

**THE BOOK WAS  
DRENCHED**

UNIVERSAL  
LIBRARY

**OU 168936**

UNIVERSAL  
LIBRARY







**LABOUR,  
CAPITAL, AND FINANCE**



# LABOUR, CAPITAL, AND FINANCE

ESSAYS ON THE GREAT  
PROBLEMS OF THE DAY

BY

“SPECTATOR”

(WALTER W. WALL, F.J.I., F.S.S.)

*Author of “The War and our Financial Fabric,”*

*“British Railway Finance,” etc.*

LONDON

SIR ISAAC PITMAN & SONS, LTD., 1 AMEN CORNER, E.C.4

BATH, MELBOURNE AND NEW YORK

1920

PRINTED BY SIR ISAAC PITMAN  
& SONS, LTD., LONDON, BATH,  
MELBOURNE AND NEW YORK

## PREFACE

THE following essays, with the exception of the concluding ones, have been contributed to *The Financier*. They deal with the formidable social, economic and financial problems of the day and appeal to all sections of the Community. The author desires to express his obligations to the Editor of *The Financier* for permission to publish them in book form.

W. W. W.

CATFORD,  
LONDON, S E.



# CONTENTS

	PAGE
PREFACE . . . . .	V
1. THE INTER-DEPENDENCE OF CAPITAL AND LABOUR . . . . .	1
2. CO-PARTNERSHIP . . . . .	6
3. NEED OF KNOWLEDGE AND ENLIGHTEN- MENT . . . . .	10
4. OUR SYSTEM OF CURRENCY . . . . .	15
5. THE PATH TO ECONOMIC FREEDOM . . . . .	19
6. CURRENCY AND PRICES . . . . .	24
7. THE GOLD RESERVE . . . . .	29
8. THE NATION'S CAPITAL FUND . . . . .	33
9. CREDITS AND THE EXCHANGES . . . . .	37
10. DEALING IN INTERNATIONAL DEBTS . . . . .	41
11. WHAT NATIONAL CREDIT IS . . . . .	46
12. IS A MONEY TRUST POSSIBLE ? . . . . .	50
13. CREATED WEALTH THE REAL MONEY FUND . . . . .	54
14. GOVERNMENT BORROWING AND INFLA- TION . . . . .	59
15. SECURITY OF CAPITAL . . . . .	63
16. SHOULD THE BANK OF ENGLAND BE RE- FORMED ? . . . . .	67
17. BANK RATE AND THE GOLD STANDARD . . . . .	70
18. THE PRICE OF GOLD . . . . .	75
19. HOW LONG WILL THE GOLD PREMIUM LAST ? . . . . .	79

	PAGE
20. INVESTORS AND THE WAR . . . . .	84
21. HOW INVESTORS' CAPITAL BENEFITS THE WORKING CLASSES . . . . .	88
22. ADVERSE EXCHANGES AND INVESTMENTS	92
23. A CAPITAL LEVY . . . . .	96
24. LABOUR AND WEALTH . . . . .	101
25. BANKS AND "INFLATED" CURRENCY .	105
26. CAPITAL VERSUS CURRENCY . . . . .	109
ADDENDUM . . . . .	114

# LABOUR, CAPITAL, AND FINANCE

---

## 1.—The Inter-dependence of Capital and Labour

WE are in the midst of a social revolution. Or ought we not to say, more truly, a social evolution? Out of a great evil—the great evil of the war—has come forth good. This is what many believe. But the belief may be based on nothing more substantial than delusion. Time alone will reveal to us on what it actually is based. If the seeming good is based upon ignorance, violence, malice, and hatred, and if a section of the community attempts to better itself materially by means of injustice, unrighteousness, selfishness, and greed, the same fate will overtake it as overtakes the man who builds his house upon the sands.

### THE WAY MADNESS LIES.

If the delusion reigns in the minds of the violent, the selfish, and the malicious that capital is an evil and, being an evil, must be destroyed, this will lead to chaos and want and terror. It is the way madness lies. But if we be guided by the vision that sees capital to be necessary and good, and by the wisdom that will limit its power of working evil and corruption, we shall go forward to the goal of sanity and peace.

Let us look at the scene to-day with calm and

unbiased vision. We see men striving to mislead ignorant masses by falsehoods and urging them to all manner of violence. We see them persuading these masses by casuistry and sophistry to attack the great citadel of capitalism and bring it down in ruins. They create the delusion in the minds of the unenlightened that within this citadel corruption, cruelty, oppression, and greed reign, and that the destruction of the fortress will simultaneously bring about the destruction of the unspeakable crimes that are committed within. And, having destroyed it, peace, concord, harmony, and happiness will then rear up in its place a mightier citadel—the sure refuge from tyranny, slavery, fear, want, and terror.

#### IGNORANCE AND SELFISHNESS.

Can this mighty triumph be accomplished by ignorance? Can it be accomplished by the combined forces of selfishness, malice and hatred? Are the forces attacking this great citadel of capitalism the sublime forces that find their inexhaustible and irresistible resources in the human heart—righteousness, justice, love and wisdom? We need great faith, indeed, to believe this, for experience teaches that the heart of an indiscriminate mass is not the pure, incorruptible source whence will flow the cleansing streams of mercy, forbearance, love and sympathy, and that shall create the new environment of peace, contentment and happiness.

#### THE REAL FORCES OF TYRANNY.

Capital, we know, can be tyrannous and oppressive. But capital is not the only tyrannous and

oppressive force in existence. If capital were destroyed it would not destroy tyranny and oppression. Selfishness, vanity and fear are greater tyrants than capital, and we should still be indifferent to the woes and the fate of our neighbour and not turn to love him when the obstacle of capital no longer stands between us. And if we were to destroy capital—let it be assumed that such a force is destructible, for the sake of argument—what would result? The law of self-preservation would operate with more ruthless force than it operates now, because it would not be moderated by ethical forces. The mighty edifice mankind has built up patiently and toilsomely throughout the ages, the edifice of civilisation, would come down in ruins and man would return to that primitive condition when he slew his brother in obedience to the law that preserves the material life. Savagery and brutality would reign again, for the means of subsistence would be less, and the fight for those means would not be restrained by that mercy which in its limited measure to-day does mitigate suffering.

#### AN IRRESISTIBLE FORCE.

When certain elements in the community are out for the ruthless destruction of capitalism they are out for the destruction of a force which is as vital to them as the air they breathe. If they could get rid of the air they would die. If they could rid the world of capitalism they would die, too. The one is as necessary to the existence of a community as the other. And both are equally indestructible.

The force of capital cannot be destroyed. It

is both tangible and intangible. The intangible is mighty. And how will the forces described above destroy the intangible? The intangible is mental, intellectual, ethical. It comprises, amongst other things, knowledge, skill, experience, genius. How can these be destroyed? Even if they could be destroyed, how is the community to benefit from the destruction of these divine forces?

#### LABOUR AND CAPITAL WORTHY OF THEIR HIRE.

Labour is worthy of its hire. So is capital. And labour must be honest and righteous. So must capital. Labour must not oppress. Neither must capital. Labour must not set itself upon a tyrant's throne. Nor must capital be the supreme king and the supreme law. If labour seeks to be the tyrant and to dethrone capital we shall merely substitute one tyrant for another and live under the oppressor's heel.

Labour is worthy of its hire. But its value is not dependent upon capital, but upon the value of the services it renders to society. Some labour may be quite worthless to society, and if society will not have such labour and refuses the services it offers, then how can capital be blamed because society will not hire it? It is society—the community—that is to blame, not capital. Capital is as much dependent upon the community for its hire and value as labour is, and the ignorant people who attack capital are attacking the offenceless.

#### HOW CAPITAL BENEFITS LABOUR.

Industries are set up every day by means of capital collected together by the citizens. With

this capital labour is employed. The means of subsistence are provided for many workpeople who otherwise might be unable to find those means. But capital runs the risk of inducing the community to demand and consume the product of an industry. Is not capital entitled to some remuneration for that risk? If not entitled to it, it would not be subscribed, and the unemployed would still be unemployed and without the means of subsistence. We have not arrived at that stage yet when people will deny themselves and save up capital purely and entirely to be employed in relieving temporarily the wants of unemployed men. Until we arrive at that perfect stage men with savings will seek to use these savings for the benefit, first, of themselves and, secondly, of others.

#### THE COMMUNITY AND THE SERVICES OF LABOUR.

But if in the above hypothetical instance the community will not buy the product of the industry and have no use for the labour or capital services offered, the industry is destroyed and the workmen are unemployed again. The capital is lost. Who is responsible for the consequences that follow? The community. The capital is destroyed. Who suffer? The capitalist and the workmen alike. But the community had it in its power to save and preserve both. What becomes of the wealth produced? Did labour create it?

Here is an instance, then, of how capital can be and is destroyed to-day more effectually and surely than by strikes. But labour is rendered useless simultaneously.

## 2.—Co-Partnership

UNDOUBTEDLY a great fear exists in some minds to-day that the demands of labour will become so exorbitant, if not insatiable, that labour will claim all the profits of enterprise and industry and leave none for capital, or, at any rate, leave so little for capital that it will be one of the most effective means of destroying capital. Why will it be one of the most effective means of destroying capital? Because it will make the employment of capital so precarious and unremunerative that capital will not be found for enterprise, and if not found it will be as good as destroyed. This is the dream of the extremists. These people delude themselves that they can set up all kinds of industries and run them without capital, and as their labour alone produces wealth, according to their theories, they are by divine right and justice entitled to that wealth.

### LABOUR AND WEALTH PRODUCTION.

Labour alone does not produce wealth. It is but one of the forces that produce wealth, and labour itself is of infinite variety. And labour may set up a vast factory to produce some kind of commodity, but if the community does not want that particular commodity, and will not have it, then labour is unremunerated. Is it unremunerated by capital? No; it is unremunerated by the community. It is the community that ultimately decides whether a product shall be wealth or not, for it is the community that ultimately gives a product its exchange value. If it gives it no

exchange value it does not convert it into economic wealth.

