at the basic on any production situation when you get into BE, DO, HAVE.

You hit at his emotion when you address his A, R, C.

So you involve him when you get his emotion and thus his reaction.

You can strip off the verbiage in the survey and its tabulation and get a numerical answer (tone level figure) for each question.

Different publics can be PRed. Finance publics for example, as well as production publics-sometimes finance people get into conflicts with production.

PR is always perfectly okay as long as it is real. If not real, it acts as a stop. You find the R by establishing if there is a situation to begin with, surveying to get the tone level, figuring out the majority response of the group on each question-and design a PR campaign to handle.

407

There is a 1-2-3 not quite figured out in designing the campaign. But these are the basic concepts of the science of PR. It covers the field of manipulation of human emotion.

L. RON HUBBARD

Founder

Revision assisted by

LRH Compilations Bureau

CSI:LRH:RCOMPS:iw.gm Adopted as official

Copyright@ 1971, 1983 Church policy by the

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 JULY 1983

Rernimeo (Flag Order 3094 of 16 Dec. 1971,

Div 6 PRO AREA CONTROL reissued as an HCO PL)

*PR Series 10-1*

## **PRO AREA CONTROL**

PRO (Public Relations Office) Area (port and town and country) Control (regulate; start, change and stop from cause point) is the basic action of the Port Captain's Office (or Div 6 in an org).

Customs, immigration, dockmasters, police, officials, town officials, inhabitants, country officials, country inhabitants, and the lines and activities of all these as they affect the ship or org are the subject of "PRO area control."

The tech of how this is done is found in the book *Effective Public Relations*, the PR Series PLs, Flag Orders and Flag Ship Orders. It is a technology.

The extent of one's PRO area control can be measured at once by counting up the points one is not controlling from the company or org viewpoint and the points one IS controlling. This gives you a ratio like three to six or one-half.

Example: Immigration and customs are NOT doing what we want. Agents, dockmasters and police are. Thus we have two-thirds effective PRO area control.

This is poor, showing a one-third failure.

Now the *tech* to apply is a *survey* of all five points to find out, let us say, what they want one to be, what they want one to do, and what they want to have from one. (See FEBC Tape on PR.)

Then one surveys further to find out what problem they are trying to solve by having us be, do, have these things.

This puts us at cause because we can now handle their misinformation, reassure their suspicions and generally increase ARC.

A project to get all required points now known in and followed would now be done and executed.

Result - PRO area control.

**L. RON HUBBARD**

Founder

CSI:LRH:iw.gm Adopted as official

Copyright @ 1983 Church policy by the

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

408

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 JUNE 1972R

Rernimeo REVISED 24 JANUARY 1983

(Cancels BPL 15 June 72, PR Series 11, PR AREA CONTROL - THREE GRADES OF PR, which was the wrong issue type. This issue is from an LRH conference.)

*PR Series I I R*

**PR AREA CONTROL**

**THREE GRADES OF PR**

These are the three grades of PR:

Perfect PR: GOOD WORKS WELL PUBLICIZED.

Inadequate PR: GOOD WORKS WHICH SPEAK FOR THEMSELVES.

Enemy PR: BAD WORKS FALSELY PUBLICIZED.

**L. RON HUBBARD**

Founder

Extracted from

LRH conference notes by

Diana Hubbard

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:sk.gm Copyright@ 1972, 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

409

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 OCTOBER 1971

Remimeo Gdn Office

*PR Series 12*

## **PROPAGANDA BY REDEFINITION OF WORDS**

A long-term propaganda technique used by socialists (Communists and Nazis alike) is of interest to PR practitioners. I know of no place it is mentioned in PR literature. But the data had verbal circulation in intelligence circles and is in constant current use.

The trick is-WORDS ARE REDEFINED TO MEAN SOMETHING ELSE TO THE ADVANTAGE OF THE PROPAGANDIST.

A prime example is the word CAPITALIST. Once it meant "one who makes his income from the interest of loaning money to others." That is still the definition in economics. Through propaganda redefinition a capitalist became a person of wealth who invested in *business* (making him an owner, not a banker) and currently is someone who exploits others, urges war and stamps on workers! In short, the word is changing in meaning by the efforts of those who are trying to own everything in the country under the guise of being the workers' friend. Totalitarian socialism must eradicate the private owner in order to grab the property for themselves. Hence, an intense concentration on redefining the word "capitalist" and "capitalism."

Many instances of this exist. They are not "natural" changes in language. They are propaganda changes, carefully planned and campaigned in order to obtain a public-opinion advantage for the group doing the propaganda.

Given enough repetition of the redefinition, public opinion can be altered by altering the meaning of a word.

The technique is good or bad depending on the ultimate objective of the propagandist.

"Psychiatry" and "psychiatrist" are easily redefined to mean "an antisocial enemy of the people." This takes the kill-crazy psychiatrist off the preferred list of professions. This is a good use of the technique as for a century the psychiatrist has been setting an all-time record for inhumanity to Man.

The redefinition of words is done by associating different emotions and symbols with the word than were intended.

The American Medical Association and the National Association for Mental Health in England and South Africa and the "British Psychological Association" in Australia have been working very hard to redefine Scientology in the public mind.

Two things occur because of this-the Scientologists are redefining "doctor," "psychiatry" and "psychology" to mean "undesirable antisocial elements" and are trying to stabilize the actual meaning of "Scientology."

The AMA has even gotten US dictionaries to redefine "Dianetics" as a "pseudoscience from science fiction."

Fortunately the public does not respect and is not responding to mass news media.

410

Mass news media believes it steers public opinion, but in actual fact can get a reverse effect.

"The capitalistic AMA is seeking to deny the people the benefits of new discoveries such as Scientology because it would eradicate the great profits the AMA makes from the psychosomatic illnesses of the people," would be a statement reversing the reversal of meaning. One has to find, pinpoint and denounce the propagandists to make headway against such an effort of redefinition. One brands the propagandist and blows the effort to redefine, using a steady, standard PR campaign to do so.

One can also use redefinition by exposing the effort to redefine.

A case in point is the word "psychology."

Webster's International Dictionary of the English Language-1829 defines "Psychology: A discourse or treatise on the human soul; the doctrine of the nature and properties of the soul."

Webster's High School Dictionary-1892 "Psychology: The powers and function of the soul."

Merriam Webster's 3rd International Dictionary-1961 "Psychology: the science of mind or mental phenomena or activities; the study of the biological organism (as man) and the physical and social environment."

Somewhere along the way, Man lost his soul!

We pinpoint when and we find Professor Wundt, 1879, being urged by Bismarck at the period of Germany's greatest militarism, trying to get a philosophy that will get his soldiers to kill men. And we find Hegel, the "great" German philosopher, the idol of supersocialists, stressing that WAR is VITAL to the mental health of people.

Out of this we can redefine modern psychology as a German military system used to condition men for war and subsidized in American and other universities at the time the government was having trouble with the draft. A reasonable discourse on why "they" had to push psychology would of course be a way of redefining an already redefined word, "psychology."

The way to redefine a word is to get the new *definition* repeated as often as possible.

Thus it is necessary to redefine medicine, psychiatry and psychology downward and define Dianetics and Scientology upwards.

This, so far as words are concerned, is the public-opinion battle for belief in your definitions, and not those of the opposition.

A consistent, repeated effort is the key to any success with this technique of propaganda.

One must know how to do it.

## L. RON HUBBARD

Founder

LRH:mes.rd.gm Copyright © 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

411

*[Note: The following issues were not written by L. Ron Hubbard and are therefore not included in this volume.]*

### *PR Series 13*

BPL 5 Dec. 1971, PR Series 13, HOW TO DO A PR SURVEY has been canceled and replaced by Scientology Policy Directive 66, PR Series 13, HOW TO DO A PR SURVEY, dated 27 Dec. 1982.

### *PR Series 14R*

BPL 7 Jan. 1972R, PR Series 14R, CREATING SURVEY QUESTIONS.

### *PR Series 15R*

BPL 25 Jan. 1972R, PR Series 15R, POPULATION SURVEYS.

### *PR Series 15R-1*

BPL 25 Jan. 1972R-1, PR Series 15R-1, AMEND POPULATION SURVEYS.

### *PR Series 16RA*

BPL 13 July 1972R, PR Series 16R, SURVEY BUTTONS AND PROMO, has been canceled and replaced by Scientology Policy Directive 26, dated 23 Sept. 1982, PR Series 16RA, SURVEY BUTTONS **AND PROMO** which revises portions of the text of the BPL.]

412

## HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

### HCO POLICY LETTER OF 7 AUGUST 1972 REVISED

Remirneo REVISED 9 AUGUST 1972

(Revisions in *this type style*)

### *PR Series 17R*

## PR AND CAUSATION

Public relations is causative. To be effective it must cause something.

PR is essentially a communications subject and follows the communication formula:

### SCIENTOLOGY AXIOM 28

AXIOM 28. COMMUNICATION IS THE CONSIDERATION AND ACTION OF IMPELLING AN IMPULSE OR PARTICLE FROM SOURCE-POINT ACROSS A DISTANCE TO RECEIPT-POINT, WITH THE INTENTION OF BRINGING INTO BEING AT THE RECEIPT-POINT A DUPLICATION AND UNDERSTANDING OF THAT WHICH EMANATED FROM THE SOURCE-POINT.

The formula of Communication is Cause, Distance, Effect, with Intention, Attention and Duplication WITH UNDERSTANDING.

The component parts of Communication are Consideration, Intention, Attention, Cause, Source-point, Distance, Effect, Receipt-point, Duplication, Understanding, the Velocity of the impulse or particle, Nothingness or Somethingness. A noncommunication consists of Barriers. Barriers consist

of Space, Interpositions (such as walls and screens of fast-moving particles), and Time. A communication, by definition, does not need to be two-way. When a communication is **returned**, the formula is repeated, with the receipt-point now becoming a source-point and the former source-point now becoming a receipt-point.\*

### SIGNIFICANCE

Public relations deals mainly in significances.

It uses those channels of communication which convey thought. Some of these channels are the spoken word, *word of mouth*, *TV*, *radio*, *cinema*, *tapes*, pictures, symbols, designs, colors, the written word as represented in books, signs, advertisements, pamphlets, handouts, newspapers and various combinations. Any channel which conveys thought overtly or covertly is a legitimate channel for public relations use.

### PERSUASION

The object of PR is persuasion to think, either newly or differently or to keep on thinking the same way.

Therefore, coercion to think in the way required is done by varying ideas persuasively.

### INTELLIGENCE

When coercion takes the form of blackmail or threat, PR is no longer PR but has entered the field of intelligence.

413

### VIOLENCE

When the persuasion is attempted by threat of mass violence, it has entered the field of war.

### "WHITE" PR

When PR is used for the improvement of things, ideals, conditions or any promotion of pro-survival factors, it could be called "white PR."

### BLACK PR

When PR is used for the destruction of ideals or institutions or repute of persons, it is called, traditionally, black PR.

### CAUSATION

Thus it can be seen that the person undertaking PR must be causative. He is causing an effect in the field of thought by utilizing the communication channels that are open to him or that he can develop.

He can assign as his source authoritative persons. He can use authoritative channels. Or he can make his apparent sources bear more weight. Use of opinion leaders is a routine mechanism.

He can in many ways, not the least of which is logic, persuade the acceptance and continuance of thoughts he causes to emanate.

### KNOWNNESS

In dealing with products or persons in white PR, the PR person achieves as his first action *knownness*. This is done by simply repeating continuously on as many channels as possible the identity of what he is representing.

To this basic significance he must attach associated significances that cause the acceptance and understanding of the basic significance which is being PRed.

For this he continues to use suitable channels and develops further channels for his use.

#### MESSAGE

The thought or significance which the PR person is attempting to convey is called "the message."

The PR person must clearly understand this message himself in order to cause its communication in the many varied ways required.

#### PUBLICS

The receipt points of the message are called "publics."

There are many different publics. These are types or groups who accept differently from other types or groups.

It is the task of the PR person to study and separate out the different publics and know what they want or will accept.

It is then his task to couch variations of his message in terms and forms which will be accepted by a particular public.

414

Unless he knows what to offer each different public, his message will not be received.

*The common tool of the PR in getting to know various publics is SURVEYS. He has to know the reality, tone and acceptance level of each public he is trying to reach. And use it for that exact public and no other.*

#### IMAGINATION

As a PR person IS operating at the CAUSE point, he must be able to IMAGINE.

In other words he has to be able to think creatively and create images.

Without this ability he cannot conceive of various forms of his message or conceive of his publics.

If he is a type who simply records or writes down only what he sees, he will not be able to master PR. If he can *imagine*, he will master PR.

#### IDEALIZATION

White PR is engaged in IDEALIZATION at all times to a greater or lesser degree.

The better side of life or persons or dreams or hopes is the subject of white PR.

This is true even when the truth of the message is a very high level of betterment or stature. Here the imagination is used to bring the public chosen into a greater awareness of the ideal.

#### DEGRADATION

Black PR also uses imagination in order to degrade or vilify or discredit an existing or fancied image.

#### MIDDLE GROUND



Common, ordinary, dull statement of the is-ness of things is hardly classifiable as PR. It is communication of a sort but it is not PR because it is only attempting to *inform*; it is not attempting to *persuade*.

#### TRUTH

Too glowing an idealization can be punctured *when* it is a lie.

Too vicious degradation can be exploded *when* it is a lie.

The only safe ground is to idealize what is already true and when engaged in black PR to degrade what is already bad.

#### PERSONALITY

The personality of the PR man tends to determine what kind of PR he will do (or not do).

*But whether handling white PR or black, the successful PR man or woman must be causative, imaginative, energetic and capable of a lot of fast, hard work.*

The middle-grounders, who, neither bright nor sour, live a dull monotone and see only what they see, do not make PR people.

Taking or choosing photographs or programs, the *true PR* personality moves things, directs things, combines things until he gets the effect he wants regardless of

415

work. Then he lets it roll. **For black PR he** will twist things around and put out lights and tear cloth and move garbage until he gets a suitable awfulness. And then lets it roll.

The middle-grounder just records or takes what's there and lets it go on-which is not PR.

His, however, is not a hopeless case. All he has to do is decide to be causative and capable of PR actions. And then do them with a will!

#### SCENES

***The PR deals in three scenes.***

***The EXISTING SCENE is what is really there.***

***In white PR the idealized scene is the way he wants the scene to be praised by a public.***

***In black PR the degraded scene is the way he wants the scene to be condemned by a public.***

***He can actually raise a scene by idealizing it or degrade a scene by condemning it. At times he condemns the bad to idealize the good.***

***He must know all three scenes whatever he is doing with PR. He must have the scene he wants clearly in view and project it so that it is accepted.***

***He is lucky when he has a near-ideal scene to idealize or a near-degraded scene to degrade as then he closely approaches the existing scene and is dealing in truth with only changes in emphasis.***

#### SPEED

Real PR has to move fast. The moment and timeliness of an action is so swiftly gone in PR that great speed is required in spotting, developing and executing an action.

***Whether pushing for new ideals or social reform, a PR has to MOVE FAST.***

Because it is all a world of *thought* anyway, the structures put up by PR, the campaigns developed, the situations seen and handled all approximate thought velocity rather than the physical universe.

The time it takes to get something done must not continue beyond the need of the message. If it does, PR has failed.

PR is always seizing the moment and getting in the message. And the moment has a habit of passing.

Thus, speed in PR is essential.

PR could be called the busiest profession.

The speed of a PR determines how many times he can get his subject known and thought about and wanted or approved or disapproved.

This is what really measures success in PR: number of times.

Thus those wanting a quiet life should take up something else.

But for excitement, PR has all the pluspoints whether white or black.

416

The world is a PR world today.

And PR is a great and useful subject.

L. RON HUBBARD

Founder

LRH:nt.rd.gm Copyright © 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

*\*[Note: Scientology Axiom 28 has since been amended in HCOB 5 Apr. 1973R (revised 24 Sept. 1980), AXIOM 28 AMENDED. Following is the text of that HCOB with revisions shown in a different type style.*

"COMMUNICATION IS THE CONSIDERATION AND ACTION OF IMPELLING AN IMPULSE OR PARTICLE FROM SOURCE-POINT ACROSS A DISTANCE TO RECEIPT-POINT, WITH THE INTENTION OF BRINGING INTO BEING AT THE RECEIPT-POINT A DUPLICATION AND UNDERSTANDING OF THAT WHICH EMANATED FROM THE SOURCE-POINT.

"The formula of Communication is Cause, Distance, Effect, with Intention, Attention and Duplication WITH UNDERSTANDING.

*The component parts of the full Communication cycle are*

*"Observation, Confront, Consideration, Intention, Attention, Cause, Source-point, Particle or Impulse or Message, Distance, Estimation of Distance, Control (Start- Change- Continue- Stop), Direction, Time and Timing, the Velocity of the impulse or particle or message, Volume, Clarity, Interest, Impingement, Effect, Receipt-point, Duplication, Answer, Acknowledgement, Understanding, Nothingness or Somethingness.*

"A ~communication consists of Barriers. Barriers consist of Space, Interpositions (such as walls and screens of fast-moving particles), and Time. A communication, by definition, does not need to be two-way.

"When a communication is returned, the formula is repeated, with the receipt-point now becoming a source-point and the former source-point now becoming a receipt-point.-L. Ron Hubbard"]

417

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 NOVEMBER 1972

Remimeo Issue I

All PR Packs

*PR Series 18*

## **HOW TO HANDLE BLACK PROPAGANDA**

### **RUMORS AND WHISPERING**

#### **CAMPAIGNS**

"Black propaganda" (black = bad or derogatory, propaganda = pushing out statements or ideas) is the term used to destroy reputation or public belief in persons, companies or nations.

It is a common tool of agencies who are seeking to destroy real or fancied enemies or seek dominance in some field.

The technique seeks to bring a reputation so low that the person, company or nation is denied any rights whatever by "general agreement." It is then possible to destroy the person, company or nation with a minor attack if the black propaganda itself has not already accomplished this.

Vicious and lying gossip by old women was the earlier form of this tactic and was so bad that some areas put them in public stocks (neck yokes) or drove them out of town.

In modern times there is no such check on black propaganda. Difficulties and costs of libel and slander suits, abuse of press privilege, lay anyone open to such a campaign.

All one needs is an enemy. And there are few men in history who have been without enemies.

There are random individuals in the society who do not understand very much. This is expressed as a sort of malicious glee about things. Such pass on slanderous rumors very easily. In an illiterate society such people abound. Since they cannot read, the bulk of knowledge is denied to them. Since they do not know very many words, much of what is said to them is not understood.

This is not isolated to the illiterate only.

What they do not understand they substitute for with imaginary things.

Thus such persons not only listen to slander but also corrupt and twist even it.

Thus a rumor can go through a society that has no basis in truth.

When numbers of such rumors exist and are persistent, one suspects a "whispering campaign." This is not because people whisper these things but because like an evil wind it *seems* to have no source.

Black propaganda makes use of such a willingness to pass on and amplify falsehoods.

Much black propaganda is of course more bold and appears blatantly irresponsible (or covertly controlled) newspapers and radio and television.

418

But even after a bad press story has appeared or a bad radio or TV broadcast has been given, the "whispering campaign" is counted upon by black propagandists to carry the slander through the society.

Thus any person, any being, is at risk.

No person, company or nation has totally clean hands. That is left to the saints. In childhood one stole a few apples, broke a window or two, dented a fender, went joy-riding in a "borrowed" vehicle or took pennies or candy bars that weren't his own.

Childhood is quite lawless and the teenage period is often a revolt against the closer and closer fitting straightjacket of "proper social conduct." One marries the wrong spouse or goes astray with another in some incautious moment, or commits various large and small sins of which society disapproves.

Any of these things tend to make one vulnerable to attack, upon his past or reputation.

A person comes to fear bad things being said about him. In the face of a whispering campaign, real or imagined, one tends to withdraw, tends to become less active and reach less.

This is equally true of companies and even nations.

Thus, unless one knows how to handle such an attack, one can in fact be made quite miserable and ill.

### THE ATTACKER

The world is full of madmen.

The basic characteristic of extreme madness is perpetual attack, attacks on anything, attacks on persons or things which contain no menace.

Extreme, not petty, crime is at the root of such an impulse.

The attacker has an evil purpose in life. He is a thing of death, not life. And his harvest is a death harvest.

Such a person feels he cannot be safe unless everything else is dead.

His evil purpose takes many forms and expressions. The end product is the same-death.

Where an attacker has gone too far he is himself then attacked. Long, bitter quarrels and national wars are alike the to and fro exchange of violence.

Where an attacker lacks the physical means of destroying others and where his own purpose would fail if disclosed, the attacks become covert.

He uses word of mouth, press media, any communication channel to spit his venom. He hides himself as the source; he makes the verbal attack seem logical or real or proven.

He counts on the utterances being picked up or distorted and passed on by the more base people in the society.

This is black propaganda. It is intended to reduce a real or imagined enemy, hurt his income and deny him friends and support.

Companies or associations do this to competitors. The American Medical Association maintains its multibillion dollar monopoly over sickness by continuing a long, well-financed black propaganda campaign against anyone it *thinks* might threaten their income. The head of their "Department of Investigation" (as they call their black propaganda department) once said they just kept it up and kept it up against any rival

**and one day WHAM!** They use press releases, their own members, paid ads, displays, government connections and speakers, any channel, to release endless streams of *imaginary* tales

against any *imaginary* rival. While this does bring them government support it has brought them deep hatred not only from rivals but the public at large.

They get back what they put out. They were once wealthy. They are no longer. Their members dislike them and increasingly doctors belong only to state medical societies, not the AMA. The individual doctor most often has good public relations. His main society benefits from this and betrays it. One day, no AMA. WHAM!

So black propaganda is not something one lightly instigates. For it recoils on the person who uses it.

Let us see how it recoils.

Too much venom put out stains one with venom.

Too much black propaganda gets attacks in return.

Black propaganda is essentially a fabric of lies. The AMA simply imagines stories to put out or have put out.

Sooner or later such stories are found not to be true. ONE false story can destroy the credit of the teller. Now who listens?

Thus a black propaganda campaign is vulnerable. The attacker sooner or later is attacked-often by many.

But those who have to counter such a campaign need the technology of how it is handled.

ANY NEWS

There is a natural law at work that unfortunately favors black propaganda.

WHERE THERE IS NO DATA AVAILABLE PEOPLE WILL INVENT IT.

This is the Law of the Omitted Data.

A vacuum tends to fill itself. Old philosophers said that "nature abhors a vacuum." Actually the surrounding pressure flows into an area of no pressure.

It is this way with a person, company or nation.

Hit by lies the person tends to withdraw. This already tends to pull things in.

The person does not then wish to put out data. He becomes to some degree a mystery.

To fill that mystery people will invent data.

This is true of persons, companies or nations.

This is where public *relations is a necessity*.

Essentially public relations is the art of making good works well known.

It is a fatal error to think good works speak for themselves. They do not. They must be publicized.

Essentially this is what public relations is. And this is why it is-to fill that vacuum of omitted data.

In the midst of a black propaganda campaign one is denied normal communication channels. The press media along which the campaign is being conducted will *not*

run favorable comment. One is mad if he thinks it will as it is serving other masters that mean to destroy the reputé of the target.

"Authoritative" utterances push plain truth out of sight.

Thus public relations people have to be very expert in their technology when they confront black propaganda.

#### THE TECH

When one is not fighting a battle against black propaganda, public relations is easy.

One hires a reporter who gets to work thinking up ideas and turning out releases. That's why reporters are often thought of as public relations people which they are not.

In the face of a black propaganda campaign, such releases are twisted, refused and that is the end of it.

There is far more to the art than this.

These are some of the rules that apply:

1. Fill the vacuum of omitted data with factual data.
2. Prove all false utterances heard are lies.
3. Discredit every rumor encountered.
4. Handle the interest level with any utterance.
5. Carefully study out the scene until the exact source is located.
6. Use the knowledge of source to impede or destroy the source of black propaganda by noncriminal means.
7. Continue to fill the vacuum of no data with good data using any channels available.

Each one of these points could well take a book. But understanding them and using one's initiative, one can fill in a lot of the tech himself.

The variations of each one are endless.

#### APPLICATION

1. Fill the vacuum.

First of all, cease to withdraw. It is proven conclusively that in public relations handling of black propaganda, only outflow pays off. Saying nothing may be noble in a character but it is fatal in public relations. Yet even "experts" advise it (when they are doing their clients in).

Blunt denial is crude and can be used against one as a sort of confirmation.

You don't have to announce or spread a flap and never should. PR men often *make* the flap.

But don't interpret this as "silence is necessary." Get in a safe place and speak up.

Use any channel to speak up. But don't seek channels that will corrupt what you say in repeating it.

Don't stay on the same subject that you are being attacked on.

An example of speaking up without denying and thus confirming might be

421

STATEMENT. "I read your company went broke last month."

REBUTTAL: "My God. You're telling me! If we hadn't got out of that contract we really would have gone broke. There was a hell of a row in the board room. But McLinty won. Scotch to the core. He said, 'I won't sign it!' Like to have tore the president's head off. Hell of a row. Seems like we got 80 million buried somewhere and McLinty is in charge of it and he won't *move an inch* on it."

The interrogator's conclusion is you're not broke. He's got data. The vacuum is filled with a story of board rows and 80 million mysterious reserves.

2. Disprove false data.

The technique of proving utterances false is called "DEAD AGENTING." It's in the first book of Chinese espionage. When the enemy agent gives false data, those who believed him but now find it false kill him-or at least cease to believe him.

So the PR slang for it is "dead agenting."

This consists of disproving utterly the false statement with documents or demonstration or display.

One has to have a kit (a collection of documents) or the ability to demonstrate or something to display.

STATEMENT. "I've been told you are in trouble with income tax people-"

REBUTTAL: "Here's a document of fully paid taxes and a letter of commendation from the tax authorities." Displays same.

Result? Whoever told him that is now dead with him as an accurate informer.

The *best* way to dead agent is when the person makes some disprovable statement, find WHO to fix his mind on it and then produce the rebuttal.

STATEMENT: "I hear you aren't married to the man you're living with."

REBUTTAL: "WHO told you that?"

STATER: "I forget."

REBUTTER: "Well you remember and I'll show you some proof."

STATER: "Well, it was a man...."

REBUTTER: "WHOT"

STATER: "Joe Schmo."

REBUTTER: "Okay. Here's my marriage certificate. Who's the Joe Schmo nut anyway?"

Now it's Joe Schmo who's the mystery. How come he lies? What's in it for him?

When one hasn't got the document but can get it, one can say, "You tell me the name of whoever said that and next time I see you I'll show you something *very* interesting about it."

And be sure to get the document and see him again.

Dead agenting has a billion variations. "It won't fly." Fly it. "Place is empty." Show him it's full.

The subject matter of dead agenting is **PROOF** in whatever form.

422

You only challenge statements you *can* prove are false and in any conversation let the rest slide.

EVERY FRIEND, EVERY OPINION LEADER, EVERY STAFF MEMBER YOU HAVE, SHOULD BE SUPPLIED WITH A DEAD AGENT PACK CONTAINING PROOFS AGAINST COMMON RUMORS (AND BROCHURES AND COACHING TO FILL THE VACUUM),

3. Disprove every rumor.

Proving negatives is almost impossible. "How do I know you aren't a CIA man?" Well, how can one prove that? One can't whip out a KGB badge as that would be just as bad. No one ever wrote a document, "Bill Till is not a member of the CIA." Useless. It is a denial. Who'd believe it?

Sometimes "You don't" works.

But the right answer to a negative (no proof) is a "fill the vacuum."

STATEMENT. "How do I know you're not a CIA man?"

REBUTTAL: "Christ, please don't insult me! The CIA tried to hire me once. Said they'd shoot me if I didn't join up. Cuba it was. I was a sugar salesman. And Batista was trying to .... etc., etc. See this scar on my leg? (Pulls up pants.) Batista cop shot me because he thought I was CIA. So don't bring up painful subjects. (Rubs scar.) (Laugh.)"

But once in a while you *can* prove a negative. Accused of drug smuggling one can show he's a member of the antidrug league. The counter in a negative proof must be *credible*.

A million million variations exist in dead agenting.

The basis of it is NOT to be the thing rumored and to be able to prove it fast.

4. Handle the level.

Handling interest level is basically an exercise in the Tone Scale. (See Tone Scale Charts of Human Emotion.)

Agreement occurs at the same emotional tone level as the person making the statement. He buys his facts at that level.

To go half a tone up from his level is to command him within his zone of reality.

STATEMENT. "It's hopeless trying to believe in anyone. I thought you people were all right but now I hear you are all hippies. (In a dull apathy.)"

REBUTTAL: "Oh, oh, oh, who could have told you such a sad lie. (Sob.)"

STATER: "Wouldn't be any use to say."

REBUTTER: "(Sob.) But you've got to say. Oh, I feel so awful."

STATER: "Well, he wouldn't care if I told. It's the local minister."



REBUTTER: "(Sob.) (Kleenex.) What an awful thing to say. Just because we found him dead drunk and took him home to sleep it off, and he said if we ever told, he'd say we're hippies."

STATER: "What a sad story. Oh, it's a bad world. How ungrateful."

You go half a tone up. Give him a story, on the subject or not. Like "(Sob) That's because we lost our instruments. We once were a band and this nightclub owner wouldn't pay us and we had to sleep in the barn (sob). . .

423

Another one.

STATEMENT: "I hear some bad things about you people. (Covert hostility.)"

REBUTTAL: "(Anger) Who would DARE say such things?"

Etc.

And story type can be matched in tone.

STATEMENT: "I hear those people stole some rowboats."

REBUTTAL: "Who said so?"

STATER: "The dock master's son."

REBUTTAL: "Oh, him. Gets things wrong. Our rowboat was stolen! With all the gear in it. We were out fishing and ... say, you don't suppose HE stole it do you? Did you ever hear of him stealing anything? Has he got a record?"

Well, this dock master's son will now "have a record" in the stater's tales. As *theft* is of interest to him, crime will also be.

5. Carefully study out the scene.

The technology of finding who is shooting is very vast. But the core of it is FILING.

All PR is expensive in time or money or both. And nowhere is it more timeconsuming than in locating the source of a black propaganda campaign.

But, to live at all, one has to engage in this search at some time or other.

One just keeps running down these tales until one locates the source.

There can be more than one *apparent* source and these can be handled. But they will at last lead to the real instigator.

One just keeps locating names and filing them, with dates.

At length one name file is very thick. That's your boy-or association or company or nation.

6. Impede or destroy.

As you have been dead agenting as you looked, the attacks get handled. The campaign ebbs and flows but actually lessens.

There are thousands of variations on finding the real WHO.

But essentially it is just looking, dead agenting, filing, looking on and on.

You are, in this whole period, *handling*.

Once in a while it happens fast.

Now and then the black propagandist packs up and fades away before he is fully spotted. He becomes aware of the counteraction.

The usual action is a counterpropaganda campaign *based on truth*.

It is a long-to-find and hard-learned fact that people who engage in black propaganda have big bursting crimes to hide.

They do not have *little* crimes. They have BIG ones.

One's own ability to confront evil may be too low to really grasp the black propagandist's crimes or believe they exist.

424

Such people are **often SANCTIMONIOUS** hypocrites. They are usually arrogant and will not parley (have conferences with a foe). They appear so terribly sure they are RIGHT that it fairly shakes one's confidence that they could ever do anything wrong.

Thus the black propagandist is not detectable as such in many cases. The lordly institution, the lofty society, the glittering country are far, far above such a nasty psychotic trick as a studied, financed, expertly run campaign of vicious lies.

Thus they are believed. Or their servants are believed. And their campaigns can be *very* effective.

But this makes them hard to suspect or detect. And it makes it hard to get anything bad about *them* believed.

But under all this are *real* crimes. Not stealing apples or pinching pennies as a child. *Real* crimes like extortion, blackmail, embezzlement and mass murder are sitting in their closets. Believe that. For in the course of your counterattack you may despair of ever finding anything.

But you will find it.

A lofty railroad-but secretly murdering anyone who opposed their land grabs. A minister of high renown-but a secret member of and taking orders from a murder mob. The biggest and "most respected" union leader in the country-but a numbered agent of a foreign intelligence service dedicated to destroying the country's fuel capacity and defeating its president!

And each of these engaged in and never was suspected of black propaganda campaigns that ruined many lives.

Bad guys tend to get rid of good guys. Sometimes for what they consider good reasons, sometimes for imagined reasons, sometimes because the bad guy just can't *stand* a decent, bright person.

But there is no real truth in the bad guys always cause their own downfall. It may come, but it may be far too late to save the reputation or even life of the person being attacked by hidden campaigns.

Therefore it is *vital* to handle the matter. One can't just hope it will all go away. It won't. It will get disastrous to the degree that it is not handled.

The less handling, the more disastrous.

There is another hard-won truth.

## ONLY COUNTERATTACK HANDLES.

The fact is that just going on PRing oneself does not remove the effects of the campaign, and all too soon one no longer has communication lines left in order to handle anything since reputation is so destroyed no one will listen and no lines remain.

One has to fill the vacuum of the counterpropagandist's evil deeds. As these are never exposed to view, there is a vacuum there.

Another strange thing is that press will print attacks. Maybe this will no longer be true in some enlightened age. But in this era, good attacks or fights between things will get print space.

But press is *very* far from the only channel of communication. Governments do believe the press and think it is public opinion. A newspaper can be a fortress of some black propagandist. But a people often believes little it reads.

There are opinion leaders, there are letters, there is word of mouth. These are also channels of communication and really far more powerful than the press.

425

There is also friendly press. But a friendly-talking reporter is often the most suspect. He was so nice in the interview, so vicious in his article.

Statements one makes can be curved. "She had a birthday party" becomes "The delinquents in her circle gathered yesterday for a sex orgy and pretended to the police it was a birthday party. No one was jailed."

The brand of black propaganda is very easy to see in writing twists.

So it takes time and work to reverse an attack because normal channels have to be reopened and reversed.

It is done by attacks.

But attacks which are not true earn suits. So one must attack only on proven ground.

This requires a lot of hard search.

However, a black propagandist often has many other enemies. These have sometimes gathered data.

The principles are that when the subterminals are located, they are investigated and counterattacked. Then further investigation reveals closer terminals to the propagandist and these are attacked. In short, one investigates and attacks.

Always be ready to parley-that is, have a conference and settle it. The arrogance of the black propagandist often forbids this. And when it does, it means longer and harder work and, if well done, his downfall.

In any event, the attack is a long cycle, a complex cycle and often an expensive cycle. It consists of investigate and attack.

But remember, one must attack once he has any idea of the identity of the black propagandist or even his subterminals.

There is no other way out.

Any other course is death.

7. Continue to fill the vacuum.

Continuous good works and effective release of material about one's good works is vital especially in a black propaganda war.

One cannot just fight.

You are in effect advertising the other fellow when you expose him repeatedly. This gives you a new sort of vacuum. One becomes known as the fellow or company or nation that attacks \_\_. But who really is this fellow or company or nation?

Pamphlets, brochures, press releases, one's own newspaper and magazine, one's own contacts with opinion leaders, these and many more, must be supplied with A **COMPREHENSIBLE IDENTITY OF SELF**.

Distributing or using these, one publicizes one's own good works.

And one must also do good works. One can't just dedicate his life to eradicating the enemy, even when that is tempting.

On the other hand, within the dictates of safety, one cannot hide continuously. One must, through his good works and actions at least, be visible.

So a continual, truthful and artful torrent of public relations pieces must occur.

426

Then one day there is no enemy.

And one's repute is high.

There may be other attacks but now one can handle them as small fires and not as a whole burning forest.

**WHAT IS BLACK PROPAGANDA?**

You can see that black propaganda is a covert attack on the reputation of a person, company or nation, using slander and lies in order to weaken or destroy.

Defense presupposes that the target is not that bad.

One does not have to be perfect to withstand such an attack, but it helps.

But even if one *were* perfect it would be no defense. Almost all the saints in history have been subjected to such attacks. And most of them died of it.

The answer is **PR TECHNOLOGY SKILLFULLY APPLIED**.

To be skillful in anything, one has to know it and be experienced in it and **DO** it.

As weary a task as it may seem to some, as heartbreaking as it can be, one still has to fight. And fight with tools and technology and dedication superior to that of the enemy.

But progressing and getting small gains, small penetrations, small little skirmishes and battles, one at length comes up to victory after victory and at last wins the whole war.

One is saved.

**L. RON HUBBARD**

Founder

LRH:Idm.sb.nt.rd.gm Copyright @ 1972 by L. Ron Hubbard ALL RIGHTS RESERVED

427

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 APRIL 1982

Remimeo

(Cancels and Replaces

BPL 12 Jan. 73, Reiss. 29.6.75,

same title.)

*PR Series 19R*

THE SAFE POINT

(In late 1972, the Founder gave a briefing on the subject of PR area control to CS PR Area Control\* and LRH Personal Communicator. This policy letter is compiled from notes on the briefing.)

*Ref:-*

HCO PL 21 Nov. 72 1 PR Series 18

HOW TO HANDLE BLACK PROPAGANDA

Under "Application" of Rule I (Fill the vacuum) of PR Series 18, the instruction is given: "Get in a safe place and speak up."

It is necessary of course to have a safe place to get into, from which one can in safety speak up.

One cannot defend himself in a point that has no defenses.

Without some consideration of security in the first place, any attempt at PR area control is folly.

Thus the safe point takes consideration over active defense.

One can be in the situation of attempting to sell and deliver a product or service and suddenly find it necessary to defend himself in the same place from attack. The attack can make the point dangerous to such a degree it becomes impossible to deliver from. One might even be forced to act from a totally hidden point.

Thus the safe point takes consideration over active defense but takes even greater consideration over delivery operations.

Where possible, PR area control makes the point safe for the production activity, before any production occurs.

Sometimes funds are lacking to expand over a long period on a non-incomeproducing PR area control operation. In this case one is forced into production to make money.

Whenever it is necessary to go into delivery operations without the prior step of making the safe point, a special unit must be set up and run at full steam to *make* a safe point and gain *viable* PR area control over all publics in the area.

428

**PREPARING THE SAFE POINT**

You cannot operate without a base to operate from. You cannot deliver without somewhere to deliver it. You cannot sell what you cannot deliver.

The optimum action is to send a PR area control team to the area you want to operate in, and have it establish PR area control *first*.

A new group or company should be established first as a safe point and *then* as an operating point.

There is a formula here just a hair lower than Non-Existence: "Find a point from which to put out a comm line."

The PR area control action in a new area can go so far as to create in the area a whole past and future track for the activity being established. It can make it sound old-established, stable, reliable, expert, productive, and with continuing expansion before it-when the delivery activity arrives and gets into operation.

Everything that accompanies an actual delivering unit is put there. Except the delivery. With established PR area control, delivery is put in, without a ripple, and it is all perfectly natural and acceptable.

### BASIC ESSENTIALS

The most important action to undertake when going about making a safe point is to carefully and painstakingly find out who exactly are the top dogs in the area in financial and political circles, and their associates and connections, and to what each one is hostile.

A handful of allies with impressive sounding titles and positions is not enough. Viability depends on having all areas and persons who could affect or influence the operation under PR control. Most important are the groups who survey out to be the key, real powers in an area. These persons may or may not be those who occupy high political or social positions. They may or may not be the titular heads of large economic concerns. Research and survey alone can determine this.

One must *learn* carefully his Ps and Qs with regard to these people and take care not to step on their toes. Otherwise one can get tromped on hard, and will. This data must be learned and USED.

Without a safe point established as above, it is a waste of time to rush into dealings with a government or to promise them anything. It is too easy to step on hostile toes and to arouse suspicion of you or make you difficult to account for. Build your PR area control on a well-researched, surveyed and solid gradient.

To maintain your safe point when you have started delivery, it is vital that you be able to detect the SP-PTS character on your delivery lines and HANDLE him, be he high or low in station, and get him out of the road. One such person acting against you in the midst of your safe point can undermine it totally.

One of the reasons for this is that violations of study tech in a person's education can turn him into a seething mass of BPC. This is *very* easily stirred up by an SP or PTS, and at the slightest chance he will do so. A whole class can explode like a powder keg, and with it the safety of your delivery point and its whole PR area control.

Thus SP-PTS tech is a basic tool of PR area control for the operating activity.

Delivery of excellent results is of course a vital necessity in any activity, no matter what the degree of PR area control, once it is established.

429

Follow this procedure to make a safe point and the Rules of PR Series 18 to make it safer.

But make it safefirst.

L. RON HUBBARD

Founder

Assisted by

LRH Pers Comm

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:KU:bk.gm Copyright C 1972, 1973, 1975, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

*\*[Note: CS PR Area Control = The post of Commodore's Staff Aide for Public Relations Area Control]*

*PR Series 19-1*

*[Note: PR Series 19-1 is a limited issue and will be found in hats and training materials to which it applies.]*

430

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 FEBRUARY 1974

Rernimeo

*PR Series 20*

THE UNTRAINED PR

An untrained PR will do at least two wrong things:

1. He will waste events and materials and
2. He will not only not handle existing situations, he will create new ones.

PR is a real technology. Until he studies it, a person may not realize it.

Therefore people who are "in PR" must be called and must sign themselves I/T until such time as they have studied the full approved text and done the most recent PL full PR checksheet and its practical and have had some apprenticeship.

Life is rather hard for the trained PR who has to work with the very untrained as he is likely to be kept busy correcting or creating new materials that are then wasted and handling stupid situations generated in the name of PR.

The real pro has a right to insist that anyone on his lines "helping" or "assisting" or holding PR posts GET TRAINED. That they put their seat on a student chair and do the course thoroughly,

It is easier to do this than to be worked half to death without getting PR products out of juniors.

This applies to Public Div Secretaries, Port Captains, PR Officers, photographers, artists, magazine editors and make-up people and anyone directly concerned with PR.

GET TRAINED!

L. RON HUBBARD

Founder

LRH:ntm.ts.gm Copyright @ 1974 by L. Ron Hubbard ALL RIGHTS RESERVED

431

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 FEBRUARY 1974

Remimeo

*PR Series 21*

WASTED PLANNING

It too often occurs in PR that the planning of several capers (PR events or actions) comes to nothing.

This can be the planning of four hard news (events rather than statements) stories or six future issues of a magazine.

The trained PR outlines it all quite plainly.

Then the debacle.

In execution by untrained juniors, the four hard news stories become one and the one is presented badly in the wrong place. The six magazine issues become one handout.

Why?

Well, it's Data Series No. 1, "The Anatomy of Thought," HCO PL 26 April 1970.

It is also in **Book One**, *Dianetics: The Modern Science of Mental Health*: A = A = A.

The junior conceives things as identical which are in fact only similar or even very different.

It might not be realized by the trained PR that people are sometimes incapable of differentiating.

To the untrained and aberrated "helper," the capers are all alike even though one displays a burning building and another the birth of twins; the magazine layouts were all identical to each other even though one was for winter complete with Santa Claus and snow and another was full of bathing beauties and sunburn.

Instead of going purple about it, the right answer is to point out simple differences to the "helper" so that he spreads out his tendency to identify everything with everything.

If you do this well, you will get understanding cooperation in most cases.

L. RON HUBBARD

Founder

LRH:ntm.ts.gm Copyright © 1974 by L. Ron Hubbard ALL RIGHTS RESERVED

*PR Series 22*

[Note: PR Series 22 is a limited issue and will be found in hats and training materials to which it applies.]

432

HUBBARD COMMUNICATIONS OFFICE



Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 MARCH 1974

Remimeo

*PR Series 23*

## **THE PRESS BOOK**

A professional PR who has a "client" always at once constructs a display book. And he keeps it added to and up-to-date.

IT IS VITAL THAT THIS BOOK BE CREATED AT ONCE.

The book is used to get interviews, bookings, press.

Usually it is a loose-leaf big fancy clipping scrapbook.

Such a book begins with an acceptable story of the group creation which is factual and contains itself PR.

There follow press cuttings including photos as in the press. Such press sections go on and on in the book as new press occurs so other data is sandwiched in between expanses of press.

Radio and TV appointments or plays are noted or clipped from papers and posted in.

Display photos of the group exist in different locations.

Group members are individually photographed and a short PR biography (quotable gimmicks) is included for each member. This is material a reporter or interviewer would pick up and use for human interest.

Awards, plaques, are photographed well and included.

What they do is described.

In the case of a music group, a cassette player and a sample tape are part of the kit-a piece that shows audience participation.

Several full packs of photos, duplication quality, one of each displayed, are included in the kit. This is so no one tears photos from the book.

Real handbills and posters are posted in as they occur.

Such a book is a responsibility of any professional PR. A pro never operates without one. He also keeps it up-to-date as a routine action, putting new photos and clippings in it as a day-to-day part of his admin.

The book is not created in two or three months. It is knocked together fast and then gradually built fully.

It is of tremendous use and gets bookings and interviews with speed.

That it is fat is a big recommendation in itself.

Usually it and its packs are kept in an attaché case big enough to hold the works.

433

No *professional* PR or booking agent or advance man is ever without a display book telling of and selling his client.

A group's *popularity* and *usefulness* depend as much upon doing the usual steps (such as a display book) of PR and booking as they do upon the performance itself.

PR is defined as **GOOD WORKS WELL PUBLICIZED**.

The first public one contacts is usually the person in charge of programs.

This book is what you PR him with. If you win there, you are in and have a comm line to the broader public.

Thus a PR or booking man without a good effective display book is liable to miss selling the person who has the key to the door!

So be sure to make and have such a book!

L. RON HUBBARD

Founder

LRH:ams.ts.gm Copyright C) 1974 by L. Ron Hubbard ALL RIGHTS RESERVED

*PR Series 24*

[Note: PR Series 24 is a limited issue and will be found in hats and training materials to which it applies.]

434

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East **Grinstead, Sussex**

### **HCO POLICY LETTER OF 27 OCTOBER 1974**

Remimeo

*PR Series 25*

## **SAFE GROUND**

1. NEVER SAY OR PUBLISH ANYTHING YOU CANNOT PROVE OR DOCUMENT.

2. ALWAYS DOCUMENT THE TRUTH TO OPPOSE LIES

These two rules are a PR's safe ground.

Violating them can bring on catastrophe!

About the most trouble that can be caused by violations of rule one is to tell several versions of a tale that then by their own contradiction bring about the collapse of creditability.

On the second rule, letting any lie remain disproven can be a fatal course. Dead agenting-as this is called-is a VITAL PR function.

## **THE ART OF PR**

The art of PR consists of *how* the truth is told and *how* the lie is disproven.

PR is not a dry-as-dust activity. One could follow the above two rules in a variety of moods.

Truth can be revealed in an enhancing way, a dull way, a derogatory way.

Lies can be disproven spectacularly or dully or in a derogatory fashion.

The imagination of the good PR is wholly exercised only in how he is doing rules one and two.

A very bad and dangerous PR exercises his imagination in inventing the "truth" and the disproof of lies. In this way he erects a structure any baby can topple over.

There is NO limit to the amount of imagination a PR can use PROVIDING he does not violate the above two rules.

If this seems a contradiction, let us examine examples.

Statement about the PR's subject by PR: "He drives." "He is a good driver." "He is a fantastic driver." Proof. He wins or has won a road rally. The imagination of the PR is employed in the mood of his statement and in his device to prove. Reversely, he has the proof already, so he can make the statement.

A foolish PR, in violation of rule one, says: "He is a world-champion driver." The fact is, he had his license revoked for bad eyesight! What a picnic an enemy could have with that!

A lie example would be an enemy statement: "He can't drive." The DA would be showing his 20-year membership in the AAA and a safe driving award.

435

A violation of rule two would be a PR hearing an enemy statement "He can't drive" and letting it go by! Or, hearing "He is a reckless driver," showing a news clipping of his subject winning a speed rally!

Imagination plays its role in overall image planning and then selecting what can be proven easily and then building it up.

Also imagination plays its role in rule two in leading a hostile person into uttering lies which can be wiped out by the DA book in the PR's lap simply by opening it. And *then* opening another display that shows the hostile person had lost seven suits for libel and slander he has uttered against others!

There are other ways of applying imagination to rule two. One would be to let half a dozen hostile statements one cannot easily disprove pass (in one debate or article) and leap all over the seventh which *can* be documented as false and then winding the whole scene into a hurricane around that *seventh!*

But whatever you do, do NOT violate the two basic rules ever, for *that* is the road to PR disaster.

PR does not quite follow (as intelligence work does) the rules of warfare. Deception is NOT a legitimate PR action.

The road to power in PR must be built on a highroad of truth.

L. RON HUBBARD

Founder

LRH:nt.gm Copyright a 1974 by L. Ron Hubbard ALL RIGHTS RESERVED

436

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 MARCH 1975

Rernimeo

*PR Series 26*

**PR AND INFORMATION**

**PR** brings things to the notice of a public.

In order to do that, the PR himself has to notice things.

There is no "ivory tower" in PR.

One has to know what is going on.

To do that a PR has to be on info lines and has to know accurately (not by gossip, which is a public's action).

In writing a release or furnishing a campaign, a PR has to do his homework. He can't rely on guesses or faking the data if he is to succeed.

Information, collection of, on any subject is a first-step must in any PR action.

This *includes* surveys. But there are other sources of info than surveys.

He notices things and handles.

He finds out the data before he acts.

The PR has to be the person in the know.

**L. RON HUBBARD**

Founder

LRH:nt.gm Copyright © 1975 by L. Ron Hubbard ALL RIGHTS RESERVED

437

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 9 JUNE 1975**

*PR Series 27*

**THE ENEMY LINE**

When there is a concerted short or long-term campaign going on against someone or something from a single or multiple source, there has been a black PR agreement as to what to say about that someone or something.

Some worked-out and agreed-upon entheta is concocted.

The enemy's PRs, media outlets and front groups are given exact statements to make.

There is a maxim in PR or advertising that **A MESSAGE MUST BE REPEATED OVER AND OVER TO IMPINGE ON A GIVEN PUBLIC**. This is found in advertising as "brand name exposure." In general PR work it is used to get a client's name repeated over and over. Even in intelligence the same principle is used: they have the same report appear in several places at once. This convinces the opposition of its "truth."

An enemy group usually originates several carefully worked-out entheta statements. You can always trace these as being a *planned* campaign by someone because the same perverted statements appear at widely separated points.

Example: Glutz Biscuits is monopolizing the market. The Weevil Biscuit Company PRs decide to attack Glutz Biscuits and get more of the market. At a meeting, Weevil's PRs decide upon "Twelve Glutz Biscuit employees were hospitalized for rabies." To make press on this they get Gussie Mug to get a job at Glutz, pop some soap in her mouth and get carted off for a rabies test. Gussie's "mother" calls the president of Glutz and confesses Gussie had scratched another employee. The Glutz president has several employees checked for rabies. Weevil PRs tip off the press. The result is a tiny local item "several Glutz employees were tested for rabies after another employee was hospitalized." Two-line filler. But Weevil PRs now go to town. A citizen's committee angrily condemns Glutz for unhygienic actions. The Health Ministry and local city inspectors are called in and Glutz packages are suspended in stores.

All Weevil Biscuit distributors and salesmen are given the tip-off and clippings. They each are heard to say, "Too bad about Glutz-they had rabies develop in their plant and it has been shut down by the Health Ministry."

Glutz PRs now *deny* that the plant is shut down and say that there was only one case of rabies. The idiots.

Glutz staggers into a ten million dollar loss,

Their error? They FORWARDED AN ENEMY COMMUNICATION LINE.

Glutz could have DAed and should have whenever the subject came up. But never brought it up!

And Glutz PRs should have (a) gotten Gussie to confess it was done by Weevil, (b) promptly done a campaign on Weevil, and (c) instructed their own network to say (a

438

new arranged line) "Did you hear about Weevil trying to buy out Glutz yesterday? What these guys will do for a takeover!"

NEVER FORWARD AN ENEMY CAMPAIGN ON YOUR OWN OR OTHER LINES!

Don't deny rumors for that is what they want you to do.

HAVE A BETTER CAMPAIGN THAN THEY HAVE AND FORWARD IT!

Examples of enemy-planned statements re Scientology:

1. "People who should have professional help go to them!" (Truth is, those who started this kill people with their "professional help.") Answer: Expose the source as murderous.

2. "Hubbard is a science fiction writer." (This is not too bad as people respect science fiction writers. But it is false. Hubbard only wrote 1,000,000 words of science fiction over a short period and wrote 14,000,000 words on other things. They plug "fiction" to connect it to Scientology. Subtly clever.) A countercampaign might be (the truth) "Hubbard's books on Dianetics and Scientology sell more copies than any other writer about the mind. Every Psychology course today tries to include Hubbard's work."

3. "Hubbard is not allowed to enter England." (The truth is that this was rigged while Hubbard was not in England and is based on no offenses of any kind, a purely PR action.) A counteraction: Hubbard is a popular member in a score of English clubs and professional societies."

The enemy line is now very ineffective. It has put itself in the same situation as the Weevil Biscuit Company! It is wide open to attack in every quarter and it opened the door by opening an attack.

Don't be a Glutz PR.

NEVER FORWARD AN ENEMY CAMPAIGN ON YOUR OWN LINES!

THE ONLY ANSWER TO A CAMPAIGN IS A CAMPAIGN OF YOUR OWN.

L. RON HUBBARD

Founder

LRH:Idv,gm Copyright Q 1975 by L. Ron Hubbard ALL RIGHTS RESERVED

439

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 MARCH 1982

Remirneo

(CANCELS AND REPLACES

BPL 12 JULY 1976

Corr. and Reiss. 20.8.76,

same title, as BPL was

the wrong issue type.)

*PR Series 28R*

A REFINED DEFINITION OF PR

(Extracted and quoted from

LRH Tape 710IC18 SO FEBC-2

PR BECOMES A SUBJECT.)

"In the field of PR 'Good Works Well Publicized' is one of the definitions which they (PR men) 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 need a few little refinements.

"Then you can make forward progress."

L. RON HUBBARD

Founder

Assisted by

Joann Milan

Compilations Exec Manager

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:JM:bk,gm Copyright a 1971, 1976, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

*PR Series 29R*

[Note: PR Series 29R is a limited issue and will be found in hats and training materials to which it applies.]

440

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 JANUARY 1979

PRs CORRECTED AND REISSUED 9 FEBRUARY 1979

Marketing Pers RESTORED 28 JULY 1983

Copywriters

Artists

Designers

Lecturers

Div 6 (Cancels HCO PL 30 Jan. 1979R, revised 16 June

1980, POSITIONING, PHILOSOPHIC THEORY.

That issue was illegally revised by another. The original LRH version issued on 30 Jan. 1979 was reissued 9 Feb. 1979 to correct the address in the second paragraph. That original version is hereby restored.)

*Marketing Series 5*

*PR Series 30*

**POSITIONING. PHILOSOPHIC THEORY**

Although Madison Avenue has used "POSITIONING" for some years, it has not fully understood the actual philosophical background that makes "POSITIONING" work.

There is an excellent booklet called *The Positioning Era* put out by Ries Capiello Colwell, Inc., 1212 Avenue of the Americas, New York, N.Y. 10036. Copies of it are probably available from the company or the Marketing Bureau on Flag or Publications Organization US. It is an excellent booklet. It does not, however, give the philosophical background which, probably, is not generally known. Probably it was never discovered. I had to work it out myself.

Buckminster Fuller, an engineer and architect of some renown, says that it is a two-terminal universe. In other words, the universe is built by twos.

In electricity you have heard of two "poles"-the positive and the negative. You only get movement or generated energy in the presence of two poles. That is the principle of the electric motor, why current flows from one point to another point and so forth. There are four possible arrangements of these two poles: they are positivenegative, positive-positive, negative-negative and negative-positive.

In the reactive bank a positive and a negative, when occurring together, tend to bring about a stuck point in time. You sometimes see this in a marriage where the husband is jolly and carefree and

the wife is sad and morose. One wonders why these people would ever stay together. The fact of the case is, due to reactivity of the mind, they can't do anything else.

Despite propaganda that "one should live for oneself alone," the fact is that it is very difficult and most disappointing to do so. Life really can't be lived on the first dynamic alone. If you don't believe it go on out in space 300 miles and sit there for a while, you won't like it. You'd be calling Houston every few minutes.

441

In any event, one could say that life was at *least* a two-pole activity. Actually, it is not only always just two but certainly it doesn't go along well with just one and goes best with several, ask any popular person.

Fast communication is most easily done by comparisons. When one asks "What is the book like?", he really is not trying to get you to describe the book. He means that he wants some comparison. He will be happiest with the answer if he is told that it is like another book with which he is familiar. It would take you a lot longer and involve you in a lot more arguments if you just tried to describe the book to him instead of comparing.

"What does it taste like?" is satisfactorily answered, "Like candy." That, if it has some shadow of truth and accuracy, is a perfectly satisfactory answer to the other person.

So we get a law which is this:

THE UNFAMILIAR IS RAPIDLY INTRODUCED OR COMMUNICATED BY COMPARING IT TO A FAMILIAR.

Joe knows nothing about practice boxing gloves and there are none there to show him and he will be fairly satisfied if he is given a familiar object, pillows, to compare them to.

Thus, one can achieve a very rapid communication by observing the following

law:

ONE CAN ACHIEVE THE APPARENCY OF FAMILIARITY, EVEN WHEN THE PERSON HE IS COMMUNICATING TO HAS NO KNOWL, EDGE OF THE SUBJECT OF COMMUNICATION, WHEN HE ASSOCIATES IT IN THE MIND OF THE OTHER WITH SOMETHING WITH WHICH THE OTHER IS FAMILIAR.

Positioning takes advantage of a fact that one can compare the thing he is trying to get the other person to understand with desirable or undesirable objects. Desirable objects are now more commonly used in advertising. Undesirable objects are more commonly used in propaganda. By comparing this unfamiliar thing or the thing he wants to sell to another desirable object or by comparing something he wants people to detest to an undesirable thing, he can achieve a rapid communication and comparison.

Further advantage is taken of the fact that one can position *above* a familiar object, *with* a familiar object, *below* a familiar object, *at*, *to*, *against* and *away from* a familiar object. This opens the door to an opportunity to establish an opinion of the thing one is seeking to communicate. You might call it an "instant" opinion.

For example, we know that an astronaut is a familiar, highly regarded being. Thus, we position a product above, with, below, at, to, against or away from an astronaut.

We know that people think angels are good, sweet and kind, so we position another something above, with, below, at, to, against or away from angels.



We know people loathe psychiatry, so we communicate something as being loathsome as saying it is below (worse than) psychiatry. We could also make people think something was good by saying it was against psychiatry, bad because it would bring them to psychiatry, or awful because it used psychiatrists (like the tax people).

442

A common use of positioning in advertising is to take a product which, by reason of advertising, is familiar to the public and is regarded by them as the leader in the field and then *positioning* a new, untried, unfamiliar product above it, with it, or just below it. Thus the new product gains a sudden spurt in sales by being compared to the leader.

In fact, in the field of advertising this has been the primary use of positioning, probably because no one had carried the idea back to a point of formulating the actual laws of it and thus broadening its use. They thought in advertising, evidently, that the basic theory of it was the "pecking order of hens" which means that the whole barnyard is usually found to have a top hen and a bottom hen and they peck each other in that order.

Apparently, from talking to ad guys, they thought that by putting their products in the pecking order against the top product they made their product higher or just with or just below the top hen. That's what the advertising people get for associating with such "experts" as psychologists.

**POSITIONING** can be seen to have far, far broader uses than "cola" and "uncola" ads when you study the above basic PL data. The horizon becomes very, very vast and all around because with it you can attain fast communication about the unfamiliar and can formulate "instant opinion."

When used in advertising, posters, write-ups, PR, propaganda, or any one of many activities, forceful and effective positioning requires certain requisites:

1. The selection and identification of the public or person one is trying to cause to have an instant opinion, desire or repugnance.
2. Work out whether you are trying to do a good or bad relationship to the familiar object you will find and what kind of an opinion, desire or repugnance.
3. Survey that public with questions which do not even mention the thing you are eventually going to use the survey for to find what they consider wonderful, popular, useful, etc., etc., or awful, terrible, etc., etc. You can survey for attitudes, objects, professions or anything else you have chosen that will even dimly compare with something you are going to use the survey to push.
4. From the majority answer of this survey, choose an object, profession, attitude, etc., etc., that they think is great or awful or whatever.
5. Get a bright idea of how to compare the thing you were trying to communicate to the familiar object, attitude, profession, etc., that they all firmly have an opinion on.

Do as many other surveys as you like of this same public you are trying to reach to get their attitudes in general or attitudes about what you found or even their general likes and dislikes, vocabulary, habits of dress, etc., so you can write copy and draw pictures that seem to be them or what they would say or do.

Do your drawings and write your copy.

If you have been clever, you will succeed in communicating forcefully and effectively and instantly at a glance something that was very unfamiliar to them previously.

All the other rules of copywriting, art and design, impingement, etc., are dovetailed into this to make more of it.

443

By doing a lot of practice with this and drill, drill, drill, drill and getting experienced with it, you will suddenly find yourself able to use this in PR, advertising, marketing, and communication in general with an impact that will be very effective and very startling.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm Copyright 0 1979, 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

444

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 FEBRUARY 1979R

Remimeo REVISED 3 SEPTEMBER 1979

*(Revisions in this type style)*

*(References updated and reissued as part of*

*Marketing Series, 3 September 1979.)*

***Marketing Series 7***

*PR Series 31R*

## **THE BASICS OF MARKETING**

There are certain stable data anyone engaged in marketing or preparing the materials for marketing should memorize so that he can think with them. These are not just stable data which one uses to qualify whether or not a marketing thing is okay; these are the stable data from which a marketing person, or anyone connected with the development of marketing, use to create the products related to marketing such as fliers, ads, info sheets, material for salesmen, posters, etc., etc. Memorize the basic data given below and be familiar and able to work with the material contained in parentheses after them so that you can think with these stable data.

0. Be a professional in anything you do.

1. Survey for the public and then survey that public with regard to any product. (HCO PL 2 Jun. 71 11, PR Series 10, BREAKTHROUGH-PR AND PRODUCTION-TONE SCALE SURVEY; HCO PL I Jan. 77RA, Rev. 29 Aug. 79, *Marketing Series 3*, PR Series 33R, MARKETING HAT, HCO PL 12 Nov. 69, APPEARANCES AND PRO; HCO PL 13 Aug. 70 11, PR Series 2, THE MISSING INGREDIENT, HCO PL 13 Aug. 70 111, PR Series 3, WRONG PUBLICS; HCO PL 23 Nov. 69, INDIVIDUALS VS. GROUPS, and any other survey tech.)

2. Do your homework. (Study the market, competitors, field, publics, etc.)

3. Be fully familiar with the propaganda line of PR or public image your company is currently following.

4. Know your product.

5. Establish and use a positioning for every product. (HCO PL 30 Jan. 79, *Reissued 30 Aug. 79, Marketing Series 5, PR Series 30, POSITIONING, PHILOSOPHIC THEORY.*)

6. Impinge! (Applies to graphic design, campaign ideas, anything else.)

7. Be alive! (Don't compose dead downgrades.)

8. Direct people's attention. (This applies to graphic design, wording of ads, placement of ads, color choices, ideas, capers and stunts.)

9. Make material aesthetic. (Know how to use geometric design, color wheels, color depth perception, layout, etc.)

445

10. Be clean. clear-cut, comprehensible. (Don't be complex and muddy.)

It. Use come-on. (In advertising you never tell all you know, just tell people how they can get it or find it.) (See HCO PL 25 Jun. 78, *Reissued 31 Aug. 79, Marketing Series 6, PR Series 32, COME-ON DISSEMINATION.*)

12. Create want!

L. RON HUBBARD

Founder

LRH:dv.lrjk.gal.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

446

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 JUNE 1978

Org Staffs REISSUED 31 AUGUST 1979

Div 6s

Registrars (BPL of 25 June 1978 now issued as

FSMs

Missions an HCO PL under same date and title.)

Groups

*(Reissued 31 August 1979 as part of  
the Marketing Series.)*

*Marketing Series 6*

*PR Series 32*

**COME-ON DISSEMINATION**

A recent look at dissemination revealed the following data:

**DISSEMINATION BY MEANS OF PURVEYING A LITTLE PIECE OR SEVERAL LITTLE PIECES OF TECH** (to answer questions, show *how* a person's problem could be handled, show *how* the mind works, etc.) **ENDS THE CYCLE AND TERMINATES THE REACH.**

**DISSEMINATION BY MEANS OF "COME-ON" STRENGTHENS THE REACH AND LITERALLY PULLS THE PERSON IN.**

#### COME-ON

Come-on is defined by Ron as follows:

"A thetan is a mystery sandwich. If we tell him there is something to know and don't tell him what it is we will zip people into Div 6 and on into the org." (LRH)

So in using come-on, one simply does the above. You either have or you create interest in your prospects-then you *channel* them along. Their own curiosity will pull them along the channel, providing you created the correct mystery in the first place.

You channel by indicating where and how *to get* the data-never just GIVE the data. And one can keep on doing this to a person-shuttle them along using mystery. Dept 17 services especially should be geared to this, one service ending in some mystery that only the next Div 6 (or better yet, Div 4) service will solve. One can also put this type of come-on promotion in books one sells so the person buying the book is put into mystery and doesn't just end on a win by reading that one book alone.

#### END-OFF

Reach gets blunted or terminated once a person gets his question answered, the solution to his problem, etc. Purveying random and little pieces of tech to a prospect and the public at large does just this. This is end-off dissemination.

Thus one should gear one's dissemination to the come-on and keep the prospect's appetite for knowledge and mystery well stimulated and channel the person right along so that he will and does become an actual Scientologist.

In our case, the curiosity restimulated eventually will be fully answered and to the person's complete advantage. When he is given a mere scrap of information, he has

447

been denied the full data, gains and technology which will be his if he attains the benefits of major services.

#### DEFINITIONS

"MYSTERY- the glue that sticks thetans to things." (*Dianetics and Scientology Technical Dictionary*).

"MYSTERY SANDWICH: 1. the principle of mystery is, of course, this: the only way anybody gets stuck to anything is by a mystery sandwich. A person cannot be connected to his body, but he can have a mystery between him and his body which will connect him. You have to understand this thing about the mystery sandwich. It's two pieces of bread, one of which represents the body and one of which represents the thetan, and the two pieces of bread are pulled together by a mystery. They are kept together by a volition to know the mystery. (PAB 66) 2. a thetan stuck to anything is, of course, just a mystery sandwich. Thetan, mystery, object-mystery sandwich. (SH Spec 48, 6108C31)" (*Dianetics and Scientology Technical Dictionary*).

COME-ON: (noun) "something offered as an inducement" (*Webster's New World Dictionary*).  
"something offered to attract or allure; enticement; inducement" (*World Book Dictionary*).

## SUMMARY

Imbue your prospects and the public at large with a thirst to find out.

Mystery, not little scraps of data, will be found to be the biggest puller.

L. RON HUBBARD

Founder

Assisted by

Suzette Hubbard

for the

## BOARDS OF DIRECTORS

of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:SH:drjk.gal.gm Copyright © 1978, 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

448

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 JANUARY 1977RA

Remimeo REVISED 29 AUGUST 1979

*(Revisions in this type style)*

*(Re-revised 29 August 1979 to include Marketing Purpose and reissued as part of the Marketing Series.)*

*Marketing Series 3*

*PR Series 33R*

## MARKETING HAT

The *Marketing Bureau* motto is *CREATE WANT!*

The *PURPOSE* of marketing is to *CREATE WANT* and to *SELL SOMETHING*.

That *includes selling something that can be delivered*.

The keynotes of any marketing action are

1. Search around and find what there is to sell. Get very full lists.
2. Pick one item.
3. Find out all about it.
4. Find any past history of it or any similar item in sales.
5. Survey the item on a variety of publics to find out
  - a. Which public will buy it
  - b. What that public wants, needs or would demand
  - c. Any past surveys on it or a similar item

d. Do a positioning survey per HCO PL 30 Jan. 1979, *Reissued 30 Aug. 1979, Marketing Series 5, PR Series 30, POSITIONING, PHILOSOPHIC THEORY*

6R. A. Use the survey results to position (particularly 5d).

B. Use the remaining survey results to write the copy, keeping in mind that your positioning dominates it.

7R. Write a sales campaign including what want it fulfills (by survey) and what the key buttons are for that public chosen (by survey). Include fliers, info sheets, ads, material for salesmen of it, order forms. Use graphic design which forwards the positioning and use the positioning in the surveys in all issues regarding the campaign. "The Basics of Marketing Stable Data" has to be applied heavily at this point to all issues, ads and campaigns. (See HCO PL 7 Feb. 1979R, Rev. 3 Sept 1979, *Marketing Series 7, PR Series 31R, THE BASICS OF MARKETING.*)

8. Design or get designed and laid out the items in the sales campaign.

9. Get them printed (or placed, when ads) according to the design.

449

10. Write a full program for **the item's release whether** new or old.

11. Assure a supply of the item can be gotten for selling at the points it will be sold.

12. Release the campaign.

13. Adjust and handle any bugs in any points above.

14. Arrange a continuation of the campaign so that it is not just a "one-shot" action but will go on and on, such as distribution and continued issue of the literature.

15. Keep a visible record of the successes of the campaign week to week and be prepared to correct, review or restart the campaign whenever it falters.

16. While working on the above, during the wait periods, pick another item and go through all steps for it as above.

17. Keep each item's checklist (as per this PL) in a folder for that item which contains all marketing actions. All pertinent papers, work and work copies to be filed in this folder with all results as they continue to come in.

18. Review folders from time to time to evaluate them and restart them or reinforce them.

19. Do not leave any stone unturned to find old or new items that could be marketed.

20. Do not fall for needing new items only or pushing only the new and realize that volume selling of everything you have is the way to market successfully, and that you have to keep on selling anything in order to get a large constant gross.

21. Be a high-volume success!

**L. RON HUBBARD**

Founder

for the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 AUGUST 1979

Rernimeo

*Marketing Series I*

*PR Series 34*

**DIANETICS AND SCIENTOLOGY ARE NEW**

People who have been in Dianetics and Scientology for years see it as a way of life. They accept it.

But to listen to them you'd think Dianetics and Scientology had been around for the last 50 billion years at least!

They have lost their viewpoint of the newness of Dianetics and Scientology.

They do not realize that Dianetics and Scientology are new news to the bulk of the world's population.

They do not realize that the oldest Dianetics or Scientology books are *brand new* books to the bulk of humanity!

Before 1949 Man's knowledge of himself, the spirit and the mind was a black barbarism. Look over the psychology, psychiatric and religious texts of the '30s and '40s. Man could not change. He was a degraded animal. The way you applied therapy was dreams or drugs, ice picks and ice baths.

Only Dianetics and Scientology began the road out of that witch pit.

But the witch pit is still there for almost all the world!

Because Scientologists number millions, Scientologists do not look at the *billions* to whom Dianetics and Scientology are BRAND NEW!

Those billions are still in the witch pit. They are still boiling.

Dianetics and Scientology are NEW NEWS.

We are the only road out.

Just because YOU are making it is no reason the world will. (If you *aren't* making it in auditing, if you are a "failed case," get yourself a repair-Scientology is the only approach ever developed that repairs itself too! And that is also new news!)

Let them in on the new news!

Cultures change slowly. It took centuries for Man to realize that slavery was wrong and could be changed. Cultures don't shift overnight.

So write and act like you have *new* news.

Recover your viewpoint by comparing what you now know to what they still don't know in even "modern" institutions.

You have new news. And Dianetics and Scientology are good news. In fact, the best news Man has ever had. Don't sit on it!

**L. RON HUBBARD**

**Founder**

LRH:ab.gal.gm Copyright C 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

451

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 SEPTEMBER 1979

Rernimeo

*Marketing Series 2*

*PR Series 35*

## **MARKETING, PROMOTION AND DISSEMINATION**

### **DEFINED**

**MARKETING:** The conceiving and packaging and the moving of a specific product into public hands. It means to prepare and take to and place on the market in such a way as to obtain maximum potential and recompense.

**PR OMO TION.-** To make something well known and well thought of. In our activities it means to send something out that will cause people to respond either in person or by their written order or reply to the end of applying Dianetics or Scientology service to or through the person or selling Dianetics or Scientology commodities, all to the benefit of the person and the solvency of the org.

Promotion is the art of offering what will be responded to. It consists only of what to offer and how to offer it that will be responded to.

By promotion in a Scientology organization we mean *reach the public* and *create want*.

**DISSEMINATION:** Spreading or scattering broadly. By dissemination in a Scientology organization we mean making broadly known the materials, services and results of Dianetics and Scientology through books, promotional material, letters, films or other media or activities, including word of mouth.

**L. RON HUBBARD**

**Founder**

LRH:nc.gm Copyright 0 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

452

HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinstead

HCO POLICY LETTER OF 2 SEP

Rernimeo

All Staff

Marketing Hats



Dirs Prorno

PRs

Div 6 *Marketing Series 4*

*PR Series 36*

## **SURVEYS ARE THE KEY TO STATS**

(From LRH ED 161 INT, 18 Dec. 1971, same title.)

### *References:*

HCO PL 13 Aug. 70 PR Series 2

Issue 11 THE MISSING INGREDIENT

HCO PL 13 Aug. 70 PR Series 3

Issue III WRONG PUBLICS

HCO PL 27 Nov. 71 Executive Series 3

MONEY

HCO PL 3 Dec. 71 Executive Series 4

EXCHANGE

HCO PL 2 Jun. 71 PR Series 10

Issue 11 BREAKTHROUGH, PR AND PRODUCTION,

TONE SCALE SURVEYS

HCOB 25Sept.71RB TONE SCALE IN FULL

HCOB 26 Oct. 70 OBNOSIS AND THE TONE SCALE

We can do too much.

By just flying ruds on people we could cure what often passes as insanity.

By Word Clearing we could change the whole educational picture.

We could handle the whole problem of psychosomatic (mentally caused) physical illness.

We could lower industrial absenteeism from illness.

We are the only people who can cure drugs.

We could do a thousand other things with our tech.

That makes us unbelievable. Nobody on the whole track could ever do these things.

So when we broadly offer *everything* we can do, it is too much.

### **SURVEYS**

To find out what people want or will accept or will believe, one does SURVEYS.

HCO PL 2 June 71, Issue 11, PR Series 10, BREAKTHROUGH, PR AND **PRODUCTION**,  
**TONE** SCALE SURVEYS, tells you how to phrase survey questions.

It is not hard to do surveys.

When you have one done, the data should be USED. The real fault in doing surveys is not using the result in promotion.

### EXCHANGE

You and your org are involved in exchanging valuables for valuables.

You offer a valuable service in return for valuable money.

(See HCO PL 27 Nov. 71, Executive Series 3, MONEY and HCO PL 3 Dec. 71, Executive Series 4, EXCHANGE for further information on what exchange is.)

So in surveying, you are in actual fact seeking to know WHAT SERVICE THAT YOU CAN DO WILL PEOPLE CONSIDER VALUABLE ENOUGH TO GIVE MONEY OR VALUABLES FOR.

### STATS

When you have this answer, you have the answer to prosperity stats.

### PROMOTION

Promo done without survey, magazine ads without survey, flyers without survey, you are going it blind.

It's pathetic to realize that you might be within an eighth of an inch of the right offering without making it. Sort of like digging two feet away from the gold vein and getting an empty hole when you could have a million dollar mine.

Working without surveys, you could spend thousands a month on promotion and lose it all.

Or working WITH surveys, you could spend hundreds on promotion and make hundreds of thousands.

It all depends on knowing how to do surveys, doing them, really tabulating the results and USING what you find.

### INVOICES

You can even do a survey out of invoices. You can see what book sells best lately and then look into the book to see what it seems to promise and then promote that; you do that and you'd increase your delivery volume.

Or you could find the popular book by invoices, find who'd bought it and survey the buyers as to what they would consider valuable in it and promote that *service*, and you'd increase delivery sales.

You could review invoices to tabulate what part of the town or state your customers came from and saturate (fill up) the area with promo and increase your delivery sales.

You could see by invoice survey what they bought and do a flyer on that and use that flyer to saturate that area.

Invoices are very useful. It is a must to set up an invoice-counting project to see what to put in the next bulk mailing.

### SUCCESS STORIES

Taking all back success stories, particularly from an affluent period, and finding out what the people were most appreciative about and then converting that to a training or processing offer and using it for promo is a vital action. Not to quote the

success stories-we do that and it's fine. But to SURVEY the success stories to find out what to offer.

#### EXAMINER REPORTS

A survey of past Examiner Reports for exam comments after certain specific actions or courses have been completed is very revealing.

This gives you what you can offer with confidence.

It gives you a promotion base on which to build a campaign.

#### PAST PROMOTION

One also surveys past promotion. What gave the largest percent of response?

Promo which returned 11% or 16% is phenomenal.

*You judge the accuracy of your survey by the success of the promo based upon it.* If the success is not great you resurvey.

#### SATURATION

When you are serving only the same people all the time, you can hit a saturation point (all filled up) by never offering their next action.

This next action requires a survey.

And new people must be fed in.

An example is an AO that got fat selling OT VII to old customers and neglected promotion to get new customers and eventually saw its stats begin to sink.

So surveys of old customers and new customers have to be done and each promoted to.

Thus, you have different PUBLICS which have to be surveyed. In this case "old public" and "new public." Each requires a different survey and a different survey action and different promotion.

#### TOTAL EFFECT

Desperation often leads one to try for a TOTAL EFFECT. (See Effect Scales in HCOB 18 Sept. 67, corrected 4 Apr. 74, "Scales," and in the book *Scientology 0-8*.)

One has sometimes seen a student trying to push home a full Dianetics Course in fifteen minutes to his non-Scientology friends.

His R is wrong. He sometimes doesn't even get an ack in exchange!

If, perhaps, he demonstrated a Touch Assist expertly, explaining body comm, they would look on him as a wizard!

Some student can make his whole audience depart by talking about past lives and OT states when if he explained that people often led sad lives after a family member died he might have an awed audience.

But to be sure how to have an awed audience, even the student would have to "survey" a little bit. He'd have to ask them what they wanted handled or something and then talk about that. In that way he would be certain of attention.

A student or an org can get desperate and try for a total effect by telling or

455

offering everything they know-and fly right out of the reality of their audience.

## MISSION

You as a Scientologist have a certain mission toward the world,

It is not a very civilized world.

You can bring it friendliness, peace and understanding.

How do you find an entrance point into this unfriendliness and lack of love?

The answer is surveys.

Hereinafter, issue authority must be given only when promotion can cite what survey it has based this upon.

Survey, lack of, is the weak link in all promotion.

To better your stats you must get this in.

Failure to survey can cost you thousands in ineffective promo and tens of thousands in lost stats.

So the word is

**SURVEY!**

**KNOW BEFORE YOU PROMOTE!**

**L. RON HUBBARD**

Founder

LRH:nc.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

456

HUBBARD COMMUNICATIONS OFFI

Saint Hill Manor, East Grinstead, Susse

HCO POLICY LETTER OF 4 SEPTEMBE

**Remirneo**

**Marketing**

**Personnel**

**Copywriters**

**Artists**

**Designers *Marketing Series 8***

Div 2 ***PR Series 37***

Div 6

**Lecturers**

**PR MORE ON MARKETING BASICS**

The duty of marketing is to make sure that something gets marketed in such a way that it will be wanted and delivered. To accomplish that, one needs to know his marketing basics.

## PRODUCT AVAILABILITY

Marketing is supposed to create want and demand, but it is fatal to create want and demand where no delivery is going to occur.

Marketing is also supposed to engage in and result in some sort of exchange. Another way of saying "we deliver what we promise" would be, for marketing purposes, "we promise and promote what we can deliver."

A created demand which then cannot be fulfilled results in ARC breaks with, further, the time, effort and money put into that marketing action down the drain. Also, in such a case, as far as the public goes, the credibility of any future marketing done is apt to suffer.

Thus, one markets WHAT IS THERE RIGHT NOW IN EXISTENCE THAT CAN BE DELIVERED. And the marketing of a NEW item must be dovetailed with the actual release and availability of the new item for delivery.

In this way we reap a whirlwind of business, the public gets delivered to and the created demand gets fulfilled.

## TWO VITAL MARKETING DATA:

### REALITY ON THE PRODUCT/REALITY ON THE PUBLIC

There are two important data which must be used in marketing. When these are not applied, the result is a marketing piece which does not communicate to the public it was intended for, and therefore the promotion is worthless and a waste of money.

These data are

1. TO GIVE ANY READER REALITY ON AN ITEM, THE COPYWRITER HIMSELF HAS TO HAVE REALITY ON THE ITEM.

2. TO COMMUNICATE TO AN AUDIENCE, YOU HAVE TO HAVE A REALITY ON THE AUDIENCE AS TO WHERE THEY ARE AT AND WHAT THEY ALREADY KNOW OR DON'T KNOW.

Applied, these two data are the basics on which any successful marketing campaign, small or large, is built. If one knows the product and knows his audience, the remainder of the actions necessary to bring the two together become relatively easy.

## THE MARKETING CYCLE

Probably some marketing failures result from a false datum that to market is synonymous with directly selling to the customer. That is a wrong concept and woefully incomplete.

Marketing includes all actions from before the beginning of the production right

457

on through to its use by the customer and its word-of-mouth promotion by the public. Your first step is you've got to have a product to market that will market. And you have to groom that product up so you can market it.

From the first moment a product is conceived, much less produced, marketing has to be in there with surveys to establish the design and use of the product, and it carries on through at every stage to make sure that it will eventually sell and get good word-of-mouth promotion.

Advertising enters into it. The basis of advertising is: you have to *attract*, you have to *interest*, and you can then get *your message across*. It's in that sequence.

Another part of marketing is distribution planning. Without a plan to get the promotion and the product distributed to those points where the promo will be used and the product sold and consumed, you can't market.