### EQUITABLE REMUNERATION.

If labour performs a service to the community it is entitled to just remuneration from the community. If capital performs a service to the community it also is entitled to its just remuneration. Labour, capital and society are all interdependent. But if labour demands more than its just share and will not remunerate capital justly, it is bound to suffer from that injustice. If, on the other hand, both are justly remunerated, it is the sure way to secure justice and concord, and to destroy injustice, oppression and strife. And one step towards this juster state of things is co-operation between these essential and dependent forces, and co-operation is co-partnership.

### SELFRIDGE'S PLAN.

Some admirable schemes of co-partnership, worthy of wide imitation, have been formulated by famous firms. One is Selfridge's profit-sharing scheme. It is proposed that 100,000 shares of £1 each shall be issued at par to members of the firm only. These shares will receive a dividend equalling 2 per cent. more than is paid on the Ordinary shares up to a maximum of 12 per cent., but never less than 6 per cent. They will not be transferable nor negotiable, and on any member leaving the employ of the firm his or her shares are to be transferred to the order of the company and repaid at par, plus interest at 6 per cent. to date of payment. All applicants must have been members of the house for six months and the amount of the yearly salary

paid will influence the directors in the number of shares to be allotted. "If ever in the future," said Mr. H. Gordon Selfridge, "for reasons of readjustment or reorganisation of capital, or for any other reason, it may be thought wise, the company shall be at liberty to call in all of these Members' Preferred Ordinary shares, but in that event the holders of the shares will be paid £2 per share."

#### THE BRYANT AND MAY SCHEME.

The scheme of Bryant and May, Limited, is twofold. It is based, first, on the principle that, after capital and labour have received a good reward in the shape of interest and wages respectively, the remaining balance of the profit, after allowing for depreciation and all reserves, shall be divided equally between the Ordinary shareholders on the one hand and the employees on the other; and, secondly, an opportunity is given to the employees to invest the amount of any bonus received by them in special partnership shares, thereby making them partners in the business in which they spend their lives.

#### BRYMAY PARTNERSHIP TRUST.

It is provided that the division of the remaining profits which the directors recommend for distribution shall take place only after the Ordinary and partnership shareholders have received a dividend of 8 per cent. free of income tax. The amount payable to the employees will be paid over to a trustee, called the Brymay Partnership Trust, Limited, for division among the employees.

### A MANCHESTER FIRM'S SCHEME.

Edward Wood and Company, of the Ocean Iron Works, Manchester, have propounded a scheme whereby in future, after allowing for the Preference share dividend and 10 per cent. on the Ordinary shares and 5 per cent. on the reserve funds, 25 per cent. of the surplus profits will be allocated to the employees and shared in proportion to the respective salaries or wages earned by them during the year. In bringing the scheme before his employees Mr. Edward Wood, the managing director, said it was his desire to promote the welfare and interests of the employees and to increase the prosperity of the company—results which could only be achieved by hard work and intelligent and organised co-operation, or, in other words, by getting more production.

### THE WAY TO ESTABLISH PEACE.

Here, then, are attempts to meet the equities of the claims of capital and labour, and to establish peace. Here we see capital content to take what in these times is a moderate remuneration. It is not excessive and will be no tax upon the consumer, who ultimately provides the fund for the remuneration of both capital and labour. It remains to be seen whether labour will be satisfied. If labour should not be satisfied and should insist upon greater remuneration, this will not be exacted from capital, but from the community, and the community is composed of other working people.

By these schemes workpeople become capitalists. That is to say, they invest money in the industries which employ them. They receive interest upon their capital, which interest is capital's remuneration,

as wages is the remuneration workmen receive for their labour. And when the capital is converted into buildings, plant, commodities, etc., how is it to be destroyed except by destroying the product of labour? Capital is the product of labour. By using this product labour produces something of value to the community, and this something is wealth. And this wealth creates the wage-fund. If, therefore, the product of capital is destroyed the wage-fund is destroyed simultaneously.

### 3.—Need of Knowledge and Enlightenment

AN urgent need of to-day is greater education. Only through education is enlightenment possible. We need light in order to chase away the shades of darkness, and this light must shine from the sun of knowledge. Hence the vital need of propaganda work, as a writer truly said in the monthly circular of Lloyds Bank, to combat not only the ignorance but the malicious and foul sophistry that is trying to do its deadly work and to spread the evil that shall shade the light from the eyes of men. In the words of truth expressed by Mr. George W. Paton, deputy chairman and managing director of Bryant and May:—"If the world is going to be brighter and better in the future we must have more truth and fairness, less sham, selfishness and greed, more toleration and consideration for others who are not so fortunate as ourselves."

#### THE PATH TO TRUTH AND FAIRNESS

How are we to have more truth and fairness? Not by preaching the falsehood that capital is the

enemy of labour, the tyrannic power that enslaves the working man, and that this power must be destroyed in order to destroy the chains that bind men and so set them at liberty. The path to fairness and to unselfishness does not lead by way of the falseness that capital is not necessary to the welfare of men, and that labour alone is necessary to produce wealth, to bring prosperity and to create a state of happiness and contentment.

#### DIFFICULTY OF DEFINING CAPITAL.

Capital is an exceedingly difficult element to define. If the greatest intellects have difficulty in conceiving it vividly and in presenting it lucidly, we cannot expect the less intellectual to have a clear grasp of it. The less intellectual look upon capital as money and money only, and regard only the wealthy as capitalists, because they are the possessors of much money. They cannot see that industry is run to-day by hundreds of thousands of hard-working, thrifty citizens, who have denied themselves in order to save. It is this great multitude of thrifty people, who are saving for the winter of life, to keep them from languishing and dying in workhouses, who invest in the shares of limited liability companies and who by so investing their savings give employment to the workless.

#### THE THRIFTY ARE THE TRUE CAPITALISTS.

The widow who has 100 shares in Bryant and May, or any other industrial concern, is as much a capitalist as the plutocrat who has 500,000 shares, and if we are to destroy the plutocrat we must destroy the widow, too, and prevent all from saving. The thrifty, honest, respectable and far-seeing

workman who has saved up a few hundreds to buy a small business is a capitalist, and if all capitalists are to be destroyed what are we to do with these thousands of small men? Where are we to draw the line between capitalist and capitalist?

#### BRAINS AND GENIUS ARE CAPITAL.

Brains are capital. Genius is capital. A man of genius invents, we will imagine, a machine that will be of vast service to the community. These machines must be made. Great factories must be built, raw materials must be purchased, all the machinery must be erected and a complicated organisation must be got together before these machines can be produced, placed upon the market, sold and distributed. The production of such machines will give employment to many hundreds of men and women. It will take a very long time, indeed, to do all this spade work and to place the industry on a successful footing. How can all this be done without capital? Who will provide the money necessary to erect the factories, buy the raw material, erect the machinery, do the clerical work, the canvassing, advertising, and so on? A large number of thrifty citizens provide it, and perhaps for a year or years give employment to large numbers of people and pay them wages without remuneration. What evil has this worked to those so employed? Who have run the greater risks—the workpeople, who are sure of their wages, or the capitalists, who are not so sure of their reward?

#### THE INVENTIVE GIFT.

If this capital were not so provided how could the community be served and enriched by genius

and the inventive faculty? How could it be enriched by intellect? How could the workless be employed? The State would provide the capital, say some. Indeed! Is the State to provide capital for every invention or every inventive idea? Would not this vastly multiply inventive claimants in the land? And is the State to run all the risks of testing inventions before selecting them and setting up factories, plant, etc.? In that direction State bankruptcy lies.

#### PRIVATE VERSUS STATE CAPITAL.

And whence is the State to get the capital? If all capitalists are to be destroyed—the big capitalist and the tiny capitalist alike—there will be no wealthy citizens to exploit. All will be more or less on a level. In order to procure the capital the State must get it from the pockets of all the citizens, for all must contribute, not a few. And it can only get it by taxing all. So the working classes must provide it—for all will be of the working classes then—and it must come out of their wages, their income, and not out of the savings of the thrifty. And when the working classes find that their gain will be extra taxation they will begin to see that it is an illusory gain and the experience will teach them truths such as no other experience can. That will be the time when their unselfishness will be put severely to the test.

#### UPKEEP, MAINTENANCE AND DEPRECIATION.

And the ignorant do not see and many refuse to see that, while wages are sure in the present system, the burden of upkeep, renovation, preservation, replacement, must be borne by the capitalists.

All these provisions for depreciation, maintenance, etc., must be made out of income. The ignorant imagine that all income would be divisible without regard to these things, and if there were no profits, only losses, the State would face the losses. And the State could only face them by heavier taxation.

#### THE ESSENTIALS OF WEALTH PRODUCTION.

Three elements are essential in the production of wealth, and these are intellect, capital and labour. There is a fourth element, and that is nature. Intellect conceives how best to utilise the gifts and products of nature. Nature, for instance, provides coal. Capital provides food and maintenance for labour while pits are sunk, machinery provided, and plant erected for getting at the coal. Labour releases the coal and sends it to the surface for distribution. But labour did not make the coal, and all the machinery belongs to capital. Let capital destroy what belongs to it, and how is the coal to be got and labour maintained?

The steam engine is the invention of genius. And genius has improved it, and improved the railway system. But capital maintained labour while the railway systems were being built. And capital is entitled to what it has purchased from labour. It paid labour by means of wages for the rolling stock, etc. And what it possesses it can destroy. And if all this fixed capital in the nation were destroyed what would happen to labour?

#### INTELLECTUAL PROGRESS AND CIVILIZATION.

New inventions often make certain industries, or types of capital, obsolete. In this way capital

is destroyed, while, at the same time new capital is created. And where industries become obsolete capital suffers and labour suffers, because thrown out of employment. And unless intellect were destroyed, or discouraged, this would happen were the State to become the sole capitalist. For it is intellect that leads a nation onwards to higher conditions of civilization, to loftier ideals, to emancipation, and the nation that would not nurture intellect and reward it would sink to low conditions, for man, not yet being angelic, cannot live by love alone.

#### 4.—Our System of Currency

WHEN we come to envisage the relationship between currency and the exchanges we at once see how vastly complicated that relationship is. We all know how seriously adverse exchanges affect us as individuals, and, if influential and highly-responsible persons tell us that the sole cause of these adverse exchanges is the inflation of the currency, and that we can alter the position for the better by deflating the currency, it is seriously to our interest to try to see if this be true or fallacious. If it be true, then the remedy should be applied as quickly as is practicable; if it be nothing but a delusion, then there will be no such remedy to apply.