**And there** is one more step in marketing that you have to take, which is the standard step of PR. You have to review your marketing program and your issues and your promo and find out if they were put to use. Did the issues and promo ever arrive? Did the promo ever get printed? Was it actually used? And what was the response to it?

A completed marketing cycle would always include such a follow-up. The success of an existing marketing campaign or the success of the next marketing campaign would depend upon it.

### SHOTGUN MARKETING

"Shotgun marketing" is marketing without any concentration on the actual marketing of any one individual product. Pushing everything all at once scatters the audience attention and weakens the impact of the individual items.

Cure yourself of sending all your materials out in a wad as it is a fatal failure. It is only the amateur in PR and marketing who sends out everything he has or has ever heard of in a single shot and thus winds up selling nothing.

On the professional side, one sends materials out piece by piece to arouse and stimulate interest. When interest is stimulated one gets response.

So just don't indulge in shotgun marketing. And don't allow yourself to be talked into it for whatever reason.

Release your materials strategically.

That's part of effective marketing and it's what brings about sales.

As a stable datum, the most attacked and suppressed line in any org or management unit is promo and marketing and one has to know his business to spot it and halt it before it does him in. Were we able to clean out just this one factor in management in every org, we'd have a boom, just like that!

A large part of handling this factor lies simply in both marketing and management terminals *understanding* marketing and its basics. From there it's a fairly short step to getting the marketing basics applied.

That's really all it takes to produce a boom.

### L. RON HUBBARD

Founder

LRH:nc.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

458

### HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinste

HCO POLICY LETTER OF 5 SEP

Rernimeo

Marketing

Personnel

Copywriters

Artists

Designers

Layout

Printers *Marketing Series 9*

Div 2

Div 6 *PR Series 38*

## **THE ASSEMBLY LINE FOR PRODUCED PROMO**

A few years back I found, in a study of the flow lines of promo, that it was very difficult to get a line to move from idea stage to a disseminated piece of promotion.

### **DESIGN OMISSION**

A study of the graphic arts textbooks on layout being used revealed that they began their org boards and flow lines in the print shop! That's several notches down the line in the production of effective promo. Omitted was the vital step of design.

The textbooks were a printer's idea of the world and, being printers, they would not really know much about the source of copy or ideas. The book misdefined "dummy" as "rough layout" and misdefined "rough layout" as full design and layout. And that was the text being used. As a result, when requests were made for promo pieces, the reply was, "Well, give us the dummy," and when the dummy came, it was, "This isn't the layout."

*You can't* start making columns of printing (galleys) without somebody doing a design and dummy. And you can't do a "rough layout" or any layout at all unless you have a design of what the piece is trying to look like.

But there was no design step in the assembly line. Instead the printer was being asked to put together a "layout" when he hadn't a clue of what the person ordering the piece was trying to present. The result of that could only be hackneyed (trite), badlooking promo as there was no real design-just type columns and photos.

Design is *quite* a subject; one I happen to know more about than printing, I'm afraid. So to see it omitted in texts explained all. The result, no matter how hard the printer worked, would be apt to be ineffective.

Once the real bug and omission was spotted, it was not difficult to get the missing vital functions added in and org boarded correctly to straighten out the scene.

We now have a correct and complete assembly line for produced promo which permits a flow to occur from idea onward.

459

## **ASSEMBLY LINE FOR PRODUCED PROMO**

### **IDEA**

|

### **2. WORDS - DUMMY - ART**

P T S

3. DESIGN

4. ROUGH LAYOUT

5. TYPESETTI

6. ASSEMBLY, PASTE-UP

PREPARATION

SHOOTING BOARDS

7. PROCESS CAMERA WORK

8. PLATEMAKI

9. PRESS WORK

10. FINISHING, CUTTING,  
FOLDING, BINDING

**-7-**

TO ORDER

12. STRIBUTI

460

### **DEFINITIONS OF PROMO ASSEMBLY LINE FUNCTIONS**

The following definitions correctly describe the functions at each step of the promo assembly line.

*IDEA:* A concept or notion of something to be done; a plan of action; intention.

*DUMMY.-* A scrap paper expression of the idea. Includes in the same package the written materials or words (called copy), all surveys used, captions, photos and art work.

*DESIGN:* The artful format that will *interest* and lead the viewer to involvement in and finally desire to act (to attain, to meet a challenge, to acquire, to achieve, etc.).

*ROUGH LAYOUT-* The precisely measured pages, spaces, type, croppings, laid out with great mechanical accuracy so that typesetting can begin and separation negatives or blocks that will fit can be made.

*TYPESETTING:* The act, art or process of setting type for printing.

*SHOOTING BOARD LAYOUT-* (Includes assembly, paste-up, preparation.) The exact, final arrangement and execution of each page, its type, art and pictures and page arrangement in signatures, ready for the process camera (or in letter press, the press).

*CAMERA WORK:* Where plates are made and photos or art plates are made. This has a branch line, in color, which comes just before it, of making color separation negatives.



*PLATEMAKING:* The process of making a thin, flat piece of metal or plastic called a plate, upon which a picture or a page of type is engraved.

*PRESS WORK:* This is the actual printing.

*FINISHING:* That which completes or gives a finished appearance to any kind of work. It includes the cutting, collation, folding and binding, stapling or stitching of the printed sheets, to make a finished product.

*CUTTING:* The trimming or separating of the printed sheets to the specified size.

*COLLATION:* This is assembly of the printed sheets.

*FOLDING:* This is doubling or bending the sheets over to the specified form and size, if they are designed to be folded, or if they are to be folded for mailing. It is done by machine or by hand.

*STAPLING OR STITCHING:* This fastens the sheets together.

*BINDING:* This fastens the sheets together into a cover (if one is to be used).

*PACKAGING:* This envelopes or boxes the material.

*SHIPPING:* This gets the product off to destination.

While many substeps may occur, these are the main steps. Each has its own tech.

If the above steps of dummy, design and rough layout are confused with one another or are tried out of sequence, the final product cannot occur, and if by some bungling does happen, it will be an overt product.

Printers and graphic arts texts hint at a mysterious upper world called "commercial advertising firms." This is as close as they get to mentioning DESIGN as noted above.

461

Graphic arts texts confuse "dummy" and "rough layout." As a result, the industry is in a spin most of the time, as you may have noticed.

The only place the above assembly line backs up is when "rough layout" cannot execute the design due to limitations, inadequate facilities or errors. This requires liaison between these two to iron it all out.

Ignoring or misapplying these flow lines will give you poor promo or, at best, make it hard to get promo out.

The line tangles AT THE TOP THREE POINTS below "idea" unless these are *well understood* and done exactly in this sequence.

If the DESIGN definition is understood and well used, promo will be effective.

HCOB 30 August 1965, ART and HCOB 29 July 1973, ART, MORE ABOUT are vital if one is going to do promotion. They regulate the first three steps of this line.

L. RON HUBBARD

Founder

LRH:gal.gm Copyright C) 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

462

~k

## HUBBARD COMMUNICATIOTS

Saint Hill Manor, East Grinstea

HCO POLICY LETTER OF 6 SEPT

Rernimeo

Marketing

Personnel

Copywriters

Artists

Designers *Marketing Series 10*

Layout Artists *PR Series 39*

## THE RELATIONSHIP BETWEEN DESIGN AND ROUGH LAYOUT

**What you're** trying to get down the line is a product.

You've got the idea for a promo piece expressed in the dummy and you're trying to take it from *design* (the artful format that will interest and involve the viewer and stimulate him to act) into a precise rough layout (the precisely measured parts of the piece laid out with mechanical accuracy).

And right here between these two-design and rough layout-your product could hang up and bog or get hopelessly bungled if the difference between these two actions and their relationship to each other is not fully understood.

### DESIGN

#### The Purpose of Design

To do a rough layout or any layout at all, you must begin with design, and the guiding line there is HCOB 29 July 1973, ART, MORE ABOUT.

What you're trying to do with the design of a layout throughout is

A. ATTRACT

B. INTEREST

C. DELIVER THE MESSAGE.

If you use the communication formula, you get an extension of this.

Some people abandon art for the message; others abandon any message for what they believe to be art. But if you double it-apply ATTRACT-INTEREST-MESSAGE and the comm formula to the layout as a whole-and then redouble it-apply ATTRACT-INTEREST-MESSAGE and the comm formula to the message itselfyou get a double punch of impingement.

You want a design that, in itself, communicates-a design that talks. It requires the use of art forms.

#### Art Forms - Design Basics

The art forms we're talking about here are shapes or objects.

A keyhole, for example, is an art form. Different shapes, different sizes of keyholes, convey different things. Circles, squares, triangles, etc.-these are all art forms.

There is a simple drill one can do, using art forms, to grasp the basic idea of design. Take ovals, squares, rectangles, circles. Throw down certain shapes on an open

463

page of a brochure on each page and you get a specific design. Is it pleasing? Not pleasing? Dramatic? Not dramatic? What is the effect?

Do this again and again, using the various shapes or combinations of them. You can play around with this until you get the full feel of design basics.

Beyond this, one can experiment (but not on the final product!) with different formats, different sizes, horizontals, verticals, different sizes of photos and backgrounds in color or not, textures and two dimensions giving the impression of textures, as well as background designs.

The possibilities are many and one should feel at home with a wide range of them and how they align and integrate, or not, with the rules of standard composition.

#### Composition and the "Eye Trail"

When we talk about composition, we are talking about how you dispose of the objects in a picture or design, not how you draw one object. Composition is how you arrange or group the objects or shapes.

There are certain stable composition lines and there are dynamic lines. There are various types of mood lines. These must be used. They are part of standard composition, and they have everything to do with design.

In composition you are working not only with the mood of the piece but with the EYE TRAIL. The EYE TRAIL is vital in the layout of a design.

The eye must go somewhere-i.e., start at the top and follow down. *Where* it starts and *where* it goes is called the eye trail. And right here you get into the basic formula of ATTRACT-INTEREST-MESSAGE. The eye trail should lead one-pull one-involuntarily through ATTRACT-INTEREST-MESSAGE.

You can have a design which, by itself, is so irritating that it forbids reading it-it defeats the message. If you don't believe it, look at some pictures in cubism. Cubism is a dead art, by the way. But why did it die? Well, it specialized in irritating pictures, jagged, angry pictures, confused pictures. If the layout is ragged, the eye does not follow down easily.

The actual design will deliver an emotional impact. In other words, your design can be such as to prevent the piece from being read or deliver the wrong emotional impact for that piece, and therefore all the money and the work and all the ideas and all the think that went into it is totally defeated.

Take squares. You put squares in the wrong place and have the eye trail going in the wrong direction and you have an irritated person who will not go further.

Mono-sized shapes or objects or monotone lines-the piece will have no impact and no real eye trail. It's all monotone. It goes nowhere. Or a so-called center spread where the eye is distracted by two other disrelated photos and the attention is dispersed-wrong eye trail.

Thus design, the way you put something together, is very, very able to deliver an emotional impact by itself. Brilliant design will deliver exactly the emotional impact you intend. Brilliant use of the eye trail will carry one to and then through ATTRACT-INTEREST-MESSAGE.

The conclusion, therefore, is that format and layout-the design of the piece-is the key to saleability.

So you use the emotional patterns of design and design itself as a means of communicating, to project the desired emotional response.

464

You're working for the final appearance of the final product when it arrives in somebody's hands.

You're working for a technical quality which all by itself will deliver an impact.

That's DESIGN.

#### ROUGH LAYOUT

Once the design has been established, rough layout can be done.

Rough layout precisely measures the pages, precisely measures the spaces within the pages, precisely measures the copy and selects the type that will be used for the copy in the various spaces. It crops, precisely, the photos or other artwork that will be used in the piece.

#### Cropping

In cropping we see distinctly the relationship between design and rough layout.

There are two types and two stages of cropping:

1. Artistic (design)

2. Mechanical (rough layout).

1. In the design stage you indicate (describe) the artistic on the *design in* the space for the photo. Any crude black and white sketch will do.

2. Mechanical-rough layout-makes it fit and marks in the exact dimensions and the crop on the *board* the negative or transparency is in.

Cropping has to do only with format. The actual size of the photograph has nothing to do with the established rules of cropping. It has to do with taste.

Rough layout follows the design and scales the design to fit in the prescribed space. It does this precisely and accurately *without altering* the design and according to the balances and relationships described by the design,

When we get into rough layout, we are into the graphic arts. (One could get into a confusion here between the terms graphic arts, graphics and graphic, so it had better be made clear. Roughly, most encyclopedias describe graphic arts as engraving, etching, etc., involving representation or expression by means of lines on flat surfaces. Graphics is described as the art or science of drawing especially by mathematical principles, as in mechanical drawing, or calculating by means of graphs or diagrams. But you look in the dictionary and you find *graphic* means "vivid." So graphic arts and graphics do not mean the same thing as graphic.)

Graphic arts deals with the mechanical reproduction of a picture or design. It is done by means of graphing. You don't use arithmetic in graphic arts. It's more a form of plotting.

They call the rough layout the mechanical, and they call it the mechanical for a good reason-it's MECHANICAL. What's mechanical? That means "by machine."

So in rough layout you're into the area where it's all machine. We're not talking here about a system of pistons and gears and levers and crankshafts, but we are talking about a mechanical action.

If you've ever been on the bridge of a ship plotting a course, or if you've ever taken arithmetic that gave you vectors whereby you draw one line and then you draw another line and then you measure the length of the second line and that gives you a

465

mathematical solution, you'll see that this is a mathematics of sorts. And that is what is used in graphic arts. But it doesn't have much arithmetic involved in it. It's a system of graphing. You draw a line this way and that intercepts or stops a line over here and then that makes a line over here do something. It's plotting, graphing, a machinelike action.

The only way numbers enter into it is that negatives have sizes, paper has a size, prints have a size-and those things have to be accounted for. Your job in rough layout is to make the back wall join with the roof.

From the rough layout you will be able to get the type selection and size and you'll be able to get the cropping.

So you do the design in rough layout so that it is totally practical. Rough layout is totally a practical, a mechanical action. "This type will fit here and it fits the design as close as we can get. . . ." Etc.

#### Design and Rough Layout Liaison

There may be instances where the design as presented cannot be followed exactly by rough layout. This can be due to limited equipment or materials or an error in the design or other reasons. When there are legitimate reasons it can't be followed, rough layout liaises with design to get it worked out so that the design can be executed. Otherwise, they are two separate and distinct functions.

The watchword in rough layout is precision. It is done with fine mechanical accuracy so that the preparation of the materials for the shooting boards, the typesetting of the copy, the processing of the separation negatives, etc., can begin. It's all got to be made to fit precisely so that it is doable when it goes to the final shooting board stage.

If it's not mechanically accurate, the shooting boards won't be doable. If it gets to final shooting board stage without it being doable, or to the printer as a faulty shooting board, you won't get a product or you'll get an overt product.

When it gets to the printer and the shooting of the plates, if you are to have two plates, one to follow the other, they've got to be in total, absolute register. There can't be a millimeter of difference. Now we're into precision. But it's precision of what? It's the precision of following what was laid down by rough layout. So the rough layout had better be correct.

If it got up to final shooting board stage without the thing being able to be doable, then somebody can't lay out the plate, he can't lay out the printing, the halftone dots won't match, the this won't match, the that won't match, the color separation negatives won't fit in that piece.

The essence of it in the final analysis is, is it doable?

You've taken the design and you've executed it in layout as it's going to be—each part scaled precisely to the right size and mechanically accurate so it all fits together perfectly. It's ready to go onto a shooting board for business so it can then be put under a camera. It's doable.

That's ROUGH LAYOUT.

**L. RON HUBBARD**

LRH:gal.gm Founder

Copyright © 1979

by L. Ron Hubbard

ALL RIGHTS RESERVED

466

HUBBARD COMMUNICATIONS

Saint Hill Manor, East Grinstead

HCO POLICY LETTER OF 19 SEP]

Marketing

Personnel

Copywriters

Directors

PRs

Div 2

Div 6 *Marketing Series 11*

*PR Series 40*

## **PROMOTION**

**Promotion is, of course,** an essential part of marketing.

It is the action of making something well known and well thought of.

It is the art of offering what will be responded to.

RESPONSE is the key word here. Whether it's in terms of services sold or commodities sold or communication or goodwill, it's *response* that is the test of all promotion.

In order to get response you've got to first find out what people want. You've got to find out what people consider valuable. When you know what people want and what they consider valuable, you know what they will respond to.

It takes surveys. It's no good flying blind or trying to guess at it. You won't KNOW until you survey.

So your first question on all promotion is, "Am I absolutely sure, before I invest any money in this promotion (make-up, printing, postage) that people will consider what I am promoting valuable enough to exchange their hard-won valuables for it?"

The answer lies in the results of your survey. Promotion is always, always, always based on surveys, and it must include the exchange factor.

The real test of good promotion is: Are you getting an effective exchange? The exchange may be communication, it may be goodwill, but-are you *getting exchange*?

Communication and goodwill are valuable in themselves and, as well, they precede and lead to the material exchange of valuable for valuable. So any of these is considered effective exchange in promotion.

One must, however, in order to continue to survive and to continue to promote, arrive very shortly at a material exchange of valuable for valuable-a consumption of the product one is promoting. On a material exchange basis, if you are trying to produce something and nobody is busy absorbing or consuming it, you are in trouble right away because nobody is going to support you, and that's where your income is. So the final value of promotion and where you get the money to do the promotion is in the CONSUMPTION of the thing you're promoting.

The important datum here is YOU PROMOTE WHAT CAN BE DELIVERED AND CONSUMED.

Make it a firm policy that you push what you have ready to put in public hands at the time of the promotion and that you do not heavily promote future products not yet in hand.

467

Then, in any promo piece, be it an ad, brochure, a flier, a pamphlet, a poster, you follow the line of-

1. Attract
2. Interest
3. Get your message across.

That sequence, followed, can look many different ways in many different promo pieces depending upon the subject, the mood, the design and the copy of the piece. But in any successful promotion, the basic sequence will be found to be just that: Attract-Interest-Message.

## TWO GUIDING RULES

There are two guiding rules to be followed in any type of promotion:

1. Don't soft sell.
2. Don't set us up for false claims.

The results of Dianetics and Scientology are fantastic enough to please all but the most psychotic in the society. These results have never before been seen on the planet. But there are always SPs out there who don't want people to get well and who use literature to get you in trouble.

The art of hard sell is you tell people to do something. Hard sell is based on knowing and promoting in the line of truth and not being reasonable about people who want "other things" and "other practices." There is nothing to compare with Dianetics and Scientology. They are infinitely valuable and transcend time itself,

So don't understate things in your promotion. Just tell the truth and you'll find that it's very effective.

## QUALITY DEGRADES

A degrade of the quality of something means an action that lowers or reduces its excellence or degree of excellence.

In promotion, a quality degrade would be a poorly designed piece or a sloppy printing job or dull, cliché-ridden or otherwise inappropriate copy or any other of a number of carelessly done or not done actions that would show up in the final result.

Quality degrades can be caused by:

- a. Willful unhattedness, or
- b. Lack of good taste or a sense of the fitness of things, or
- c. Knowing products or promotion are of poor quality but, for one reason or another, neglecting to remedy them or call them to the attention of those who can and will remedy them.

There is no excuse, with all of the tech at our disposal, for any of the above.

The standards for the quality of our promotion must be high and must be maintained. We are not playing children's games. This is your show and your planet too. You aren't doing this just for me-but I am sure you know that.

We have an incomparable technology. In order to get it delivered we MUST communicate and in the communication we MUST interest people in order to be seen and listened to.

A quality degrade in promotion cuts our comm lines to a greater or lesser degree. And the world depends in no small measure on our comm lines.

468

Thus, quality degrades are no slight matter. They cut our comm lines because, with dropped-out quality, what we make and the promotion of what we make would be so flawed that it would not communicate.

So realize, when promoting, that the world needs us and our technology. Make it well known and well thought of.

And keep the quality of your promotion such that it does attract and interest and communicate and bring *response*.

L. RON HUBBARD

Founder

LRH:gal.gm Copyright © 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

469

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 SEPTEMBER 1979

Rernimeo Issue IV

LRH Personal PROs REISSUED 31 OCTOBER 1982

GO PROs

LRH Comms

Honorary LRH

Personal PROs

*PR Series 41*



## **"HOTLINE," POLICY OF**

The HOTLINE Newsletter is the official newsletter to PROs from the LRH Personal PRO Bureau.

### **PURPOSE**

The purpose of HOTLINE is to feed PROs information they can use which will get word of mouth and which will help them build an image. It gives information and releases they can get into newspapers, magazines and periodicals.

The HOTLINE Newsletter is designed to keep PROs informed and to give them material which they can use to keep LRH's external publics informed of his activities and products and the wins these create.

PROs are the main public of HOTLINE with the intention that external publics are the main recipients of the news.

PROs are also the main contributors to HOTLINE in the way of information, news and wins and the idea of HOTLINE is to put into professional practice the highest grade of PR, "GOOD WORKS WELL PUBLICIZED."

### **POSITIONING**

Each issue of HOTLINE is to use the approved and positioned image which the LRH Personal PRO Bureau is trying to put forward for their principal to external publics. By doing this, an image can be built and without this a PRO can do little.

An image is built through repetitive public demonstration of a mock-up. It is built by putting up, changing or taking down mock-ups. The mock-ups and how they are demonstrated may vary but the positioning does not.

Because a mock-up tends not to be permanent and a PRO is dealing with thoughts and ideas, and vastly more significance than mass, the mock-ups must be repeatedly created in order to build an image and keep it there.

Quite in addition to the surveyed position for LRH, standard BE, DO, HAVE surveys and REALLY FIND OUT surveys are done of external publics and general information is collected from the media so the HOTLINE Editor can stay abreast of trends. From the surveyed data and information collected, the editor compares LRH or positions LRH in the scene using the approved positioned image.

### **MOTIFS**

Each issue of HOTLINE contains its own motif. HOTLINE uses LRH's surveyed position against matters of international concern.

The motifs compare the sectors which PROs have to push or handle, meaning

470

subheads like "Education." HOTLINE issues are tailored up against world concerns of this nature.

One fits issue motifs to fit the image being presented.

Matters of world concern come under broad headings, i.e., "Drug Reform," "Child Care," "Inflation," "Nuclear Energy and Radiation," "Life after Death" and many others. These things

would have to be timely in that they are chosen against what **the world** is interested in at the particular moment of issue.

One has to keep the general interest of the world continuously spotted and surveyed.

In this way you get an LRH quote or statement or position with regard to broad general matters of world concern. For example, there is a tremendous amount being written and said these days about education in schools being poor and declining. That is a **general concern**.

The HOTLINE Editor using such an area of general concern then finds out the answers to the following questions:

A. How does LRH fit into this?

B. What has LRH done with regard to it?

C. What has LRH produced to resolve it or aid it?

D. What LRH works are the authorities neglecting concerning this?

E. What quotable statement has LRH made about it?

F. What opinion leaders or groups has he befriended or worked with, to bring about a betterment of conditions on this subject?

G. What official recognition or indisputable public recognition has LRH received for his work in this sphere?

With homework done on the above, the motif of the issue will appear.

One is not talking about positioning LRH against some tremendous event, or occurrence. This is wrong. We position against social and human subject or subheads of human activity which are currently in vogue.

In this way a PRO will get his press accepted and get the quotes quoted and will be effective.

A good editor would keep a running file of such matters of international concern, and by keeping himself briefed on these subjects could very quickly position LRH in the scene, and develop his motif at once with a fresh news angle.

#### HOTLINE FUNCTION

HOTLINE must give PROs something they can use.

The HOTLINE feeds ammunition to the troops, things they can say and things they can get published. It contains up-to-date and timely news which can be reprinted or used in other media. These articles are written for external publics which is their final destination.

The HOTLINE Editor has to know the background of the person he is representing. He has to know what LRH is pushing and doing. He has to know the current scene and he must know the accurate facts. He makes sure he provides the documentation for what he says in the news articles, which PROs can use to forward the news stories themselves.

The HOTLINE Editor makes himself known as a terminal to whom newsworthy

471

information is sent and is a magnet for data which can be redistributed for use.

HOTLINE is not a management issue pushing the interests of the Flag Bureaux or Flag. It is not some kind of press agency piece but is to give PROs the FACTS which they can use to build an image and fill the vacuum of news needed.

#### PRO USES OF HOTLINE

PROs use the information provided in HOTLINE to forward the correctly positioned LRH image to external publics in their local area.

Exact and specific directions of what is to be done with the information in HOTLINE and its accompanying particles is part of the standard format of each HOTLINE and is contained in a box with six-point-high titling, very noticeably on page four.

The PRO passes the information and news contained in HOTLINE on to opinion leaders in his community who are involved in social affairs, such as Kiwanis Clubs, Rotary Clubs, Parents and Teachers Associations, Chambers of Commerce, local business associations, community and civic services groups.

The PRO can also go one step further and secure from these opinion leaders official acknowledgement of LRH good works. These have often been offered in the form of memberships, keys to cities and other official recognitions. PROs are authorized to accept these on LRH's behalf

PROs submit the LRH articles, quotes and news releases concerning LRH for publication in newspapers, periodicals or in the internal organs of the community groups mentioned above.

An Honorary LRH Personal PRO is NOT a spokesman for the Church of Scientology and does not attempt to represent the Church or answer questions which concern Church affairs. These he promptly refers to the Guardian's Office. He IS authorized to get published LRH quotes and articles, or news releases concerning LRH and to answer questions concerning L. Ron Hubbard and his activities, using the information provided him in his Honorary LRH Personal PRO Press Pack and HOTLINE.

Any questions he cannot handle or does not have information for can be referred to the Honorary LRH Personal PRO I/C, who will provide the information, instructions or guidance necessary to handle the specific situation.

When a release or quote is published, 2 copies of the entire publication are forwarded to the CIC Officer of the LRH Personal PRO Bureau without the item marred in any way. If the article is printed back-to-back on a page and cutting out one side would damage the other, 4 copies of the publication are sent. If publication or mention is in a book, then one copy of the book is forwarded.

The Honorary LRH Personal PRO operates off authorized projects under the Honorary LRH Personal PRO I/C and reports his activities and accomplishments based on these projects.

Some Honorary LRH Personal PROs have specialized fields in which they operate, i.e., the film industry, science, etc. These projects enable them to carry on specialized functions as Honorary **LRH Personal PROs**, in addition to the above basic functions.

#### SPECIFICS OF HOTLINE FOF

##### A. *PUBLICS*

- Honorary **LRH Personal PROs and GO PROs.**

- And by courtesy to, LRH Comms, COs and EDs of all orgs, Mission Holders, Flag Service Consultants and all Tours Orgs.

*B. FORMAT AND LA YO UT*

- It is four pages long on 8 1/2 by 11 inch white paper.

- The ink is dark blue and type style is routine with Vinetta Bold for the masthead and Prestige Elite for the copy.

PAGE 1. Masthead, LRH news.

PAGE 2. Campaign news (external).

PAGE 3. Wins from Honorary LRH PROs and GO PROs. Wins through application of LRH technology with external publics. An LRH quote in keeping with the motif.

PAGE 4. Standing Order No. 1 box with a reminder to PROs to tell people they can always write to Ron. A box with exact specific instructions as to what to do with the news contained in the HOTLINE Newsletter and accompanying particles, with six-point-high titling.

*C. ACCOMPANYING PIECES*

- A press release concerning L. Ron Hubbard (external) with permission to publish.

- An LRH article for placement in a local publication with permission to publish.

- An issuable quote which can be submitted for publication, or put on display.

- A document, or survey results, or a glossy photograph to accompany the release or article sent for placement.

*D. MAILING*

- HOTLINE and the accompanying particles are sent in 9 x 12 inch envelopes to avoid folding certificates, articles or photos.

- HOTLINE is published and mailed monthly. It is numbered consecutively in volumes with 5 issues to a volume.

*E. SPECIAL ISSUES*

- At times when there has been a tremendous win or LRH breakthrough a special issue of HOTLINE can be sent. It follows the same format above but is labeled as SPECIAL with a band over the bottom right-hand corner.

*F. SCHEDULE*

- A schedule for HOTLINE is worked out in advance and mailing done on time so PROs can predict when they will receive their next copy and can send in vital data for publishing on time.

*G. FINANCIAL PLANNING*

- HOTLINE materials and mailing is part of the FP #1 of the LRH Personal Public Relations Bureau.

**L. RON HUBBARD**

Founder

Assisted by

LRH Personal PRO

CSI:LRH:RPPRO:iw.gm Adopted as official

Copyright © 1979, 1982 Church policy by the

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

473

## **HUBBARD COMMUNICATIONS OFFICE**

**Saint Hill Manor, East Grinstead, Sussex**

### **HCO POLICY LETTER OF 26 SEPTEMBER 1979**

Rernimeo Issue III

Marketing

Personnel

Copywriters

Dirs Prorno

PRs *Marketing Series 12*

Div 2

Div 6 *PR Series 42*

## **COPYWRITING**

*References:*

Marketing Series PLs

PR Series PLs

HCO PL 10 Feb. 1965 AD AND BOOK POLICIES

There are many trends promotion and ad copy can take. One of them is dignified, hard-hitting and dramatic. Another is warm, human and truthful. Another, the kind we don't need, is pointless or banal. It specializes in words like "exciting" and "don't miss" which are cliché (worn-out, overworked, hackneyed phrases) and would attract no attention and get you no customers.

The approach to promo and copywriting, whatever the mood or trend it takes, should be fresh and truthful. Insincere, overdone or stereotyped advertising will never sell or bring anybody into anything.

It is possible to do promotion and write copy that is alive and interesting, that attracts and is in good taste,

## **PRIMARY MISSION**

The primary mission of any piece of promo is to create want and sell the item. When one goes to the trouble and expense of putting an ad together, it has to accomplish its purpose. If you're getting up an ad for a book, the purpose is to create a want for the book and sell the book. If you're getting up an ad on a service, the purpose is to create want for the service and sell the service.

The question one asks himself is, "What ad would accomplish this purpose?" and "How am I going to convince this audience that they ought to . . ."

You dig into your surveys and you find what people want and expect of the item. You yourself must have reality on the product and the worth of the product, and you must also have a reality on your audience if you're going to reach that audience and communicate to them in your copy.

This comes under the heading of "homework."

## HOMEWORK

By "homework" is meant all the necessary preliminary or preparatory work done, all the relevant facts dug up, all the data needed that will enable one to get a product out.

In copywriting it would mean getting fully familiar with the product or service one was promoting, knowing all about it. How is it produced? What does it do? Why is it valuable? What results can one expect from it?

474

Wherever possible, the copywriter would have personal experience with the product or service himself to be able to promote and sell it honestly. He would make it his business to find out about the experience of others with it, delve into results produced, success stories, wins, achievements. He'd *know* the product or service and he'd be able to turn out copy that shone with reality and conviction.

And he would make it his business to know his audience. Who is the product for? Who is this public? Has this particular public been surveyed? Were the survey questions correct? What does the survey show this public wants? What do they expect from such an item? What "buttons" has this survey turned up?

**When the** homework has been correctly done, you know the product and you know your public and you can produce a piece of promo that will bring the two together.

You use your knowledge of the product, you use the survey buttons, you use audience viewpoint and you use positioning to attract and interest and get the message across.

## COPY AND POSITIONING

**There has** been some think in the past that when positioning is done it is then put at the beginning of the promo piece and after that one pays no attention to it. This is a misuse of positioning. It can ruin the impact of your ad; it can disperse the reader.

Everything streams out from the positioning. If one has positioned something against an airplane, then the rest of the copy would be in terms of flight. It would be inherent in the way one used his words. A new item, a can opener, would take off from the drawer and dive effectively at a can. It would also give your hand a smooth ride. This is known as frame of reference. The vocabulary one uses is all inside a frame of reference. Positioning gives you a frame of reference. So you write your copy out of that frame of reference and you plan your promo piece around that frame of reference, **and you keep** it consistent.

**Impact depends mainly** upon consistency and staying on the same subject without **departure from the frame** of reference.

A good copywriter will make the most of positioning to enhance his copy and make it all-of-a-piece with the whole of the ad.

## ASSUMING AUDIENCE VIEWPOINT

A common fault in writing ad copy or other material, both in marketing and other areas, is an inability to assume the viewpoint of the reader and get the idea of what impression the reader may

have when he reads the ad. An ad must be written from the viewpoint of the public that is going to read it.

The actual trick of writing that wins is to be able to put oneself in the valence of the person who will read it. What kind of public is that? Who is this person? Get a reality on your reader, and then, just like an actor, you assume that beingness and read your copy back. An experienced actor can flip into a beingness in about 1/25th of a second and flip out of it again. So just slide into such a beingness and read your copy, and you will see what I'm talking about.

It is a skill in writing to be able to read one's copy newly as though one has never heard of it before, from the beingness of the reader. It is something one should acquire.

#### MAINTAINING VIEWPOINT

If the writer doesn't have a firm viewpoint from the beginning and hold that viewpoint throughout the copy, his ad will lack impact. Further, it will disperse his audience. If he switches viewpoints within the ad, if he writes from the viewpoint of the

475

producer one moment and moves in from the viewpoint of the consumer in the next paragraph, his copy is going to be confusing and he'll lose the reader.

One can't have two different approaches to the same subject in one piece of literature.

Similarly, if he has no audience viewpoint or has difficulty assuming the viewpoint of a reader, his ad will fall that much short of really communicating.

#### WHAT THE PUBLIC ASKS OF AN AD

In an ad or flier, you don't try to enforce understanding on the reader. That violates come-on. And it's not even what the public wants. An ad does not have to teach anything; it merely has to create want. And when the want is created, you must, must, must tell the reader where he can get it. You never leave a mystery as to where someone can get the product or the service.

Ad copy can defeat its own purpose (to create want and *sell something*) if it doesn't include the seven points of an ad as listed in HCO PL 10 February 1965, AD AND **BOOK POLICIES**.

That list contains the questions a public person actually asks himself or asks of an ad or a flier. What is this service? How valuable is it? What does it do? How easy would it be for me to do it? How much does it cost? How do I get it? Where?

A good copywriter carries the reader, his interest increasing, right on through the final question. Where this is missing, you have a writer who doesn't have the audience viewpoint. He may even create a want but then leaves his audience dangling. Where it is handled and handled well by a good copywriter, you have an ad that sells.

#### HARD SELL

It is necessary in writing an ad or a flier to assume that the person is going to sign up right now. You tell him that he is going to sign up right now and he is going to take it right now. That is the inference. One does not describe something, one commands something. You will find that a lot of people are in a more or less hypnotic daze in their aberrated state, and they respond to direct commands in literature and ads. If one does not understand this, and if he doesn't *know* that Dianetics and Scientology are the most valuable service on the planet, he will not be able to understand hard sell or be able to write good copy.

So realize that you're not offering cars or life insurance or jewelry or stocks or **bonds** or houses or any of the transitory and impermanent things which are based on things not surviving or on things that are in fact being destroyed. You're offering a service that's going to rehabilitate the thetan and that is *lasting*.

Hard sell means insistence that people buy. It means caring about the person and not being reasonable about stops or barriers but caring enough to get him through the stops or barriers to get the service that's going to rehabilitate him,

That is the sole reason for our use of surveys and promotion and marketing in the first place.

When that one fact becomes real, it all falls into place and it should be a short step then for a copywriter to produce an ad that attracts, interests, creates want and *sells* Scientology products and services.

LRH:nc.gm L. **RON HUBBARD**

Copyright @ 1979 Founder

by L. Ron Hubbard

ALL RIGHTS RESERVED

476

HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinste~

HCO POLICY LETTER OF 27 SEP

**Rernimeo**

**Marketing**

**Personnel**

**Copywriters**

**Dirs Prorno**

**PRs**

**Div 2**

Div 6 *Marketing Series 13*

*PR Series 43*

**ADS AND COPYWRITING**

***References:***

**Marketing Series PLs PR Series PLs**

Ad copy has got to carry a message. It is a communication.

Some photographers never find out that a photograph is a communication. Some artists never find out that art is a communication. And that is also true of some copywriters.

**SPLIT-SECOND TIMING**

An ad is not textual information. It is a communication. But it has to be a very fast communication because people won't look at it very long. It has to be able to deliver its message in about a quarter of a second. That's how long it takes somebody to go through the reflex of throwing the piece away.



You could actually go around with a stopwatch and time how long it takes for a person to see if he is going to throw something away or not. It is that span of time that you have in order to absorb the message.

The actual test of a piece of ad copy is WILL IT REGISTER IN THE INSTANT IT TAKES THE INDIVIDUAL TO PICK IT UP AND DECIDE HE IS GOING TO THROW IT AWAY?

If it communicates in that split instant of time, he won't throw it away. That is the test of an ad or a flier.

At each point a person would throw a promo piece away, he must be stopped. You have to figure out the cycle by which he would throw something away and then you can write the ad copy. You have to figure out the points of stop when a person is going to discard this thing and catch him on each one of them.

#### ADS AND THE COMM CYCLE:

#### DIRECTING THE PUBLIC

You must recognize that the public has to be able to send for something or be able to communicate easily or they don't buy the item. You have to direct the public. An ad or flier must have something for them to do. It must give them somewhere to go, or someone to write to, or someone to call or contact. You first direct them. Then make it easy for them to respond. That's part of the comm cycle.

477

#### LOOKING AT MADISON AVENUE

The beautiful artwork and gorgeous stuff you see in magazines is Madison Avenue's effort to keep people from throwing the piece away because it is aesthetic. But it doesn't communicate.

I've looked through a few magazines trying in vain to find out what to order and where to order it from. I had the wildest time and finally found in one magazine they had enclosed a card. But it wasn't actually a card; it was a piece of a card that had to be cut off another card. It wasn't recognizable as a card so I didn't recognize it as something you could use to send away for something. It just didn't register as a card, so there was no simple way to send away for the item.

Here's an example of an ad that doesn't communicate. It's an isolated object, beautifully photographed, sitting out in the middle of space. Then underneath it all they say they've just won an award for something or other. But what's the ad about? It doesn't say. The message isn't there. It doesn't communicate.

Here's another: It's actually supposed to be a cigarette ad but it shows somebody getting dragged on a sled through the snow. It's obvious what they're selling-they're selling snow!

Most of the ads in the better magazines aren't ads at all; they're just assertions about a product. You will find that hardly any of them are ads that bring about exchange.

If this is the best of Madison Avenue, they don't know the basics of advertising,

If our promo people are looking at or studying that kind of ad all the time, they won't be able to write good ads themselves. Because these aren't good ads. They don't communicate.

#### SURVEYS AND COMMUNICATION

In magazines you have something on the order of half a million dollars worth of advertising or more. It has pretty poor impact.

It is very outpointy for grown men to be spending this much trying to trickily capture somebody's attention. They get so involved in the trickery of it that they don't communicate what they want, which is, "We want you to buy this product."

Advertising must represent something that people want which they are willing to exchange something for. The ad has to tell them what it is.

If you have a surveyed message, it has got to offer something. Advertising people, with all their flossiness, all of the color and everything else, aren't *communicating*.

Some ads use mainly only a symbol or a hallmark and attempt to make that into a communication. But you can't take a symbol or a hallmark and make it into a communication. They are just decorations. That doesn't make an ad.

You have got to get the communication that matches the survey. But promo people have found a new way of avoiding a survey. They just put it all down in the text, so the communication doesn't match the survey.

I realize that in school they teach you that you must be original. But communication is duplication. You do a survey, the public feeds you a button, so you just feed it back to the public. That's duplication. And it works. Don't make the mistake, in writing ads or copy or promotion, of thinking that you have to do something else besides feed the surveyed button back to the public.

478

## CONCLUSION

Actually, in advertising you haven't got any competition at all.

So why is it that some promo people don't write good ads? Because the ads they see all the time aren't good ads. That's the Why!

The handling is to write good ads!

With the survey and promotion tech we have, and the tech we have on communication, there's absolutely no excuse whatsoever not to produce a good ad-one that communicates!

L. RON HUBBARD

Founder

LRH:nc.gm Copyright 0 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

479

## HUBBARD COMMUNICATIO

Saint Hill Manor, East Grinste

HCO POLICY LETTER OF I DEC

Marketing

Hats

Copywriters

Dirs Porno

Survey Hats

PRs *Marketing Series 15*

Div 2

## **SURVEY BUTTONS ARE NOT THE MESSAGE**

### *References:*

HCO PL 2 Sept. 79 Marketing Series 4, PR Series 36,

SURVEYS ARE THE KEY TO STATS

HCO PL 7 Aug. 72R PR Series 17R,

Rev. 9 Aug. 72 PR AND CAUSATION

The book *Fundamentals of Thought*, chapter five: The A-R-C Triangle

The difference between survey buttons and the message in a promo piece must be crystal clear to those working in promotion and marketing.

The first thing to understand is that they are NOT the same thing.

The *message* is the communication, the thought, the significance you want to get across to an audience or public.

A *button* is what is used to get the public's agreement to hear the message.

Too often promo and marketing people seem to get all tied up with the use of buttons and thus they never put any message in the promo piece. But the message is the whole reason for the promo piece in the first place!

Surveys can appear to not work very well when survey buttons and only survey buttons are used, as the result is messageless promo.

A survey is done so that you elicit response and agreement. But you get response because you've elicited agreement. You elicit agreement by using the right button. The button is the R-factor. It's how you establish a reality with an audience.

To do a proper survey and to then use its results effectively requires an understanding of the purpose of surveys, and of ARC and the ARC triangle. It requires an understanding of what reality is.

One uses the ARC triangle in conducting a survey initially and, following that, one applies the ARC triangle in putting the survey results to use,

It goes like this: One *communicates* to an audience (via a survey) with *affinity* to find out what the *reality* of that audience is. Reality is agreement as to what is. The reason you do a survey is to find out what that audience will agree with.

One then approaches the public with that *reality* in a promo piece to get the public's agreement to hear the message, the *communication*, in the promo. And thus one raises the public's *affinity* for the item one is promoting.

That is the simplicity of it. But it will only be simple to the person who understands the ARC triangle. It is basic Scientology data we are using here. By improving

480

one corner of the ARC triangle, one improves the other two corners. The most important of these three related points, ARC, is communication. But without reality or some agreement, communication will not reach and affinity will be absent.

Thus, surveys are done to get agreement. Dispel the idea that surveys are done for any other purpose. They're done to establish agreement with an audience.

In a survey, you question people to get their opinion on something-an idea, a product, an aspect of life, or any other subject. A *button* is the primary datum you get from this action. It is the answer given the most number of times to your survey question.

You ask ten or ten hundred people what they would most want or expect of an automobile tire and seven or seven hundred of them tell you "durability." That's the button. That's the reality, the point of agreement on automobile tires among that public. So you use that button with that public and you've established reality; you've got agreement and they will then listen to what you have to say about automobile tires.

Buttons have their use but we are not so much interested in them as we are in MESSAGE. The message is the real essence of any promo piece. Buttons are just the grease to use to get your message through.

It would be a good idea for anyone with any confusion on these points to work them out in clay. One should be able to make a clear distinction between these two terms, button and message, and to view them in the correct relationship.

Once that distinction is made, it will be the end of messageless promo.

In its place we'll have promo that uses a button to strike just the right note of agreement and establish a reality with the audience and then, without fail, communicates, really DELIVERS THE MESSAGE, to what is now a receptive audience.

That's the secret of promo that gets response.

The first thing about it to understand is that SURVEY BUTTONS ARE NOT THE MESSAGE.

**L. RON HUBBARD**

**Founder**

LRH:kjm.gm Copyright 0 1979 by L. Ron Hubbard ALL RIGHTS RESERVED

481

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 FEBRUARY 1982

Rernimeo Issue 11

All Staff

Marketing Hats

Dirs Prorno Pubs

PRs

All Pubs &

Comps Units

*Marketing Series 16*

*PR Series 45*

**BOOKS AND MARKETING**

Don't plan books to be printed without marketing liaison and don't mishmash and cross publics when marketing books. Don't market with generalities; marketing is aimed at specific publics. And

above all, don't downgrade or put black PR in books. Also, don't hit at allies to upset them. This is a theta line. Make it theta all the way. If any black PR is done on it, it is only to blow enemies off it. But the theta in these works, all by itself, will blow the enemy away.

L. RON HUBBARD

Founder

Assisted by

Special Marketing Pgm Ops

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:SMPO:bk.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

482

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 JULY 1982

Remimeo CORRECTED AND REISSUED 1 AUGUST 1982

PRs

*(Corrections in this type style)*

*PR Series 46*

FAILED PR

*References:*

HCO PL 18 Nov. 70 11 PR Series 5

PR DEFINITION

HCO PL 7 Aug. 72R PR Series 17R

Rev. 9.8.72 PR AND CAUSATION

HCO PL 21 Nov. 72 1 PR Series 18

HOW TO HANDLE BLACK PROPAGANDA

HCO PL 1 Apr. 82 PR Series 19R

THE SAFE POINT

HCO PL 27 Oct. 74 PR Series 25

SAFE GROUND

HCO PL 30 Mar. 75 PR Series 26

PR AND INFORMATION

HCO PL 19 Sept. 79 PR Series 40

Marketing Series I I

PROMOTION

HCO PL 30 May 68 Admin Know-How Series 20

ADMINISTRATION

HCO PL 16 May 65 11 INDICATORS OF ORGS

HCO PL 26 Dec. 68 THE THIRD PARTY LAW

HCO PL 15 Mar. 69 THIRD PARTY, HOW TO FIND ONE

HCOB 21 Jan. ADIO JUSTIFICATION

HCOB 12 Feb. 62 HOW TO CLEAR WITHHOLDS AND

MISSED WITHHOLDS

HCOB 8 Feb. 62 MISSED WITHHOLDS

HCOB 3 May 62R ARC BREAKS, MISSED WITHHOLDS

Rev. 5.9.78

HCOB 31 Jan. 70 WITHHOLDS, OTHER PEOPLE'S

HCO PL 3 May 72R Exec Series 12

Rev. 18.12.77 ETHICS AND EXECUTIVES

HCOB 16 Nov. 61 SEC CHECKING GENERALITIES

WON'T DO

HCOB 22 Feb. 62 WITHHOLDS, MISSED AND PARTIAL

HCO PL 19 Oct. 74 THE DRAMATIZATION OF WITHHOLDS

ON VITAL INFORMATION LINES

HCOB/PL7 Aug. 79 Product Debug Series 8

Esto Series 36

FALSE DATA STRIPPING

There is a datum as follows: When admin won't go in, tech is out. When tech won't go in, ethics is out.

Here is how this fits in the PR world: WHEN PR WON'T GO IN, ETHICS IS OUT.

483

There are several ramifications of this, which is to say, several possible flows. It could be the PR himself is not pushing and is out-ethics.

It could be-the usual reason-that the via to the target public or even the target public is out-ethics in some way.

It could occur that the target (or via to it) is being pressured by an out-ethics third flow-as in third party tech.

But. whatever the flow, the fact remains that the above datum is true.

Any PR pushing a worthwhile message and pushing it with good ideas and PR tech will get his only loses by reason of the above datum.

An example in PRing an org which then does not respond-an instance which just happened-out-ethics was rife at the org top.

This is not to put PRs in the ethics game. And it is not to serve as an excuse for failure.

The datum is for use-to widen up the obs [observation] ability of the PR for it opens a new avenue to him for a PR handling!

Out-ethics on the surface appears as withhold phenomena. This makes the person the PR is working on or via behave as they do per withhold HCOBs, which a PR should know.

PR, as well as being bright, is often a wily, clever game. If one knows what he is up against, he can develop a PR handling to fit.

If one suddenly realizes he is talking to no avail, he need not just go on butting his head against the wall or countering chop or insults. There are ways to blow withholds into view and withholders out of the water that are too numerous to mention. If one, seeing the key datum of this PL is the case, then shifts his approach to blowing the withhold to bits, he wins. *And* he stands a big chance of now getting his message through where before it was all failure.

As an example, the crudest form would be an abrupt shift and question, "Who has been lying to you about (principal)?" This enters it into false data stripping instantly. There are many, many ploys depending on the flow and situation encountered.

"Worse than" is a tool a PR can use. One infers the withhold is far worse than it possibly could be. "Why are you planning to (shoot, destroy, wreck) (principal)?"

The above datum has a thousand uses.

Don't get bugged by failures to get a message through. Having given your best efforts resulting in a block, don't quit. Apply the above datum. It serves the same purpose as dynamite. It can clear the way for flows to go through even if the pieces fly sky-high!

## **L. RON HUBBARD**

Founder

Adopted as official

Church policy by the

CSI:LRH:kjm.gm CHURCH OF SCIENTOLOGY

Copyright © 1982 INTERNATIONAL

by L. Ron Hubbard

ALL RIGHTS RESERVED

484

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 SEPTEMBER 1982

Remimeo PR Hats

*PR Series 47*

PR FUNCTIONS

The functions of a PR are all those listed in "Effective PR" (the book, *Effective Public Relations* by Cutlip and Center, published by Prentice Hall, Inc.\*), and policies relating to PR actions.

But remember this:

PRs evolved from press agents and a basic area of their hat-particularly as it applies to promotion-is PRESS AGENCY.

A PR must have some skill in

A. News stories

B. News photography.

Without these skills he cannot really comm to the media.

In obtaining "profitable images" a PR must take advantage of stage or conceive of an event that gets attention. He must be able to assume the viewpoint of a reporter, an editor or any of the types of public he is seeking to reach. Otherwise he will not perceive what they will accept. This done, they will find his comm convincing and he can get his purpose done.

A PR must be able to write "handouts" ranging from all the facts he wants received to a complete news release that will be printed verbatim.

A PR must be able to get taken or take news type photographs for use in media.

And a PR must be able to line up media-or audiences-to get his message across.

The basic tools of a PR are all embraced in the word "messages." These can be oral, written or pictorial.

They must be oriented to the purpose the PR is seeking to achieve.

They must be arresting enough to impinge. They must be bright enough to interest.

*These* are the basic tools of the PR: purposes, messages. From these come profitable images.

The purposes are many, the message forms and channels are many. To achieve his product of images, the PR must acquire knowledge of and skills in them all.

## **L. RON HUBBARD**

Founder

Adopted as official

CSI:LRH:iw.gm Church policy by the

Copyright 0 1982

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

*\*Board Note:* There is a special edition of the book, *Effective Public Relations*, especially produced for Church of Scientology personnel, which can be obtained from Bridge Publications, US or from the FSO (Flag Service Org) Bookstore at Flag.

485

## **HUBBARD COMMUNICATIO**

**Saint Hill Manor, East Grinstead**

**HCO POLICY LETTER OF 7 A,**

Remimeo

All Staff

All PRs



Div 6's

Class IV Orgs

Saint Hills

AOs

FSO

Missions *Executive Series 37*

*PR Series 48*

## **GOODWILL**

### *References:*

HCO PL 10 Sept. 82 Finance Series 36

EXCHANGE, ORG INCOME AND  
STAFF PAY

HCO PL 28 Feb. 65 DELIVER

HCO PL 26 May 61 Keeping Scientology Working Series 2

Reiss. 30.8.80 A MESSAGE TO THE EXECUTIVE  
SECRETARIES AND ALL ORG STAFF  
QUALITY COUNTS

HCO PL 21 Nov. 68 SENIOR POLICY

HCO PL 2 Sept. 70 FIRST POLICY

HCO PL 17 June 69 THEORGIMAGE

HCO PL 24 Aug. 65 11 CLEANLINESS OF QUARTERS  
AND STAFF-IMPROVE OUR IMAGE

HCO PL I I Dec. 69 APPEARANCES IN PUBLIC DIVS

The amount of public demand for service and your future income are both largely dependent upon GOODWILL.

Goodwill is the reputation an organization has with its publics for integrity, good service, prompt bills paying, high quality delivery, friendliness, etc.

Excellent technical delivery is what generates a blaze of goodwill and PR that spreads by word of mouth like wildfire.

Events, open houses, tours, film or slide presentations-all such activities serve to generate public interest and goodwill.

Training and processing are commodities that are far, far more desirable than anything else this world has to offer. And when they are delivered with superlative technical application with the out-of-this-world gains that are possible, you would drum up so much public support that you would soon have an army of ardent supporters outside your door, no matter how much the psychs and press railed about us (even if they are still around to do so).

PR

Good technical delivery makes it possible to have good "PR" (public relations). By definition, PR is the art of making good works well known. It is effective cause well demonstrated. When technical is creating miracles on a regular basis, it is simply a matter of making this broadly known. Your public will even do it for you on a "word of mouth" basis.

486

## WORD OF MOUTH

Almost all Scientology prospects come from people who have had service who are urging other people to have service or read books on the subject. That is called WORD OF MOUTH. Word of mouth comes from having numerous people in the field who are happy and cheerful and satisfied with their service and who are active in the fields of Dianetics and Scientology. There is where the bulk of your income comes from.

Word of mouth is a superior form of advertising to newspaper, radio and TV ads. People tend to believe their friends. They are skeptical of advertising. "It worked for Joe, it will probably work for me" is what people think. And in Scientology they are correct.

When word of mouth and PR have been in neglect, it will be because the org has not worked on the basis of goodwill and has let its tech go out (and is therefore costing itself a mint). This applies to all organizations and missions all the way up to the FSO and includes other units and networks as well.

The "word," whether good or bad, spreads like wildfire. That's why you'll never see anything empty out quite as fast as an Academy that is run nonstandardly; or conversely, anything fill up as quickly as a tightly scheduled, smartly run, in-tech Academy.

## SUMMARY

Other factors also enter in where goodwill, word of mouth and PR are concerned. The public, in dealing with the business world, has grown to expect clean, pleasant quarters and smart, friendly service.

There is nothing as destructive of goodwill as dirty quarters, sloppy, "help yourself" service and an unfriendly staff.

Clean quarters, professional conduct, good service and above all, a friendly staff, all go a long way to promoting goodwill.

It is not only the job of the Public Relations Officer to secure goodwill. It is part of EVERY staff member's job to help build goodwill for the organization by doing those things that will cause the public to think well of it, and by refraining from doing those things that would result in bad PR for the organization.

Above all, it is every staff member's primary concern that the organization is delivering the best tech quality possible. This point *is the* source of goodwill.

You must take a hand in creating goodwill. It is YOUR org!

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

## INTERNATIONAL

CSI:LRH:fa.iw.gm Copyright 0 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

487

### *REVISED*

HUBBARD COMMUNICATIONS OFFICE *See page 490*

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 JANUARY 1971

Rernimeo

Finance Packs

SO & Sen Orgs

*Finance Series I*

### FINANCE BANKING OFFICERS

The Finance Office is an autonomous office (similar to the Guardian's Office). It has representatives in every bureaux and every Continental Liaison Office and every org, SO and Sen.

It is located on the org board in the Office of LRH.

Its authority stems from the corporate authority of the company and exists at company director level of the corporation.

Its representative is called the FINANCE BANKING OFFICER (FBO).

When the office is established in an area and an org is designated as part of this corporate authority (as already exists in the SO at this writing), the following procedure is followed.

The FBO verifies and collects all income received by the org from the Cashier or Income Dept, Div III, Treasury Division. This is done daily.

Appropriate receipts are given the Cashier or Director of Income.

The FBO immediately banks this money in a Finance Office Account or in his safe, making express and useful records of this action.

When the org or activity has undertaken its financial planning (FP) to the satisfaction of the Treasury See (or Purser) who can verify that the FP covers the necessities of org operation, the FP is transmitted to the Treasury Bureaux Aide or Assistant Aide. It is again verified.

Accompanying the FP from Ad Council level must be a statement of expected future income and its planning. It is upon this that the bureau bases its authorization.

This authorization is then forwarded to the FBO complete with all papers and FP.

The FBO on his own discretion then transfers to that org's Main Account the needed funds. This is the ALLOCATION.

From this Main Account the org now further transfers funds to its other accounts.

Any reserves being built by the org are taken from the allocation.

The management of the allocation remains with the org.

The judgment of the FBO, based on the org's expected income as stated in the FP, and on the FP submitted, as to what amount the FBO allocates is entirely up to the FBO and is not subject to

appeal. The FBO must make his experienced allowances for down periods and for the actual production of final valuable products of the org.

Any cash shown on a cash/bills graph is cash salvaged from former allocations (org reserves) or current allocations. The cash expressed on the cash/bills graph of the

488

org must exist in actuality and must be real sums that can be expended. It may not be "credit coming to us from an FBO" nor collectible but not received sums. Even checks delayed in clearing may not be part of this org cash figure.

The FBO also pays from his own funds so collected from orgs, management expenses of the corporation incurred locally. These are no part of an org's expenses.

The sums and accounts of the FBO are the property of the corporation and no longer under the org's control. Allocated sums for the org are under the org's control.

Funds requested by an org FP, or by an FBO from the corporation for a specific use, must be applied to that use or refunded to the FBO if not so used.

The orderliness and in-admin of a Treasury Division in an org are under the overall supervision of the org's Treasury Sec and the org's Treasury Sec and the state of his division and the reality of his activities are the responsibility of the Treasury Bureaux of the corporation as well as under the Executive Director or the Commanding Officer of that org or activity.

Balance sheets and other reports are under the same responsibility as the Treasury Division; but in the matter of balance sheets and tax, also come under the Guardian Office Finance to which both Treasury Aides and A/Aides are answerable.

The viability of the org and area is the local responsibility of Treasury Secretaries and A/Aides and Aides of the Treasury Bureaux and, as it may seem to them to apply, the Guardian Office,

The solvency of the orgs and areas is the responsibility of the FBO.

The FBO statistics consist of cash paid in to management central reserves and the allocation-production ratio of each org and of the area.

Management reserves are used for defenses and potential refunds and management overall cost and viability.

Org reserves are used for local emergencies or periods of down stats or large acquisitions to increase production.

The exact financial administration to bring this policy letter into full use is offered for approval to and authorized by the corporate board.

Nothing in this policy letter disturbs in any way existing finance policy except to modify the Cashier's and Dir Income's actions in turning over all income properly accounted for to an FBO and receiving, via FP and the Treasury Sec of the org and the Treasury Bureau application, from the FBO the allocation passed upon by the FBO.

**L. RON HUBBARD**

**Founder**

LRH:nt.sb.rd.gm Copyright © 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

489

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 JANUARY 1971R

Remimeo REVISED 27 OCTOBER 1982

Finance Packs

SO and Scn Orgs (Revised to align with current

FBO Hat organizational structure)

*Finance Series JR*

## FLAG BANKING OFFICERS

The International Finance Office is an autonomous office. It has representatives in every bureaux and every Flag Operations Liaison Office and every org, SO and Scn.

It is located on the org board in the Office of LRH.

Its authority stems from the authority of the ecclesiastical hierarchy of Church of Scientology International.

Its representative is called the FLAG BANKING OFFICER (FBO).

When the office is established in an area, the following is the operating procedure.

**The FBO verifies** and collects all income received by the org from the Cashier or Income Dept, Div III, Treasury Division. This is done daily.

Appropriate receipts are given the Cashier or Director of Income.

The FBO immediately banks this money in a Finance Office account or in his safe, making express and useful records of this action.

When the org or activity has undertaken its financial planning (FP) to the satisfaction of the Exec Council who can verify that the FP covers the necessities of org operation, the FP is transmitted to the FBO.

Accompanying the FP from Exec Council level must be a statement of expected future income and its planning.

The FP is then forwarded to the FBO complete with all papers.

The FBO on his own discretion then transfers to that org's Main Account the needed funds. This is the ALLOCATION.

From this Main Account the org now further transfers funds to its other accounts.

Any reserves being built by the org are taken from the allocation.

The management of the allocation remains with the org.

The judgment of the FBO, based on the org's expected income as stated in the FP' and on the FP submitted, as to what amount the FBO allocates is entirely up to the FBO and is not subject to appeal. The FBO must make his experienced allowances for down periods and for the actual production of final valuable products of the org.

Any cash shown on a cash/bills graph is cash salvaged from former allocations (org reserves) or current allocations. The cash expressed on the cash/bills graph of the

org must exist in actuality and must be real sums that can be expended. It may not be -credit coming to us from an FBO" nor-collectible but not received sums. Even checks delayed in clearing may not be part of this org cash figure.

The FBO also pays from his own funds so collected from orgs, management expenses incurred locally. These are no part of an org's expenses.

The sums and accounts of the FBO are solely under the control of the FBO and no longer under the org's control. Allocated sums for the org are under the org's control.

Funds requested by an org FP from the FBO's accounts for a specific use must be applied to that use or refunded to the FBO if not so used.

The orderliness and in-admin of a Treasury Division in an org are under the overall supervision of the org's Treasury Sec, and the org's Treasury Sec and the state of his division and the reality of his activities are the responsibility of, as well as under, the Executive Director or the Commanding Officer of that org or activity.

Balance sheets and other reports are under the same responsibility as the Treasury Division but in the matter of balance sheets and tax also come under the Finance Network to which both Treasury Aides and A/Aides are answerable.

The viability of the org and area is the local responsibility of Treasury Secretaries and A/Aides and aides of the Treasury Bureaux and, as it may seem to them to apply, the Finance Network,

The solvency of the orgs and areas is the responsibility of the FBO.

The FBO statistics consist of cash paid in to central reserves and the allocationproduction ratio of each org and of the area.

Central reserves are used for defenses and management overall cost and viability.

Org reserves are used for local emergencies or periods of down stats or large acquisitions to increase production.

Nothing in this policy letter disturbs in any way existing finance policy except to modify the Cashier's and Dir Income's actions in turning over all income properly accounted for to an FBO and receiving from the FBO, via FP, the allocation passed upon by the FBO.

**L. RON HUBBARD**

**Founder**

Revision written at the request of the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm

Copyright Q 1971, 1982

By L. Ron Hubbard

ALL RIGHTS RESERVED

491

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 FEBRUARY 1971

Remimeo

Add Finance

Checksheet

All FP Members

*Finance Series 2*

## **FINANCIAL PLANNING TIPS**

**FP need** not be a burden at all.

If these five conditions exist then FP is very easy.

1. **PRODUCE AS AN ACTIVITY.** Look over what your products should be, particularly your valuable final products, and then begin to get those products somehow anyhow. This and only this is the shining reason why you can have a decent allocation. If it is then denied you, you can howl and be sure of redress. A cap in hand with no product is a sure route to chopped FP. (Example: An org with half a million collectable on its books but which didn't even send out statements had an awful time with FP. Asking for "allocations" that were really handouts, neither its FP body nor its FBO fully understood WHY, but it just seemed unreal to give it money. It was asking for money. It wasn't requesting the return to it of money it had made and was entitled to. It did not make other value so could not justify value. Therefore it "sort of looked odd" to Finance. Even Finance did not know why. The wildest example of this was the 1950 LA Foundation which, under a US Navy ex-rear admiral, wanted \$47,000 a week to subsidize a foundation potentially making \$80,000 a week. But he closed its doors and wouldn't run it until he could get "legal" and subsidized. Another one is DK 1969 wanting Flag to pay it \$3,000 a week to keep it going when it wasn't even sending out letters and did not even own a typewriter yet was accidentally making \$5,500 a week average. There are tons of such examples. Activities go on to government appropriation think instead of *promote-sell-collect* and *deliver* and wind up with no pay, no food, no uniforms and FP troubles and conflicts you wouldn't believe possible.)

2. **KNOW YOUR FINANCE PACK.** When members of FP bodies have not done their finance pack, they get into total confusion. Further, any finance authority gets disgusted with their admin irregularities and won't regard their propositions or troubles with any seriousness. Failure to do, refusal to do a finance pack (which only takes a couple part-time study days) can give an FP body a bad name with Finance people simply because their ignorance is mistaken for foolish proposals.

3. **SEPARATE OUT DIFFERENT TYPES OF EXPENDITURE.** An early FO on "title" of various items helps clarify. Find out and get it agreed to what is covered under Title A (permanent), Title B (valuable nonexpendable) and Title C (issuable or usable) and get Finance to agree to what is which and exactly what one is doing FP on and the tangle becomes easier to undo. What is Permanent Fixture? Does one FP for new ships, new buildings, vital repairs, vital spares? (Actually no, but it has to be covered in general finance.) Is one FPing for gimmicks and oddities and possibly useful things (Title B). Or is one FPing for expendables, wages, food, fuel, papers? (Title C.) Maybe one FP for all

three BUT in the category of necessities to operate and would be nice and future hopes. Necessary spare parts for Title A that would break everything down are of course necessities. So probably should pass without question. Whereas Finance people often don't see them that way. Wages, food, uniforms, fuel are subject to cutbacks where an activity is not able to demonstrate production. Good idea Title B usually comes in for purchase when the activity is really making the money and otherwise are a yawn. Future hopes depend totally upon one's profitable use of what one has. Once you get all this agreed to with Finance people, they can't change the rules on you every FP. And a lot of the strain goes out of it. No FO or P/L could easily set up

492

exact rules for every type of activity there is. Essentially it would be what is agreed upon between the Finance people and the FP body. The Finance people want to get cash to reserves and they resent justly a freeloader activity that has subsidize or unwise think. They want to give an activity X beans (money) and get back X beans plus. When they give out X beans and get back *no* beans, they are hard to live with. Even a ship that produces no money directly still sells org help events and trained experienced SO members for beans from orgs. Any org would give it good hard beans for real help and trained experienced SO members. If AOLA could "buy" all the excellent SO members it wanted and needed from the station ship it would be delirious with joy. But if the station ship has not been making them, it has a hat-in-hand aspect to Finance people. Finance people then shift the rules around to try to get out of giving *any* money at all, naturally. While this is covered in No. 1 above, it also affects No. 3, this one. Everything is considered Title C, even the ship, and subject to total reduction as it does not increase Finance people's viability. So "the rules" get shifted on the FP body. If it isn't making a valuable final product that can be changed for cash with something that has cash (No. 1 above) and if it doesn't know general finance rules (as in No. 2 above) and if it has no solid agreement with the finance authority on Title A, B and C, then of course FP is a nightmare for everyone concerned.

4. NEGLECTING NECESSITIES. When an FP body is not aware of the necessities of its operation and neglects to FP for them, Finance people (Bureau Three Treasury and FB0s) have to do it for them. This causes a lot of bad feeling from Finance people. A new drinking fountain or trampoline mat for staff and no postage FPed for is sure to cause a lasting engrain! An FP body should have a list of vital necessities by division and FP for those first before it begins to wonder. Strangely, pay, food, uniforms are not considered necessities. They do not directly influence an activity's income. A "necessity" is what it takes to make products and valuable final products. In a cap-in-hand activity food is qualified as "some food, oatmeal maybe." Pay becomes "maybe but no bonuses ever." Uniforms become "none." Recruiting posters YES. Fuel becomes "economical amounts carefully used." Training materials becomes YES. So what's a necessity? A necessity is what it takes to make *the* valuable final product, not individual survival but group survival. So an FP body doing individuated think can get in severe FP trouble just by the nature of economics,

5. USING FP TO NEGLECT DUTY. It is a shame but true that people will excuse lack of vital action by blaming FP. "The building burned up because we couldn't get fire hoses through FW" "The main **engine broke down because FP** rejected. . . ." Actual tracing of **such statements usually discloses the item was never FPed** for at all even to the FP body or that an "FP" was used as a means of escaping the work. If you buy all this blame of FP you will think FP and Finance people villainous. Actually FP is often a whipping boy to excuse not doing the job or to delay it. Failure to handle and saying it was FP when it wasn't is Comm Ev stuff. So don't let FP get a bad name unjustly. It's grim enough even when done right.

The future of any activity depends upon these five factors above. It is an economic world in which we live, regardless of "isms" like capitalism or communism or socialism.



If you have these five things cared for, you can do FP quite merrily.

The essence of getting money is making money in the first place. FP is the second step of what do we do with the money we make. It will never solve neglecting to make it. You always have trouble with money if you don't make any.

I hope this helps lead some finance bodies out of the jungle into the sun.

LRH:sb.rd.gm L. RON HUBBARD

Copyright C 1971 Founder

by L. Ron Hubbard

ALL RIGHTS RESERVED

493

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 FEBRUARY 1971RB

Remimeo RE-REVISED 27 OCTOBER 1982

Finance Packs

SO and Scn Orgs (Cancels and replaces

BPL 17 Feb. 7 1 R, same title.)

*Finance Series 3RB*

## **BASIC FBO DUTIES**

(This issue was originally issued as a policy letter taken from notes of a conference by the Founder. It was approved by the Founder and adopted by the Board of Directors including the Bank Accounts section written by the Founder. It was revised and reissued incorrectly as a BPL dropping the Founder's section on Bank Accounts. It is being reissued at the request of the Church of Scientology International in original form, revised to align with new Int Finance Network and with correct signatory and issue type. It now has the full force of policy.)

### *References:*

HCO PL 29 Jan. 71 Finance Series IR

Rev. 27 Oct. 82 FLAG BANKING OFFICERS

HCO PL 13 Jan. 71 Finance Series 2

FINANCIAL PLANNING TIPS

ORG CASH COLLECTIONS

The FBO collects the cash from Div 111.

He verifies what he has received.

He gives a receipt for it.

He writes it all down in his records, making a total list of what the monies are.

He makes out a bank deposit slip.

He goes to the bank and he deposits the money in his FBO No. 1 Account.

FP LINE

Exec Council of the org passes on and finalizes its FP and hands it to the FBO who verifies it by production for himself.

The FBO writes a transfer check from his FBO No. 1 Bank Account and just transfers the FP amount to the org's bank account (Main Account).

The org's own officers are signatories on their own bank account.

The FBO and the Finance Enforcement Officer of the org are signatories on the FBO account. Where there is no Finance Enforcement Officer, the D/FBO or CO or ED are cosignatories.

494

The **FBO** has a second bank account (FBO No. 2) to which he transfers money for management expenses.

He transfers money from the first (FBO No. 1) account to SO (not org) reserves.

The FBO keeps an invoice-disbursements system on his No. 2 Account.

The FBO never spends any money out of his No. 1 Account. Money goes into it and is transferred out of it. Only transfer checks are drawn on it (to SO reserves or to Org Main Account).

The FBO keeps enough float in his No. 1 Account to cover bounced checks. Checks bounce **ONLY** on that account.

The minute a check bounces or fails to clear, the FBO reports the drawer for false report and personally contacts him to establish whether the check should be represented or another check drawn.

This transaction does *not* go through the org Div III and is *not* entered on the org's books. The org is left in the position of the customer's friend. It is the FBO who is the customer's devil.

Div III collections have to do with collecting Qual credit invoices and advanced payments and any other credit advanced by the org.

#### BANK ACCOUNTS

FINANCE OFFICE (org name) NO. 1 ACCOUNT. Signatories: FBO of the org and Finance Enforcement Officer of the org as well as international officers. No org officers except as needed in the absence of the Finance Enforcement Officer and D/FBO. Transfers only. Requires both signatories.

FINANCE OFFICE (org name) NO. 2 ACCOUNT. Signatories: FBO of the org, Finance Enforcement Officer of the org and international officers. No org officers except as needed in the absence of the Finance Enforcement Officer and D/FBO. Management expenses, no org expenses. Requires both signatories.

ORG MAIN ACCOUNT. Receives only monies transferred from FBO Account No. 1, never from Cashier. Usual org signatories. The allocation received from the FBO goes into this account. All org expenses, salaries, etc., are paid from this account.

ORG RESERVE ACCOUNT. Receives any funds like building fund org is holding as reserves for the org as saved from allocations. Held by and signed on by the org officers.

**HCO BOOK ACCOUNT.** Used as per policy. Any monies belonging to it collected by FBO, into his No. I Account and transferred to HCO Book Account by him. Usual org signatories and D/FBO who is the holder of the checkbooks.

## **L. RON HUBBARD**

Founder

Revision written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

CSI:LRH:iw.gm Adopted as official

Copyright@ 1971, 1982 Church policy by the

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

495

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 FEBRUARY 1971-IRA

Rernimeo REVISED AND REISSUED 27 OCTOBER 1982

Int Finance

Network

FBOs

Exec Council (Cancels and replaces HCO Policy Letter of 17

Ad Council February 1971R, Rev. & Reiss. 16 Aug. 75 as

Dept 7 BPL, same title.)

Dept 8

Dept 9

*Finance Series 3-IRA*

## **HANDLING OF BOUNCED CHECKS AND REFUNDS**

(Modifies the canceled BPL 17 Feb. 71R, Finance Series 3R in that bounced checks must be minus invoiced by orgs and debited to the customer's account so that service is not delivered against them until re-collected. Reissued as an HCO Policy Letter with the full power of policy.)

This policy letter outlines the exact handling of bounced checks including FBO actions as would be required in connection with HCO PL 29 Jan. 1971R, FLAG BANKING OFFICERS and HCO PL 17 Feb. 71RA, BASIC FBO DUTIES.

It is a duty of the FBO to safeguard incoming monies and to ensure that all income is properly and legibly invoiced by the org and that the exact same amount is collected and receipted and banked by himself each day.

FBO records must therefore agree with and verify those of Div 3 always.

All daily income collections are thoroughly checked by the FBO before issue of any invoice of receipt.

He carefully checks the tape total of the day's income against org invoices. He checks the invoices for admin correctness and legibility. He ensures that all copies of any voided invoices are stapled to the in-series copy.

He then tape-totals the checks and counts the cash against invoice totals.

These must equal the same amount exactly.

He inspects checks for correctness of date and endorsement and quickly obtains any needed corrections.

The FBO then issues his invoice to Dept 7, made to "Dir Income" or "Cashier" in the exact currency of receipt.

He ensures that his deposit slips equal the same amount as org invoice total and the amount of his receipt for the money.

All org income is then deposited to the Finance Office Account No. 1.

#### BOUNCED CHECKS

Thus, any bounced checks are returned from the bank to the FBO.

The FBO receiving a bounced check from the bank debits it to the org with a  
496

MINUS INVOICE of the same number series on which he issues his invoices of daily collections from the org.

The org Dir Income or Cashier then at once writes his own *MINUS INVOICE* debiting the account of the person who presented the check. A copy is provided the FBO.

This protects the org from delivering services which have not in fact been paid for. One org had on its books in excess of \$20,000 which had bounced and remained uncollected but which still showed in the customers' files as credits!

#### COLLECTION

The bounced check is now subject to immediate re-collection action by the FBO, who reports the drawer for FALSE REPORT and personally contacts him to obtain a new check or OK to redeposit.

The FBO makes notes of all collection actions on a single sheet to which all other related papers are attached.

When the FBO has secured collection on the check, he writes an invoice crediting the org, attaching a copy to his collection notes to indicate collection complete. These are then filed.

The org Dir Income or Cashier then at once writes his own CREDIT invoice showing "BOUNCED CHECK COLLECTED" and crediting the person's org account.

The re-collected check is banked by the FBO.

#### WEEKLY INCOME TOTAL

Gross income as reported on OIC is the total of monies collected by *the org* and is unaffected by bounced checks or bounced check collections.

Minus invoices for bounced checks are NOT deducted from the weekly income total; and re-collected bounced checks, having already counted as income once, are not again counted.

#### PACKET INVOICES

Div 3 weekly invoice tape total excludes any invoices for bounced checks or bounced checks collected.

The FBO's weekly invoice tape total excludes any such invoices but a separate tape is made by the FBO for any bounced checks and a third for any such collected that week.

FBO deposit slips for checks being redeposited are made out separately and are so marked by the FBO to distinguish them from org income being banked.

#### ADVANCE COLLECTIONS AND BOUNCED CHECKS

Advance collections obtained from persons in the org on behalf of others were discovered in one org to be at the root of large numbers of bounced checks.

Services are often sold to family groups with one member paying for some or all of them.

This is not uncommon and is perfectly legitimate.

But beyond that, org personnel may not solicit payments from staff or public on behalf of others.

497

Orgs may not arrange for checks to be issued temporarily on behalf of another between public persons or with staff to obtain collections.

Occasionally a student or pc in the org offers payment for a friend. That's fine.

But orgs may not solicit or suggest it. Not ever.

Advance collections are obtained by industrious collection from "hot prospects" and other potential customers.

The essence of it is selling the service, collecting the money from the customer and getting the service delivered. (Unused prepayments are subject to refund.)

#### REFUNDS AND REPAYMENTS OF PREPAYMENTS

Refunds and repayments of prepayments are not minus invoices but are paid by Dept 8.

A voucher copy debiting the customer's account is placed in his accounts file.

Any monies required for such by the org must be obtained from the CVB Reserve Payment Account before payment from the org's Main Account.

Refunds and repayments are handled per Scientology Policy Directive 28 July 1982, REFUND REPAYMENT CLAIMS.

L. RON HUBBARD

Founder

Revision written at the request of the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:dr.gm Copyright © 1971, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

498

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 MARCH 1971RA

Remimeo Issue 11

Finance Packs REVISED AND REISSUED 27 OCTOBER 1982

FP Members

FBO Hats

(Cancels and replaces BPL 1 March 1971R, revised and reissued 18 July 1975 of the same title.)

(This HCO PL was originally issued in HCO PL form adopted by the Board of Directors and later revised and reissued incorrectly as a BPL. It is now reissued at the request of the Church of Scientology International in full with minor updating and has the full authority of policy.)

*Finance Series 4RA*

**INCOME SOURCES**

Added to FBO duties are

a. Income demand

b. Tracing and summarizing of present and past income sources of the org for the org.

He does this from actual invoices and promotion returns and accounts collectable files.

As a routine activity, he searches old records and invoices and files to detect and revive any past income sources no longer current, as well as summarizing current income.

Results are presented to the Exec Council and Ad Council by the FBO.

None of this relieves the Registrar or Ad Council or Exec Council or Div 3 of responsibility for income and collections.

Ad Council also has copies of its departmental income sheets, posted weekly by dept heads against service department copies of invoices.

Ad Council statement of projected future income, which it presents to Exec Council, can now be based on a planned increase of actual past and current products and income sources and promotion successes and new income planned.

The planning by which the projected income is to be made is expressed in the FP.

An FP body and its FBO must know its products and income sources cold to be able to plan at all and to make the projected income materialize.

An FP body that can project expected income with reality and can produce an FP that will obtain increased org products and the projected income amount sensibly and realistically will have no trouble with finance authorities.

An FP body that cannot do this will have endless trouble with finance authorities

499

and an FBO who cannot allocate accordingly will have endless trouble with FP bodies.

#### FP LINE

Added to the FP line is the FBO's prepared statement of summarized income sources of present and recent weeks and any previous income sources discovered and promotion successes insofar as they are available.

These are provided Ad Council and Exec Council by the FBO prior to financial planning. The presentation is in figures and is factual, not opinion.

Copies of such FBO reports are sent to the Continental and Int Finance Offices and to Flag Data Bureau. Ad Council and Exec Council now have a basis on which to plan projected future income with reality.

Ad Council, having prepared its statement of projected income and proposed its FP, passes the FP to the Exec Council who finalize the org's financial planning and income planning and then present it to the FBO for the approval of the allocation.

#### ALLOCATION

The FBO looks at (a) expectancy of income as laid out by the Ad Council and Exec Council of the org and (b) the amount of FP. He makes his allocation accordingly.

When the org is really making the money and can project still more with a good FP realistically planned, the FBO must take this into account in allocating for items of image and facility improvement which may not directly cause income increase but which were earned by high production and high income.

The amount of an FP is of less concern to the FBO than an increased allocation/production ratio.

Activities (orgs) that have no direct expectancy of income are put in a cap-in-hand status and demand is made to produce income and meanwhile here's a bare necessity handout. The FBO tries to get more in from the activity than he gives out by considerable.

#### FINAL FP AUTHORITY

The FBO is the final FP authority and, as such, arbitrates on any disagreements or disputes in the FP.

Adjudication is based on current income and the reality of projected future income and the sensible and realistic planning of the expenditure that will result in that amount of gross income which has been projected.

Any staff member who feels that the use of the org allocation is incorrect may appeal directly to the FBO on the matter per HCO PI, 4 Sept. 71RA, FP AND NECESSITIES and where dissatisfied with the result of the appeal may take his appeal to the Cont **FBO or FBO Int** per that PL.

L. RON HUBBARD

Founder

Revision written at the request of the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

Adopted as official

CSI:LRH:iw.gm Church policy by the

Copyright a 1971, 1982

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

500

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 APRIL 1971RB

Remimeo Issue 11

Finance and REVISED AND REISSUED 27 OCTOBER 1982

FP Hats

Dept 8

Check Signers (Cancels and replaces BPL of

Finance Enforcement 26 Apr. 71RA, revised and

Officer Hat

FBO Hat reissued 16 Oct. 1975.)

(This issue was originally issued as an HCO PL written by CS-3 and approved by myself, and adopted by the Board of Directors. It was mistakenly converted into a BPL. Having been requested to review the Finance Series PLs written by others, Finance Series 5 is now reissued in its original form with minor revision as an HCO PL.)

*Finance Series 5RB*

## **FP ACTIVATION**

FP allocation amounts become due for transfer from the FBO No. I Acct. to the Org's Main Account immediately following FBO approval of the FP and allocation figure.

The FBO is generally watchful of the FP routing and handling lines and prevents any undue delays.

With the FP approved and allocation amount established, the FBO issues his transfer check AT ONCE rapidly obtaining the needed Finance Enforcement Officer cosignature (where there is no



FEO the D/FBO cosigns or if no D/FBO either, then the CO/ED may be a cosigner) and delivers the check to the hands of the Treas Sec.

The Treas Sec gives his receipt and sees that the allocation check is banked AT *ONCE* to the Org's Main Account.

When the FP check has been cleared and been credited to the Org's Main Account by the bank, the FP as approved may be activated by Division 3. *NOT BEFORE*.

Checks drawn or POs activated against an FP for which the allocation check has not yet been deposited or cleared amounts to spending money which is not there and violates earlier policies and falsely affects the org's cash/bills stats.

FSM commissions due for payment follow the same principle.