#### AN AUTOMATIC MECHANISM?

It is argued that in some way, not clear enough to be precisely defined, the exchanges respond automatically to the amount of currency in circulation at any given moment; that traders in

this and other countries, as well as speculators, calculate to a nicety how much paper currency is in circulation from time to time, and, according to their calculations, they depress or raise exchange rates. Therefore, logically, exchange rates are the inorganic mechanism that measures the amount of currency in circulation at any given moment.

Well, the exchanges are not such an infallible mechanism for measuring the quantity of currency in circulation, but they do reflect the volume of debt between one country and another, which is quite another matter. We became greatly indebted to the United States long before our country was alleged to have an inflated currency, and the American exchange moved against us. And the French exchange moved against France and the Italian exchange against Italy long before we heard anything about their respective currencies being inflated.

#### THE SCIENTIFIC ARGUMENT.

The basic, scientific argument is this: Inflated currency raises prices; raised prices make our commodities dear; other countries will not buy our dear products, therefore we sell less to them. And if we sell less we reduce our exports. If our prices are higher than the prices ruling in America we buy in that cheaper market. Therefore, we import more from America. If we buy more than we export we do not pay for what we buy, and go into debt. As that debt increases we see the exchange move against us, and the value of the sovereign depreciates in the United States.

Now, this increases the cost of the things we import, and if at last that cost is above the cost

of things in this country we again go to the cheaper market and buy more here than we do in America. As prices rise in America this automatically reduces our imports, and to that extent favourably influences the exchange. But, as inflated currency is said to keep up prices here, then we cannot hope to export as much as we could if prices fell. Therefore, high prices stand in the way of larger exports, and as inflated currency is the hypothetical cause of high prices, then inflated currency is the hypothetical cause of the unfavourable exchange.

### IS OUR CURRENCY REALLY INFLATED ?

Is our currency inflated ? It may not be inflated to the degree some imagine, and many causes of high prices are to be found elsewhere. One is under-production, or scarcity of supply, and long experience has taught us conclusively that over-production brings prices down and gives a greater surplus for export. What is dumping but an excess of supply ?

If we compare our banking system and how our banks are able to supply currency and capital for the benefit of the nation, and if we compare this scientific system with the unscientific systems of dishonest and rotten foreign Governments and with the Bolshevik system in Russia, we shall see that they are so fundamentally different that it is misleading to say there is no distinction between the effects of the two systems. In Russia the volume of currency has been increased by the printing press utterly regardless of commercial and national needs and the output of wealth. There is no machinery at all to regulate it.

### OUR MAGNIFICENT BANKING MACHINERY.

But in Great Britain we see the most perfect machinery that experience has brought into use. This machinery regulates the currency. The Government does not create legal tender for dishonest or illegitimate purposes. That legal tender has to go through the refining process of the banks' machinery before it can inflate the currency. And we know from long experience that banks will not lend except on the very best security ; that traders and other would-be borrowers complain of this and say that banks are given all the power to create money monopolies.

They cannot have power to create money trusts and at the same time have unlimited power to inflate the currency. They have no such power to inflate the currency as the power foreign Governments have, which will increase the volume of it on no security at all.

### WHAT BANKS HAVE TO GUARD.

Banks are highly conservative. They have to be, because they have to look to their liabilities, for these liabilities are legally payable on demand. This is why they have to be careful about their assets, and they cannot be careful about these if they lend on anything. If they lent on anything they would greatly inflate the currency, but their powers of inflation are controlled by their conservative policy and discrimination.

### A DELICATE TASK.

Bearing all this in mind and avoiding the folly of comparing this country with Russia, we shall be able to see the difficulty and delicacy of deflating

the currency in order to bring down prices and thereby to stimulate our exports. How long would it take to do this? How long would it take Great Britain to liquidate its vast indebtedness to the United States? A very long time indeed.

### A RISK.

It would take much shorter time to stimulate exports by more work and increased production. We should then not only have more goods to export, but the increased supply of them would be an additional stimulus by reducing prices. And the more capital producers can get from the banks or the public the more they can hope to produce. The less capital they can get from the banks or the public the less they can hope to produce. And we might by too hastily deflating the currency reduce the capital procurable, and in that way defeat the ends we have in view, or, if not defeat them, postpone the ends we seek.

## 5.—The Path to Economic Freedom

IN his appeal to the Government and the nation to abandon control and restore freedom to industry, Lord Inchcape said the immediate result might be a rise in prices, but high prices would attract large supplies and large supplies would mean low prices. This is an old economic truth, which has stood the test of centuries of experience. Which is the better and wiser plan to ease our burdens—to reduce the inflated currency or to increase production? Which would be the surer and quicker way of bringing prices down? To reduce

the currency in an arbitrary way, without regard to production, is to make a start in the wrong direction ; and this way may lead us to greater difficulties and trouble.

#### HOW COMPETITION AFFECTS PRICES.

First of all, how are we to begin arbitrarily to reduce the fiduciary circulation ? Well, no one knows. Those who urge this procedure say it must be done, but they can devise no practical plan whereby it can be done. We can stop the printing press and cover it over for a time to protect it from dust and damp, but that might cause confusion. There is but one way, and that is the way of making revenue and expenditure meet, so that the Government may not have to meet huge deficits by borrowing. And when the Government had accomplished this great task it would be able to accomplish still greater things if it could make the revenue exceed the expenditure and produce a surplus.

#### ECONOMY V. TAXATION.

Until the Government can do this by means of economy—some say by means of still heavier taxation—it is useless to form associations or other consultative bodies to devise ways and means of removing the effects of an evil while leaving the root cause untouched. It would be just as futile as trying to eradicate cancer by cutting off the ends of its branches without removing the roots.

Suppose the note circulation were arbitrarily reduced by 25 or 30 per cent. by calling in the notes and destroying them and issuing no more,

although the Government continued to borrow and to pile up its floating debt—would this reduction bring down prices forthwith? The question has only to be put to be answered instantaneously—it would have no such effect upon prices. On the contrary, prices would be as likely to rise further as to fall, if no heed at all were paid to production. And there are those who actually advocate this and ignore altogether the vastly more important question of production.

#### UNTENABLE VIEWS.

For instance, this is what a well-known peer said in the House of Lords a short time ago :—“ Did it not seem probable that the real cause of high prices was not deficiency of production, but inflation proceeding from the huge currency issues throughout the world. . . . Six months of appropriate action regarding currency throughout the world would produce a far greater revolution in the cost of living than had been produced during the last three years by the whole of the operations of the Food Control, of the profiteering tribunals and of all the exhortations to greater production and small expenditure which had been lavished on the producing and spending classes.”

#### CONTROL AND PROFITEERING.

We may have seen unwisdom now and again on the part of our food and other controllers, but there can be little doubt that but for such control the average level of prices would have been higher than it has been. And as for profiteering, whether this has been deliberate or whether manufacturers and others have been helpless in the matter in face

of Governmental and private extravagance, we know that huge profits have been made on all sides of us irrespective of currency inflation. But it is time that trade was restored to freedom.

#### HOW COMPETITION AFFECTS PRICES.

Competition—which experience in the past has always taught us was the great force that kept down prices—has been largely in abeyance during the past five years. But if competition and high production became as severe and as potent as they were in the pre-war era, would they not more quickly and effectively bring down prices than any violent or drastic curtailment of the fiduciary currency? Of course, they would. And to preach otherwise to the ignorant masses of the country does an immense amount of mischief, and the very kind of mischief that causes a rise in prices.

#### THE RIGHT GOSPEL FOR THE MASSES.

If workers are to be told that their burdens are due to currency inflation and not to restriction of production—and Mr. Clynes and other labour leaders have preached to them the folly of under-production, which keeps markets badly supplied with goods—we create delusions in their minds which lead to unrest, to strikes and to many other acts of folly which multiply the evils from which the nation is suffering.

If consumers made a national resolve not to buy certain commodities for a certain period, would this not be a more effective way of bringing down prices than by reducing the currency? As Professor Cannan has truly said, it is spending money that raises prices. In other words, it is the

volume of demand that raises them, and the currency might be increased one hundred fold, but if it were hoarded and not spent it would have no effect upon prices. And if unspent the only effect it would have would be to lower them.

#### THE PROBLEM WRONGLY VIEWED.

Once again, then, we see this problem in a wrong light. We look upon currency as we would look upon some inorganic, mindless and soulless machinery. We cannot see that it is a human problem. We cannot see that we are dealing with human, intelligent beings and not with unintelligent machinery. We imagine that wonders can be done by making mere machinery go fast or slow, instead of imagining that wonders can be done by educating and enlightening the human brain.

Greater production increases supply. Increased supply increases demand. If the war has taught us one deep truth, it has taught us this. That is why there has been more work and more employment. The greater the production and the greater the demand, the greater is the volume of wealth produced. The greater the volume of wealth, the greater is the need for currency to exchange and distribute that wealth. And notes are not manufactured to distribute like charity tickets, irrespective of the wealth produced and the wages earned.

#### HIGHER WAGES AND COST OF PRODUCTION.

If wages are arbitrarily raised by trades union or any other action, the cost of production is raised simultaneously, and prices advance automatically. These effects increase the needs for more currency ;

but that currency is spent by human beings and not by machinery. If traders need it they need it for capital purposes, to meet business demands and high wage bills. Banks do not lend it as philanthropists, and traders do not borrow it unless they can use it profitably. What is borrowed costs interest, and loans have to be repaid.

Even now traders loudly complain that banks refuse them sufficient accommodation. Would not their complaints be louder if the banks were compelled by arbitrary action to lend less? Would not this restrict enterprise and production? Would it not result in less employment? Then, who will tell us with mathematical precision by how much the currency is inflated and by exactly how much it can be deflated with no evil consequences?

## 6.—Currency and Prices

“UNDOUBTEDLY credit inflation has been largely responsible for the great increase in commodity prices, which, in its turn, has been a contributory cause in industrial and political unrest.”

This is an expression of opinion culled from a circular issued by a financial house on a subject of engrossing interest and of vast importance to the citizens of Great Britain and of every country. But it is an expression of opinion which will not receive unanimous endorsement.

In an article on the same subject in one of the great dailies a well-known professor of economics writes: “To prevent prices rising still further and to bring them down a bit is perfectly simple—we must stop the further issue of currency notes

and withdraw some of those that are now in circulation.”

Is it really so perfectly simple ?

To reduce the fiduciary currency is a very difficult business, and if done clumsily will create more difficulties than it will remove.

This question is exercising all of us and has been debated by the Committee on Currency and Foreign Exchanges.

#### PRICES AND INDUSTRIAL UNREST.

It is indisputable that the great rise in the prices of commodities in the past five years has been “a contributory cause to industrial and political unrest,” but it does not logically follow that currency inflation has been the sole, or even the chief, cause of that rise in prices. On this question irreconcilable differences of opinion exist among the leading economic thinkers of the world, and if we could only be absolutely certain on this point we might be able to tackle a vast problem in the right way. But, unfortunately, we cannot be absolutely certain on this point, and so we wander about in a maze.

#### THE RISE IN THE VALUE OF MONEY.

In the first place, it was certainly not credit or currency inflation that caused a rise in the value of money ; in other words, that caused a rise in interest. The Government needed money to carry on the war, and in order to get that money it was obliged to offer a higher price for it, otherwise it would not have been lent. Accordingly the first War Loan was issued at  $3\frac{1}{2}$  per cent., the next at

4½ per cent., and the next at 5 per cent. These may be regarded as arbitrary rates, and there are those who contended at the time, and who still contend, that it was not necessary to raise the rate of interest from 3½ per cent. to 4½ per cent. at one bound. And there were experts who contended over two years ago that large sums could not be raised at 5 per cent. But Mr. Bonar Law took courage in both hands and fixed the rate at 5 per cent., and found that experience justified the faith that was in him.

What had this mere human judgment to do with the alleged inflation of the currency? It had nothing to do with it.

#### THE ABANDONMENT OF THE GOLD STANDARD.

Owing to circumstances which no Government had power to control—circumstances which were the inevitable product of the greatest war the world has endured—Great Britain had to withdraw its metal currency and substitute paper currency, and has had to forgo—for how long no one can yet foretell—the gold standard on which the country prided itself.

If before the war there was a vast deal of unemployment, with an average low level of wages less currency was needed for the exchange of commodities than has been needed since, when there has been much less unemployment and when the level of wages has been much higher. If, therefore, the currency has had to expand to meet these greater needs—needs immeasurably multiplied by those of the unproductive Army and Navy—we cannot say that the currency has been inflated, if it has merely grown to meet these

greater needs. No currency can be inflated whose volume expands commensurately with the demands, or the spending power, of the people. Has it expanded incommensurately with those needs and demands ?

#### LAW OF SUPPLY AND DEMAND SUPREME.

By what sort of measurement are we to measure those demands ? We have no measurement beyond the imagination of the individual, expert or non-expert, and who is to judge whether one man's imagination is more vivid and accurate than another's ? Were the high wages of the munition workers, male and female alike, fixed scientifically or capriciously ? Certainly not scientifically. And if capriciously they had no regard to currency output. And if highly-paid munition workers and highly-paid workers in other industries spent their wages, and did not save them, at a time when the supply of essential commodities and production of wealth fell off, how could prices be prevented from rising ? When such great forces as these are at work are we to expect the law of supply and demand to be in abeyance or actually to reverse its operations ?

#### LOW PRODUCTION AND THE RISE IN PRICES.

If we estimate the needs of the Army and the needs of the Navy, together with the needs of thousands who worked for the first time and of tens of thousands who received wages some hundreds per cent. higher than they had received before, a manifold increase of currency was necessary whether the Government borrowed heavily or

lightly, and if production could not keep pace with these demands, as it certainly could not, then prices must rise. How, then, is it possible to make nice calculations between these multiple and complex causes and the effects of currency inflation? The answer is that no human being, however able, can make them. And the difficulty of making them is rendered the greater because, no matter how heavily the Government taxed the people, it was compelled to borrow. No taxation could meet its needs without borrowing. Therefore, where are we to draw the line, and say that beyond this arbitrary line the currency is inflated, while below it the currency is just enough to meet the needs of the community?

#### A HAZARDOUS EXPERIMENT.

To draw any such arbitrary line is most hazardous, and that is why it can be said that any violent reduction of paper currency would probably raise more difficulties than it would remove.

If we cut down the fiduciary note issue by 10 per cent. to-day, and another 10 per cent. to-morrow, and another 10 per cent. the third day, and so on, would this bring wages down, and prices down? Would it cause social convulsions or not? Which is the better way—to produce vastly more commodities than are produced and so cheapen them through excess of supply, or to keep commodities comparatively scarce and reduce the media of exchange and lessen compulsorily the quantity of money the people can earn and spend?

## 7.—The Gold Reserve

A MEMBER of Parliament asked the Chancellor of the Exchequer whether his attention had been directed to the proposal to make progressive purchases of gold in order to increase the gold reserve, and what action he proposed to take in the matter.

The Chancellor of the Exchequer replied: "If the hon. and gallant member refers to the gold reserve against currency notes, I would refer him to the currency note returns, from which it will be seen that purchases of bank-notes, against which the Bank of England holds gold, are being made."

It cannot be said that this is a satisfying answer. Why does the Government purchase bank-notes in order to hold as a reserve, instead of having the gold itself earmarked against the notes? As it already has a direct gold reserve, however small, why not add to it if it can, instead of purchasing bank-notes? The Bank's holding of gold is not only a reserve against its own note issue, but also, in part, against the Treasury note issue.

### WHY THE GOVERNMENT CANNOT GET GOLD.

It is easy to ask the question why the Government does not increase the gold reserve and easy enough to answer it. It is because the Government cannot get the gold. The Government would like to speed the day when we can get back our gold standard, but it will be a very slow process indeed.

Not that it will be essential to have a pound of gold for every £1 Treasury note issued, but we can increase the percentage of the gold holding against the issue. At present it is only about 9 per cent., and if we could get a 50 per cent.

reserve it would be high enough. Indeed, we need not aspire to go beyond a 30 per cent. reserve.

### TWO WAYS OF GETTING A HIGHER GOLD RESERVE.

There are two ways of getting this reserve. One way is gradually to reduce the quantity of currency notes in circulation and the other is to acquire the gold in order to increase the reserve. Both processes are very difficult to carry through, either simultaneously or otherwise, and both will take an exceedingly long time to attain.

Let us look at the difficulty of acquiring the necessary amount of gold. In other chapters the causes are described that have produced a high premium on the price of gold. In order, therefore, to buy the gold produced by the mines, the Government would have to compete in the open market with other eager buyers, and this competition would tend to force up the price to a still higher premium. This, therefore, would be a most costly business, and in the days when it is vitally necessary to economise in all directions the Government cannot afford to buy the gold at this high price.

### THE POWERLESSNESS OF THE BANK RATE.

Another way of attempting to get gold is to revert to the machinery that was put into operation in pre-war days. That is to say, to try to attract gold here by putting up the Bank rate. But, unfortunately, this machinery is quite useless in these days. The Bank rate is an ineffective instrument for attracting gold here now, no matter to what high figure it may be raised. And the Bank

rate is an exceedingly delicate instrument to play with in the critical times we are passing through. A short time ago we had a demonstration of the dislocation it can cause by an advance from 5 to 6 per cent., which compelled the Government itself to pay more for the satisfaction of its needs.

#### WHAT HAS MADE THE RATE IMPOTENT ?

What has made the Bank rate, once so all-potent, useless ? It is the unfavourable state of the exchanges, and the unfavourable state of the exchanges is due to our colossal indebtedness to other countries, the United States being our largest creditor. Now the Bank rate will continue to be an ineffectual instrument while these exchanges remain so adverse to us and while there is such keen competition for the gold that comes into the open market. And this competition will be keen so long as the exchanges remain unfavourable.

#### EXTERNAL INDEBTEDNESS MUST BE REDUCED.

What are the first steps to take, therefore, towards restoring our gold standard ? The first steps must be to reduce our financial obligations to other countries, and especially to America. And how are we to reduce them ? By producing more goods and selling these to the United States ; by importing less from the States and by not increasing our debt. If, therefore, we must take these first steps it follows that the Government and the nation are quite helpless in the matter if the producers in the country will not produce sufficient and if our commercial men will not be enterprising enough to increase exports.

## SITUATION SLOWLY MENDING.

Undoubtedly the export situation is on the mend, but not rapidly. It is mending but slowly, and therefore this slow process will delay the day when we can hope to restore the gold standard.

With regard to the other process of reducing the paper currency—of deflating it, that is—this is exceedingly difficult, too; and the difficulty will be increased by the Government's dependence upon temporary borrowing, for this results in inflation of the currency, and it cannot be inflated and deflated at one and the same moment.

## THE STRAIGHT PATHS.

It is obvious, therefore, that the first steps to take towards restoring the gold standard are these: To produce and export more goods; to purchase less goods; to practice, individually and nationally, greater thrift; to cut down national outgoings, in order to balance revenue and expenditure; to remove the necessity for temporary borrowing; and to fund the huge floating debt. There are no short cuts to a gold standard. It would be folly to attempt the short-cut of purchasing gold and amassing a reserve with it. It would weaken and not strengthen the situation, because that gold would not be a help towards correcting the exchanges; and it would be purchased at a cost that would increase the national expenditure and make the Government still more dependent upon temporary borrowing.

And to deflate the currency by calling in notes arbitrarily, irrespective of the demand for such currency, would only create other difficulties, which would render the situation worse.

## 8.—The Nation's Capital Fund

DESPITE the vast loans the Government has raised to carry on the war, the great waste that is proceeding in bureaucratic circles, the extraordinary prodigality and extravagance we see around us, and heavy—some say crushing—taxation, there is no phenomenon to-day more impressive than the vast amount of capital that exists for investment in every class and type of enterprise. It flows on like a mighty stream that is not diminished, no matter how much is drawn from it.

Taking the nation in the mass it is better off than it was before the outbreak of war. That is to say, individuals are better off in the sense that there is less poverty and destitution in the land; fewer unemployed than was the case before 1914. And this is so despite the rising prices for commodities, heavier rates and heavier expenses in all directions. A vaster number of people are owners of the houses they dwell in than at any period of the nation's history. Tenants have bought these houses in order to make sure of a place to dwell in in these days of house shortage, and these purchases must have diverted considerable amounts of savings that would have flowed in other directions.