Dept 8 prepares all forms and related data and applies via the Treas Sec to the FBO AT *ONCE* when such payments are due. The FBO rapidly verifies and *immediately* issues a check to cover valid FSM commissions due. His transfer voucher lists the names and amounts. FSM commissions are *NEVER* held up for once-a-week check signing and where the FSM has personally brought his selectee into the org and is due a commission it *MUST* be paid at once with the FSM Account check given directly into the hands of the FSM by the org.

Org officers signing FSM checks from the FSM Account must see a copy of the FBO transfer voucher, the selectee invoice and a copy of the selection slip before they may sign the FSM commission check.

501

As it would cause delays on FSM commission payments to require that the transfer from the FBO No. I Account be in the org FSM Account before an FSM payment check can be issued, the FSM Account is started with a balance equal to an average of one full week's commissions. After that, the routine of transferring the amounts for commissions paid each day will keep the account maintained at a level that commissions can be paid with no danger that they will not clear the bank. When the volume of commissions increases in range the org Dir of Disbursements should CSW to the FBO to transfer additional funds to the FSM Account to ensure that its basic level is kept sufficiently high to handle the traffic. The FBO would then transfer the additional funds from his FBO No. I Account to the org's FSM Account. The exact administration of the FSM commission line is covered in HCO PL 5 April 1979RA, NEW FSM (INSTANT PAYMENT) ACCOUNT.

That the FSM Account is handled as above does NOT mean that it may be used as a "float" to pay out FSM commissions on a bypass of the FBO.

A check signer who fails to verify that the FBO transfer has been done before signing checks against that transfer risks signing checks against funds not there or allocated to other purposes.

#### CASH/BILLS

Cash/bills as reported by Div 3 includes sums actually *on hand* in the org's accounts versus bills due and purchases newly ordered.

Thus a check signer accepting checks for FP activation without evidence of FBO transfer also risks a falsely reduced cash/bills stat which gives an untrue picture of the org's actual financial position.

L. RON HUBBARD

Founder

Revision written at the request of the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:dr.gm Copyright c) 1971, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

502

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 MARCH 1971R

Rernimeo REVISED AND REISSUED 27 OCTOBER 1982

Finance Packs

FBOs

(Revised to update sections on FBO purposes and statistics. Originally issued as an HCO PL adopted by the Board of Directors and is hereby reissued as revised as an HCO PL with the full authority of policy. Does not include *ALL* FBO duties as some were added subsequent to the original PL and will be found in later HCO PLs. Some of these duties have been delegated to the newly created post of D/FBO for M.O.R.E. but are included here as still overall under the responsibility of the FBO.)

*Finance Series 6R*

## **FBO HAT**

This policy letter outlines FBO duties and actions as given in recent issues and in early 1968 Flag Orders by which the post was initially established.

### *ORG BOARD LOCATION:*

1. The Finance Office is an autonomous office.
2. It is located on the org board in the Office of LRH, Dept 21.
3. Its authority stems from the ecclesiastical authority of the Church hierarchy.
4. Its representative is called the FLAG BANKING OFFICER.

### *FBO PRODUCTS:*

1. Management reserves, hugeness of.

2. Cash to management reserves in acceptable range and rising in trend.
3. Increased org solvency as indicated by an increasing allocation-production ratio.
4. Int Finance Network programs, projects and orders quickly and thoroughly and completely done.
5. Data and reports completed accurately and on time and sent to Int and Continental Finance. Includes accurate and contemporary data to Data Bureau Flag and Continental.
6. The competent and terminated *handling* of local finance situations arising, by application of the related policies, and the reporting of such to Int and Continental Finance.
7. Solvency of Flag in the area.
8. Financing of Flag projects and actions in the area.

503

*FBO PURPOSES:*

1. TO MAKE THE ORG MAKE MORE MONEY.
2. TO GIVE THE ORG A WELL-PAID STAFF.
3. TO MAKE IT VERY WORTHWHILE FOR FLAG TO MANAGE AND HELP IT.

*FBO STATISTICS..*

1. Payments to Flag.
2. Allocation-production ratio in the org.
3. Payroll divided by staff.

*IMMEDIATE SENIOR:*

1. The immediate senior of an org FBO is the Continental FBO.
2. The immediate senior of the Continental FBO is the Int FBO located in the Int Finance Office.

*FBO DUTIES:*

1. To establish and maintain the proper uses, titles and signatories of the two FBO bank accounts, No. 1 and No. 2, on-policy.
2. To collect daily all sums of income from the org and to ensure that all incoming monies are invoiced and banked by the FBO before any allocation or expenditure may occur.
3. To ensure that any loans from SO reserves and any debts to it are recorded as such.
4. To verify all sums collected by the FBO against the org's invoices for that day, and to ensure that the org's invoices tape-totaled equal the exact amount received by the FBO.
5. To issue an invoice of receipt to the Cashier or Dir Income.
6. To keep an FBO LEDGER into which all incoming monies are entered on the left-hand page for that day, giving a total list of what the monies are,
7. To enter separately (bottom, same page) and apart from current income, any bounced checks returned from the bank that day, and any bounced checks re-collected by the FBO.

8. To record on the opposite (right-hand) FBO LEDGER page for the same day the exact disposal of the day's income-to the FBO No. I Account or abroad for exchange.

9. To inspect the dates and endorsements and currency of all checks for correctness before deposit.

10. To separate out any domestic nonconvertible checks from other countries if such are received, to be sent by the FBO abroad for exchange.

11. To make a deposit slip for the day's income being banked and a separate slip for any bounced checks being redeposited.

504

12. To deposit all incoming monies daily to the FBO No. I Account.

13. To keep a consecutive record of bank deposit slips in a notebook or bank deposit book provided by the bank.

14. To file a second copy of each deposit slip with the FBO invoices for the week.

15. To package and label FBO invoices weekly to include the in-series invoices and add-strip, a loose set of copies, the week's deposit slips, and the bank debit advice for any bounced checks for the week.

16. To keep express and exact record of any amount sent abroad for exchange and to follow up each such amount until returned. Such sums having been once invoiced by Div 3 on receipt may not return via Div 3 or be re-invoiced on return from abroad as such introduces an error into income.

17. To maintain enough float in the FBO No. I Account to cover any bounced checks returned from the bank.

18. To collect daily from the bank any bounced checks.

19. To handle all bounced checks at once by urgent and personal contact with the drawer, obtaining immediately a new check or the drawer's authority to redeposit. It is a fast and urgent contact action with Ethics in the office.

20. To redeposit such sums daily by separate deposit slip to the FBO No. I Account.

21. To ensure that bounced checks are collected only by the FBO and that neither the bounced check nor the re-collection of it appear in org records or org GI or Div 3 stats. A re-invoicing of bounced checks by Div 3 would introduce an error into income. The only org records these show up in are the individual's accounts file and adding the amount collected to the org *corrected* gross income.

22. To threaten legal action on any long-uncollected, bounced check and if still uncollected to give the action over to Legal.

23. To report weekly to Continental Finance Office the amount of checks bounced, checks collected and checks outstanding, with a copy to Int Finance Office.

24. To collect weekly from the Treasury Sec a copy of the income sheets posted up by dept heads from their service-dept copies of the week's invoices.

25. To ensure that DEBIT invoices are also shown and clearly marked on these sheets and to ensure collection of DEBIT invoices by Div 3.

26. To weekly summarize receipts and income sources of the org for the org.

27. To search out org collection files and old invoices to detect and revive any previous income sources no longer current or dropped in volume.

28. To trace income sources to their successful promotional actions where such info is available as factual (not opinion).

29. To present the Exec Council and Ad Council of the org with a factual summary of org income sources, to include the current week or month and copies of earlier reports and any past income sources newly discovered. This is presented prior to financial planning and assists the Exec and Ad Councils in preparation of FP.

30. To demand income increase from the org, particularly where past successful income sources or collections have been neglected.

31. To know the vital necessities required by the activity to produce its valuable final  
505

products and particularly its income.

32. To maintain agreement with the FP body regarding Title A, B and C expenditure and product necessities, and how these are covered by FP and general finance.

33. To receive the proposed financial planning and statement of projected income when passed as okay by the org Exec Council.

34. To inspect the proposed FP with regard to (a) expectancy of income and the plan by which it is to be materialized and (b) the amount of FP, and to allocate to the org accordingly.

35. To ensure that FP sums allocated by the FBO cause an increased income, thereby giving an increased allocation-production ratio and an increased statistic of cash to SO reserves.

36. To transfer sums of expense thus approved by check to the org's Main Account.

37. To send to Int and Continental Finance Offices a copy of the approved financial planning against which the allocation was made.

38. To transfer all HCO Account income to the org's **HCO BOOK ACCOUNT**.

39. To transfer to the org's CVB\* Account any refund monies required.

40. To transfer to the org's FSM Account monies for FSM commissions paid, these not being subject to financial planning.

41. To issue to the Treasury Sec of the org a voucher with each transfer check, detailing the amount and intended use of the monies.

42. To recover from the org any allocation amount (except HCO Account monies) not applied to the approved use. Sums allocated by the FBO may only be used for the purpose requested and approved and if not so used must be returned to the FBO.

43. To receive a copy of any EMERGENCY PO not covered by the org's financial planning but vital to org credit or promotion or product, and to deduct 125% of its amount from future allocation to the vessel or org.

44. To deduct from future allocation 200% of the amount of any EMERGENCY PO found to have been approved without any copy advising the FBO, or if the expense presented as an emergency was not an emergency in fact.

45. To collect from the Treasury Sec a weekly disbursement sheet listing all vouchers and sums paid out by Div 3 during the week.

46. To ensure that the Treasury Sec accounts for all monies issued to him by weekly total of expenses and cash on hand against monies from FBO that week.

47. To transfer by check from the FBO No. 1 Account, sums to SO reserves and to the FBO No. 2 Account for management expenses incurred locally.

48. To see that amounts owing to management for services and missions are collected from the org and paid in full.

49. To keep a separate invoice-voucher series for the FBO No. 2 Account, including separate deposit slip records and invoice and voucher packs as with the No. 1 Account.

50. To pay from the FBO No. 2 Account any international management expenses incurred locally, keeping exact and express records of these.

506

51. To keep accurate and flawless record of all FBO receipts-banking, transfers and disbursements-as required of any accounting activity by standard Scientology accounts policies.

52. To make a brief weekly summary of receipts to and payments from both FBO accounts, sending these to Int Finance Office and keeping a copy.

53. To keep and reconcile weekly an FBO CASH JOURNAL for recording of any CASH amounts the FBO may hold on hand. A CASH JOURNAL and cash box are only for the occasional CASH disbursements, usually in connection with management expenses. FBO disbursements and transfers are normally only by check.

54. To receive checks cleared from the bank on the FBO No. I and 2 Accounts and to tape these back into their original checkbooks onto the check stub.

55. To collect from the bank a month-end statement on the FBO No. I and 2 Accounts and to reconcile each on receipt.

56. To tape-total, package and label monthly the FBO in-series vouchers with a loose set of copies. FBO No. I and No. 2 Accounts each have their separate voucher series and the vouchers are packaged up separately.

57. To make a full monthly financial report to Int Finance Office summarizing all income to and transfers from the FBO No. I Account-to include an attached copy of the month-end bank statement reconciled.

58. To make a full monthly financial report to Int Finance Office summarizing receipts to and disbursements from the FBO No. 2 Account.

59. To include with this report a full statement of management expenses paid locally, categorized as required by Int Finance Office, and to include a xerox or carbon copy of all such bills paid and the voucher of payment. Also attached is a copy of the month-end No. 2 Account statement reconciled.

60. To provide the required weekly and monthly finance reports on time and with total accuracy so that management and org solvency and viability can be centrally summarized at the Int Finance Office.

61. To provide Int Finance Office with a copy of the signature mandates for each of the FBO accounts and to provide revised copies whenever such mandates are changed.

62. To keep FBO accounts and funds completely secure at all times including an occasional check on bank security to ensure that only the authorized signatures are accepted.

63. To report FBO statistics promptly and accurately to org OIC and to Continental and Int Finance Office.

64. To provide Int and Continental Finance Offices with a stat analysis of the FBO statistics at the end of each stat period.

65. To know and apply Scientology finance and accounts policies with regard to allocations to the org and with regard to the FBO's own accounting admin.

66. To act as a STABLE TERMINAL for Int and Continental Finance Offices.

67. To get Command orders and finance programs *DONE* quickly and thoroughly and exactly and to include in the Compliance Report exactly WHAT was done and the results.

507

68. To report Div 3 outnesses to FOLO and Flag Org Managers as well as Int and Continental Finance Offices and to follow up the handling of these.

69. To pick up and terminatedly *handle* local finance situations arising, by application of the related policy. This is by DOING the handling-not writing despatches.

70. To make a brief and concise weekly report of these, stating the *SITUATION* and its *HANDLING*. These weekly reports go to Continental Finance Office for relay to the Int Finance Office. A copy is made for Flag and Continental Data Bureaux.

71. An FBO produces raised FBO statistics, and orders and programs competently *DONE*, and reports completed accurately and on time, and situations *handled* not reasons why, and can'ts, and problems.

#### OVERALL APPROACH

The chief concerns of an FBO are income sources, income demand and income increase.

It is factually the size of org income and the increase of allocation-production ratio that determine cash to reserves.

This does not mean that he runs the org via financial management. He does not.

But he does expect income increase and an increased allocation-production ratio from what he pays out, and if he doesn't get it, he finds out WHY. He finds his WHY in facts and figures, not opinion.

Org Managers can then take all this up along with other data affecting management.

And if the FP members are well-hatted and the FBO knows his job and does it, finance conflicts resolve and the results are expressed in rising stats.

L. RON HUBBARD

Founder

Revision written at the request of the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm Copyright Q 1971, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

\*[Note: CVB = Claims Verification Board]

508

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 MARCH 1971RA

Issue 11

Remimeo REVISED 14 SEPTEMBER 1981

All Orgs RE-REVISED AND REISSUED 27 OCTOBER 1982

FBOs

FP Hats (Cancels and replaces

BPL 19 Mar. 71.)

*Finance Series 7RA*

BEAN THEORY

FINANCE AS A COMMODITY

(Originally issued as an HCO PL adopted by the Board of

Directors and later reissued by the Board of Directors, this

Source data is hereby correctly reissued by the Founder as an

HCO PL.)

The allocation paid out by Finance to an org or activity must *BUY SOMETHING*.

It buys more funds back from the activity than it paid out and it buys the production of that activity.

Finance is best understood as a COMMODITY in terms of beans.

So many beans issued to an activity and so many more beans back.

Beans do not magically materialize into more beans. What brings back more beans for those issued is the PRODUCTION and INDUSTRY of org staff and how wisely the beans are allocated.

Even the interest one earns on a bank account is earned in fact by someone's production and ability to get more beans out of an activity than are put in.

Where Finance uses its beans to buy production and industry and projected income at a cost which requires the activity to be viable, it gets back more beans and a raised allocation-production ratio.

The first rule of Finance and any activity is INCOME GREATER THAN OUTGO.



Where Finance can skillfully apply this to the divisions and personnel of an org as well as the org as a whole, the additional beans materialize because what is bought is production and the products which add up to the product of raised income and viability.

## PRODUCTION

Activities that allocate by need and fail to force and pay for production are the basis of failed economies and welfare states.

"We need. . ." is taken by Finance with a yawn unless followed at once by a projected resulting valuable product or income realistically planned and immediately in view.

Finance allocates against proven production and projected income.

The FBO looks at where the beans are going and what income and production they are buying.

509

When he finds that the beans issued to an area or division are not buying production or income, he designates a cap-in-hand status to *that* area and the beans issued become those essential to product only until the product emerges in the expected volume and quality.

One org with a soaring payroll particularly in the Tech area while delivering less than five auditing hours per auditor *per week* had all on full pay and bonuses. The org had finance troubles and found sums needed to promote absorbed instead by high payroll.

How? **The org was on fixed** pay (high) and gave only small production bonuses, **obligating a high payroll expense** without regard for production.

Other errors aside, the Finance error is an absent demand that the beans issued to that area buy more beans or valid full capacity production.

A reversal of this, setting low basic pay and high production bonuses, would have bought *production* for the beans issued and where there was no production would have issued no beans or a bare minimum.

## INCOME SOURCES

The apparency that income sources devolve upon certain single portions of an org leads Finance into difficulty unless the products and subproducts of the org and its divisions are fully grasped.

The tracing and reinforcing of income sources, while a necessary and vital action, falls far short of the total action of Finance in its investment of beans.

A company receiving income only after the fact of delivery would appear to an inept or unfamiliar Finance person to have DELIVERY as its major income source. If Finance then seeks to raise income by forcing all beans into stepped-up delivery while neglecting the prior promotion and sales, there is soon no demand and nothing to deliver and NO BEANS.

Income sources traced superficially to SALES expertise alone, neglecting promotion and delivery again gives NO BEANS.

A Finance person seeing sales expertise as the company's immediate and major income source quite rightly issues more beans to sales. But if he leaves promotion and delivery underfinanced, sales suddenly finds itself selling an unknown product due to absent prior promotion, and sales made go undelivered or poorly delivered or even refunded.

Finance tracing income sources to promotion alone and neglecting to follow up with sums to sales and delivery gives the same result.

Thus, in addition to org income sources, Finance and org managers must know the valuable final products and subproducts of the org and its divisions and posts in order to wisely allocate funds.

## COSTING

Income greater than outgo applies equally to each division and person in an org.

If Finance is fully familiar with the products of divisions and key posts of an org and their costing and value to the completed org product and expected volume or capacity, it can skillfully apply income greater than outgo individually to each.

An org has valuable final products for which it collects income.

Each division and area of the org has a product or products which contribute to the whole action which gets the org product promoted and delivered and the income collected.

How much it costs to produce how much product is the COSTING of a division or org or post.

510

It is not always possible to determine how much *income* a single post or division contributes to the whole activity.

But one *can* know to what degree a subproduct is vital to the delivery of the org's valuable final product and one can know how much it costs to produce it. And one can expect each area and post to be productive and viable as a single activity.

Costing to be real must also take into account the expected CAPACITY or IDEAL SCENE of the activity.

A plant producing at half capacity yet fully manned and running at full expense gives a product which costs twice what it should if the activity is to be fully viable and profitable.

A costing of the Tech Division described above would show that with production at 1/5 capacity, its product cost five times what it should cost to be viable as an activity and profitable to the org.

Thus, funds allocated to an activity by costing alone will not buy or ensure production or return more beans.

If one were allocating beans by income and products, he would have to consider the COSTING of each product, the importance of each product (how vital it is to the valuable final products of the org) and the expected capacity or volume of each area.

One could juggle these about and assign an allocation value to each product and subproduct and key stat.

So many letters out, so much bulk mail out, so many student points and well done hours = so much allocation.

Under such a system the FBO would get production and more beans back for the beans put in.

The Exec Council\* doing FP on such an allocation would shortly see what underproductive areas were causing a reduced allocation and would pound those areas to produce. Likewise, the activities of productive divisions and areas would be reinforced by the FP body.

What accomplishes this is NOT Finance acting as org management, but Finance applying income greater than outgo to each division and area of the org and handling money as a commodity of which one issues so much and gets so much more back.

Finance becomes org management only where it ceases to handle finance as a commodity like beans and where org managers themselves fail to grasp and understand financial realities.

#### LOST INCOME

Financial planning is how one uses the funds one has to keep things running well and make more income.

There is some degree of loss in a failure to prevent unreal and unprofitable expenditure.

Orgs and FP bodies are sometimes improvident in their planning and Finance people are alert for this and have to be because they quite rightly expect beans back plus more for beans expended.

But the greater loss to Finance is income lost or never made.

The difference between what an org should be making and what it does gives Finance greater loss than any FP saving could ever recover.

Foolish or unreal expense is prevented because it's a poor investment. But an org of \$50,000 income potential making only \$20,000 is a weekly loss of \$30,000 to Finance.

511

An org stacking up thousands in collected but undelivered services gives Finance a potential and staggering loss in sums refunded.

An org seeking to save ten shillings while neglecting to develop and boom a continent doesn't make sense.

One knows the income sources of the org cold and one knows what subproducts promote and sell and deliver and collect income.

One puts finance as a commodity first and most into these and never saves on them except to raise the viability of a vital division or area not producing well and then only to raise production.

One seeks new income sources and means while reinforcing those already successful and reviving any no longer current.

One gets sums already owed to the org collected with industry and in high volume.

One handles emergencies by making more money and has lined up three or four valid income sources each and any one of which would provide the needed funds.

One uses beans to buy raised income and production and refuses to finance nonproduction or fruitless expense.

One knows cold the costing of vital and other org products and demands full capacity production and viability and income greater than outgo of each division and area and post of the org individually.

One predicts and plans for expansion occurring and the future adequacy of materiel and quality of delivery before the sudden absence of adequate staff or delivery facilities becomes a screaming urgency.

And one knows that more profit can be lost than ever could be saved on expense.

Money is a commodity.

It is subject to certain realities. Its realities apply to the whole org and equally to the divisions and persons in the org. Its realities have to be fully grasped by Finance and FP members and org managers.

Handled by Finance people as a commodity of which one always gets back from an area more than went in it, brings raised income, expansion and reserves.

**L. RON HUBBARD**

Founder

Revision written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:dr.gm Copyright 0 1971, 1981, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

*\*[Note: The words "Exec Council" have replaced the words "Ad Council" on page 511, paragraph 11. This and the signature correction are the only changes in the text of this HCO PLJ*

512

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

Rernimeo HCO POLICY LETTER OF 8 JUNE 1971RA

FBO Hats Issue I

Int Finance REVISED AND REISSUED 27 OCTOBER 1982

Network

(Cancels BPL 8 June 1971R of same title)

(Revised to update the original HCO PL  
and to make this a proper HCO PL with  
the full power of policy.)

(Originally issued incorrectly as  
Finance Series 6.)

***Finance Series 8RA***

FINANCE OFFICE ACCOUNTS

*(R efs:*

HCO PL 29 Jan. 7 1 R FLAG BANKING OFFICER

HCO PI, 17 Feb. 71 RA BASIC FBO DUTIES

Rev. 27 Oct. 82)

Finance Office No. 1 and No. 2 Accounts are in the local org's name but are controlled by the joint signatures of the org FBO and Finance Enforcement Officer who administer them strictly in accordance with the HCO Policy Letters which govern their use.

Thus the FBO account names become: FINANCE OFFICE (org name) No. 1 ACCOUNT and FINANCE OFFICE (org name) No. 2 ACCOUNT.

In the event of prolonged absence of FBO or Fin. Enforcement Officer without deputy, the CO/ED may substitute as joint signer until such time as a deputy FBO or Fin. Enforcement Officer can be appointed.

International signatories are

International Finance Director

JOINT SIGNERS

Int FBO

The checkbooks for these FBO accounts are securely kept by the FBO.

Weekly financial summaries on these accounts are made up by the FBO and sent to Continental and Int Finance Offices. Monthly, quarterly and annual audits on these accounts are the responsibility of Department 9, however it also remains a Finance Network responsibility to see that these do occur and to personally produce them in default of Department 9 with Danger conditions assigned and enforced if such bypass is required.

TAX AND BALANCE SHEETS

The Finance Office No. 1 and No. 2 Accounts are part of org records as regards tax and balance sheet preparations; the No. 1 Account representing all org income receipts and transfers for org expenses, and management fees, and the No. 2 Account

513

representing partial payments of management fees by means of local funds placed at the disposal of Central Management.

While they are org accounts in this regard, both accounts are used entirely at the discretion of the FBO. They have no part in org cash/bills figures, and are not considered to be org funds in any other sense than for accounting purposes.

L. RON HUBBARD

Founder

Revisions written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm Copyright © 1971, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

514

HUBBARD COMMUNICATIO~

Saint Hill Manor, East Grinstead

HCO POLICY LETTER OF 23 SEP

Remimeo

17130 Hats

Item No. I of

F130 Hats *IMPORTANT*

To be WC 2

and star-rate

and in clay. *Finance Series 9*

## **FINANCE BANKING OFFICER PURPOSES**

(His Most Important Policy Letter)

A Finance Banking Officer works for the reputation of himself and his network as follows:

"An org with an FBO makes more money and has a better paid staff and makes it more worthwhile for Flag to manage it than any org ever would without an FBO."

This reputation is to be *earned* by the conduct and good sense of the FBO.

Therefore the purposes of the FBO are

1. To make the org make more money
2. To give the org a well-paid staff
3. To make it very worthwhile for Flag to manage and help it.

## **FBO ABILITY**

An **FBO** must know how to make money.

An FBO must know **HOW** an org makes money and keeps its reputation with excellent delivery.

An FBO must know the policy expertise used in making money.

An FBO must know that "turning down FPs" plays into the hands of any that wish the org to fail and that forcing in a proper FP allowing for promotion and needful actions is the way to defeat counter-intention in the org.

An F130 must know that expenses incurred in the future beyond the org's ability to pay must be halted before the expense is incurred, not after the org has been committed.

An FBO must realize that finance control is a primary point of management authority and that this control must not be locally developed to a point where Finance forms a hidden command line, unknown to management or Flag. The F130 has no authority to permit new acquisitions or obligations and no authority to dismiss personnel or cut off obligations without Flag *Commanding Officer* approval. No one in the entire network from top to bottom has any authority to change operating orders or policy and must obtain such authority for specific cases only from those in actual command, i.e., Commanding Officer of a Continental Liaison Office or the Commanding Officer of the Flag Bureaux as major changes affecting basic planning are command decisions. (Proper, future contracts, staff hiring and dismissals, basic changes in the FP No. 1 of an org, are all command decisions, not to be made in the F130 network. Things that are any future risk at all require authority from the Flag Bureaux.)

515

An **FBO** should realize that he is well backed up and that his warnings and suggestions are usually authorized by command channels.

An FBO must realize that one can pass endless regulations regarding finance to block off efforts to escape from old regulations (as witness tax people's problems), and that all new regulations will also be escaped. The FBO to handle this should work instead to bring understanding and cooperation into the org in matters of finance.

The FBO must know that lack of Word Clearing and hatting will make a financially irresponsible org and must see that Word Clearing on all finance policies occurs both in himself and in the org.

The FBO in doing his duty must work always to earn the reputation set out and postulated at the beginning of this policy letter.

**L. RON HUBBARD**

Founder

LRH:nt.rd.gm Copyright 0 1971 by L. Ron Hubbard ALL RIGHTS RESERVED

516

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 OCTOBER 1971RC

Remimeo REVISED 9 JUNE 1979

All Execs RE-REVISED 27 OCTOBER 1982

Staff Hats

FBO & Finance

Enforcement Off Hats

Div 3 Hats (Re-revised to align with

FP Packs

GO Legal the new Finance Network.)

*Finance Series 10RC*

**PURCHASING AND CHECK-SIGNING LINES MODIFIED**

(Adds to existing purchasing and check-signing policies)

The effectiveness of financial control in orgs depends primarily upon the degree to which financial and income-making policies are known and applied by FP members, FBOs and Treasury personnel.

However, the effectiveness of the administrative lines which govern purchasing and bills payment is also a vital factor.

Unless these lines are sharply IN, the FBO and Finance Enforcement Officer and execs can be working full ahead to ease the org out of a tight financial situation only to find new bills arriving that nobody heard of before or that a printing press has just been ordered by the new purchaser because "somebody told him to"!

When an org has reached a low cash/high bills situation, it may take many months of careful planning to restore income and solvency.

And even when things are going well, the purchasing and bills paying lines must be held under firm control to keep it that way.

Therefore, the following shall apply fully to all Sea Org and Scientology Orgs, and

*FOLOs:*

1. All letterhead stationery in use by the Treasury Division must bear the following statement:

"ANY EXPENSE COMMITTED IN THE NAME OF THE CHURCH MUST HAVE THE WRITTEN AUTHORIZATION OF THE TREASURY SECRETARY OF THE CHURCH TO BE CONSIDERED VALID AND PAYABLE BY THE CHURCH."

The word "organization" may be substituted for "Church" in any org where corporate status may require it.

2. Every firm with whom the org does business and every new firm contacted for purchasing or pricing must at once receive a letter from the Treasury Secretary using this letterhead and introducing by name those persons who are authorized to make purchases.

3. Such letters must promote our excellent credit standing and should make clear that the persons named are the ONLY persons authorized to purchase goods or services for the company.

517

This serves to make company policy known and prevents random persons from running up bills.

4. Every personnel change within the org which causes a change of authorized purchasers must be followed at once by new letters to all firms advising of the fact.

5. All expense commitment is by written order prepared by Dept 8, signed as authorized by the Treasury Secretary, and shown to the business firm at the time of purchase.

6. The Treasury Secretary in signing such orders must see the valid PURCHASE ORDER for each item ordered.

7. Expenses such as utilities and postage and occasional others which cannot be handled in this manner are nonetheless covered by ordinary purchase orders or estimated purchase orders (EPOs).

8. All purchasing lines are routinely spot-checked by the FBO or Finance Enforcement Officer for application of this policy letter and results reported to International and Continental Finance Offices.

9. Long-distance phone and other such services can become an unexpected source of sudden expense increase unless HCO requires a signed PO for each long-distance call as required by HCO PL 15 May 1970, PURCHASE ORDERS, and other utilities are watched for sudden increase.

10. All check signing on the org Main Account will be done once weekly by usual signatories and in the presence of the FBO and Finance Enforcement Officer. All checks must be tape-totaled and petty cash amounts limited.

The HCO Book Account is excepted in that Book Account checks may be signed at any time and the FBO-Finance Enforcement Officer presence is not required. Instead the D/FBO for M.O.R.E. is a mandatory signatory and checks on this account may be signed at any time with the D/FBO for M.O.R.E. held responsible to inspect Book Account records and the state of the bookstore, bookstocks and book sales to ensure that Book Account policies are being fully adhered to, including correctness of expenditures.



FSM Account checks are also exempt from the once a week check-signing rule as FSM commissions must be paid instantly. Signing is by any two available per-policy signatories.

11. The FBO and Finance Enforcement Officer in carrying out this duty ensure that all check-signing and dateline policies are applied and that all checks being signed have been properly authorized and do not exceed the org's allocation and, in the case of FSM commissions and refunds, that covering amounts have been transferred to the applicable org accounts by the FBO so that org cash/bills is not falsely affected.

12. Current and unused checkbooks for the org bank accounts are kept by the FBO in his safe and are issued to the Treasury Division only for weekly reconciling, check preparation and the return of canceled checks to their check stubs.

The HCO Book Account and FSM Account are excepted in that current HCO Book Account checkbooks are kept by the D/FBO for M.O.R.E. in his safe and the current FSM Account checkbook is held by the Treasury Secretary in his safe. Unused Book Account and FSM Account checkbooks may be kept by the FBO.

13. These policies may not be used in any way to delay valid purchasing or bill payments but must be applied so that no delay occurs and so that financial admin lines are strengthened and made more secure.

518

14. The enforcement and application of these policies is the responsibility of the Treasury Secretary, who must personally groove them in with Dept 8 and again on any change of personnel. The FBO and Finance Enforcement Officer are responsible for performing actions assigned them in this policy letter.

L. RON HUBBARD

Founder

Revision written at the request of the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm Copyright c) 1971, 1979, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

519

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 MARCH 1972R

Rernimeo Issue I

FBO Hat REVISED 4 AUGUST 1983

Hatting Officer to

M4, star-rate and  
have clay dernoed  
by FBO

*Finance Series 11R*

## **INCOME FLOWS AND POOLS**

### **PRINCIPLES OF MONEY MANAGEMENT**

(This PL corrects any earlier PL where  
there is any difference or conflict.)

(Revised to update and expand definitions)

#### **POLICY**

If a management unit such as a bureaux, a Continental Liaison Office, an OT Liaison Office or any agent thereof such as a Guardian or FBO or Flag Rep is any good, THE NEAREST SERVICE ORG WILL MAKE AMPLE MONEY TO PAY the managing unit and HAVE LOTS LEFT OVER TO SWELL Sea Org reserves.

Therefore if the managing unit or activity next to a Central Org or service org is "in funds" or "without funds," it is a direct index of management quality as expressed in the stats of the nearest service org,

#### **MAJOR ORG**

For an OTL, the term CENTRAL ORG must have active use as applied to their nearest major org.

For a CLO, an AOLA or AOSH is the nearest org, therefore its major org.

For Flag and top management, the Flag Service Org is the nearest service org when considering financial support.

#### **FLOWS**

An OTL or CLO or bureaux must manage lesser orgs so they build up a public that (1) services locally with these lesser orgs and (2) FLOWS CUSTOMERS TO THE MAJOR ORG.

Thus field auditors-missions-small orgs-CENTRAL ORGS-SHs-AOs is THE FLOW *LINE* without which the Central Org or top org will go broke,

If these lesser activities are kept prosperous and flowing persons upward via the FSM system and other systems, THE LOCAL, CONTINENTAL and INTERNATIONAL management units WILL BE IN CLOVER.

If this flow line is not made to operate that way, all will be awful. If it does operate that way, all will be *well*.

A *CENTRAL* ORG, THEREFORE, MUST GIVE HIGHER (IN TYPE) AND BETTER SERVICES THAN FEEDER ORGS.

An AO must give higher, better services than an SH.

Flag services must be higher in class than an AO's.

#### **DEFINITIONS**

Lack of precise definition as to what is income and what is "reserves" has caused trouble in identifying activities and in this flow line of management and income.

The main trouble it has caused is that a management unit, not having precise

520

definitions and not knowing the flow lines (as above), reaches out to the wrong "finance pools" for their support.

(Examples: A Continental CLO tried to live on management 10% which were not theirs [UKLO '71]. A CLO let the nearby AOSH go down and tried to live off Flag [USLO '71]. A CLO let an AO go down, ignoring it completely while building up only its most distant org [USLO '71]. A Div III would not collect actively on huge debts because it could borrow from reserves [Flag Admin Org '71]. An OTL ignored its nearby CENTRAL ORG and kept trying to get its support from its CLO [ANZO '71]. The earliest example was a navy admiral [Scoles] running the LA Foundation into the ground in 1950 because he thought it should be supported by Elizabeth, New Jersey.) The WHY of all these was lack of understanding of flow lines, and lack of definition of income, expenses and reserves as different, precise money pools and different types of orgs.

## DEFINITIONS

The following is a summary of key terms used regarding Church of Scientology finances. They refer to ecclesiastical management matters as they relate to finances of types of activities or areas. They are not intended to define the corporate structure of the Church.

*THE SEA ORG:* The elite religious fellowship within the Church of Scientology. The Sea Org is not incorporated and is not part of any corporation. Its membership is involved in Church management and the delivery of the higher level services of the Church.

*INTERNATIONAL MANAGEMENT-* Consists of the International Watchdog Committee and the International Management Executives (Exec Strata) and those units DIRECTLY attached to them such as the international office of the Finance Network. WDC covers SECTORS (entities such as Scientology Missions International, Sea Org Orgs, Class IV Orgs, FSO, etc.) and is essentially a policing and inspection organization which makes sure things get MANAGED. The Executive Strata (and ED International) does not run orgs; it handles the FUNCTIONS that orgs do. without regard to entities but coordinates the functions in them.

*FLAG:* The main vessel of the Sea Org. Historically, the word "Flag" means the Flotilla Commanding Officer and his personal staff and is of timeless usage and is not new. **When the operations and crew** of Flag are stationed on land, the term is sometimes modified to "Flag Land Base." It consists primarily of a management organization (Flag Bureaux), a public service organization giving the highest levels of services (Flag Service Org) and an estates organization servicing public and crew.

*FLAG SERVICE ORG:* The main public service organization located at the Flag Land Base. It is part of the corporation known as Church of Scientology Flag Service Org.

*FLAG BUREAUX:* The management body located at the Flag Land Base which is responsible for the management of the Flag Service Org (FSO), Sea Org Orgs and

Class IV service orgs. It is basically a tactical unit running orgs on evals done under upper echelons and is an execution arm for top level management. It operates through FOLOs (Flag Operations Liaison Offices). It is part of the Mother Church, i.e., the Church of Scientology International.

*CONTINENTAL LIAISON OFFICE (CLO):* The SO office of a continent that manages that continent. A CLO contains combined representatives of all management entities (e.g., SMI, GO, etc.) represented as departments on the org board and has a department which is a FOLO acting as the management link between the FB (Flag Bureaux) and the orgs managed by the FB. A CLO would coordinate all management units for that continental area. Continental Liaison Offices are themselves put there and made to run in a coordinated manner by WDC.

*FLAG OPERATIONS LIAISON OFFICE (FOLO):* A department in a CLO which deals with the execution of planning and programs issued to it by or through the Flag Bureaux. Their major purpose is to see that Flag planning becomes an actuality in orgs in their zone of responsibility. The FOLO sees that orgs are put there and manages them.

521

*OPERATION- TRANSPORT LIAISON OFFICE (OTL):* The branch office of a CLO managing the area or orgs assigned to it.

*SCIENTOLOGY MISSIONS INTERNATIONAL (SMI):* Scientology Missions International is a church which acts as the Mother Church for missions and is responsible for the direct management of the mission network. SMI missions pay tithes, a portion of which is used for SMI expenses. SMI reserves are part of SO reserves.

*INTERNATIONAL FINANCE NETWORK* The International Finance Network is located directly under WDC. This network is responsible for seeing that finance policy in the Church is adhered to; that organization assets such as marketing, meters, books, tapes, cassettes, insignia and films are safeguarded and utilized to drive business down on the orgs; seeing that org staff are well paid; seeing that as a result of making orgs prosperous, management is well paid, and is entrusted with safeguarding and increasing Church reserves. It has representatives in continental areas and orgs. Its overall objective is to see that there is an abundance of SO reserves,

*THE CONTINENTAL FBO:* The Flag Banking Officer and office engaged in the financial management of a continental area. He is part of the Continental Finance Office headed by the Continental Finance Director.

*ORG FLAG BANKING OFFICER:* The FBO attached to an org to help manage it financially. He is under the Continental FBO.

*SO RESERVES:* Often miscalled "Flag reserves" or "management reserves" which they are NOT. SO reserves are the amount of money collected over and above expenses that is sent by various units (via FBOs and the Finance Network) to central reserves bank accounts of Scientology corporations and trusts. It is used for purposes assigned by the boards of directors or trustees of such corporations and trusts and for NO OTHER PURPOSE. These are normally employed for periods of stress or to handle situations. They are NOT profit. It is *not* support money for "Flag" or "management." It is *not* operating money (Examples: Huge sums were required to cover WW when under attack and to catch the PUBS 1970 crash.)

*CENTRAL RESERVES:* Funds collected over and above expenses that are held in reserve in bank accounts of Scientology corporations and trusts. Often called SO reserves.

*INTERNATIONAL MANAGEMENT INCOME:* The total money collected for international management and Flag Bureaux management services and products whether paid directly or to Scientology reserves trusts. It includes funds collected for training and processing delivered by international training orgs and billings for missions, promo, etc. A portion of this goes to support management operations and the remainder, and major portion, goes to central reserves.

*INTERNATIONAL MANAGEMENT EXPENSES:* Total of all expenses for international management and Flag Bureaux activities including comm, missions, training programs, promo, crew welfare plus any other costs of units connected to and supported by international management bodies.

*CLO INCOME:* A CLO is supported by funds from its nearest major service org, by tours and Flag Service Consultant commissions and by such services to orgs and other activities as training and packs. A maximum of 10% of the CGI of the major org should be more than adequate to support the CLO, as it should be making far more from its other income sources; and since if the CLO is any good at management at all, the income will be high in that major org. A CLO is expected to send far more to SO reserves than it consumes.

*CLO EXPENSE:* The total of all expenses for the operation of the CLO and any units attached to it including mission expenses and comm.

*OTL INCOME:* The same as for a CLO. It should be supported by a maximum of 10% of the CGI of its nearest major org plus tours and Flag Service Consultant commissions and income for other services provided to the orgs in its area of responsibility. If it is any good, it will boom the nearest major org and others as well. It has to boom others so they will feed the nearest major org. It is expected to send far more to SO reserves than it consumes.

522

*OTL EXPENSES:* The same as a CLO but for its own and attached units' expenses only.

*CLO/OTL RESERVES:* Any reserves that may be built up locally through salvage of former allocations or from current allocations.

*CONTINENTAL FINANCE OFFICE EXPENSE:* The Continental Finance Office expense is paid by the CLO to which it is attached. Thus it must make lines flow. It collects for SO reserves and management units.

*FBO LOCAL EXPENSE:* Paid by the org to which the FBO is attached. The org FBO collects for SO reserves and management units.

*LOCAL OR G RESERVES:* The reserves built up by an org through salvage of former allocations or from current allocations.

#### GOVERNING POLICY

The governing policy of finance is to A. MAKE MONEY.

B. Buy more money made with allocations for expense (bean theory). C. Do not commit expense beyond future ability to pay.

D. Don't ever borrow.

E. Know different types of orgs and what they do.

E Understand money flow lines not only in an org but org to org as customers flow upward.