### THE VAST ARMY OF INVESTORS.

Then there are the 17,000,000 persons who are said to be possessors of War Savings Certificates and War Loans. And yet since the armistice millions of pounds have been readily invested in every kind of industry; scores of new companies have been floated and scores of old

companies have made large fresh issues of capital. No wonder the question is asked: Where does it all come from? And when will all this saved-up money be exhausted?

And over and above all this, vast amounts of money are speculated with, as witness the booms in some of the speculative sections of the Stock Exchange. There are those who tell us that all this saved-up capital is the product of fictitious wealth, that we have spent vast sums on producing destructive implements of war, that these vast sums have been partly borrowed from us and partly taken from us in the form of taxation, and that the nation is like the dog that lived by eating its own tail.

#### THRIVING INDUSTRIES.

Without entering into an endless controversy on this subject it is sufficient to know that we see great prosperity around us; industries of every sort thriving; larger dividends being paid; and the pockets of shareholders and employees alike receiving a larger volume of dividend and wages than they ever received before.

Where does all this money come from? It represents the capital fund of the nation. And the capital fund of the nation is the wealth-fund. And by wealth we do not mean money only, but all the productive and consuming forces in the nation. These are the two great forces, production and consumption, acting in co-operation, that create the wealth-fund of the country. The way to exhaust that fund is to stop production and consumption—in other words, to stop supply and demand. The way to increase the fund, so that

there may be still more for all to take a share in, is to increase production. And we cannot increase production without at the same time increasing the powers or forces of consumption. Supply increases demand. It is the contrary of the policy adopted by some of the trade unions, who would transgress the economic law by limiting supply. If they limit supply they must limit demand.

#### CAPITAL'S FLOW INTO INDUSTRY.

We have seen, then, scores—indeed, hundreds—of companies appeal to the public for many millions of fresh capital, and we have seen them get the money without difficulty. If it be easy to get these millions of money—and in the course of the next few months we shall see this quantity multiplied—we cannot see how it is possible to establish a monopoly of money in the country, or what some people call a money trust. Companies that want fresh capital go to the non-monopolistic source of it—the people. And if these companies offer a certain price for this money, called the rate of interest or dividend, it is not the case of monopolists coming to them and demanding a certain price for temporary accommodation.

If investors who invest money in new companies take this money from the custody of the banks it shows that they can do what they like with that money and that the banks have no control over it. It is true that the money flows back to the banks, but the banks cannot monopolise it.

#### THE RESERVOIR ALWAYS FILLING.

Although the capital thus invested in new issues flows out of the capital fund of the nation, it also

flows into the capital fund. Thus the fund is not really exhausted, and if all the time new wealth is being created, then the fund must continually grow.

It makes no difference to this capital, or money, fund whether banks amalgamate or whether they do not ; whether they combine into a few institutions or remain several institutions. Combination amongst banks affrights some people because they fear it will lead to the establishment of that which is impossible—a money trust. They argue that if a money trust is established the banks have the community at their mercy and can charge what they please for their money. And they argue that the Bank of England raises its rate in order to increase the profits of the trust ; that there is real collusion between them, notwithstanding assertions to the contrary.

#### BANK RATE AND THE ALLEGED BANK TRUST.

All this is nonsensical. Banks are as much at the mercy of the law of supply and demand as other institutions. Although banks lend the money of heir depositors, their depositors are after all their competitors. And we have seen that companies do not go to the banks, but to their competitors, for capital, and that capital is as effective in producing wealth as bank credit, for it all goes into industry. If banks, therefore, have to compete with their own customers they cannot establish a monopoly.

And banks also have to compete with joint stock companies. If banks offer a lower rate of interest than depositors can get by offering their capital elsewhere they cannot compete successfully. Therefore they cannot get that control over capital

that a trust or a real monopoly could get over it. And if the Bank rate keeps down their deposit rate they have still less control over it when others compete for it. So it is exceedingly foolish to say that a high Bank rate assists the alleged bank trust, for we must also logically say, if we believe they are acting in collusion, that a low Bank rate also assists it. Which is nonsense.

## 9.—Credits and the Exchanges

THE conclusion of the world-war has left the great nations of the world financial problems to deal with of vast magnitude. Indeed, so vast and complex are they that financial experts and others propound solutions that vary greatly and cannot find unanimous acceptance. One of these tremendous problems is that connected with the international exchanges. These exchanges were put out of order—that is, out of orderly working—soon after the outbreak of war, and as the war lengthened greater confusion resulted.

Hence we are told by many writers that the first step to take towards bringing order out of chaos is to call an international conference in order that experts may exchange their individual views, theories and suggestions. Even should the conference result in the formation of no practical, world-wide solution, it may do some good, and we may even say that a conference is better than none.

### OUR OWN NATIONAL PROBLEM.

We have our own great problem of improving the exchange between ourselves and the United

States. Our indebtedness to America is stupendous, and the exchange has fallen to new low records. On the other hand, while the sovereign has greatly depreciated in value in the terms of American currency, the French franc, and the Italian lira have greatly depreciated in sterling, owing to the heavy indebtedness of those two countries to Great Britain.

Then the late "neutral" exchanges are unfavourable to us, especially the Spanish, Swiss and Scandinavian, and they present their own problems. The German exchange is another that is perplexing enough, the mark having fallen at times to  $\frac{3}{4}$ d., compared with its normal value of 1s. Outside of the United States and Europe there are the Eastern exchanges, which are greatly against Great Britain, such as the Chinese, Indian and Japanese. Then, if we look to South America, we see the exchanges there also going against us—particularly the Brazilian exchange, which has risen with astonishing rapidity.

#### COMPLEXITIES OF THE INTERNATIONAL PROBLEM.

Here are problems, therefore, which would keep a conference talking for a considerable time if they are to imagine a solution that will affect all exchanges, correct them, stabilise them, and turn them in the several diverse directions which will favour all.

If we could look at these exchanges and see them as nothing but inanimate machinery and as machinery that has happened to get out of order, like a clock that is going too fast or too slow, we could perhaps hope, with the help of skilled mechanics, to put the machinery right again,

to put a cog in place here and replace a new cog there, to clean one part and to oil another. But the exchanges do not happen to be inanimate machinery. There is the human equation behind them all, and the human equation is the ultimate force that moves them.

#### A PSYCHOLOGICAL PROBLEM.

It is not a mechanical problem. It is a psychological problem, and if we leave psychology out of it, as many do, and regard it solely as a mechanical problem, then we can be certain of this—there will be no absolute solution of the problem. We may tinker with it on the surface, but we shall not go to the roots of it, where all the trouble really lies. Superficial mending can be but temporary at the best, and we can but hope—a hope not likely to be realised—that there will be no subsequent breakdown.

#### DIFFICULTIES OF CONTROL.

When we deal in exchange we are dealing in elements brought into existence by human needs, human idiosyncrasies and human caprice, and how is it possible to control these all the world over? When we deal in exchange we deal in debts, national and individual, and how can we hope effectually to control debts? We have seen in recent years controllers set up in this country to control the prices of various articles of merchandise. We have seen a certain measure of success attend these efforts. But we cannot say, with absolute certainty, that the benefits have always outweighed the evils.

## COMPLEXITIES OF INDEBTEDNESS.

But a national policy of this sort is simple compared with international control over international debts in order to limit these. And it is likewise very simple compared with the stupendous task of controlling international speculation, a psychological and capricious phase of activity that is constantly affecting exchanges. How can we hope to control even for a limited period the creation of debts between diverse countries? But in this connection we cannot talk of limited periods. We cannot say that they will be controlled for six months or twelve months or twenty-four months, because we cannot possibly foresee what success, or lack of success, may attend the experiment. For, let us feel assured on this point—it will be nothing better than an experiment.

Let us glance at one aspect of it. In order permanently to alter for the better, from our point of view, the exchange between ourselves and the United States we must, as all agree, reduce our indebtedness to America. That is to say, we must cut down the quantity of our debts to America and increase the quantity of America's debts to us, so that in this particular exchange market the buyers and sellers of debts may find a freer market—that is to say, a market not all one way.

## A PERMANENT SOLUTION.

The way to reduce our debts and to increase America's debts to us is to buy less from America and to get America to buy more from us. If a tailor has obtained a large quantity of goods from his grocer on credit and owes his grocer a great deal, he can hope to reduce that debt by curtailing

his purchases and gradually repaying what he owes. And he can reduce it still more quickly by inducing his grocer to buy more suits of clothes from him, so that the grocer may become indebted to him.

As with nations, so with individuals; and, as individuals are not inorganic machinery, but minds and temperaments, of infinite variety of expression, so the debt-problem—which is the exchange problem—is manifestly a psychological problem. And it cannot be solved by ignoring the psychological idiosyncrasies of nations.

## 10.—Dealing in International Debts

It has been explained that in the exchange market the business consists of the buying and selling of debts. To the exchange dealer, the banker, this buying and selling of debts is as familiar and as clear as is the buying and selling of shares in the Stock Exchange to the broker and the jobber. A broker's client says he wants to buy 100 East Rands. The broker goes into the Kaffir Circus and buys 100 East Rands in the market there. The next client wants to sell 100 East Rands, so the broker goes into the market again and sells 100 East Rands.

### HOW DEBTS ARE BOUGHT AND SOLD.

So a merchant in England, to whom an American merchant owes \$1,000 for goods purchased, goes into the exchange market and says he has this debt of \$1,000 to sell. Who wants to buy? The

exchange dealer buys the debt at a certain price. Another merchant who owes an American merchant \$1,000 for goods purchased from him comes into the market and says he wants to purchase an American debt for \$1,000. The banker having that debt sells it to him. But he must make his commission, or his profit, as a middleman or intermediary. So he sells the debt at a higher price than he paid for it, the difference representing his profit on the risk he has run and the labour he has spent.

So with a grocer. He buys eggs of the middleman at 4d. and sells them for 5d. each ; but the middleman originally bought them from the poultry farmer at 3d. each, and the difference between the 3d. and the 5d. represents the respective profits of the middleman and the retailer.

#### THE PRICE OF DEBTS AFFECTED BY SUPPLY AND DEMAND.

If in the exchange market more debts to America are being offered than debts from America, then the debts to America will be cheaper than the debts from America, because the price of debts is regulated by the same law that regulates the price of eggs—the law of supply and demand. If there is a great demand for eggs and a small supply, up goes the price of eggs ; if there is a great supply and a small demand the price of eggs falls.

So with international debts. As we owe more debts to America than America owes to us, then the former must necessarily be cheaper than the latter. People who want to buy American debts to us—which in the exchange market are called dollar debts—are willing to give more sterling for

the dollars than they would if there was a big supply of them, and if we give more money for anything we want it means a rise in the price of that thing, or, in other words, a depreciation in the value of our money.

So in buying American debts. There being a small supply of these and a great demand for them, buyers compete for them more strenuously than they would if there was a big supply of them, and their bidding forces up prices. If, therefore, people are willing to give more and more sterling for dollars, up goes the price of dollars, and concurrently down goes the price of sterling, and we express this state of things by saying that exchange is going against us. Dollars become dearer.

#### HOW TO PRODUCE EQUILIBRIUM.

This is why it is necessary to increase the supply of American debts to us in the market, and to decrease the supply of our debts to America, in order to try to bring about an equilibrium between supply and demand. If we can bring about this equilibrium, or an approximate equilibrium, the prices of the respective debts will be correspondingly affected. American debts to us will fall in value, and our debts to America will rise in value. We shall decrease the supply of debts in the latter case and increase the supply in the former case.

How are we going to bring about this equilibrium? The only way has already been indicated. We must increase America's debts to us by increasing our sales of goods and commodities to America, and decrease America's credits by buying less from America. Nothing could be clearer than this.

### HOW NATIONAL CREDIT FALLS.

When one country owes another country more than that country owes to it, and this indebtedness creates an unfavourable state of exchange, this also means that the credit of the greater indebted country has fallen. This can be illustrated by the case of an individual who has fallen heavily in debt to another. If a tradesman, for instance, runs up big debts to other individuals and to other tradesmen, he runs the risk of eventually becoming bankrupt if he cannot repay his debts. The more he runs into debt the more risks do his creditors run by lending to him, until, perhaps, the moment will come when they will refuse to give him further credit and demand repayment of what he owes them.

### AN ANALOGOUS ILLUSTRATION.

This will probably increase his financial embarrassments and hasten his insolvency. And when this happens we express it by saying that his credit has sunk very low, or that he has no credit at all. The more people lend to him the more risk do his creditors run, and to cover that extra risk they charge him more for every loan they make to him. Compare his condition with the condition of the individual who pays his way and does not run into debt. Such a man inspires greater confidence, or trust, in him; his credit is said to be good, people will be more willing to give him credit, or confidence, or trust, which are one and the same thing, for a reasonable consideration, for there is little danger of such a man becoming insolvent.

## THE CRY OF NATIONAL BANKRUPTCY.

In connection with our own national affairs we now and then hear, in Parliament and out of it, the word "bankruptcy" used. For instance, in August last the Chancellor of the Exchequer said we were "on the verge of bankruptcy," and many pessimists amongst us go about to-day crying out that the nation is going speedily to bankruptcy.

What they mean is that the nation is getting more and more deeply into debt, and in two ways. It is getting more deeply into debt with its own citizens and more deeply into debt with other countries, and so they see the analogy between the nation and the private individual who is going the pace so fast that bankruptcy is certain. In order to avoid any such fate for the nation some people propose salvation by way of a levy on capital, so as to get the means whereby to reduce the debt the nation owes to its own citizens, while others propose a wholesale confiscation of that debt.

## HOW TO IMPROVE THE NATION'S CREDIT.

But the right way, and the sure way, to improve the position is to cut down expenditure, to stop borrowing, to bring about an equilibrium between revenue and outgo, to pay one's way, gradually pay off indebtedness, and thereby improve the national credit. If we repay our indebtedness to America by selling more goods to America this must gradually improve our credit with America, and in correspondence with the improvement in that credit so will the exchange improve.

And in the meantime, with all these possibilities before us, we need not affright ourselves overmuch with the word "bankruptcy."

## 11.—What National Credit Is

IN the two preceding chapters an attempt has been made to explain what credit is, and how credit influences the values of national currencies in the foreign exchange market. It has been explained why the price of the dollar in Great Britain has risen substantially, and why the value of the pound sterling has fallen in value in the United States. These respective high and low values reflect the state of credit between the two countries.

As we owe a vast deal to America, by direct borrowing in that country and by purchasing more commodities than we can pay for in immediate cash, then America is our creditor, and we are America's debtor. And in order to pay our debts in dollars we have to buy these dollars—or dollar debts—in the open market, where there is keen competition for these debts, and the great demand for dollars sends up the price of them. This merely means that, in American currency, the pound sterling may be worth only 17s., while the dollar may be worth in British currency 4s. 9d.

### LEGAL TENDER AND BARTER.

But this is the value of the dollar and the pound sterling outside their respective countries. As legal tender in England the pound sterling is still worth a pound, and in the United States the dollar is worth no more than 100 cents. Legal tender, *per se*, has no value outside the countries in which it circulates, for different countries have their own legal tender. Commodities only have value,

for international trade is an exchange of goods—it is barter, and not an exchange of legal tender. And in this connection a golden sovereign is only a commodity according to the number of grains of gold there are in a sovereign.

This is why great nations are able to trade between themselves without the necessity of exchanging much, if any, gold. Debts between them are settled by means of bills of exchange, which are bought and sold in the exchange market. And these bills of exchange represent debts. In other words, debts are settled by the buying and selling of debts.

If a merchant in England owes a merchant in France 12,000 francs he will go to a dealer in foreign exchange and buy from him a bill for that amount to send to the French merchant. This bill really represents a debt that is owed by a merchant in France to another merchant in England, and in this way the one debt balances the other debt. It will thus be seen that if France owes Great Britain more money than Great Britain owes to her the supply of French debts will be greater than the demand for them. The value of the franc will consequently fall, and it will be possible, therefore, for the pound sterling to buy a larger number of francs than would be the case were the position reversed.

#### DISASTER PREDICTED BY PESSIMISTS.

Now the foreign exchanges are in such a chaotic condition that, according to many experts, if some drastic remedies or solutions be not applied, and applied speedily, great disasters will follow. A great disaster may not follow in Great Britain,

and certainly not in the United States, the latter being a world-wide creditor country, but if such befalls in France, Italy, or Germany, or even Russia, Great Britain and America must feel the effects of it and suffer accordingly. It will be a severe blow to the export trades of these two countries, for the others will be unable to buy from them.

#### SOME SUGGESTED REMEDIES.

What, then, are the principal remedies proposed? Some experts suggest that America and Great Britain should grant to these distressed countries, whose exchanges are in so unfavourable and almost a hopeless condition, credits in large quantities. In other words, that America and ourselves should come to the rescue and lend them money in order to enable them to reconstruct and rehabilitate and set their industries going, and get quickly into a condition to export again and pay their way. Are these remedies practicable, and would it be wise to apply them?

#### GRANTING CREDITS TO DISTRESSED COUNTRIES.

As France and Italy are greatly in debt to Great Britain and as this is the cause of their unfavourable exchanges, it would not seem wise for them to borrow still more heavily, get more deeply into debt, in order to improve the exchanges. If we lend them very large sums, it would, from their point of view, affect the exchange favourably, for this loan would create temporarily more claims upon Great Britain. But this debt would have to be repaid some time or other, and when it had to be repaid, it would undo what had already been done, and the work would have to be done all over again.

It is putting off the evil day. But the argument of those who advocate giving this assistance to our needy debtors is that before the debt has to be repaid it will give the countries time to turn round, recover from the war and get their industries into full swing again.

#### APATHY OF PRODUCERS.

It is suggested that as America has benefited most from the war, she should be the country to lend most. As the American exchange is so unfavourable to ourselves, it is urged that we should induce America to lend still more to us. But, as in the case of the other countries, this would only be deferring the evil day, especially if the producers of this country continued to be slack and would not exert themselves greatly to increase our exports. We are not so badly off as France and Italy are, and there is not the slightest doubt that our exports to America could be greatly increased were it not for the ca'canny policy carried out in workshops and the restriction in output of goods and commodities.

#### QUESTIONS FOR A CONFERENCE.

These are some of the questions that would come before an international conference and be discussed there. A National Committee on European Finance has been organised in America, and the object of this Committee is to study plans for supplying long-term credits for European purchasers in the United States.

If the United States grant these long-term credits or loans to European nations it will enable these nations with this money to buy more goods

from the States, and so American manufacturers and American trade will benefit. And we can say the same with regard to ourselves and our late Allies. They will be able to buy more from us if we give them the means of doing this.

#### WHAT LONG-TERM CREDITS MAY DO.

It is like an individual deeply in debt borrowing still more from his creditor and with the money additionally borrowed buying more commodities or goods from him, in the hope that, before the debt matures, he will be able to increase his own income to such an extent that he will be able to repay all that he owes, and be set firmly on his feet again. Otherwise, if he cannot borrow more, he may be ruined, and the creditor lose all. The creditor helps him in the hope that he will benefit in the long run.

And so by granting long credits America and even ourselves may in the long run benefit by helping to set debtors on their feet after a devastating war. But the debtors must see to it that they help themselves by hard work.

## 12.—Is a Money Trust Possible ?

A CONSIDERABLE amount of mischief is being done by those who allege that a gigantic plot is afoot amongst the great banks of the country to create a money trust ; in other words, to create a monopoly of money. Now the banking institutions of Great Britain have been deservedly noted during generations past for their conservatism. But, while conservative, they are enterprising,

and it is upon this combination of conservatism and enterprise that the financial might and greatness of the nation has been reared.

#### A MONUMENT TO NATIONAL CONFIDENCE.

When we look at this financial structure it is imposing in its grandeur, solidity and strength, and we look in vain outside of Great Britain for another comparable with it. This structure is a monument to the confidence the banks have created, not only in the minds of British citizens but in the minds of the whole world's citizens. This feeling of confidence is deeply implanted in us—it is a heritage.