G. Understand EXCHANGE of valuables or service for money (PL Exec Series 3

and 4). H. Know the correct money pools for any given activity. 1. Police all lines constantly.

J. **MAKE MONEY.** K. MAKE MORE MONEY. L. MAKE OTHER PEOPLE PRODUCE SO AS TO MAKE MONEY.

A small sack of beans will produce a whole field of beans. Allocate only with that in mind and demand money be made.

A finance management which does not understand and USE these principles will be like a driver who hasn't the tech to drive a car. He'll wreck it, or not driving it at all will have no transport.

Money is a *tech*. IT FLOWS. Although one dollar looks like another dollar. they may be from completely different places and mean completely different things.

L. RON HUBBARD

Founder

Revision written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

CSI:LRH:iw.gm Church policy by the

Copyright c 1972, 1983 CHURCH OF SCIENTOLOGY

by L. Ron Hubbard INTERNATIONAL

ALL RIGHTS RESERVED

523

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 MAY 1972R

Remimeo REVISED 27 OCTOBER 1982

Int Finance

Network for

Enforcement

(Revised to update the distribution  
in light of the new Finance Network)

ETHICS

***Executive Series 13R***

***Finance Series 12R***

***Personnel Series 25R***

**PTS PERSONNEL AND FINANCE**

PTS means Potential Trouble Source. This is a person who is connected to a suppressive person, group or thing. (For further data on PTSness see HCOB 24 Nov. 65, SEARCH AND DISCOVERY and HCO PL 27 Oct. 64 (reissued 23 June 1967), POLICIES ON PHYSICAL HEALING, INSANITY AND POTENTIAL TROUBLE SOURCES.)

NCG means No Case Gain despite good and sufficient auditing.

A chronically ill person, whether the person is known to be connected to a suppressive or not, is always found to have been so connected and PTS.

IT IS UNSHAKABLE POLICY HEREAFTER THAT NO PERSON WHO IS PTS OR CHRONICALLY ILL OR WHO GETS NO CASE GAIN MAY BE ON FINANCE OR REGISTRAR LINES OR IN TOP COMMAND POSTS OR AS HAS OR ETHICS OFFICER OR MAA.

## TECHNICAL FACT

A person who is connected to a suppressive person, group or thing will dramatize a "can't have" or an "enforced overt have" on an org or staff members.

A "can't have" means just that-a depriving of substance or action or things.

An "enforced overt have" means forcing upon another a substance, action, or thing not wanted or refused by the other.

The technical fact is that a PTS person got that way because the suppressive was suppressive by depriving the other or enforcing unwanted things upon the person.

The PTS person will dramatize this characteristic in reaction to the suppression.

Therefore, a PTS person as an ED, C/O, Product Officer, Org Officer, Treasury Sec, Cashier, or Body Reg will run a can't have on the org and its staff by

a. Refusing income

b. Wasting income made

524

c. Accepting wrong customers (like psychos) and forcing them on the org

d. Fail to provide staff or service

e. Advocate overt products.

## HISTORICAL

When staffs went on proportionate pay in the late 1950s, so long as I ran the orgs directly, the staffs made more money than before.

When I moved off these lines directly, the staffs began to receive less money personally.

At that time it seemed to me that proportionate pay served as an excuse to some in an org to run a can't have on the staff.

We knew that some Registrars could take money in easily and others never seemed to be able to.

The technical reason for this has just emerged in another line of research entirely.

In completing materials and search on Expanded Dianetics, I was working on the mechanism of how a PTS person remained ill.

I found suppressives became so to the person by running a "can't have" and "enforced overt have." This pinned the PTS person to the suppressive.

Working further I found that a PTS person was a robot to the suppressive. (See HCOB 10 May 1972, ROBOTISM.)

This research was in the direction of making people well.

Suddenly it was apparent that a PTS person, as a robot to SPs, will run "can't haves" and "enforced overt haves" on others.

Checking rapidly, it was found that where finance lines were very sour a PTS person was on those lines.

## RECOVERY

PTS tech, Objective Processes, PTS Rundowns, Money Processes and Expanded Dianetics will handle the condition.

However, one cannot be sure that it has been handled expertly in orgs where a money "can't have" has been run as its tech quality will be low due to an already existing lack of finance.

Only stats would tell if the situation has been handled fully.

Thus the policy stands. Handled or not handled, no person who is PTS or who has no case gain will be permitted in top command or any lines that influence finance.

Any org which has consistently low income should be at once suspect of having PTS or NCG persons on the key finance posts, and an immediate action should be taken to discover the PTS or NCG condition and replace such persons with those who are not connected to suppressives or who do get case gain.

Nothing in this policy letter permits any PTS person to be in an org or cancels any policy with regard to PTS.

This policy letter *requires* direct check, close investigation and handling of PTS or

525

SP situations on these posts that may go undetected otherwise.

NOTHING IN THIS POLICY LETTER PERMITS ANY KEY ORG POST TO REMAIN EMPTY.

NATIONAL

As a comment on something that may impinge on orgs and might affect them, the FOREMOST reason for a failing national prosperity and inflation is a personal Income Tax agency. This runs a vicious can't have on every citizen and makes them PTS to the government. Individuals even begin to run a can't have on themselves and do not produce. This IS the cause of a failing national economy. It can be a factor in an org and must be handled on the individuals so affected.

L. RON HUBBARD

Founder

Revision written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:iw.gm Copyright C 1972, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

[Note: In addition to the updated distribution, the first paragraph of this policy letter has been revised. That paragraph in the original policy letter read as follows: "PTS means Potential Trouble Source. This is a person who is connected to a suppressive person, group or thing. (For full information on PTS see HCO PL 31 May 1971, Issue IV, revised 5 May 72, a checksheet.)"I

526

[Note: The following issues, which were not written by L. Ron Hubbard, have been canceled:

*Finance Series 13*



HCO PL, 3 June 1972, Finance Series 13, PROMOTION ALLOCATIONS has been canceled by SPD 41. Finance Series 13 Canceled. BPL 24 FEBRUARY 1977 CANCELED. dated 27 Oct. 1982.

*Finance Series 14RB*

*Finance Series 14RB Addition*

BPL 6 Jan. 1976, Finance Series 14RB, FLAG EXTERNAL EXPENSES and BPL 6 Jan. 1976-1, Finance Series 14RB Addition, FLAG EXTERNAL EXPENSES have been canceled by SPD 67, FINANCE SERIES 14RB AND 14RB ADDITION CANCELED - FLAG EXTERNAL EXPENSES AND FLAG EXTERNAL EXPENSES - ADDITION CANCELED, dated 28 Dec. 1982. The data in Finance Series 14RB and 14RB Addition is covered in Int Finance ED 25, FLAG EXTERNAL EXPENSES, dated 29 Oct. 1982.

*Finance Series 15R*

BPL 8 Mar. 1973R, Finance Series 15R, PROMOTION has been canceled by SPD 40, Finance Series 15RA, CANCELLATION OF "PROMOTION," dated 27 Oct. 1982

*Finance Series 16R*

BPL 10 Nov. 1973R, Finance Series 16R, FBO NETWORK ORGANIZATION LOCATION has been canceled by SPD 38, Finance Series 16R Canceled, FBO NETWORK ORGANIZATION LOCATION, dated 27 Oct. 1982.]

527

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 OCTOBER 1978

Remimeo F130s AGFs All FP Members

*Finance Series 17*

TWO-BIT FP

A two-bit FP consists of lots of little items, but none of them will make you any money.

I first ran into this in the UK. Orgs would buy a whole bunch of 25 bob purchases and the FP would add up to 25,000 pounds.

You can put together a whole slew of two-bit purchases and they add up to thousands of dollars without making any beans.

FP is not "how do we get some money from the finance authorities?" FP is "how do we stay solvent?"

L. RON HUBBARD

Founder

LRH:pb.dr.gm Copyright Q 1978 by L. Ron Hubbard ALL RIGHTS RESERVED

528

[Note: The following HCO PLs, which were not written by L. Ron Hubbard, have been canceled:

*Finance Series 18RA*

HCO PL 28 Sept. 1979RA, Finance Series 18RA, INTRODUCTION TO THE NEW FINANCE SYSTEM has been canceled by SPD 39, CANCELLATION OF FINANCE SERIES 18RAINTRODUCTION TO THE NEW FINANCE SYSTEM, dated 27 Oct. 1982.

*Finance Series 19RA*

HCO PL 28 Sept. 1979RA, Finance Series 19RA, FBO AND TREASURY WEEKLY REPORTS has been canceled by SPD 42, FBO AND TREASURY WEEKLY REPORTS-THE NEW FINANCE SYSTEM-CANCELED, dated 27 Oct. 1982.

***Finance Series 20RA***

HCO PL 28 Sept. 1979RA, Finance Series 20RA, FINANCIAL PLANNING PROGRAM NUMBER I has been canceled by SPD 13, Finance Series 20RA Canceled, FINANCIAL PLANNING PROGRAM NUMBER 1, dated 11 Apr. 1982.

***Finance Series 21R***

HCO PL 28 Sept. 1979R, Finance Series 21R, FINANCIAL DICTATORSHIP-WHAT IT IS AND HOW IT WORKS has been canceled by SPD 43, Finance Series 21R Canceled, FINANCIAL DICTATORSHIP - WHAT IT IS AND HOW IT WORKS, dated 27 Oct. 1982.

***Finance Series 22RA***

HCO PL 28 Sept. 1979RA, Finance Series 22RA, USAGE OF ORG BANK ACCOUNTS has been canceled by SPD 44, Finance Series 22RA Canceled, USAGE OF ORG BANK ACCOUNTS, dated 27 Oct. 1982.

***Finance Series 23R***

HCO PL 28 Sept. 1979R, Finance Series 23R, FBO NETWORK STATISTICS has been canceled by SPD 45, Finance Series 23R Canceled, FBO NETWORK STATISTICS, dated 27 Oct. 1982.1

529

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 SEPTEMBER 1979R

Rernimeo Issue XII

FBOs

Treasury Secs (CANCELS AND REVISES

EDs/COs

Board Finance HCO PL 28 SEPT. 1979, Issue XII,

Officers FINANCE SERIES 24, SPECIAL INCOME HANDLING.)

Registration

Personnel

***Finance Series 24R***

SPECIAL INCOME

There is a type of income called "special income." It is huge lump sum income that might have to be returned. It can't be immediately delivered and consequently can't be included in the CGI. It does count on the org GI but must be deducted as part of the computation of CGI on the allocation form.

The crux of special income is that it is huge lump sum income for something that the org cannot now (and may not be able to in the future) deliver.

There are many possibilities of what could be classified as special income. A few of these are

A. A huge sum donated for the training of staff for *a yet to be established* organization. The liability being that the funds may be requested to be returned as "unused" before such organization comes into being.

B. A huge sum donated for services which the organization does not deliver currently or which it may not deliver in the future. A specific example could be someone wishing to donate to an organization for upper level services which he hopes may be deliverable in the future at that organization.

C. A huge donation for an unspecified service or services. For example, a person donating his life savings to Scientology without having specific services in mind but simply feeling it to be the best place for his money. The org could then possibly be in a position of not being able to deliver fully and in the future might be in a position where the person or even his estate would request the funds back for services at a higher org or any of a number of other things.

D. Variations and other possibilities exist.

The way special income is handled is by subtracting it from the org GI in the CGI calculation and depositing it in a special account by the org FBO specifically for this purpose. This account is to be known as the Finance Office No. 3 Account. The signatories on this account are the same as for the Finance Office No. 1 and 2 Accounts. The "special income" account should be a high-interest-bearing account.

When an org FBO receives "special income" for deposit he should notify the Reserves ED in the International Finance Office of the amount received, its designated use and any other specifics connected with the matter.

Funds received and deposited as above are not considered org reserves and may not be used for anything until the org delivers service against it. Once the org delivers service against the "special income," the amount *delivered* (and only the amount *delivered*) is added to that week's CGI for the org and is available for allocation, while leaving the remainder (the undelivered portion of the "special income") in the Finance Office No. 3 Account. Any interest accrued is to be sent by the FBO to reserves.

530

If "special income" is actually treated as special income as above, then all will be well. If it is not handled in this manner, it can cause endless trouble for an organization.

So treat these funds for what they are and it will make things smooth for both the organization and the public concerned.

L. RON HUBBARD

Founder

Revision written at the request of the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSILRH:iw.gm Copyright a 1979, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

531

mmr~

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 FEBRUARY 1980

Remimeo

*Org Series 41*

*Finance Series 25*

*Executive Series 21*

## **PRODUCTION AND ONE'S STANDARD OF LIVING**

### *References:*

BPL 19 Mar. 71 Finance Series 7

BEAN THEORY-FINANCE AS A

COMMODITY

HCO PL 9 Mar. 72 1 Finance Series I I

INCOME FLOWS AND POOLS

PRINCIPLES OF MONEY MANAGEMENT

HCO PL 27 Nov. 71 Exec Series 3

MONEY

HCO PL 3 Dec. 71 Exec Series 4

EXCHANGE

FEBC Tapes

(NOTE: I realize that management units, orgs and staffs are daily pounded with false economic data. The real facts of life collide with much false data. Such crippling data comes from many sources-school, advertisers, government, bankers, propagandists, even parents who insisted Johnny be a doctor so he could "live well" or set a horrible example themselves. Many have had a hand in messing up people's wits on the subject. It is a factor in inhibiting the individual prosperity of executives, staff members and orgs. Where an area is not prospering, this PL should be starrated on its people and the false data they have on this subject stripped so that they then can prosper as they should.)

"Standard of Living" can be defined as the relative quality of a person's or group's possessions, quarters, food, equipment, tools and conditions of their area of work and existence. It is the state of the person's living, including working, environment. Where its potential continuance exists it is related to survival. It is a basic natural economic law that personal production of VFPs and one's standard of living are intimately related.

This applies to the individual as well as the team,

Where violations occur, inequities exist.

At a personal level one must produce in excess of his standard of living just to retain and maintain it.

Actually, the "excess" means that because of overload, taxes, services, plant, utilities, raw materials, machine and other costs additional to his own work sphere, a person cannot expect to get the full value of his VFPs all to himself. That is not economically feasible. The "excess" varies from post to post and job to job but is never less than 5X minimum. In industry it is considered to be at least 10X to maintain company standards and solvency. The "excess" can be very high indeed in some

532

industries. But in any case any idea that it should be one for one is fatal. People who know little of economics or management sometimes propose a worker should get the full value of his VFPs-but all work and all VFPs require support services and to neglect these would quickly bring on poverty. Even when working for oneself alone, these "excess" factors exist and seldom drop below 5X as one still requires support services. Corrected gross income divided by staff has to be at least 5X the cost of the standard of living of the individual staff member for that standard to be barely maintained. This does not mean staff pay should be 1/5 of that figure. It means that all the things (pay included) that go into maintaining their welfare and work environment would have to be covered by 1/5 of that figure. A fairly efficient and prosperous org with a hatted, industrious, gung ho staff can very easily maintain quite acceptable standards at 1/10 that figure. The actual cash value of every piece of work done by a person can actually be calculated. It is intricate and tricky to do and much subject to over and under estimation but it can be done. It is not vital to do this but one might just be curious about it. If so, do it for yourself. Thus VFPs can be priced against what they bring in as part of the overall scene even when they seem indirect. All the above figures are very rough and subject to variation but this gives you some idea of what is meant by "excess" in that law.

Where a number of people in a group or on a team do not produce VFPs in excess of their standard of living they depress the standard of living of the group or team.

Where some in a group do not only not produce VFPs but produce overt products, they actively depress the standard of living of everyone in that group or on that team.

Many economists and theorists seek to avoid that law. They do it to gratify politicians or aggrandize some false philosophy whose true purpose is suppression under other colors. But the law remains and its violation breeds an epidemic of economic ills. Amongst such ills are inflation, super bureaucracy, chaos with the marketplace and a decay of the civilization.

When a whole society demands a high standard of living and yet doesn't concentrate on the personal production of VFPs, it is finished.

Products are the basis of a standard of living. They don't appear from midair. They come from work truly done. Not from hope or false data.

It is a druggie's dream that machines, computers, under the dictatorship will do it all. Machines can raise a standard of living by assisting in production. But they can't do Man's living for him. Intelligently designed and used, they permit, within limits, increases in population. But machines are just tools. They have to be thought up, designed, built, run and serviced and their raw materials and fuel have to be found and delivered and their products promoted, delivered, used and often in their turn serviced. The machine age was actually recognized as failed when world leaders first began to urge population reduction on the planet to "improve the individual standard of living." If machines were going to solve it all why is the civilization now in such a steep decline? It took producing men *working* in and with a machine age to make the society go. Not idle mobs on welfare expecting a high standard of living while a few guys work their guts out. Pie in the sky is nice but did anyone ever get to eat it? This misinterpretation of the machine age was a heavy violation of the above economic law. But the real harm of the machine age was creating a false belief that one did not have to produce much to survive. This lowered people's estimate of how much they would themselves have to produce to

survive, much less have a high standard of living. Factually one normally has to work fast and expertly and in high volume to bring about any acceptable standard of living for himself and his group. This is a point the machine age obscures. But it remains vividly and demonstrably true.

An executive who works hard yet wonders about his own low standard of living should look over his people to find those who are not producing VFPs or who produce even overt products while yet demanding a living. *They* are absorbing the potential raised standard of living of the group.

533

Where a group has a very low standard of living, it need only review the above law and its potential violations to understand why.

One cannot, in fact must not, increase the standard of living of a group in ways that violate the above law. It will eventually bring calamity on that group.

In a society led astray by crackpot economics, violations of the above law create a vast number of wrong examples. The rich (most of whom work like mad) are seen as idle or even criminals. The best way of life is made to appear to be idleness. One seems to be owed a living without any effort on his own part. The producing worker should be fined by higher taxation. These are not seen to be simply false data spread about to wreck the place but are held as "truths." And in their wake comes a funeral for that group or society.

There is even an economic theory spread about today called "equalitarianism." It declares everyone should get the same pay and have the same standard of living. It does not mention that anyone should do any work. It holds that the better worker should not be better rewarded. It would crash any society.

Then there is the "monetarist" who believes you can manipulate a whole society with money alone. And no thought of any production. His answer to production? (You won't believe this.) Decrease demand! In other words, reduce everyone's standard of living!

Basic economics eventually catches up with all these weird false pretenses. It may take time but, as in the law of gravity, the apple eventually falls no matter how many crackpots advance theories to say it can't fall, will go up, or vanish. Real basic economic laws are like that. They catch up. So don't wonder about inflation and depression and decayed civilizations. Basic economics caught up with the crackpots.

An executive has to pay attention to the basic law about a standard of living. If he doesn't pay close attention to it, the standard of living of himself and of his group will cave in.

He can be "a good fellow" and seek popularity by attempting to raise the standard above what is earned. He and his group will crash.

He can be foolish and seek to raise his own rewards above what he personally is earning in terms of VFPs. But both he and his group will fail.

He can ignore the real producers of the group and not see that their standard of living is comparable to their individual production. And he and the group will fail,

He can ignore the nonproducers and the overt product makers and by so ignoring them, tear his own and the group's standard of living to bits.

He can listen to a bunch of PR from a staff member about how valuable that staff member is and surrender to it without ever really counting up the real VFPs that staff member is not producing (or even preventing). (It happens.) Only real VFPs count.

He can work himself half to death without demanding production from others and have his own standard of living crash.

There are swarms of false data flying about today on this subject. It is taught in schools, the very best schools; it is heard on the radio and seen on TV and in the papers. The civilization, as it caves in, is blinded by literally thousands of false ideas about what and how a standard of living occurs. These, where they conflict with the basic law, actively prevent one from prospering as they blind him to the truth of his scene.

In an org or management unit in Scientology, the real VFP is valuable fine people who produce valuable final products who then make up a valuable fine public. Every piece of work and duty in a management unit or an org contributes to that.

534

The standard of living of an executive, a management unit, an org or a staff member is determined by that one basic economic law: The personal production of VFPs for the group and one's standard of living are intimately related.

L. RON HUBBARD Founder for the

BOARDS OF DIRECTORS of the CHURCHES OF SCIENTOLOGY

BDCS:LRH:ab.gal.gm Copyright a 1980 by L. Ron Hubbard ALL RIGHTS RESERVED

*Finance Series 26*

[Note: HCO PL 15 May 1980, Finance Series 26, SCIENTOLOGY FINANCE NETWORKS -CLARIFICATION OF DUTIES, which was not written by L. Ron Hubbard, has been canceled by Scientology Policy Directive 46, Finance Series 26 Canceled, SCIENTOLOGY FINANCE NETWORKS -CLARIFICATION OF DUTIES, dated 27 Oct. 1982.]

535

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 FEBRUARY 1982

Remimeo

*Finance Series 27*

## **CHANGING WORKABLE FINANCE SYSTEMS**

(Note: I have not been on finance lines for many years. But I was the first Flag Banking Officer. I evolved the hat out of a morass of confusion an area had fallen into and pulled the area out and it thereafter prospered. The hat of FBO was passed on to others and, when worn the way it was designed (covered in Finance Series 1), orgs and staffs have prospered and the public has attained far better service. Although it is not my job and although I receive no recompense, I recently observed some strange outnesses in org finances, simply by looking at some stats. I have a good record of making orgs solvent and prosperous and I was always the one to instigate bonuses and improve staff pay and I could see, by indicators, that these points were not optimum today. So I suggested to those in charge of things now that they investigate. They did. They found something that is quite new in orgs-some instances of dishonesty. Today we live in an era where the psychologist teaches the blessings of being a crook: All men, they say, are basically dishonest and that it is only a question of how much temptation is required. Of course, that is a lot of you name it. But where some person, newly off the street, gets a post and, having been taught in psychology-dominated schools since he was five that he was natively a crook, orgs can get areas of dishonesty. There is, of course, a pitiful side to this: The poor blank sets himself up for no case gain and may even be consigning himself to no

new life: Overts against Scn recoil casewise and that's not just propaganda. Those in charge found these areas and the instigators have been shot from guns. But I think, as a favor to my friends, I had better write this up. You may have been curious why, when I went off the lines, things went wrong. Well, here's a lesson.-LRH)

Beware of people who change workable finance systems.

In the past two years at least three instances have come up where finance systems had been changed to everyone's detriment.

The first of these goes way, way back. We used to have a very workable finance system as given in Finance Series I and 11. It was the FBO NW. Everything got along fine: It was relatively simple. Where there was an FBO, orgs got solvent and staffs got paid.

Then Herbie Parkhouse, DGF WW, got on the line. He used a tax report flap and other means as excuses to push the FBO system out. The reason for his changes was evidently personal power. Org solvency declined, staffs went into apathy over inability to control their income, international reserves went down.

The system is being reverted now and Parkhouse has been shot from guns. But the cost to orgs and staffs was staggering. If they had not been arrested they could have crippled Scientology. And these losses came right out of your pocket!

The second instance was an independent unit. It did specific production items. When no one was looking, the person in charge of it changed all the internal finance lines: This involved the wipe-out of all FP and every financial control. Her husband was the Treasury Sec and he and his staff then were able to embezzle huge sums of money. Production "costs," unwatched, soared. The products became overt products of little use to anyone. The losses were staggering.

536

These criminals are now under charges and will wind up in jail as the evidence is very plain. They were all failed cases (naturally, for who can get gain across such overts) and had other out-ethics situations around them. But the fact remains that here again some people changed a workable finance system for personal reasons. The system has been reverted but it caused an awful lot of loss in many other ways than money and the reward was jail bars.

The third instance has just come up. At first glance it seemed a small thing but on further look it became very big.

GI in a large org was always counted as "money actually received in the shop before 2 P.m. Thursday." Someone changed this policy to read, "money that will possibly be invoiced anywhere in the world, even on the other side of currency control borders." The result was false GI you would not believe. Other out-ethics things came right in behind it such as wrongly crediting pcs to their advantage so as to make the GI look bigger.

Of course certain people would personally benefit. Anyone whose bonus was tied to GI in any way would be enormously overpaid.

The situation is under handling and with big long teeth by the proper authorities, but the fact remains that once again a finance system was changed so that someone could personally benefit and rip it off.

So you wonder where the staff pay got so undermined. And why financially things went somewhat sour.

All these things are handled and the systems are being reverted. But you can learn from this:



BEWARE OF ANYONE PROPOSING A CHANGE IN ALREADY WORKABLE FINANCE SYSTEMS.

Be very careful it is not being done to bring about a personal rip-off.

The org and YOU are the ones who suffer from this. You would not stand still for a squirrel change in workable tech. Tech works. Why tolerate changes in workable finance systems?

BE ALERT!

**L. RON HUBBARD**

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:bk.gm Copyright Q 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

537

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 MARCH 1982

Remimeo

*Finance Series 28*

FBO FP ADJUDICATION

A monitoring point in the FBO's judgment of how much to give the org for its FP is how much is the org delivering.

The FP should really not be more than the org's VS1). VSD is a reflection of how much the org is delivering.

If the org's VSD is high, and high consistently, then the org is in good shape and will probably continue to be in good shape and worth investing into. It is worth it to the FBO to invest his beans into such an org.

If the org's VSD is low and consistently low, then the org is in poor shape and likely to be in worse shape. Putting beans into such an area is not a good investment for the FBO.

The FBO must not let the org run on unearned income, and income collected on which service is undelivered is really unearned income. The org hasn't really earned it, the org merely collected it.

What is meant here is NOT that every penny collected by 14:00 hours Thursday should be delivered by 14:00 that same Thursday. Of course it would not be. But on the average, week after week, an org should be delivering at a rate matching what it is collecting. Otherwise, it will build up unused APs. And an org certainly should NOT be spending more than it is delivering.

It is not important if this week it spent a little more than its VSD as long as next week it spends a little less. An org must not be permitted to spend *ON AN AVERAGE* more than its level of delivery.

This is a point of FBO judgment. His adjudication is "Is this org running consistently on *more* than the dollar value of what it is deliveringT' If so, that org is going to starve. "Is this org running consistently on *less* than the dollar value of what it is deliveringT' If so, then that org is in good shape, and there will be coffee and cakes for all.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:dr.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

538

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 APRIL 1982

Remirneo

*Finance Series 29*

#### **THE COUNTING OF GROSS INCOME**

(*Ref:* HCO PL 5 Jun. 59, Vol 3, pg. 8, INCOME REPORTS REQUIRED.

"These reports [departmental income reports] are compiled by department heads after Thursday at 2:00 P.m. on the week's income ending then.")

(*Ref:* HCO PL I I Dec. 62, Vol 1, pg. 323, OIC REPORTS TO HCO WW.

"The HASI week operates from Thursday 2:00 P.m. to the next Thursday 2:00 P.m. This is mandatory for all orgs without exception, from here on.")

(*Ref:* HCO PL 6 May 64, Vol 3, pg. 17, ACCOUNTS POLICIES.

"The accounts week closes at 2:00 P.m. Thursday, at which time a new accounts week begins.")

(*Ref:* HCO PL 6 May 64, Vol 3, pg. 18, ACCOUNTS POLICIES.

"Posting [of disbursement vouchers in ledgers for the companies concerned] is done in periods of one week ending 2:00 P.m. Thursday to agree with the income period.")

(*Ref:* HCO PL 12 Oct. 66, Vol 1, pg. 344, OIC GRAPHS.

"Graph 2-a continuous line which shows the number of Clears made that week [Thursday 2:00 P.m. to Thursday 2:00 P.m.] and a dotted line [when it comes to apply] showing the number of OTs made.")

(*Ref:* HCO PL 23 Dec. 66, Vol 3, pg. 265, ACCOUNTS INVOICES.

"Bundles of invoices are routed to their proper destinations from the baskets when convenient but at least once a day and at 2:00 P.m. Thursday.")

(*Ref:* HCO PL 18 Nov. 67, Vol 3, pg. 212, BLUE AND GREEN ACCOUNTS INVOICES.

"The green invoices will be kept continuous and removed from the machines at the end of each day and at 2:00 P.m. Thursdays. The money will be removed at the same time [leaving only the float].")

It might interest you to know why an org's income production period, measured by the gross income statistic, is a weekly period, from 14:00 hours (2:00 P.m.) Thursday of one week to 14:00 hours of Thursday the next week.

#### IMPORTANCE OF THE GI STAT

It is complete folly to run or try to manage by anything but correct stats. Rumors, bad or good, kill orgs. Generalities, bad newsy or good newsy, kill orgs. Old school tie popularity, or lack of it, kills orgs. Running an org or managing an org by anything but stats kills the org.

Running by stats shows one the state of the org and enables one to do something about a down statistic and reinforce an up statistic.

539

#### NEVER RUN OR MANAGE BY ANYTHING BUT STATS.

#### CORRECT GI STAT

The GI stat must be correct and must honestly reflect the org's income production.

No one can bank money "enroute to the org, but not here yet." No one can FP against money "lined up." And you cannot be paid from sums that "will be here soon."

But you *can* bank, FP against, and pay yourself from real money, good right now, that is in the shop right now.

A GI statistic that is made up of anything but cold, hard, bankable currency, bankable immediately, and in the shop right now is a false statistic, denying you a paycheck and blocking those who would attempt to expand the org.

#### NEVER REPORT, RELAY, OR CONDONE A FALSE GI STATISTIC.

#### TRENDS

Orgs are managed by trends and ranges of statistics. Is the trend of this statistic up or down? What is the condition of the trend? And at what range?

Weekly statistics, neatly graphed, shows one and all the condition of the continent or org or division or department or section or unit or individual staff member.

Why weekly?

Because our orgs are *fast* man! Other organizations and companies throughout the world work at a snail's pace compared to any Scientology organization.

How would you like to find out how you were doing at *three-month intervals*, a month or so after each interval? Yet this is common business practice!

It's no wonder governments go broke and talk of budget deficits and corporations cackle proud as peacocks about how they *only lost 30* million less than they lost last year this time.

No, thank you! Nineteenth century "business practices" will not do for us. You must know how you're doing right now and you must know how you did this week compared to previous weeks. Only then can you take measures to correct or reinforce, in order to improve or raise *next* week's production.

Why 14:00 hours Thursday?

I instituted this at London Org in the '50s. Friday was too late for their Advisory Council to act on the just ended week's statistics, and get the gears rolling for the new week as the weekend (and the Foundation org) was right upon them.

By meeting on Thursday they could put their plans into motion Friday and get started. 14:00 hours was the chosen cutoff period to enable them to meet that evening.

That procedure worked then and for decades since!

Only when an org goes out-ethics and varies its stat ending period from 14:00 hours Thursday do you have trouble managing by stats and trends.

YOU CAN ALWAYS DO SOMETHING ABOUT A STAT TREND. BUT YOU HAVE TO KNOW WHAT IT IS.

#### UNUSUAL SOLUTIONS

I can't imagine any org staff member or executive failing to understand any of the above. This is all hard-won experience and established policy which should be known to all.

540

Nevertheless, one encounters the "strangest" applications of unusual solutions anyone ever heard of. And *every* time an org tries to count its gross income in a way other than as described above, the org and its staff suffer.

For example, there were "postulate checks" in the early '70s in which some orgs counted nonexistent funds as in-the-shop GI, while swearing to one and all that, "90% of them are good. The FBOs just aren't collecting them."

Result: Frozen accounts, busted boom!

An org one time sought to "raise its GP by transferring sums back and forth between accounts, counting these transfers as income.

(Well, that's just grand for the double-entry finance "wizards of Wall Street." "Improves" their balance sheets remarkably. But it doesn't prevent one giant corporation after another from slipping away to bankruptcy.)

Result: The org went insolvent!

Another org sought to "raise its GI and booksales" by "buying" its own books (they transferred from their main account to the HCO Book Account and counted it as GI), and then gave the books away.

His "majesty," Lord Keynes, would cheer with gleeful approval. But unfortunately there's a hitch. Unlike the Keynesian dupes, governments, we don't haul out the presses and print more currency. And books cost us *real*, earned, in-the-shop money.

Result: This org, too, went insolvent!

And then there was the org that reported its GI on Thursday, waited for it to come in by Sunday, and worked all weekend to make sure it did come in Sunday so that what they reported last Thursday would be correct!

They were spending three days (sometimes more) of the new week to make good the production of the previous week. This left them with about four days of production time to devote to the new week's GI.

But not to worry, they had this solved!

"We have until Sunday to get in next week's GI, that we report on Thursday, and GIs and CGIs can easily be reported a week behind based on Sunday night collection figures."

Oh yeah? One might ask, "But how can you allocate funds at the weekly FP meeting on Thursday night when the funds are not going to be there until Sunday night?"

"Oh, that's no problem. That's why we hold FP on Sunday."

Digging deeper, one might ask, "But that means you can't get going on activating the org's FP and get the items required by the org to carry on until Monday."

"Well, yes, but that's because the money doesn't come in until Sunday, and we don't want to be nonstandard, so. . . ."

And now, jumping in with both feet, one asks, "But, look! Ron just wrote this new HCO PL, Finance Series 27, entitled CHANGING WORKABLE FINANCE SYSTEMS, in which he says to, 'beware of people who change workable finance systems.' And what you've done is *changed* a workable finance system!"

"I know, but see this CSW here? We're going to *change* that PL....

#### UNUSUAL SOLUTIONS

All right, where does all this leave us?

541

THE MOMENT YOU VARY FROM THE EXACT, STANDARD, ON-POLICY PROCEDURE, YOU INVOLVE YOURSELF IN POTENTIAL CONFUSION THAT REQUIRES EXTRAORDINARY SOLUTIONS.

WHEN YOU FIND YOURSELF BEING ASKED FOR EXTRAORDINARY SOLUTIONS, YOU HAVE DEPARTED FROM THE EXACT, STANDARD, ONPOLICY PROCEDURE.

Note these two principles well. Chisel them in granite. They amount to Third Dynamic Axioms.

What is the exact, standard, on-policy procedure?

1. The stat period of an org is from 14:00 hours Thursday to 14:00 hours Thursday the following week. Not Friday, not Sunday. *Thursday*. Not 18:00 hours, not 14:10. 14:00 *hours*.
2. Gross income of an org is the total amount of cash, coin, checks, money orders, cashier's checks, bank drafts, that are immediately depositable, received by the org in the mail, over the counter or wired directly into the FBO No. I Account, by 14:00 hours Thursday, for any org service or item.
3. The GI figure, already counted, totalled, and verified, is telexed on Thursday as part of the org's OIC cable.
4. FP Committee meets Thursday night.
5. The FBO approves the FP or sends it back for corrections /changes (but in any case, makes the FP approvable), transfers the FP amount, HCO Book Account amount, and the org reserve amount to the org Thursday night or Friday morning.
6. The org deposits the FBO checks Friday morning and activates the FP.
7. The org is already (as of 14:00 the day before) collecting the new week's gross income.

Sounds simple, doesn't it? It is!

It is difficult or confusing only when it is *made* difficult or confusing by those who have other fish to fry, usually for their own selfish benefit at the expense of the org and thus your own paycheck.

If you want a higher gross income, if you want the things your org needs, if you want a larger paycheck, just do the usual as laid out above.

Honestly, it is so much easier to be standard.

Try it!

**L. RON HUBBARD**

Founder

Adopted as official

Church policy by the

**CHURCH OF SCIENTOLOGY**

**INTERNATIONAL**

CSI:LRH:dr.gm Copyright a 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

542

**HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

**HCO POLICY LETTER OF 11 MARCH 1982**

Rernirneo CORRECTED AND REISSUED 21 MAY 1982

Exec Hats

Finance Hats (Correction in this type style)

*Marketing Series 17*

*Finance Series 30*

## **PROPORTIONATE MARKETING**

In marketing, one must always push *harder* toward the largest bulk of future business. It is peculiar to Scn marketing that you have to push hardest at the lowest levels to make the upper levels come off.

This gives you a sort of scale that tells you the target proportion of finance and effort to allocate in marketing.

For Scn and types of orgs, it goes like this:

Heaviest: Raw public not yet into Scn.

Next heaviest: First services they will take.

Next heaviest: Into HGCs and Academies.

Next heaviest: To SHs.

Next heaviest: To AOs.

Next heaviest: On to Flag.

You can also draw a scale of this for individual business or orgs of any class.

It can be done simply by how much money and personnel and pieces are to be devoted to each point of the scale.

Failure to do this gives one faltering stats as the flow is not being proportionally marketed. Done correctly, one gets a very heavy and quite even flow up the Grade Chart. Doing it unevenly, one gets booms, depressions, and instances of cannibalizing.

L. RON HUBBARD

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:dr.gm Copyright a 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

543

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 MARCH 1982

Remimeo

*Finance Series 31*

*Marketing Series 19*

*Executive Series 35*

EXECUTIVE SUCCESS

"The whole story of marketing is told in just a few words:

ONE FINDS OR STRENGTHENS OR CREATES A DEMAND.

"The whole story of economics is told in a few words:

ONE SUPPLIES OR DOES NOT SUPPLY A DEMAND AND GETS ADEQUATELY PAID  
OR DOES NOT GET PAID FOR IT.

"The speed with which one can collect information, debug, write immediate bright, applicable, doable programs or evaluations on each area that will handle marketing, economics, delivery and collection and, above all, the speed with which one can get out letters, despatches and telexes based on the programs and get real dones on them back determines the volume of income in any given time period.

"And that's the full essence of executive success."

L. RON HUBBARD

Founder

Assisted by

Operations Chief

Adopted as official

Church policy by the  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

CSI:LRH:OC:kjm.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

[*Note:* The original mimeo copies of this policy letter were incorrectly numbered as Executive Series 33.]

544

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 MAY 1982

Remimeo

*Finance Series 32*

**BOOKS ARE ASSETS**

**Books**, meters, cassettes, films and insignia are assets.

The operating principle is: Just as you would handle money, so must be handled books, meters, cassettes, films, insignia and material.

There is a difference: Money decreases in value-books increase.

But just as an FBO would not think of letting money be around, unguarded, just as he would think it vital that sums be listed and cross-checked, so should he think of books and related items.

In an area where books have been ripped off, it will be found quite difficult to get people to keep up-to-date stock lists. They know they could be detected and sent to jail for stealing if it was detected they had been ripping off books.

So it requires just as much policing on lines to handle books as it does to handle money.

Orgs can get themselves into a bind by not accurately accounting for stocks.

They suppose that the money they take in for selling books, etc., can be spent on their FP any way they please. Soon they will run out of books and have no money to replace them and there goes their local dissemination and there goes their overall GI. In short, they cut their own throats by trying to run their org using the booksale money for other things.

This was so bad in early years that it was thought orgs could not be solvent unless they used up all money taken in from books on other things.

There is another angle to this safeguarding material: That which people can rip off they do not respect. If they do not respect books and material they will not only not sell them, they will also black PR them. And there goes their public goodwill and their GI.

It has been said a single Dianetics or Scientology book is more valuable to the human race than the discovery of the wheel or fire. That is because it could halt Man's own decline and personal demise. Be that as it may, one single book or meter gone astray in the stock inventory can seriously dent the org profit received from books.

It is a profit and loss thing: Lost stock not only denies profit, it also creates indebtedness. The books won't balance. But in this case it is worse: If books and material do not exist to be gotten into public hands, there is no prayer of continuing an org GI.



So carelessness or inattention to book material can whittle down and then destroy the org GI.

This is why books and material and HCO Book Accounts are now under the supervision of the FBO Network.

545

Routinely, full inventories must be taken of all such material.

And at a change of executive structure, an outside firm must be gotten in to do a certified inventory of the material and new executives and officers must sign for it in any turnover. And in the event stocks are missing, the FBO must be prepared to take police action just as he would if money were missing: He would suspect embezzlement and act that way. Thus day-to-day stock lists must be kept and inventories must be balanced with invoices routinely.

Where consignment, without cash, is done to an outlet, then a full receipt for all such assignment must be gotten AND checked up on AND the money or the stock collected in due course.

The Pubs Orgs must never operate on a credit line to orgs. In the past this has caused insolvency and denied the placing of books in public hands. An org, to get book stocks in such event, has to make cash money or GI to get books or borrow the money elsewhere and pay it back.

Books, meters, cassettes are BIG business. Regarding them as a sideline can be fatal to GI. It is the book in public hands which starts any boom, regardless of any other promotion. The books are the ambassador and messengers to the world. This has been proven countless times from 1950 forward.

This does not mean books, etc., must not be backed up by other promotion. But it is the book that closes. Try to operate without them and an org falls flat on its face!

This does not mean books, meters and cassettes should not be displayed. It is a maxim that when the public sees just one book or meter on a shelf they do not buy. And it certainly does not mean that books are not sold in volume.

It does mean that books, meters, cassettes, tapes, films and insignia are assets greater than hard money. And they must, from the moment they come off the press until they arrive in public hands, be treated as such, counted, inventoried, stock listed.

The FBO Network I/C is responsible for implementing this PL and originating routine report forms and admin that must be kept and submitted regularly to him on this subject.

And he must be prepared to take action of the strongest kind, just as he would in any other form of embezzlement, when he finds stocks missing.

It is vital to the survival of Dianetics, Scientology and orgs that this PL be given the closest attention. For one is dealing with the future health of orgs.

There is no sin in making high income from books and material themselves. Just like money, it is a crime to waste it.

A primary cause of slow expansion of Dianetics and Scientology in the world has been a carelessness from Pubs Orgs on down to orgs and FSMs in pushing and safeguarding books.

This trust is now given into the hands of the FBO Network as they have shown over the years they can be trusted.

L. RON HUBBARD

Founder

Adopted as official

CSI:LRH:bk.gm Church policy by the

Copyright 0 1982

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

546

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 JULY 1982R

Remimeo REVISED 20 SEPTEMBER 1982

(Revised only to change the title of the D/FBO, per Finance Series 35, from D/FBO for Marketing, Meters, Books, Tapes and Films to D/FBO for Marketing of Org Resources for Exchange [D/FBO for M.O.R.E.], and to add some additional references.)

*Finance Series 33R*

**DEPUTY FBOs FOR MARKETING OF ORG**

**RESOURCES FOR EXCHANGE (D/FBO FOR M.O.R.E.)**

**R ef:**

HCO PL 28 May 72 BOOM DATA

HCO PL 9 May 82 BOOKS ARE ASSETS

HCO PL 10 May 82 BOOKSTORE OFFICER HAT

HCO PL 20 May 82 BOOK ACCOUNT STOCK REPORT

HCO PL 15 Apr. 82 PLANETARY DISSEMINATION

HCO PL 11 Mar. 82 PROPORTIONATE MARKETING

HCO PL 5 Feb. 82 11 BOOKS AND MARKETING

HCO PL 2 Sept. 82 Finance Series 34

AND THAT IS BANKING

HCO PL 3 Sept. 82 Finance Series 35

DEPUTY FBO FOR MARKETING OF ORG

RESOURCES FOR EXCHANGE (D/FBO

FOR M.O.R.E.) PURPOSE

HCO PL 10 Sept. 82 Finance Series 36

EXCHANGE, ORG INCOME

AND STAFF PAY

As covered in HCO PL 9 May 82, BOOKS ARE ASSETS, books, meters, cassettes, films and insignia are assets of an organization. They are not merely assets in the sense of their dollar value, but are in fact the gold and diamonds that give the way to Man's total freedom. Therefore, it is vital that they not only be safeguarded, but that they be gotten into the hands of the public to point the way to the road out.

Add to the above the marketing of those assets and the marketing of Dianetics and Scientology training and processing services and you have a very broad area of responsibility which has been entrusted to the FBO Network.

To handle this added responsibility, a new post has been created which is the Deputy FBO for Marketing of Org Resources for Exchange (D/FBO for M.O.R.E.). At this writing this post is being filled in each org around the world with high caliber staff. In their hands lies the potential of achieving planetary dissemination at a rapid rate. This is no desk job but requires very dynamic individuals who will work effectively on these high-powered lines.

547

## **ORG BOARD**

The org **D/FBO for M.O.R.E.** is located in Department 21, as is the FBO. He comes under the FBO but also has a direct line with his network seniors at continental and international levels for the routine operation of his post, reports and compliances.

At continental and international level, the D/FBO area is its own branch in the Cont and Int Finance Offices.

In Pubs Orgs an analogous post exists who would have lines to org D/FBOs for liaison, information exchange and alerts on any situation needing attention.

## **DUTIES**

The key duties of a D/FBO for M.O.R.E. are

1. Ensuring that at least minimum bookstocks are maintained at all times. (Ref. LRH ED 5 INT)

2. Being the final authority on the use of and administration of the HCO Book Account and to ensure the per-policy use of the same.

3. Ensuring that weekly bookstock reports are done and that regular inventories are done of all stocks.

4. Seeing that book orders are filled immediately-any order not filled within 24 hours of receipt of the order is simply unthinkable!

5. Seeing that books are not loaned out or given away and seeing that appropriate ethics action is taken and carried through when this does occur.

6. Bringing criminal proceedings against those found to have embezzled HCO Book Account funds or stolen books or other items from the org.

7. Using the points listed in HCO PL 10 May 82, **BOOKSTORE OFFICER HAT**, as a daily checklist and to ensure that all points go in and remain in.

8. Ensuring that there is a Bookstore Officer on post and that his seniors take adequate responsibility for this area of the org. No executives can be considered bonus eligible until this post is manned by a competent person who can and does get his duties done per HCO PL 10 May 82, **BOOKSTORE OFFICER HAT**.

9. Approving the HCO Book Account FP and issuing the checkbooks for check writing only on the approval of an FP, and then recovering and holding this checkbook once the FP is activated.

10. Ensuring that Treasury and the Bookstore Officer maintain perfect records of all HCO Book Account transactions.

11. Getting in, in an org, all the points of HCO PL 20 Nov. 65R, **THE PROMOTIONAL ACTIONS OF AN ORGANIZATION** which apply to his sphere of responsibility.

12. In liaison with the org FBO, ensuring that the FP Committee uses LRH ED 245R, **FINANCIAL PLANNING CHECKLIST FOR THE PROMOTIONAL ACTIONS OF AN ORGANIZATION**, as they apply to his area and get these items POed for, bought and then *used*.

13. Seeing that all tapes, films and cine equipment are properly cared for

548

and calling for ethics action on those being negligent in their responsibilities.

14. Getting films and tapes in full use in the org.

15. Liaising with the D/Service Product Officer for Books in the org to ensure maximum book marketing and sales in the local area.

16. Receiving the weekly Book Account Stock Report and using this as an income sources summary for books to isolate which books in which areas are selling well and why and to reinforce these actions, including noting which book campaigns have been successful and resurrecting these. Then to isolate which books and areas are not doing well per sales and debugging these.

17. Noting any discrepancies on the Book Account Stock Report and ensuring the Bookstore Officer locates the reason(s) for such discrepancies and, failing this, locating the reason(s) himself. Then getting adequate handlings done so the situation *never* occurs again! ,

18. Getting FP to cover the costs of any Bookstore items found to be missing after the weekly stock report is done and when the missing item cannot be otherwise located.

19. Ensuring that translated books exist in the org for all languages used in the local area.

20. Monitoring the planning and use of the HCO Book Account funds to ensure maximum profit, and not blowing the profits on "Two-bit FPs" and short-range or extravagant planning.

21. Execution of marketing programs authorized for execution on D/FBO lines.

22. Ensuring compliance to HCO PL 11 Mar. 82, **PROPORTIONATE MARKETING**.

23. Seeing that the org invests in marketing and promo actions which result in increased income and body flow into the org (bean theory).

## STATISTICS

The post statistics of the org D/FBO for M.O.R.E. are

I . Total retail value of all properly secured and inventoried assets calculated from the weekly bookstock report. (Covers all Bookstore items: books, meters, tapes, cassettes, insignia, etc.) This is based on the weekly stock report done at the end of the previous week. The D/FBO must actually inspect the state of the stocks and may not count any items improperly stored which presents a threat to their value through damage or theft.

2. Gross book sales of the org.

3. Total amount paid out for restocking or for new Bookstore items for the week.

4. Amount of film lease payments for the week actually paid out, per film lease agreement.

5. Allocation /production ratio computed as follows: Total amount actually spent in the previous week (not just set aside) on marketing and

promo measured against the total org gross income for the current week. It reads as a ratio so that the allocation is always 1 and the production figure varies according to its relationship to the allocation. (E.g., allocation amount equals \$2,000.00 and GI equals \$20,000.00 so the ratio is 1: 10.)

The weekly condition of the D/FBO is based on the above major stats. In addition to these the following substats are to be calculated and reported weekly:

- a, Books portion of the GBS.
- b. Meters portion of the GBS.
- C. Tapes and cassettes portion of the GBS.
- d. Insignia and jewelry portion of the GBS.
- e. Hat and course packs portion of the GBS.
- f Books portion of the restocking stat.
- g. Meters portion of the restocking stat.
- h. Tapes and cassettes portion of the restocking stat.
- i. Insignia and jewelry portion of the restocking stat.
- j. Hat and course packs portion of the restocking stat.

Accurately calculating and reporting these statistics will show the effectiveness of the D/FBO and will enable accurate management of the area to occur.

The D/FBO in an org is to report his statistics weekly to his continental senior who then forwards the reports from all the orgs in the continent to the Int FBO for M.O.R.E.

#### THEFUTURE

Orgs in the past have tended to remain small or grow slowly because they did not properly or extensively market their wares.

The primary block on marketing has been org miscomprehensions of finance as it relates to marketing, promotion and sales. Hence, these functions are placed in the Finance Network where they can be expertly monitored by trained and competent personnel with a knowledge of both finance and marketing.

Today's money wisely invested in marketing an org's wares results in tomorrow's GI.

Orgs in the past spent their promo monies only on BMO (bulk mail out)-which is to say, only on the Scn field they already had sold.

To expand, an org must continually reach not only old and on-lines public but especially new public. It is upon this that future expansion depends.

Every book, every cassette sold to raw public potentially increases Scn public to whom, then, even more books, cassettes, AND NOW org minor and major services can be sold. Every public film properly shown the public potentially increases org GI. Every Academy film potentially increases MPT (money paid for training)-IF the public knows of them.

The future GI and size of the org is regulated (given in-tech service and on-policy

550

admin) by the proper placement of books, cassettes and insignia in public hands, and the exhibition of films. There is a direct co-relationship between the marketing of books, cassettes, insignia and films, and the future GI of the org.

This is why the D/FBO for M.O.R.E. is there. Never before has there been a network for this purpose.

The formation of this network is a direct push for individual org expansion, a direct and heavy forward thrust into the population, and upon it may well depend the future of this planet.

Over to you. D/FBO.

Good luck!

L. RON HUBBARD

Founder

Written at the request of the

BOARD OF DIRECTORS of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:gal.iw.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

551

## **HUBBARD COMMUNICATIONS OFFICE**

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 2 SEPTEMBER 1982

Remimeo

*Finance Series 34*

## **AND THAT IS BANKING**

You might be interested to know something about banking and money that bankers and governments don't know: BASICS!

These are very simple basics. They are also very, very 0 - - - L - - - D basics.

Money can be said to be a lot of things. It can be said to be an idea backed by confidence. It can be said to be a system of exchange. It can be said to be something easier to carry around than a side of beef or a bushel of wheat. Money can be said to be a lot of other things.

But from the viewpoint of a banker and solid facts, you get the basic law of banking and the basic definition of banking and money.

**MONEY IS A NEGOTIABLE RECEIPT FOR DEPOSITED GOODS.**

In order to understand this, you have to understand the original function and practices of (surprise!) goldsmiths! You see, goldsmiths simply used gold as a commodity. It went like this:

The goldsmith took in a commodity of one unit of gold. He gave a receipt to the person who gave him the gold. He did this several times. He then had, let us say, six receipts-six guys had given him gold to hold and he gave them each a receipt. These six guys could then use those *receipts* as *currency* since it was gold on deposit with the goldsmith. This is a one-to-one basis. One receipt given out for one unit of gold taken in.

Now the goldsmith, because he assumed and hoped that all six guys wouldn't want their gold all at the same time, could then issue additional receipts against the gold-against the same gold for which he issued the first six receipts. So he would issue receipts on, let's say a three-to-one basis-he issued three receipts for every one unit of gold he had on deposit. These receipts were trusted because people knew he had gold on deposit.

So you see the goldsmith issued more receipts than he had gold on deposit. He could then loan out these receipts (currency) that he had created. People "borrowed money" from him by obtaining one of these receipts and now they would owe him what they borrowed plus interest. AND NOW THE GOLDSMITH WAS INTO BANKING. IT WAS THAT STEP THAT PUT HIM INTO BANKING. You see, there were other things this goldsmith could do. He could issue receipts and buy property or keep his business running or something. But the moment he issued and handed out a receipt to people who used that for currency, why, he was now into banking.

And that is banking.

Now you can do the same thing with commodities. You have a warehouse and you're into banking. If everybody puts his commodity in the warehouse and the banker issues a receipt for it, he can now issue on a three-to-one basis, as the goldsmith did, or twelve-to-one, which is getting pretty risky but they did that. But, you see, he can do the same thing with commodities. I don't care if they're shoes or whatever. Now,

552

because he's got shoes (and other things) in the warehouse, he can issue general receipts against these goods on a basis of one to one, which is just the depositors, on up to twelve to one.

And he can take those receipts and he can issue them to a manufacturer who can *then* buy with those receipts the equipment necessary to set up his plant. But everything the manufacturer makes is a commodity deposit. The manufacturer makes something and now he has a commodity deposit. When you realize that the banker is not taking in all this commodity, you realize it starts sitting all over the place in all kinds of different warehouses and so forth. But it is consigned to the bank. It belongs to the bank. It backs up the receipts. The guy who the banker loans the money to, just out of the blue sky, doesn't have any commodity there. The banker loaned out money (a commodity receipt) to a guy without any commodity. Well, that guy has got to put a commodity there. And this is the basis of banking. If that guy now doesn't manufacture commodity, the banker is out of luck. In other words, he doesn't produce the commodity he's loaned money to produce. The banker now only has the plant.

So now we're off into the banker loaning against the plant. We've extended it from the deposited goods to what makes the goods.

And that is banking. And that's all there is to banking.

And that's why you see bankers favoring short-term loans. They're not interested really in a real estate loan. That's a secondary stage. They're interested in the cars sitting on the lot at Chrysler.

I noticed that when a European automaker recently went to blazes, a fleet of their cars turned up as being sold to a bank in America, after that company went defunct. In other words, their manufactured cars became, just as Chrysler's would become, the property of the bank.

Now what is inflation? INFLATION IS DETERMINED BY THE RATIO BETWEEN THE DEPOSITED GOODS AND THE NUMBER OF RECEIPTS ISSUED. This present society has got it up to several thousand to one. In banking, I would never go above three to one. That is sound banking.

All right. Let's recapitulate. We started by issuing receipts for deposited goods. Then we extended it to what makes the goods. And we're going to issue receipts on a safe, intelligent basis—a three-to-one basis, for example. All right. This is sound banking.

But these current "bank"ers extend it out on whether or not they think the guy's credit is any good. They extend it out on to whether or not he's going to issue stocks or shares of his own. (His own issued "receipts.") And then they're going to keep those as security and, honest to Pete, you're now up here in froth. That is strictly froth. This whole current banking system is in froth. Even the American Federal Reserve. They write down a figure in a little book and tell the US Government that it can now print that much money. (You may think I'm kidding—I assure you, I'm not.) To back that money, the Federal Reserve issues Federal Reserve Stock, called Federal Reserve Bonds and so forth, which is bought by the public. Just recently, two "issues" have gone out on the same transaction which was based on nothing to begin with.

In other words, they don't just issue a hundred million dollars in currency. They issue a hundred million in currency *and* a hundred million in bonds. So regardless of their computations, they have not really issued a hundred million, they have really issued *two* hundred million, which doubles instantly the amount of paper in the society on the same transaction. Result: more inflation.

Hold on, it gets crazier.

Of this transaction, only half of it is covered by interest-only the bonds. So they feel they're getting only half the interest because the total issue of paper was two hundred million, and they're only drawing interest on the bonds, one hundred million. So, "of course" they have to get twice as much interest on the bonds. And there shoots

553

up the interest rates and now money becomes too expensive to borrow in order to manufacture something and there goes your new and future commodities and eventually there goes your society.

And (currently) that is banking (unfortunately).

But don't you be confused. It is really very, very simple. For instance, if you can get the idea that you would take all of your household goods and give them to a bank and they would put them in their basement and then they would give you a receipt for the household goods and then you could give that receipt to somebody else for some negotiated action—you wanted something they had or would do for you—why, then you'd understand banking.

And if you can get the idea that that other person that you gave your receipt to could then go claim those household goods if he chose to, then you'd understand banking.

And if you can get the idea that that other person might not (probably wouldn't) go claim those household goods, but instead that he might transfer the receipt that you gave him (that you got from the bank) to somebody else for something that he wanted, then you'd understand banking.

And if you can get the idea that even though this other fellow didn't take your receipt and go claim the household goods, that the receipt does, in fact, represent that item of household goods that it



is for and that those receipts are backed up by those household goods, why, then you'd understand banking.

And now we go a bit further and if you can get the idea that we don't bother to put those household goods in the bank's basement-we leave them in your home-but that in essence you have sold them to the bank for the receipt they gave you (and this is what is known as collateral), then you'd understand banking.

And now we go way upstairs and if you can get the idea that the bank would print up and issue receipts on a greater than a one-to-one basis (three to one or six to one, for example), and then loan these receipts to someone so that he could exchange them for manufacturing equipment, for example, and produce a commodity and that then these receipts that had been issued to the manufacturer were now, in fact, backed up by goods, then you would understand banking, REAL banking. And you would understand that banking, real banking, can all by itself, increase production. And lo and behold, THAT WAS THE ORIGINAL PURPOSE OF BANKING!

And that is banking. That's all there is to it. That's the basics. That's it!

You see, violations of these basics are what got the current bankers and governments in their present predicaments. Oh sure, they have this plan and they have that plan. But let me point out to you that they had those plans last year and the year before that and that their own economic troubles, budget deficits, etc., last year were not as bad as this year! So maybe there's something a little wrong with their plans. Well, yes, there is a lot wrong with their "plans"-their basics are out.

As a banker you can stretch that three to one, like the goldsmith did, to five to one, or twelve to one. But when you get up to astro-ratios like these current bankers, boy are you in trouble. You can get a run on a bank. A run on a bank is when all the guys who hold receipts suddenly believe the goldsmith is about to blow or leave town so they all go in and ask for their gold at the same time. Well now, of course, he can't pay it out because he is not holding that much commodity. So if he had issued receipts on a twelve-to-one basis, NOW his receipts are worth 1/ 12 (one twelfth) what they had been worth, just like that.

Anyone who can recall back to the 1930's will tell you . . . "and that was banking!"

These basics would be known by the Wizards of Wall Street, you would think, but maybe not. They certainly are not known to London's Parliament. They might say,

554

"Yes that's interesting, but we do things differently now ... sort of inapplicable. . . ." Well, I notice that inflation, loss of purchasing power, economic chaos, etc., isn't being created any differently. They manage to keep these actions going at a high roar. So maybe these basics ARE applicable! OH, YES, they are applicable all right-you can bet your house, car, job and future on them.

All right, we had the goldsmith, then we had the banker who issued receipts for deposited goods. Now, we've got a new factor-the governments produce nothing really and yet they print money. What backs it up? NOTHING! Governments never do produce anything to go into the depository that then backs up the receipts (currency) and that they then can pay back.

So you wonder why there is inflation? Well, it is just the ratio of the amount of money against the goods.

I've already told you that there is a limit on the issuing rate in banking. Anybody that is going for a twelve-to-one ratio (twelve receipts for one unit of goods) has got his neck stuck out. It is going to cost more money for a commodity because there is more money around than commodities.

All right, keeping this in mind look at your tax collector. When they start going up to certain percentages that penalize the company (and worker) and give it an unmanageable burden, and thereby make it difficult to service the machinery, make it difficult to introduce new tools and equipment for a new product, etc., why, the tax man starts putting businesses out of business. They've been doing that in America and are nearly finished with the job in England. When a company folds that produces shoes, let us say, there is then going to be less shoes on the market and therefore the shoes that remain are going to cost more, again for the same reason as in the previous paragraph-there is more money around than commodities.

Ideally, a company should work itself out of debt, not into it. But because of suppressive, penalizing tax percentages and bank interest rates, a company works itself into debt so one could say that the tax collector is in collusion with the banker in these sectors. This brings about inflation because it is an unproductive 25 or 50 percent of the price of goods. The government is not furnishing anything to account for that. So this now **goes back into the banking** aspect because the company or the individual can **never accumulate enough money** to buy new machines, so the banker has to continuously loan him money to enable him to get his new machinery. But then that's got interest on it so the tax collector.... You see? The guy can never get enough money to buy a new plant, he'd never make enough money. He's either got to get his new plant or his replacement machinery and so forth, either from the bank or just not do it at all with the tax collector.

There is another twist to this. What do governments (and sometimes even banks) do with these tax collections and other pounds of flesh gouged from the carcasses of people trying to get on with their jobs? They hand them out as "foreign aid," the dole, welfare and other activities designed to degrade and subjugate people and kill any initiative and production that might otherwise occur. And the cold, hard, naked truth is that "downstats" don't produce deposited goods.

All of that gets added to the price of commodity and that is what inflation is.

Simple. So simple. It's too simple for these idiots not to be able to con everybody in the society into believing that it's very complex. But they don't want the public to understand this because they've got a racket going and they know it's a racket.

They are a goldsmith with a 2000 to 1 receipts to goods ratio and it simply doesn't happen to matter what theory or explanation they dream of. The facts remain. Period,

And so do the basics remain. And these basics are very, very much for use by FBOs. FBOs are, after all, *banking* officers.

I've told you that money is a negotiable receipt for deposited goods. Well, what about services? Your orgs sell a lot of them. How does a service fit into this?

555

#### **A SERVICE IS DEFINED AS AN INCREASE OF USABLE GOODS.**

Consider a lawnmower repairman who sits down and someone brings him his broken-down mower and this repairman fixes it. He didn't actually *make* that lawnmower, but he did increase the number of usable goods in the society because before he fixed it there was one less lawnmower and when he was *finished* supplying his *service* there was one *more* lawnmower. And to this degree, no matter how small it may seem, that lawnmower repairman helped hold down inflation.

In the case of your org, A SERVICE INCREASES THE USABILITY OF A PERSON. Students and pcs come to you in one state or condition, you supply them services and they become more useful, more valuable, more productive. This is not a light statement. The more productive

people there are in a society, the more goods there will be in a society, and the better off society will be in general.

The goldsmith, as a banker, used his basement as a depository. What is the FBO's depository?

**SERVICE CAPACITY UTILIZED IS THE DEPOSITORY FOR AN FBO.**

It is up to an FBO to increase his depository, his utilized service capacity. And whatever increases his service capacity utilized is the direction the FBO heads in. A bookstore outlet, another bookstore outlet, more auditing rooms, more auditors, more pcs to help fill those auditing rooms, a second HGC, another courseroom, more Supervisors, more students so the Sups won't be lonely, more Word Clearers, and so on.

The greater the service capacity utilized, the greater the service delivered.

The greater the service delivered, the greater the income.

The greater the income, the greater opportunity for this banker (FBO) to loan (invest in FP) for more service capacity.

The greater investment in more service capacity, the greater ability to get more service capacity utilized.

The greater the service capacity utilized, the greater the service delivered.

The greater the service delivered, the greater the income....

And on each of these cycles, the FBO and the org get another benefit from this: products delivered out into society and reserves.

You've got the title of Flag Banking Officer and you've got the tech of banking. So now let's see you use these basics of REAL banking to do what they were invented to do and what they DID DO innumerable times over countless ages-increased production and built empires, yes EMPIRES!

Let it be up to you to apply these basics and then hold up the power trending stat graphs of your org and your reserves and say, "And THAT is banking!"

**L. RON HUBBARD**

Founder

Written at the request of the

**BOARD OF DIRECTORS**

of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

CSI:LRH:dr.gm Church policy by the

Copyright © 1982

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

556

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 SEPTEMBER 1982

Remimeo All Orgs 17130 and D/FBO Hats All Executives and Staff

*Finance Series 35*

**DEPUTY FBO FOR MARKETING OF ORG**

**RESOURCES FOR EXCHANGE (D/FBO FOR M.O.R.E.)**

**PURPOSE**

(This modifies Finance Series 33 as to the post title of the D/FBO, which was formerly Deputy FBO for Marketing, Meters, Books, Tapes and Films.)

*References.*

HCO PL 27 Jul. 82 Finance Series 33

DEPUTY FBOs FOR MARKETING,

METERS, BOOKS, TAPES AND FILMS

HCO PL 28 May 72 BOOM DATA

HCO PL 9 May 82 BOOKS ARE ASSETS

HCO PL 10 May 82 BOOKSTORE OFFICER HAT

HCO PL 20 May 82 BOOK ACCOUNT STOCK REPORT

HCO PL 15 Apr. 82 PLANETARY DISSEMINATION

HCO PL 11 Mar. 82 PROPORTIONATE MARKETING

HCO PL 5 Feb. 82 11 BOOKS AND MARKETING

HCO PL 2 Sept. 82 Finance Series 34

AND THAT IS BANKING

(*Note:* Nothing in this PL relieves management in any echelon or division from any duties or functions stated in policy and this PL denoting the purpose of the D/FBO for MORE may not be used to offload hats of promotion or sales on the D/FBO network. Its authority is to see that such hats are worn fully by org posted terminals and only in their neglect or absence to bypass.)

Why are marketing, books, tapes, cassettes, films, insignia, meters and related items in the FBO network?

Well, to begin with, such items are assets. And like any asset, any or all of these items are valuable and can be stolen, abused, misused, ripped off or result in loss.

Like money, these items can be the subject of exchange and in times when money is less valuable these assets might even be more valuable.

Any of these items are cared for by, or subject to, accounting procedures. They have to be counted and safeguarded just like money. The real basis of all money is goods, and goods are more basic than money for money is simply a substitute for goods or services.

In the past these items have been subject to very wide abuses which have affected

557

the health and prosperity of orgs. In earlier times orgs could obtain such items from the Publications Department, sell them and instead of ordering new items, put the money made into the org accounts and spend it for staff pay and so forth. In this way Central Publications activities were subsidizing orgs. This was so bad that orgs actually thought they would go insolvent if they could not illegally misappropriate money for these items for their own use.

This was what began the HCO Book Account. Unless the Book Account is used to replenish stocks, an org will shortly run out of stock and have nothing to sell. This effectively cuts its reach to the public and reduces demand on the org for service GI. A not-so-nice word for the practice of using book money for running expenses is embezzlement. Thus one has to have a broad and trustworthy network to safeguard against such practices,

**But there** is an even more fundamental reason why these items are entrusted to and generally overseen by the FBO network.

This has to do with a general principle which is glaring in its omission on this planet. It has to do with the fundamentals of prosperity.

Governments, the tax man, bankers and even accountants on Earth (and in most space civilizations as well) operate on the principle that they are there to *take* money from activities for their own use. It is to be noted that robbers have the same idea. Such entities operate on the basis that their sole activity should be devoted to taking money. This is why you get down economies, why empires go broke, why inflation occurs and innumerable other evils. Such misguided people have a fault in their arithmetic. They think they can take something from nothing and that, let us say, 10% of nothing is something.

There is a different principle which can be applied and this is the principle of making an individual or area so prosperous that the money spills over into your lap. One can, by operating on the third and first dynamic, achieve in abundance any ambition on the first dynamic to have lots of money. All one has to do is to make sure that what he is taking the money from is so prosperous, so well run economically and so financially sound that even a river of money taken from it does not affect its overall prosperity. Now this is real money management.

**When I** am talking about this second principle I am not talking about economic pie-in-the-sky or Marx or Keynesian crackpot theories like they are. I am talking from a long background of solid economic application which has worked and worked and worked. I could actually point out, just in Dianetics and Scientology management, areas where I have done this repeatedly and successfully. It was at those times that International Reserves swelled. In fact most of the money in Int Reserves was made in exactly this way.

This began a long time ago but we won't go into that. The genus of it is that I like to see people prosperous. I mean them well. This is, by the way, unique. The head of the Federal Reserve-judging by his financial "practices" -does not have this attitude. He probably rubs his hands and chortles all night at the thought of people in rags. And I am sure that an IRS man is never happier than when he has just got through bankrupting a business. Money is a form of power and power is all too often used to crush, suppress and get even with the world.

If one is very clever and knows his business, he can actually force into existence unbelievable levels of prosperity for one and all.

Now you won't easily believe this but this second principle is one of the hardest principles to get across in all the lexicons of expertise. One is going up against, as one tries to get this operating, first dynamic fixations. Trying to get people to see that they will continue to make pennies if they persist in trying to rip things off whereas they themselves could make big money if they worked to make their collection points prosperous as their main area of concentration, appears to be very difficult. The people one is trying to convince and get cooperation from have too many examples around them of shortsighted arithmetic. Additionally most of their literature concerns itself

with people getting rich by ripping others off. In fact it is apparently deeply engrained in people that there is no other way of life.

But I have an answer to this: one does not closely consult or expect much cooperation from people in applying the second principle above; one simply does it on a bypass. You see this expressed in such a line as, "Drive more business down on an org than it can waste" and that is almost the guiding principle of the Deputy **FBO for MORE**.

So you could draw a little diagram of flows. Here's the FBO attempting to make collections so that the cost of management can be defrayed. Put him on your little diagram over to the upper left. Now put a circle in the middle. This is the org or the service center or the bulk of the civilization. Now put a very thin line from that center circle up to the FBO, now label this line with a money symbol. Now over to the right of that center circle put some very thin arrows pointing at the center circle with zeros on them.

In this first diagram you have outlined a very difficult situation. There is little if any money flowing into the center circle so the money the FBO can get out of that is very close to zilch. This, believe it or not, is the normal pattern in practice in tax offices, banks and etc. Obviously this makes economics and finance very, very, very, very, very difficult.

Now let's draw a second diagram. Let's put the FBO up in the upper left hand corner, let's put the circle in the middle and now let's put a D/FBO up in the upper right hand corner. Now down from the D/FBO draw a number of lines which curve out to the right and then point back to the center circle. Put a money symbol on each one of these lines. This symbolizes the D/FBO driving public money in on the org. Now let's draw a very fat line from the center circle up to the FBO and put a very fat money symbol on it.

You have there in the second diagram the major purpose of the D/FBO.

To understand this one has to understand what marketing does, what books can do, the role of insignia, the actual effect of tapes and cassettes and even meters in full **use in public hands**. The publics involved are raw public (divided into many categories) **and Scientology** public (again divided into many categories). If each one of these publics were interestedly active, the amount of bleed-off from that activity into the org would be stupendous. The org and all of its staff would become prosperous and the percentages of money taken by the FBO would hardly be missed. And the money taken by the FBO, used in part to create more central marketing activities and to make it profitable to manage the org from afar, feeds back into the cycle of public monies into the org.

In other words you get a little machine going here. Regardless of where the org is, if it had an efficient FBO keeping it financially honest and on the rails with finance policy and a D/FBO, with or without a checkered coat and megaphone, using every tool to drive business in on the org, you would get a little whirlwind going which would get bigger and bigger and bigger and bigger and bigger.

An org is essentially a service unit and unless it delivers what is being sold and delivers it well, it will soon get into trouble; but the form of that org and its degree of activity is the basic concern of overall management. When the org does not deliver or delivers badly, it gets into refunds and flies back into the teeth of the FBO network. Thus it is of enormous interest to the FBO network, of course, that the org is well managed both on long distance lines and internal lines and there are many networks and management lines and terminals to ensure this.

But what has been the existing state of affairs? In the past orgs have neglected the various publics even to the point of not marketing Book One, the source of all subsequent public demand. Even as I write this, a datum is to hand that right this minute when the Pubs Organization sends out promo to orgs a number of them simply take it off the express and put it into a closet. I can assure you

that that closet is not going to buy any training or processing. The amount of income lost is really income not

559

made. The potential of income generated by promotion, if not realized, is actually a loss. Poor promotion angled for the wrong publics, promotion material not used or simply no promotion at all is about the most expensive loss now being experienced. It is, at minimum, in terms of millions a week. But you must realize that promo itself is an asset. It costs money. It has to be well used and it should not be wasted.

Films shown incorrectly or not shown at all are a loss of not made income. The public, not knowing they exist or that if they sign up for training they will see films not otherwise available, does not sign up.

People who have read Dianetics and Scientology books, as any Registrar will tell you, are very easy to sign up. People who have not are very difficult to sign up.

On the subject of insignia, if the image and symbols of Dianetics and Scientology are not seen around it remains to that degree, unknown.

Tape plays in the org and cassette sales outside the org make the public aware of the product and when these are dropped out the whole purpose of Dianetics and Scientology tends to become lost.

If field auditors are not auditing, buying updated packs and using good meters, the field is not only relatively inactive, one gets a poor word of mouth in the field which makes it difficult to push business down on the org.

The tools of the Deputy FBO are any of those connected with marketing, promotion, PR, advertising, merchandising, and are actually pretty standard tools. We have a lot of advanced tech on this subject and all of it is of interest and it needs to be applied at org level. But, historically, unless there is somebody there making sure that these tools are used, it hasn't happened. The D/FBO network is the first time ever that there has been an international control of marketing, promotion, advertising, PR, etc.

Thus we see that the D/FBO is safeguarding assets and making sure they are not neglected or abused and getting those assets into full use so that the resultant exchange with the public and the org brings about a prosperity which makes the functions of the FBO much easier and, indeed, even possible.

We have in Dianetics and Scientology a highly desirable product which is unique and effective. The public demand for it is proportionate only to the degree that it is made known and made available. It quite honestly works. And if properly delivered results in rave individual results. That of course is a statement of minimum scope concerning these subjects: They go far beyond that.

Historically, if you care to look on the 32-year backtrack, I have had to wear the hat of applying that second principle described above. I have also had the hat of "driving more business down on the orgs than they could waste."

It is a great relief to have somebody else wearing this hat.

Wear it well.

**L. RON HUBBARD**

Founder

Written at the request of the

BOARD OF DIRECTORS of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

CSI:LRH:iw.gm Church policy by the

Copyright © 1982

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

560

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 SEPTEMBER 1982

Remimeo

All Staff

*Finance Series 36*

**EXCHANGE, ORG INCOME AND STAFF PAY**

Sometimes the question of staff pay arises although, by survey, the condition with most staffs reportedly is secondary to org income and getting a show on the road.

So it is of interest what really underlies org income and staff pay.

There is a term used in business called "fair exchange."

Let us apply this to an activity engaged in servicing the public.

We can isolate four conditions of exchange.

1. First consider a group which takes in money but does not deliver anything in exchange. This is called rip-off. It is the "exchange" condition of robbers, tax men, governments and other criminal elements.

2. Second is the condition of partial exchange. The group takes in orders or money for goods and then delivers part of it or a corrupted version of what was ordered. This is called short-changing or "running into debt" in that more and more is owed, in service or goods by the group.

3. The third condition is the exchange known, legally and in business practice, as "fair exchange." One takes in orders and money and delivers exactly what has been ordered. Most successful businesses and activities work on the basis of "fair exchange."

4. The fourth condition of exchange is not common but could be called exchange in abundance. Here one does not give two for one or free service but gives something more valuable than money was received for. Example: The group has diamonds for sale; an average diamond is ordered; the group delivers a blue-white diamond above average. Also it delivers it promptly and with courtesy.

Now, believe it or not, org income and staff pay depend upon *which* of the above four exchanges is in practice by (a) the org or group; or (b) the staff member in the group.

If exchange number 1 is in vogue, income will dry up with a thoroughness you wouldn't believe. Although the TV and movies try to tell one that robbery is the only way to get rich, this is not true. Those who engage upon it, whether they be stickup men, corporate con men or governments, are



not long for this world. The bigger the group, the longer it takes for it to fall, but fall it assuredly does. And the individual who takes but does not give ends up with a deep-six in many ways quite rapidly.

The second condition of partial exchange can only keep a group or individual going just so long. The end result is painfully a demise of status or position and, most certainly, income. Many "third world countries" and even the bigger ones are in this plight right now. They take in but do not really produce or give. This is what inflation is all about. Unemployment ranks are full of such.

561

The third condition of "fair exchange" gives one a rather level progress. It is considered "honest," is socially acceptable and very legal under law. It does not, however, guarantee any expansion or improvement of a group or the lot of a person. It is barely comfortable.

The fourth condition is the preferred one. It is the one I try to operate on and have attempted to for ages. Produce in abundance and try to give better than expected quality. Deliver and get paid for it, for sure, but deliver better than was ordered and more. Always try to write a *better* story than was expected; always try to deliver a better job than was ordered. Always try to produce-and deliver-a better result than what **was hoped for**.

This fourth principle above is almost unknown in business or the arts. Yet it is the key to howling success and expansion.

It is true for the org, it is true for the individual staff member.

Where a group is concerned, there is another factor which determines which of the four above is in practice. It is group *internal* pressure. Where this only comes from executives, it may not get activated. Where it comes from individual group members in the group itself, it becomes assured. The internal demand of one staff member to another is what really determines the condition of the group and establishes which of the four conditions above come into play.

Thus the org collectively, in electing which of the four principles above it is following, establishes its own level of income and longevity and determines its own state of contraction or expansion.

While this is a must in an executive-to establish the principle being followed the *real* manifestation only occurs from pressure by individual staff members or others within the group.

Unions and workers in the auto industry elected to follow exchange number 2 above. This brought about the decline you see in auto companies. Had they elected to follow number 3 they would not be in trouble. Had they elected to follow number 4 they would now be in clover for the world today does not really have a truly good, economical, wreck-free car.

It is up to the individual staff member in a group what the group income is and what their own staff pay is. The org cannot earn more and the individual staff member cannot be paid more than will be established by which principle above they elect to follow.

If they follow number 3 they will get along. But if they follow number 4 they will really flourish and prosper. *And* it is the only one which guarantees expansion.

**L. RON HUBBARD**

Founder

Written at the request of the

**BOARD OF DIRECTORS**

of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

CSI:LRH:iw.gm Church policy by the

Copyright @ 1982

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

562

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 SEPTEMBER 1971RA

Remimeo REVISED AND REISSUED 27 OCTOBER 1982

All FP and

Finance Packs CANCELS

FBO Hats HCO PL OF 4 SEPTEMBER 1971

Finance Enforcement

Officer Hats AND

D/FBO Hats BPL 4 SEPTEMBER 1971R

All Staff ISSUED 16 AUG. 1975

BOTH OF THE SAME TITLE

(Issued originally as an HCO PL by a former

Finance Aide and then converted to a BPL, this

valid policy has become lost and is therefore being

reissued as revised at the request of the Church of

Scientology International.)

*Finance Series 37*

## **FP AND NECESSITIES**

(THE FBO APPEAL LINE)

A "NECESSITY" is what it takes to make products and valuable final products. (Ref. HCO PL 13 Feb. 71R, FINANCIAL PLANNING TIPS, Finance Series 2R.)

A divisional secretary is responsible for seeing that the necessities of his division are provided for in financial planning. This responsibility extends to follow-up of approved items to ensure that they are purchased by Division 3 and delivered in good order.

For the Treasury Secretary this duty extends to the necessities of the entire org.

## **DENIED NECESSITIES**

Too often, FP troubles trace on investigation to one or more of the following:

1. The item in question was never proposed to any FP Committee.
2. The item was returned for better CSW and never reappeared.

3. The item was refused by an FP body but never appealed-either to the FP body or the FBO.

4. The FBO saw the item safely through FP months ago but it was never bought or the money was otherwise (without authorization) used.

In order that the FBO can ensure that existing policies on the above are followed, an appeal line is hereby established.

The appeal line is direct to the FBO. Any staff member may use it.

It concerns the use of the org's allocation-not the amount.

It is used whenever a vital necessity is denied in FP.

It is used when an FP-approved item is stalled on purchasing lines.

It may be used in any case where usual lines have failed to remedy a nonoptimum situation concerning the approval or purchase of necessities.

563

Any staff member may appeal to the Cont FBO or even the FBO Int if not handled to the satisfaction of the staff member at org level but in such cases must include the result of the appeal to the org FBO.

Any report of such situations received at Cont or Int level without first having been appealed to the org FBO shall be considered incomplete and will be returned without further handling.

Where the appeal concerns delayed implementation of a Flag or higher level issue or order, a copy of the appeal must be sent direct to the Flag Rep at the FOLO and to the Org Pgms Chief at FOLO as well as to the Int Finance Ethics Officer located at Flag.

#### FBO ACTION

The usual FBO action would be

1. To get the situation HANDLED terminatedly and reported to the Cont FBO at once with info copies of the report sent to FOLO and Flag Data Files for that org.

2. To get the related policy letters or other issues checked out on all concerned.

3. To require of the Dir I&R an investigation of the matter to determine the source of the situation and any out-ethics found handled; and failing that, the FBO, or Finance Enforcement Officer where posted, must personally investigate the matter and handle TERMINATEDLY. The results of any such investigation must be reported to the Int Finance Ethics Officer with copies to Flag and FOLO Pgms Chiefs.

#### REASON

One of the FBO's statistics is the ALLOCATION- PRODUCTION ratio of the org.

If his allocation buys VFPs, he can expect a rising allocation-production ratio statistic. Normally, this is assured by the use of an allocation system which allocates against VFPs.

However, if the org and divisional necessities are denied or neglected outside his view, he may find allocation-production crashed weeks or months later.

Also, too often FP and Finance are given a bad name in connection with situations actually tracing to 1, 2, 3 or 4 above.

Finally, this policy letter gives staff members a line of recourse and final appeal in the event that it is needed to ensure the continued and high volume production of valuable final products of their divisions and the org.

No staff member may be made the subject of an ethics or justice action for making an appeal which conforms with this policy letter. However, not making an appeal when it results in lessened production in an org would result in ethics or justice actions being taken against the staff member.