But, while the conservatism of the banks justifies this confidence, we can also say that they are not philanthropic institutions. They are not established primarily to look after national interests. They are private institutions, established on business lines, but they cannot accomplish their purpose without concurrently benefiting national interests. If the nation is not satisfied with what the banks have done, then the nation can nationalize them, but let the nation satisfy itself absolutely first of all that national banks would do greater work than private banks—they can be called private in contradistinction to national banks—before it embarks upon so perilous a change.

#### THE JUST RIGHTS OF BANKS.

Now, these banking institutions—and this is a vastly important consideration—could not exist if there were no such thing as public confidence in them—complete, unquestioning trust. They exist upon this. It is the solid foundation upon

which they rest. Destroy that trust, or confidence, and the foundation goes and the whole structure comes toppling down. When we see a run upon a bank it means that confidence in that bank has been destroyed. It means nothing else, for panic is only an expression of the feelings of a trustless crowd. If banks are private institutions and work for the benefit of private shareholders, they have a right, like other private institutions, to make as large profits as possible, and to distribute as large dividends as they can, consistent with the unalterable conservatism they observe.

#### HARMFUL DELUSIONS.

However high our individual knowledge or deep our ignorance, we can, at least, have sufficient visionary power to observe the law of justice. And this law declares that banks may earn as large profits as they can consistent with that wise policy that does not endanger their existence.

But a perverse or riotous imagination can quite easily conjure up, if it pleases, when looking at this grand structure, an imaginary monopoly or money trust. It is advisable for all clear-sighted people, therefore, to look at this edifice closely in order to see if there are any monopolistic flaws in it.

#### WHAT IS MONEY ?

What is money? Here is a question in itself that cannot be answered offhand in a chapter or two. There was a time when shells were money, when cows were money, and all sorts of things were money, and in some parts of the world to-day shells and coconuts and other things are still money.

Money is a something that is created by custom, or a something that is used for the convenience of exchange, and it is an arbitrary selection and an arbitrary creation. In this civilised country of ours legal tender is metal one year and Treasury notes the next, and if all the metal were exhausted or all the materials for paper-making were exhausted, we should have to use some other medium.

#### THE EXHAUSTLESS OCEAN OF WEALTH.

A vivid imagination may conjure up a bank in the very olden times sending out its servants to collect all the shells that could be found and store these in its vaults so as to create a monopoly, but even this might be endless labour if the vast ocean kept throwing up shells continually. What prodigious labour that would be for the bank's servants if it was resolved for all time to preserve that monopoly in shells. Yet no other way could be devised for preserving the monopoly, for no brooms vast enough have ever been made that will sweep back the tides.

#### PRODUCTION CREATES MONEY.

Do we not see this same thing going on to-day ? Do we not see production throwing up wealth and not ceasing to throw it up for a moment ? Let us try to imagine this production dried up and no longer bringing wealth. What would happen ? Money would cease to be produced, for it is wealth that creates money and not banks. True, Governments can manufacture paper money, but how could this be distributed amongst the community if the community created no wealth ?

It is wealth that is exchanged in reality between the citizens, and money is nothing but a certificate each individual possesses entitling him to a certain portion of the wealth produced. The title would be worthless to him if there were no wealth to claim.

#### MONEY A TITLE TO WEALTH.

If money is a title to wealth, and a Government can print as many titles to it as may be necessary from moment to moment, how can banks create a monopoly of money? If the money is possessed by forty-five millions of people, by producers of wealth, how can there be a trust in money? If the banks were producers of gold or the sole printers of Treasury notes, and were allowed to have entire control over the manufacture of money, or certificates of exchange, they might be able to create a money monopoly in the same way as a vinegar-making firm might be able to create a monopoly in vinegar by controlling all the factories in the kingdom. But banks do not control all the factories for making money. Like all of us, they are dependent on the wealth-producers of the country.

### 13.—Created Wealth the Real Money Fund

As was stated in the preceding chapter, banks are not the real creators of money. Wealth is the creative force and wealth alone, and therefore banks are at the mercy of the individual and aggregate wealth-creators in the country. The

nation could exist without banks, but banks could not exist without the nation. Banks are the custodians of money owned by other people who produce wealth, and if they are custodians only they cannot be real creators. We are told, however, that they do create—they create a something called credit, and this credit is really money. That is to say, they manufacture a commodity called credit precisely in the same way as a soapmaker manufactures soap, and therefore they can create a monopoly of credit.

#### WHAT IS CREDIT ?

What is credit ? Here is another endless source of controversy, and we have not arrived at that stage of harmony yet where we all agree as to what credit is. And even if we were in harmonious agreement on this point we should still have to be in harmony as to whether banks create credit or whether that credit is first of all created outside banks and is taken to the banks for safe custody. If the customers of a bank were credit-less could banks create credit out of credit-less conditions ?

Let us imagine the customers of a bank becoming credit-less. Where would the bank's deposits be ? Would those deposits exist ? If the deposits ceased to exist, what does the existence of deposits imply ? Are they not evidence of the credit-worth of the bank's customers ? Destroy that credit-worth, and you simultaneously destroy the deposits. If, therefore, deposits are merely evidence of credit-worth existing outside the banks—in other words, the credit created by individuals—how can banks create something beyond their control and establish a monopoly of it ?

### CREDIT CREATED INDEPENDENTLY OF BANKS.

If this credit be created outside, and a quantity of it is created outside, and if banks have no control over that quantity they cannot limit it and make a monopoly of it. That is to say, they cannot create a credit trust.

Now credit is dependent upon an individual's wealth-possession. He may be a rogue or a saint, but whether a rogue or a saint his wealth creates his credit. If, therefore, wealth creates credit, how can banks establish a monopoly of wealth? Destroy wealth and you destroy at once all the credit-making power of banks.

### DEPOSITS ARE LIABILITIES.

The deposits of a bank are evidence of the credit possessed by individual depositors. And they are actually called the depositors' credits. Contrariwise, they are called the bank's liabilities, and how can a bank create a monopoly of liabilities? These credits are constantly flowing in and constantly flowing out, and banks have no control over their inflow and outflow. How, then, can they establish a trust of their inflow?

If, therefore, this inflow and outflow determine the amount of money the banks can lend—or, if you like, create—then that amount is dependent from moment to moment upon what is happening outside the banks. If a soap-making firm desires to create a monopoly in soap, it must have absolute control over the inflow of raw materials and concentrate that flow in one direction and have absolute control over the outlet of the manufactured stuff. But banks have no absolute control over the material that comes to them or what goes

from them, and, therefore they cannot monopolise it.

#### DEPOSITS CONTROLLED BY DEPOSITORS.

Deposits belong to individuals and not to the banks, and individuals can withdraw them at their will. But we cannot withdraw monopolised soap at our will. Are, however, the deposits the fund out of which banks lend? Deposits are book liabilities. Do banks lend what they owe to other people? These deposits do not exist in actual money. Only a small proportion exists in legal tender money. And banks lend up to the proportion of legal tender they hold against these liabilities. If that proportion is too low they limit the amount they lend.

#### RESTRICTED POWERS TO LEND.

If, therefore, their power to lend is restricted by arbitrary cause, or chance, they have no monopoly, and cannot have, of money making. People use banks merely as a convenience. Money is hoarded with them. The public are not compelled to lodge their money with them for the sake of convenience. They can lodge it in safes, or stockings, or in safety deposits or anywhere they please, and if this can be done banks cannot create a monopoly of what other people possess.

#### MONEY MONOPOLY IMPOSSIBLE.

If there is one element in this world of which there can be no trust or monopoly it is money. For money is not created by an institution, nor even by a Government. Money is created solely by the wealth producers of the country. A bank

cannot create legal tender, and there is a radical distinction between custom-money and legal tender. A Government alone can create legal tender—the Bank of England is only a Government instrument for this purpose—and it alone has power to limit its quantity. And if a Government has power to limit, by legal enactment, the quantity of legal tender that shall be created, it has power to control the money created by banks, for this is controlled by the amount of legal tender banks possess against their liabilities. If, then, they are restricted to the amount they can get, they are restricted to the amount of credit, or money, they can lend.

#### MONEY AND LEGAL TENDER.

Before the war the output of gold limited their powers, for this output controlled the amount of legal tender that could come into existence. But paper has taken the place of gold and the printing press has taken the place of the mines, and there is, consequently, less control over the amount of legal tender that is created. And Government borrowing, especially on Ways and Means advances, increases the manufacture of legal tender arbitrarily, and if banks have to depend upon the necessities of the Government they cannot monopolise the output of money and create a money trust.

Banks could not do this whether there be five of them or five hundred. And if the price of the money, or credit, they lend is not controlled by them they cannot create a trust. They are at the mercy of other capricious circumstances, and one of these is the Bank of England's rate. If the Bank rate has some control over the price of money

this price cannot be controlled by the mere monopoly of it and its limitation of output. And those people who tell the ignorant masses that they are at the mercy of a money trust are misleading the masses, whether they do it ignorantly or whether they do it with unworthy intent.

## 14.—Government Borrowing and Inflation

IN the discussion proceeding to-day upon that highly-controversial subject, the inflation of the currency, an impression exists in some quarters, including banking circles, that a large amount of currency hoarding is going on in this country. Is this impression right or wrong? Those who believe it to be a right impression say that very great evils result from it. If the premises be true, the deduction is also absolutely true, but it is an exceedingly difficult task to test the truth of the premises. If hoarding is going on it is a great evil, especially in the straits in which the nation now finds itself, and the consequences must necessarily be very serious.

### SECRET HOARDING AND PAPER CURRENCY.

Now on *a priori* reasoning it is highly probable that there is a great deal of secret hoarding going on amongst the citizens of this country, and to this is largely attributed the continued expansion of our currency note issue. A considerable degree of such expansion is due to Government borrowing on a lavish scale. We know how heavily the Government has been borrowing at the Bank of

England on Ways and Means advances, and this cannot go on without increasing the currency note issue; in other words, without inflating the currency. This necessarily brings many evils in its train, for it increases the floating debt, and the more that expands the greater are the financial problems which the Government must tackle sooner or later.