**L. RON HUBBARD**

**Founder**

Revision written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

CSI:LRH:dr.gm Adopted as official

Copyright © 1971, 1982 Church policy by the

by L. Ron Hubbard CHURCH OF SCIENTOLOGY

ALL RIGHTS RESERVED INTERNATIONAL

564

HUBBARD COMMUNICATIONS OFFI

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 OCTOBER

REVISED 16 SEPTEMBER 1983

Remimeo

FBO Hats (*Revisions in this type style*)

Finance Enforcement

Officer Hats

Treasury Hats

Exec Council Hats

Orgs, Missions, *Finance Series 38R*

SoCo, WISE, SMI,

Pubs (*Revised to clarify the definition of "bills"*)

**CASH/BILLS DEFINED**

(THIS HCO PL MODIFIES ANY OTHER EARLIER ISSUE WHICH MAY SEEM TO CONFLICT WITH IT.)

*Cancels:*

BPL i July 72R CASH/BILLS AND ORG RESERVES

*References:*

HCO PL 30 Sept. 65 STATISTICS FOR DIVISIONS

HCO PL 18 Jan. 65 FINANCIAL MANAGEMENT -

BUILDING FUND ACCOUNT

HCO PL 28 Jan. 65 HOW TO MAINTAIN CREDIT STANDING

## AND SOLVENCY

HCO PL 3 June 59 FINANCIAL MANAGEMENT

HCO PL 31 Oct. 82 FINANCIAL PLANNING -

RESPONSIBILITY FOR

*(Revision of bills stat to be reported on the org O/C cable with first report for WIE 13 October 1983. Revised stat report takes the place of old stat on cable.)*

The subject of the cash/bills statistic and how it is managed has been loaded with false data for years. It was even incorrectly assigned by others to the Treasury Division of the org as its GDS. The cash/bills statistic is the statistical indicator of org solvency. The solvency of an org has always been the responsibility of the org Executive Council. Cash/bills is correctly an org statistic that is an Exec Council statistic regardless of other statistics the *individuals* who are members of the Exec Council may have.

## SOLVENCY

The *basic* principle of financial management is a simple one:

INCOME MUST BE GREATER THAN OUTGO.

Other principles of financial management include: One cannot spend money unless he has it. Never contract bills or debts unless the money is immediately in sight to pay for them. Calculate all predictions necessary for financial security. Disseminate like mad and make money rapidly.

So what is solvency? Solvency is only that condition where income exceeds outgo. Insolvency is only that condition where outgo exceeds income.

## CASH/BILLS STATISTIC

If one understands the simplicity of what solvency is, then the definition of the cash/bills statistic becomes immediately evident when one considers that this statistic is intended to measure the degree of solvency or insolvency which exists in the organization.

565

## CASH

The term "CASH," for the purpose of the cash/bills statistic, is actually "CASH ON HAND." It is the gross cash figure which the org has in its accounts reconciled as of 2:00 P.m. Thursday. It does not include cash in the FBO accounts nor does it include the current week's income, as the current week's income will be with the FBO in his accounts. The amount which will be going into org accounts is determined by the allocation given by the FBO *after* 2:00 P.m. Thursday. Cash in the HCO Book Account is also not included as the HCO Book Account has its own cash/bills graph.

The "CASH" figure includes the total reconciled balances in the *Org Main Account* and *Org Reserves Account*. Accounts such as the Service Completion Award Account, FSM Instant Payment Account and CVB Account are *not* included on the "CASH" figure as these are funds already considered committed even though in the case of the CVB Account it is intended that the money be salvaged. When a potential refund is salvaged, the funds are added into the org CGI in the week salvaged and so will raise the "CASH" figure and thus the staff payroll amount. (You will also have saved a being.) The "CASH" figure also does not include what had sometimes been known as "GO reserves" or the "GO Defense Fund." (These funds were actually set up by a former DGF WW in an attempt to put under GO control funds from orgs that should have gone to SOR for the good of all.)

## BILLS

The "BILLS" stat is actually "BILLS OWINW" It is defined as the total debt of the org, *not including billings from management for management services (e.g. evals, programs, missions to the org and other management services which are paid for by the FBO from amounts over and above the allocation given to the org for its financial planning). It does include billings for staff training received on credit at higher orgs and promotional materials received from other orgs, as these are routine FP items and are paid from the allocation given by the FBO for use in FP.*

*The bills stat* is computed based on the total accumulation of *all* monies owed by the org, *except management billings as above*, whether due in PT for payment or not. Thus one can see that regardless of whether a bill has been received or not, if the org is in any way committed to pay out funds it would have to be included.

*It is the FBO of the org that takes care of the payment of management billings, and these are included in his statistic of payments to central reserves. Just as the payment of these management billings is not included on the org-R bills paid statistic, the bills themselves are not included in the bills statistic.*

## REPORTING

The cash/bills statistic is reported each week on the org OIC cable.

The figures reported are to be the totals as of 2:00 P.m. Thursday of the *previous* week, as it would delay the sending of the OIC cable to get done the necessary bank account reconciliations and bills calculations for the current week.

(*Note: This procedure of reporting the cash/bills totals of the previous week is a temporary measure until such time as Treasury Divisions are sufficiently manned and functioning, and at that time this PL will be modified so that the org's cash/bills statistic as reported on Thursday will be the cash/bills figures as of that same Thursday. In the meantime, however, the cash/bills figure that goes on Thursday's OIC cable report is last week's reconciled org cash and last week's org bills owing.*)

566

## TREASURY DIVISION

The correct GDSes for the Treasury Division are as contained in HCO PL 30 September 1965, STATISTICS FOR DIVISIONS, OEC Vol 1, page 328. The statistic is dual: CREDIT COLLECTIONS VERSUS BILLS PAID. As covered in that PL "It will be seen that gross income is established by many in the org but collections as a special income is purely the Org Division's.1 Bills paid require gross money in, so reflects the gross-no money in, no bills paid. This is a dual statistic which shows the industry of the division in general. It even touches materiel as no bills paid equals no supplies."

These were the Treasury Division stats of old Saint Hill and are as valid now as they were then. When somebody made cash/bills the Treasury Division GDS, this gave Div Ills the same stat as that of the GO in 1966 when the GO had a finance function. It resulted in org Div Ills "being run" directly by the GO on a bypass of org executives. The end result of that has been a solvency situation still being untangled in some orgs as the cash/bills stat has been continually manipulated by trying to save orgs into solvency which has actually resulted in "saving" some into insolvency.

## FINANCIAL MANAGEMENT

Any org executive or finance terminal who knew his basics cold and applied them would have no trouble making an org solvent and prosperous.

The stable datums in handling org solvency are contained in HCO PLs going back to the 1950s. They are all in OEC Volume 3. The most basic stable datums are contained in HCO PL 28 January 1965, HOW TO MAINTAIN CREDIT STANDING AND SOLVENCY:

"The secret of solvency is

1 Make a lot of money. The way to do that in Scientology is covered in HCO

Policy Letter of January 21, 1965, **PROMOTION AND ORGANIZA**

**TION** .2

2. Spend less than you make. That's covered by having a good PO system and alert financial management.

3. Make it before you have to spend it.

4. Gather bit by bit a cushion of cash to fall back on and don't ever fall back on it.

5. Keep your credit excellent as a second cushion.

6. Refuse to spend reserves. Make more money to meet the emergency instead. (It's usually quicker to make it than to dig it out of old hiding places. Never borrow to pay bills. It's less trouble just to make the money.)

7. Realize that collective thought regarding finance is just bank and that bank is dead against the creation of anything good and all for eating up everything that exists. Thus financial planning and control is an individual job, is often contrary to group demands and succeeds only when the individual handling it can rise superior to the group. A tame dog financial manager, trailing along behind the group, yessing everything, will always make the group insolvent. The person you put in charge of financial management should be able to say 'No!' no matter how popular a silly 'Yes' would be. The financial manager is not there to buy his own popularity with org funds."

#### SUMMARY

The cash/bills statistic measures org solvency. Therefore its calculation must show the ACTUAL state of solvency. Others in the past sought to manipulate it to show an <sup>44up</sup> statistic" for their own false status.

Correctly assigning cash/bills as an org statistic to the org's Executive Council shows the degree of competence of those executives and giving the Treasury Division their correct GDSes puts them at cause over the statistics they actually control and can be managed by.

567

With these statistics correctly assigned and properly managed, the financial prosperity of orgs is assured.

Good luck!

L. RON HUBBARD

Founder

Written at the request of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Original compilation and revision Assisted by WDC for Reserves

Adopted as official

Church policy by the

## CHURCH OF SCIENTOLOGY

### INTERNATIONAL

CSI:LRH:WDCR:iw.gm Copyright 01982, 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

1. Org Division is an earlier name for the Treasury Division.

2. HCO Policy Letter 21 January 1965, PROMOTION AND ORGANIZATION, was revised 5 April 1965 and titled VITAL DATA ON PROMOTION and can be found in OEC Volume 2.

568

### HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

### HCO POLICY LETTER OF 31 OCTOBER 198

Rernimeo

Executive

Council Hats

Ad Council Hats

FBO Hats

Treasury Hats (This policy letter modifies any previous issue which

Dept Heads states or infers that the financial planning for an org

is solely the responsibility of the Advisory Council.

The major responsibility for financial planning lies

with the Executive Council as it is the governing

body responsible for the org's solvency.)

*Finance Series 39*

### **FINANCIAL PLANNING - RESPONSIBILITY FOR**

(*R ef.*

HCO PL 26 Nov. 65R FINANCIAL PLANNING

Rewritten 31 Oct. 82

HCO PL 21 Dec. 66 1 ADVISORY COUNCIL

HCO PL 21 Dec. 66 11 EXECUTIVE COUNCIL

HCO PL 26 Oct. 68 EXECUTIVE COUNCIL

HCO PI, 29 Jan. 71R Finance Series IR

Rev. 27.10.82 FLAG BANKING OFFICERS

HCO PL 3 Sept. 82 Finance Series 35

DEPUTY FBO FOR MARKETING OF

ORG RESOURCES FOR EXCHANGE

(D/FBO FOR M.O.R.E.) - PURPOSE

HCO PL 27 Oct. 82 Finance Series 38

CASH/BILLS DEFINED)



Financial planning means handling the assets of an org and allocating its funds in such a manner as to achieve income greater than outgo.

The basic purpose of all financial planning is to increase the wealth and assets of the organization in order to help achieve its goals and purposes and its expansion.

Financial planning was originally the responsibility of the Advisory Council which, in 1965, was composed of the HCO Exec Sec and the Org Exec Sec and was understood to include the org's Executive Director. As a result of an evolution in org pattern the Executive Council was formed and the Advisory Council was then made up of the divisional secretaries and any duly elected representatives from other units or areas. (Ref. HCO PLs 21 Dec. 66, Issue 1, ADVISORY COUNCIL and Issue 11, EXECUTIVE COUNCIL.)

Despite these policies, which clearly state financial planning is a primary duty of Executive Council, with the role of the Advisory Council being to originate, advise and recommend to Executive Council measures for approval, confusion seems to have persisted in some areas as to who actually wears the financial planning hat.

569

To set the matter straight, the correct datum is

THE EXECUTIVE COUNCIL IS RESPONSIBLE FOR FINANCIAL PLANNING AND ACTS ON THE ADVICES OF THE AD COUNCIL (AND IT, THE AD COUNCIL, IN TURN GETS ADVISED BY THE HEADS OF DEPARTMENTS).

By Executive Council is meant: The council composed of the senior executives of the org-the ED or CO, the HCO Exec Sec, the Org Exec Sec and the Public Exec Sec.

By Advisory Council is meant: The council composed primarily of the heads of the divisions of the org-the divisional secretaries.

(Where a *complete* Org Officer system exists in an org, the financial planning can be delegated to the Org Officers to do but still requires Exec Council approval before going to the FBO.

Ref. HCO PL 9 May 74, PROD-ORG, ESTO AND OLDER SYSTEMS RECONCILED and HCO PL 7 Mar. 72, Rev. 13 Apr. 72, Esto Series IR, THE ESTABLISHMENT OFFICER.)

In practice, the department heads of a division would see that any necessary purchase orders from their departments were sent to the div head, along with full CSW and advices as to the department's needs.

The Advisory Council meets and, taking into consideration the advices from the department heads, does its proposed income planning and financial planning for the week and submits its recommendations to the Executive Council.

The Executive Council, with the solvency and expansion of the org in mind, reviews the proposed income planning and financial planning. It acts on the Ad Council's proposals and acts as well on any recommendations from the FBO or the Deputy FBO for M.O.R.E. (Ref. HCO PL 3 Sept. 82, Finance Series 35, **DEPUTY FBO FOR MARKETING OF ORG RESOURCES FOR EXCHANGE [D/FBO FOR M.O.R.E.1 PURPOSE.]**) It operates on the Bean Theory. (Ref. HCO PL 19 Mar. 71RA, Issue 11, Finance Series 7RA, BEAN THEORY-FINANCE AS A COMMODITY.) It sees that plans are made for effective promotion and delivery of the org's goods and services and that the org's funds are wisely allocated so that the org makes far, far more money than it spends. On this basis it may add to, subtract from, amend or approve the proposed financial planning, or return it to the Advisory Council for correction or revision.

Once approved by the Executive Council, the financial planning, along with the projected income plan, Accounts Summary, Bills Summary and Income Note Collections Summary, is sent to the FBO. The FBO is the final approval authority for the org's FP. He would review the FP himself and have the D/FBO for M.O.R.E. check any portions of the FP that concern the hat of the D/FBO for M.O.R.E. The FBO and D/FBO for M.O.R.E. look at FP from the viewpoint of whether the funds proposed to be spent will result in more production and more funds back into the org than are being spent. The FBO is not there to do the org's financial planning himself. He ensures that the Exec Council wears that hat and verifies that it is being done correctly to buy more income and production. When satisfied that all is in order, the FBO gives the org its allocation.

The line goes from the department heads to the Advisory Council to the Executive Council to the FBO.

Although the FBO is the final approval terminal for the allocation before the FP can be activated, the Executive Council is fully responsible for financial planning for the org. This includes long-range financial planning as well as the weekly FP. In the final analysis, the financial health of the org is in the hands of the Executive Council. This is why the statistic of the Executive Council is org cash/bills, as it is the statistic

570

which reflects the competence of the Exec Council to manage the finances of the org and bring about a *very* solvent and prosperous org. If cash/bills is improving by *trend*, you know that the Exec Council is wearing its financial planning hat correctly.

Where an Executive Council or any member of it is not wearing this hat, responsibility for the org as a whole is missing and it will show in a declining cash/bills spread by trend.

With sound financial management, an active, on-policy, on-hat Executive Council can build a viable, expanding and prosperous org.

L.RON HUBBARD

Founder

Written at the request of the BOARD OF DIRECTORS of the CHURCH OF SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:pm.iw.gm Copyright © 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

571

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 NOVEMBER 1965R

Rernimeo REWRITTEN 31 OCTOBER 1982

Executive

Council Hats

Ad Council Hats

FBO Hats

Treasury Hats

(In 1965, when this policy letter was originally written, it was the Advisory Council's hat to do financial planning.

At that time the Advisory Council consisted of the senior executives of the org. Later, with the introduction of the seven div org board, what was the Advisory Council became the Exec Council and the Div Heads Council took on the name of Advisory Council. With the introduction of this change, some staff mistakenly thought that the final org responsibility for financial planning became the territory of the div heads which would, of course, be impossible as it is the Exec Council who are held responsible for the solvency of the org as is clearly expressed in HCO PL 21 Dec. 1966, Issue 11, EXECUTIVE COUNCIL. The real datum is that the Exec Council is responsible for financial planning and acts on the advices of the Ad Council and in turn the Ad Council gets advised by the heads of departments. Therefore, this HCO PL has been updated to reflect the changes which have occurred since the original issue, including the role of the FBO in relation to financial planning.)

(Revisions are not in script.)

*Finance Series 40*

FINANCIAL PLANNING

*(References:*

**HCO PL 31 Oct. 82 FINANCIAL PLANNING -**

**RESPONSIBILITY FOR**

**HCO PL 21 Dec. 66 EXECUTIVE COUNCIL**

**Issue II**

*The Finance Series Policy Letters.)*

Financial planning means: how to handle the money and assets of an org so as to maintain outgo below income.

The financial planning hat, in the final analysis, is worn by the Executive Council, as theirs is the responsibility for the successful conduct of the org as a whole.

In this, it is assisted by the Advisory Council, whose responsibility is to assist the Executive Council in planning for the solvency of the org and to propose to the Exec Council sane and prosurvival handlings for its income and assets. The Ad Council, in turn, is advised by the heads of the departments.

Once the Exec Council has reviewed and approved the financial planning, it is then forwarded to the FBO for approval of the allocation. Final authority for the

572

allocation is the hat of the FBO and he may approve it as proposed, lower it or raise it in accordance with the policies issued in the Finance Series to ensure that his allocation will result in increased income and production. In exercising this authority the FBO may override the proposal of the Exec Council and his decision is final. Where an Exec Council is seen to be properly wearing its financial planning hat and is getting the required income and production expected from the org, the FBO would simply verify this for himself and verify that the allocation requested is correct and then transfer to the org the approved allocation.

The actions of financial planning are as follows:

1. Income planning. This is planning which forces in marketing, promotion, sales and delivery which will result in income.

It is the first step in the sequence as income must be *made* before it can be *spent*.

2. Ensuring that Financial Planning Program No. I is done for the org and maintained. (Ref. HCO PL 28 October 1982, FINANCIAL PLANNING PROGRAM NO. 1.)

3. Directing the outlay of funds necessary to execute its planning, in alignment with HCO PL 19 Mar. 71R, Issue 11, Finance Series 7RA, BEAN THEORY -FINANCE AS A COMMODITY.

4. Directing the payment of bills.

5. Directing any necessary delay in the payment of certain bills.

6. Handling finances in accordance with "dateline paying" as covered in an early policy letter.

7. Setting limits on the purchase orders that may be signed.

8. Preventing divisions or departments in Emergency from buying any but essential promotional supplies or postage.

9. Adjusting payrolls.

10. Setting limits on pay, overtime or bonuses and all authorizations for pay, overtime or bonuses.

11. Reviewing prices, to ensure all the org's services are priced and priced properly and where any adjustments are needed, getting authorization for such from top management. (Prices may not be set locally in orgs without top management authorization.)

12. Directing any transfers of funds.

13. Deciding upon any large purchases.

14. Authorizing the sale of any equipment or property.

15. Passing upon prices offered for any equipment or property.

Any matter affecting the financial health of the organization has to be passed upon or planned by the Executive Council and authorized by the FBO.

#### FINANCIAL PLANNING SCHEDULE

While overall financial planning for the solvency of the org must exist in mediumrange form, as in Financial Planning Program No. I and in other longer range programs which align with any strategic planning for the org, the immediate handling

573

of the org's income and assets is done on a weekly basis.

The weekly financial planning is taken up each Thursday night after the week's end and is a vital part of the Executive Council meeting for that week. From the Executive Council the completed FP goes to the FBO for his final approval.

Thus the three major summaries which have always been required for standard FP (the Monthly Bills Summary, Monthly Accounts Summary and Income Note Collections Summary) are still required and made up in monthly format, but they must also be updated weekly for the weekly FP.

#### DISBURSEMENT SECTION

The Disbursement Section furnishes the data without which financial planning is impossible.

A short summary of the data required for financial planning is as follows:

The Disbursement Section files every bill received in the disbursement files. It also files every purchase order in these files (once the purchase has been made). (Ref: **HCO PL 2 Mar. 65, PURCHASE ORDER FILING.**)

Those bills that are repetitive and purchase orders that are for materials from companies from whom goods or services are ordered regularly are filed in folders under the company name. The one-time bills and the one-time purchase orders are filed in a loose folder for a single month.

The Disbursement Section has made up a mimeographed form. This is the Monthly Bills Summary.

This form has the name of each company with which the org does business plus adequate blanks after each alphabet letter for new companies to **be added.**

This form has four columns. The first column is the company owed. The second column is the grand total of money owed that company. The third column is the amount that is past due. The fourth column is the month since when the bill has been past due.

All bills are *fided* on arrival. They are not kept out and entered. They are filed in the folders. This is important. No one must pay bills just taken from the post [mail] and saved up. They are promptly filed.

*Then* one takes the folders one by one and makes up the Monthly Bills Summary. As each folder is taken up, the bills are examined for correctness, straightened up and entered in the Monthly Bills Summary. Purchase orders where the purchase has been made but no statement has yet come in must also be filed and entered on the Monthly Bills Summary as, statement or no, this money is owed.

The way the system breaks down is to make up too many folders.

Only a repeating creditor rates a folder. One the org does business with routinely like the light company, the landlord, the paper company, etc. The occasional bills and the activated purchase orders for the occasional creditor go into the occasional bills folder for the month.

Each time a Monthly Bills Summary is made up, the occasional folders for past months containing unpaid bills *and* used but not-yet-paid-for purchase orders are gone through again and added to the statement.

The statement for one month complete, then tells one the total monies owed by the org for that month. Thus there is a statement for each month,

574

While this is made up and used in a monthly format, it must now be updated weekly in order to provide an accurate picture for those handling financial planning.

The Monthly Bills Summary, updated for the week, is due in the hands of the Executive Council for the weekly Thursday night Executive Council meeting which includes FP.

#### BANK RECONCILIATION SECTION

The Bank Reconciliation Section of the Dept of Records, Assets and Materiel makes up the latest bank records of monies on deposit concurrent with the Monthly Bills Summary.

This section (concurrent with the Monthly Bills Summary) reconciles all bank statements, tapes all canceled checks on their counterfoils and in short makes certain there are no bank errors or omissions.

A *Monthly Accounts Summary* is then prepared showing the amount in each bank account. This too is a mimeographed form showing the names of the banks used, checks outstanding, etc. It also carries a total sum of monies in the bank.

This form also carries a section devoted to loans outstanding that the org must pay.

The Monthly Accounts Summary form, once made out, is then updated weekly and submitted to Executive Council on Thursday night for their financial planning.

#### INCOME NOTE COLLECTIONS SUMMARY

##### THE COLLECTIONS SECTION

The Collections Section of the Department of Income submits to the Ad Council a form called the Income Note Collections Summary.

This form carries an amount for cash collectible from notes (possible to collect) and a cash collectible from notes past due and the amount of notes that are apparently uncollectible. The total is added into grand total of *Credit Advanced*.

It gives the total of payments received during the month past (the 1st to the last day of the month).

It gives the number of statements mailed in the month just past.

It gives the number of persons with overdue notes who have been handed over to the Director of Clearing and passed on to field staff members.

The Income Note Collections Summary is then updated weekly and, along with the updated Monthly Bills Summary and Monthly Accounts Summary, is placed in the hands of Executive Council on Thursday night in time for the weekly financial planning.

## EXECUTIVE COUNCIL ACTION

The first action of the Executive Council is to prepare and get mimeographed the three forms described herein.

The second action of the Executive Council is to make sure the Treasury Division is so organized as to be able to make out the forms provided easily, that their files are so arranged as to do so and that personnel exists to do them.

The third action of the Executive Council is to make sure the persons making up the forms know this and other pertinent policy letters.

575

The fourth action of the Executive Council is to make sure that it receives the proper forms, **updated each week and ready for** use in financial planning.

The fifth and continuing action of the Executive Council is to make sure routinely the forms are accurate and actual and not generalized or "roughly estimated."

The sixth and most important action each week is to plan financially on the basis of the three reports and set limits or restraints on POs or personnel numbers or whatever is necessary to achieve "outgo less than income" and get or keep the org solvent.

Upon completion of the financial planning, the Executive Council forwards the FP to the FBO for final approval.

## INCOME

The Executive Council's actions of assigning conditions to divisions on the basis of the gross divisional statistic and actions in straightening up divisions in Emergency, strengthening Affluences and pushing standard promotion as per HCO Policy Letter 20 November 1965R, will keep income up.

It is more vital to pressure income up than to save money by financial planning restrictions. The Emergency Formula places, rightly, economy after promotion. Promotion comes first.

But economy is also vital. It is handled in relation to income.

When income is far down, the Executive Council simply shuts off all but promotionally vital POs.

Where a division is in Emergency the Executive Council shuts off all POs except those vital to promotion in that division. (The tendency of a division in Emergency is sometimes to demand extravagant or unwise purchases.)

## CHECK SIGNING

The check-signing line contains all three of the above reports as of the last time they were prepared and a tape of all checks paid since.

Check-signing policy as already released thus requires the other two monthly reports as well as the other items specified.

To that policy, also add, that a check signer must, to sign a check, also have before him the last issued orders of the approved financial planning.

It is very easy to confuse a check-signing line with a financial planning line.

They are, however, completely different.

One signs any check only after financial planning has been done and approved and with the total reports of financial planning and decisions taken, before one.

Check signing is a secondary action and is the result of financial planning decisions.

One pays only what financial planning has okayed to be paid and how.

#### DISBURSEMENT ACTION

When financial planning indicates what to pay or not to pay, Disbursement makes up the checks and sends the lot to check signers.

576

Checks signed during the period are signed as authorized by financial planning each week, such as "Franking machine, FSM commissions and petty cash up to

may be paid in the coming week." This, part of the financial planning minutes of each meeting, is the guide by which weekly checks are made up, submitted to signers, signed and sent.

#### SUMMARY

Unless all these actions are done, an org cannot in fact prosper, has poor credit and is generally upset.

One has to get in the income. That is done by income planning and demand, and by making divisions do their proper promotions and keep their statistics up. The mechanism is gross divisional statistics, assignment of conditions and investigating and putting right, divisions in Emergency and strengthening the actions that have brought about Affluences by Executive Council personal inspection. This is the first part of Executive Council assignment of conditions to divisions. Sometimes, where a divisional emergency is continued too long, the Executive Council has to order an E-Meter and case survey of its personnel as an SP is surely about.

In financial planning one safeguards what one gets in as described above.

Check signers and PO signers are not necessarily Executive Council members but, whether they are or not, are governed *entirely* by the last approved financial planning directive.

The financial planning directive of the week is issued promptly after the FP is finally approved, as a local Executive Directive, with the week and financial planning of it in caps, such as:  
FINANCIAL PLANNING FOR THE WEEK OF

Financial planning is the second part of the Executive Council assignment of conditions to divisions.

Long-range planning also appears on this directive. This long-range financial planning is not binding and is often changed in view of current happenings. It is a guide by which other executives can tentatively plan.

L. RON HUBBARD

Founder

Rewritten at the request of the BOARD OF DIRECTORS of the CHURCH OF  
SCIENTOLOGY INTERNATIONAL

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY



## INTERNATIONAL

CSI:LRH:ep.ca.rd.pm.iw.gm Copyright © 1965, 1982 by L. Ron Hubbard ALL RIGHTS RESERVED

577

## HUBBARD COMMUNICATICS

Saint Hill Manor, East Grinstead

## HCO POLICY LETTER OF 9 JAN

Rennimeo

Finance Packs

FBO Hat

D/FBO for MORE Hat

Exec Council

Ad Council

*Finance Series 41*

## VIABILITY

### THE MAKE-BREAK POINT OF AN ORG

The CASH/BILLS statistic, when accurately computed, will tell whether an org or any company is *solvent*. It tells one where he stands in present time on a week-to-week basis. But *viability* is an entirely different concept as it deals with the future. One may have enough cash to cover his bills at this moment but will he be able to continue to survive and prosper? That is where viability comes in.

## COST ACCOUNTING

The way one would get an idea of the viability of a company would be by applying a formula of cost accounting. The formula is THE STOCKS REPLACEMENT COST PLUS THE RUNNING EXPENSES OF THE COMPANY VERSUS THE GROSS SALES OF THE COMPANY, AND THAT IS THE COST ACCOUNTING FORMULA.

This is quite simple to see for something like a Pubs Org where you are dealing with a physical universe commodity. You have books, meters, tapes and so on and it costs you a certain amount to manufacture these and a certain amount to run the organization itself to bring about a manufactured product, to promote, to take orders, deliver and to see that the product finally winds up in the hands of the consumers.

It is really no different in a public service org except that your "stocks" are auditing and training services as well as books, meters and so forth. So one would have to look at those "stocks" in terms of what it costs the organization to make those services available for public consumption, including the cost to the organization to procure and train auditors, Supervisors and so on.

## FP PROGRAM NO. 1

The concept of viability directly relates to an org's FP No. 1. A *REAL* FP NO. 1 GIVES YOU YOUR MAKE-BREAK POINT IN AN ORG. YOU CAN COMPARE YOUR FP NO. 1 AGAINST YOUR GI AND CGI AND TELL WHETHER THE ORG IS VIABLE BY COMPARING THESE FIGURES. I'm talking about a real FP No. 1 that covers every actual expense under the sun, moon and stars which is required to run an org and that must include what it will cost to bring about the ability to deliver training and processing in volume and with high quality. It is not just what one "can get by on this week." All too often an org will actually limit its income and delivery potential by not spending

what it should in order to increase public inflow and delivery. That doesn't mean that one spends what one makes, as that is the sure road to insolvency; but it does mean that one must be very wise in financial planning to invest his beans into things which will result in more beans back; and by doing so continually, one builds an org bigger and bigger and increases his degree of viability.

The degree of viability in an organization depends, in the main, on the degree of intelligent application of proven methods of promotion, sales and delivery by its executives and staff. In Scientology these proven methods are contained in HCO PLs, HCOBs, tapes, books and films. One could actually get a very good idea of the degree

578

an org is running on-policy and in-tech by measuring the relationship covered in the cost accounting formula. An org that is struggling along, being dunned by creditors, having few students and pcs in the shop is an admission by its executives and staff that policy and tech are out in their org.

#### UNDELIVERED SERVICE

It is fairly obvious that an organization that received income and didn't deliver **could** not survive for long. So when viewing viability, one must also take into account what delivery backlogs exist.

Having paid-for-but-not-delivered service is actually quite a liability for an organization as it will now cost the organization more to deliver it than if it had delivered the service at the time it was paid for. It will require additional expense to get it delivered in the way of promotional expenses to call the person in, more auditors or Supervisors to handle the backlog without disrupting current delivery plus the factor of monetary inflation related to all funds expended. What it would have cost you to deliver an intensive of auditing or a book two years ago is not what it will cost you today. Not only that-someone is also a potential repayment threat if not delivered to and so anything spent earlier or now to bring that person in could get no bean return (because the beans were already collected) and in fact cost the org any future potential income from that person. Most importantly, we'll never clear the planet just by collecting advance donations! Delivery is a MUST!

So in viewing the org's viability and in doing an FP No. 1, the org must also take into account the paid-for-but-not-delivered service and what it will cost to get it delivered in addition to new procurement and delivery.

#### SUMMARY

A wise Executive Council in an org should give very careful consideration to income planning, taking into account existing and potential delivery capability as well as the handling of backlogged delivery and then do a real FP No. I that takes into account every single expense involved in making that income and delivery possible. They would then program out how to accomplish what is planned and get it DONE, all the while ensuring that the org never spends more than its CGI plus reserves, and by wise financial management and adherence to standard policy and tech get more and more return from the beans expended.

And to the degree that income increases above that FP No. I amount-well, that's just how viable that org is.

**L. RON HUBBARD**

Founder

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY  
INTERNATIONAL

CSI:LRH:iw.gm Copyright c 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

579

HUBBARD COMMUNICATR

Saint Hill Manor, East Grinst

HCO POLICY LETTER OF 4 A

Rernimeo All Exec Secs Exec Council Hats Div Heads Ad Council Hats

FBOs

D/FBOs *Finance Series 42*

**FINANCIAL PLANNING PROGRAM NO. I**

*R efs:*

LRH ED 55 INT FINANCIAL PLANNING PROGRAM

NO. I

LRH ED 79 INT FINANCIAL PLANNING PROGRAM

NO. 1 ADDITION

HCO PL 9 Jan. 83 VIABILITY - THE MAKE-BREAK

POINT OF AN ORG

(This policy letter is reprinted from LRH ED 55 INT, 10 Dec. 69, FINANCIAL PLANNING PROGRAM NO. I and LRH ED 79 INT, 20 Jan. 70, FINANCIAL PLANNING PROGRAM NO. I ADDITION with minor additions and revisions to encompass the current operating scene of an org.)

Carefully planned financial handling will result in an organization which is not only solvent but expanding on a sound gradient scale. A *real* FP No. 1 gives you your make-break point in an org (see HCO PL 9 Jan. 83, VIABILITY - THE **MAKEBREAK POINT OF AN ORG**).

To do this an organization has to first of all assess the following:

1. How many *basic* staff members are required to run and handle the organization?
2. How much is required for the basic organizational needs to merely KEEP the organization there:
  - a. How much is the rent weekly (or mortgage or reserves loan repayments)?
  - b. How much is the telephone weekly?
  - c. How much is the electricity weekly?
  - d. How much is the water weekly?
  - e. How much are rates weekly (property taxes)?
  - f. How much are costs weekly to cover any other taxes, corporate or legal matters?
  - g. How much is needed for natural gas or heating fuel weekly?
  - h. How much is needed weekly for Estates to maintain the org buildings and mest?

i. If building is owned, how much is needed weekly for improvements/upkeep of the building so it retains and increases its value?

580

j. How much **are basic admin supplies like pens**, paper, file folders, carbon paper, staples, paper clips, etc., weekly?

3. How much is required for basic promotional actions:

a. How much are envelopes, stationery and stamps for so many Letter Registrar letters out weekly?

b. How much is required to keep up and mail out advance registration packets weekly?

c. How much does it cost on a weekly basis to mail a magazine or broad mailing to your full address list once a month?

d. How much does it cost on a weekly basis to mail out statements to people who owe the organization money?

e. How much does it cost to mail out information packs to your new names weekly?

f. How much does it cost to advertise your basic Div 6 services?

g. How much does it cost weekly to cover any awards programs?

4. How much does it cost weekly to keep in your basic communication lines:

a. How much should your average weekly payment to management be?

b. How much does it cost weekly to pay your 10% or 15% FSM commission and to service and give your FSMs materials to select people to your org?

c. How much is your weekly mimeo expense internally and/or to Pubs/FOLO? This covers remimeoing all issues for staff distribution, org business forms, mimeo files, newsletters, and payment to Pubs/FOLO for mimeo sent to your org.

d. How much is the weekly cost of freight, mail and telex to keep the org in comm with management?

e. How much is your average weekly deposit to your general liability fund so as to build up a reserve in case of necessary legal expenses?

f. How much is your average weekly film lease fee?

g. How much is the weekly average cost of LRH lecture tapes for use in public tape plays?

5. How much is required for basic delivery actions:

a. How much is clay weekly?

b. How much is required to keep tape players operational?

c. How much does it cost weekly to keep up supplies of mimeo forms? (Auditor Report Forms, routing forms, pink sheets, auditing lists, etc.?)

d. How much does it cost on a weekly basis for auditor worksheet paper?

c. How much is needed weekly for course materials? (Reference books for courses, HCOBs, policy letters, course packs, dictionaries, translated tapes, etc.?)

f. How much is the weekly payment for staff training at a higher org (FLAG, New World Corps, Cont Tech Training Corps or Admin Training Corps at FOLO, etc.) including any payments for previous training not yet fully paid off?

6. How much is required to handle the sale of LRH books, meters, tapes, cassettes, insignia and other HCO Book Account items~

a. How much is the weekly average cost to restock items which have been sold?

b. How much is the weekly cost for promotion and marketing of Book Account items?

c. How much needs to be set aside to purchase new items such as new books or cassettes?

d. How much is the weekly cost of shipping and packaging to handle mail order?

(NOTE.. ALTHOUGH THE **HCO BOOK ACCOUNT** IS INCLUDED HERE, IT IS ADMINISTERED SEPARATELY AND IS UNDER THE CONTROL OF THE **D/FBO FOR M.O.R.E.** ITS USE IS NOT SUBJECT TO REGULAR WEEKLY FP, AND EXPENSES FROM IT MAY NOT BE CUT DUE TO ANY SITUATION RELATED TO OTHER ORG EXPENSES.)

The list above provides the guidelines for any org in calculating its FP Program No. 1.

Sea Org Orgs and Units would need to plan additionally for basic staff welfare expenses such as the amounts needed weekly for crew allowance, food, medical and dental expense, basic cleaning supplies, basic housing and berthing supplies, child care, crew uniforms, laundry, transport, etc.

A management org might also have other basic expenses: for example, the basic amount needed to be set aside weekly for mission (Action Bureau) expenses, etc.

Any org would review the list provided above for any additional basic expenses or any not applicable and would then work out its FP No. 1 within the purpose of the functions of that org. A real FP No. 1 must take into account every single expense involved in keeping the org there and making it capable of selling, calling in and delivering to public in volume and with quality.

#### HOW TO USE THIS PROGRAM

After carefully figuring out your weekly costs as per above, you now know exactly how much income you will require weekly in order to exist and to promote. If you do not make this amount of income weekly, you will know at once that you are spending more than you are making, at which point everything must be done to sell more services to your public.

An organization could be in the situation where it has spent more than it has made; in other words, it has greater bills than it has money with which to pay them. Now this places an organization into a Danger condition as regards the society which runs on the basis generally of "pay within 30 days or else."

An organization in this situation, therefore, has got to make more money than simply its basic weekly costs. Therefore, all excess monies over its basic weekly costs must be used to pay off its bills, carefully paying such on a dateline payment basis and as per policy with regard to threatening creditors.

When an organization is no longer in a Danger condition as regards society and now has more income than it has in bills, it can gradually use its excess income to do

more promotion, to expand its staff to make more income to do more promotion and to buy more facilities to increase promotion and so on.

There are many ways an organization can obtain service facilities like chairs, **desks, typewriters**, address machines, and mimeo or offset machines without driving the organization into debt and causing it to have vast monthly payments which exceed its ability to pay. Inexpensive second-hand equipment can be obtained while the org sets aside so much money until outright purchase can be made or it can lease equipment with an option to buy.

There is definitely a maxim with regard to money and it is THE LESS AMOUNT OF INCOME AN ORGANIZATION OR AN INDIVIDUAL HAS, THE MORE CAREFULLY AND WISELY FINANCIAL PLANNING MUST BE DONE.

#### PROGRAM ADDITION

When FP Program No. 1 was first presented, the initial reports on its use made it necessary to amplify the program.

The first organization reporting compliance had an average income of £3,500 per week, yet in doing FP Program No. 1, found that its operating costs, promotional costs, and monies needed to pay sums due on writs against the organization amounted to £5,800 per week, whereupon it was gleefully decided that the organization would have to make more income. Now this was not the whole intention of Financial Planning Program No. 1.

In presenting Financial Planning Program No. 1, it was considered that the basic costs of the organization would be LESS than its income, but that such basic costs would give the Executive Council an idea of how much they would have to make to barely survive; and every once in a great while, it would require added effort by the organization to pull its income up to its bare existence level.

Therefore, the following has been added to this program:

A. After completing the actions listed above, the average *weekly* income for the past four months is to be calculated.

B. If the basic expenses of the organization are greater than the average weekly income, the operational costs must be reduced and the organizational expenses CUT BACK to a figure below that of the average weekly income.

C. If the organization also has past bills owing, then the organizational expenses must be CUT BACK even further to permit past bills to be paid. At least 10% to 15% of the average weekly income must be set aside to pay past-due bills and so the cutback in expenses must take this figure into account.

Even if an organization is in the position of having more income than bills, such basic data as this will help in planning for better expansion.

Therefore, each Executive Council of each organization should meet weekly to review its basic operational costs in order to really get in this financial planning program.

In using this Financial Planning Program No. 1, it must be understood that the weekly allocation for the org is not *fixed* against the FP No. 1 amount. The idea of fixed allocations was a complete falsehood found to have been pushed by a former Deputy Guardian for Finance Worldwide, H.G. Parkhouse, and was simply an attempt to wipe out FB0s whose job it is to allocate *in relation to* the org's production. The amounts worked out for each category in FP Program No. 1 are the "buoys and landmarks" for use in "steering" financial planning. Having an FP No. 1 worked out does not then

replace the application of finance policy contained in OEC Vol. 3 and in the Finance Series and the interrelationship of the application of the conditions

583

formulas. Another false datum found was that once an FP Program No. 1 amount is worked out that it may not be changed. This is of course ridiculous as it is expected that orgs will greatly expand and thus will require more space, more course supplies, more promotion, etc., etc. So it is necessary to occasionally review and update an org's FP No. 1.

#### SUMMARY

By correctly working out the costs to run an org in detail, a financial planning body gains the ability to actually manage and control its finances. It puts in prediction and tells one how much income must be made and gives a guideline of the expenses that should be made to buy increased production and viability for the org. An FP No. 1 is something one uses. It is not just done for the sake of form or for lack of something better to do. It is a valuable tool that determines the "course" of your org.

Good luck!

L. RON HUBBARD

Founder

Written at the request of the

Church of Scientology

International

Adopted as official

Church policy by the

CHURCH OF SCIENTOLOGY

INTERNATIONAL

CSI:LRH:dr.gm Copyright © 1983 by L. Ron Hubbard ALL RIGHTS RESERVED

584