#### CURRENCY AND WEALTH.

We have seen it partly tackled by an advance in Treasury bill rates. This was followed by a rise from 5 to 6 per cent. in the Bank of England rate, and this was again succeeded by a further rise in Treasury bill rates. As a consequence of this more money has flowed into Treasury bills, which, though temporary borrowing, and preferable to borrowing by Ways and Means advances, increases the floating debt. At the same time it places a huge obstacle in the way of deflating the currency, which is so desirable, by further inflating it, for it is bank money, and pure bank money has the effect of inflation. Inflation of the currency means the quantity of currency that is artificially increased irrespective of the production of goods and the creation of real wealth. The manufacture of currency by the printing press outpaces the quantity of wealth produced instead of keeping pace with it, as it should do in those normal conditions when a nation is paying its way. The result is a rise in prices. Even if the rise resulted from no other cause it must result from dearer money or credit, for if manufacturers have to pay more dearly for the capital they use they have to raise prices to cover their outgoes.

## INFLATION AND EXPERT HYPOTHESES.

Amongst economic experts irreconcilable views reign on these two questions: "Is a rise in prices a consequence of the inflation of the currency? or, Is the inflation of the currency a consequence of the rise in prices?" In other words, which comes first?

Let us take the case of the man who is living beyond his means. He creates a certain amount of wealth. This he sells, and the profit he makes on the sale is his net income or his wage. If he raises a debt on his tools and lives up to this debt and his income he lives on his capital. Therefore he inflates his income; living is dearer for him and he helps to raise prices against himself, because he circulates money in excess of the wealth he produces. Tax his income—that is, reduce it—and he has less to spend. Therefore, he demands less goods, and a lessened demand tends to bring down prices. He lives within his income; the latter is not inflated by debt.

This is necessarily a crude illustration. But an individual or a nation that lives on debt must necessarily live beyond its legitimate income derived from the real wealth it produces, and this must affect prices to some degree.

## CONTRARY EFFECTS OF HOARDING.

But to revert to this important question of hoarding. Now, hoarding must have two contrary effects. If currency be hoarded in reality—that is, not in the banks, but in strong boxes and other places—it must decrease the amount of currency in circulation. It must, therefore, tend to keep down prices. If, on the other hand, it causes a

scarcity it must compel the Government to create more of the circulating medium. And we can say, logically, that hoarding has the effect of counter-acting the consequence of an inflation of currency. But if the Government continues indefinitely to borrow from banks instead of borrowing directly from the public, or more heavily taxing the public, it must necessarily be living beyond its means, and this must unfavourably affect prices.

#### HOARDING AND A LEVY ON CAPITAL.

Why are people hoarding? It is asserted that they are hoarding because they fear a levy on capital. In other words, they are putting the first law of nature into active operation and hiding their possessions. They may be, and probably are, hoarding legal tender in the direct way of storing it away in hiding places, so that the levystis may not be able to discover what they are actually worth, or they may be buying forms of wealth that are easily concealed. Everyone knows that large numbers of people are buying diamonds and other precious stones that are very easily hidden, and this is one reason why the prices of precious stones have risen greatly all over the world and why diamond shares are rapidly rising in market value.

#### EVIL CONSEQUENCES.

This, then, is one of the results of the demand for a levy on capital—the consequent creation of alarm and the undermining of confidence. Human nature is human nature, and by creating the fear of injustice through the paralysing of thrift, self-denial and of savings the output of wealth in the country must necessarily be affected. If people

thereby fear to lend money to the Government, and the Government has to borrow from less desirable sources, with all its evil consequences to the community, it must increase the burden of living in more ways than one. Dearer Government borrowing means heavier taxation to meet the interest on the debt and heavier indirect taxation through its effect upon capital and upon the prices of commodities.

#### THRIFT AND JUSTICE.

How are the working classes to avoid the consequences of this? If they clamour for a levy on capital they must be prepared and be willing to face the consequences of it. They cannot rob thrifty people of the fruits of their self-denial without perpetrating a grave injustice which will bring great bitterness in its train and be long-remembered. And if they force such people to be misers and to resort to all sorts of devices in a highly civilised community—devices that are practised in more primitive countries—to conceal their savings, which they have amassed against old-age impotence, they must necessarily aim a blow at morality and place a great barrier before moral progression.

All this is quite apart from the very doubtful practicability of such a levy and the disputable benefits that would result from it.

### 15.—Security of Capital

A LEADING professor of political economy wrote as follows in a work published by him before the outbreak of war: "Security to enjoy or to dispose

of the fruits of saving is a necessary condition to the creation of capital."

This is as true to-day as it has ever been, and it will always be true. Destroy security and you destroy capital, destroy capital and a country goes speedily to ruin. And if a country is ruined, what are the consequences? Poverty, distress and wretchedness. If no man can feel assured that his savings will be safe, he will not accumulate them. And if capital is not accumulated what will become of trade and commercial enterprise? They will go to the dogs, and those who are supported by trade and enterprise will go to the dogs too.

#### THE GOSPEL OF CAPITAL DESTRUCTION.

There are people in this country who desire to destroy this security, this foundation on which prosperity is built. These people, who are known to all of us, make it the gospel they preach to the working classes. Destroy capital, they say, and you at once destroy greed. Destroy greed and you automatically, or by force, make people unselfish. Bring all down to one common level of living and you will create universal contentment, Bring about universal contentment and the millennium is here. We shall all live more lovingly and self-sacrificingly than brothers and sisters live. We shall then put into practice the perfect teaching of loving one's neighbour as oneself.

It is all very beautiful as an idea and we should be attracted to it more if the preachers of it practised it in their own lives. But when they deliberately starve the poor, the helpless, the innocent, the widow and the orphan, we see at once

how difficult it is to rise to this spiritual height of living.

### CIVIL HATRED AND CIVIL WAR.

The first object of their crusade is to destroy the capitalist, and the method of destroying him is to strike. That is to say, the worker is to destroy the capitalist by means of starving himself, his family and his neighbour. He must put hatred into deadly execution before he can bring himself and others into the right condition for expressing love. We must wage deadly war on each other first, because that will give the survivors the perfect chance of bringing about perfect peace. Those who destroy themselves in the warfare will have the satisfaction of knowing at the moment of death that they have destroyed themselves in a noble cause, a far nobler cause than fighting a ruthless, ferocious enemy on the battlefield.

It is a mighty task indeed to destroy the capitalist, for you must destroy the hundreds of thousands—nay, the millions—of men and women who are the real capitalists, the thrifty people who have saved and invested their savings in the colliery industry, in railways, and in enterprises of every sort that have provided employment for men who would otherwise have starved. They have risked their savings in this wise that others might be able to live. When we have destroyed these we shall have destroyed a considerable part of the populace, not an idle part, but a thrifty and a still working part, and if they are able to exist they must exist in lower conditions of life.

These hundreds of thousands of people are consumers as well as producers, and if you destroy

them you destroy the demand that is one of the forces for producing wealth. What is the use of starting any industry to produce some commodity that the public will not consume, for which there will be no demand? Will that produce wealth? But capitalists run the risk of starting such industries and giving employment to many, and if the industries end in bankruptcy, are the capitalists to blame? The public are to blame, because they will not consume the products.

Capital, therefore, is dependent for its remuneration upon the community, and as the working classes form a considerable portion of the community they can destroy capital in a more effective way than by striking. They will have to risk starvation before they can destroy thousands of capitalists, for these capitalists can wait till the strike is over, and when the industry restarts will be able to make up for lost time. For the demands will only have been in abeyance, and in a depleted market prices will rise, and so in the end the capitalists will not lose. But if, instead of striking, the working classes will deny themselves and refuse to buy anything produced by a certain industry, and deny themselves for a great length of time, they can hope by patience to bring that industry into a state of insolvency. But we cannot feel that the working classes will practise this self-denial. They cannot rise to it. But if they could they would have the satisfaction, not of absolutely destroying, but of bringing some loss on a very limited number of capitalists out of a vast army of capitalists, and they would do vastly greater injury to those who are employed in that particular industry.

## THE OPPONENTS OF CAPITAL.

Opponents of capital profess to be waging an ideal campaign for the most noble ends, and the rebels, as they call themselves, and the youthful extremists are the saviours of humanity. Would that we could all be ardent altruists of this rare order !

There are great patriots in our midst, members of Parliament and non-members, who have so deep a love for their brethren (no matter what bereavements or losses they may have suffered) that they would reduce their neighbours' means of livelihood by taking a portion of their capital. They would take it for the benefit of those who have earned big wages on war work during the war and spent them, and who have faced no risks on the battlefield. They who earned these wages and spent them and are now living on the taxpayer, are, they themselves consider, far worthier citizens than the widows who have lost their sons or the wives who have lost their husbands or the orphans who have lost their fathers. We must have a levy on our possessions for their worthy sakes lest we incur their resentment and wrath, and maybe lose their honest votes.

## 16.—Should the Bank of England be Reformed ?

THE question of nationalizing the Bank of England or compelling some changes in its constitution, has often exercised the minds of the observant and

reflective, and it is possible that some reforms may be instituted in the future.

To raise the Bank of England rate in these days undoubtedly increases the difficulties of the Government in raising loans, and tackling the other problems it has to face.

#### THE MENACE OF THE FLOATING DEBT.

Our floating debt is growing apace. And not only is it growing apace, but we are paying more dearly for amassing it. The Government is embarrassing itself by increasing its burdens in twofold fashion. It is not only increasing the debt by its method of borrowing, but the debt is piled higher by the heavier interest paid upon it. If the Government could borrow more cheaply than the pile would grow at a much slower pace, but the pace is quickened by the higher interest. And all this means piling heavier burdens on the stooping shoulders of the taxpayer.

This floating debt must be funded. How is it to be funded at a moment when a most serious and unnecessary blow has been dealt to the credit of the country? For the action of the Bank directors in raising the Bank rate, with or without the sympathy of the Government, has weakened our credit at a critical moment.

#### THE SLUMP IN GILT-EDGED SECURITIES.

How is the debt to be funded at the moment of a serious slump in our War Loans and in gilt-edged securities generally? We have seen the 5 per cent. War Loan slump to under 89. Is the Government indifferent to its promise that the price should not be allowed to fall below 95?

How can the Government expect to raise a loan on other than onerous terms with first-class securities yielding 6 per cent. and more? How can it raise a loan when patriotic investors have seen, in helpless fashion, this sort of reward for their patriotic response to the needs of the nation? This slump, when there was no justification for the capricious action that produced it, has weakened confidence; and how can the Government hope to appeal once more to those whose confidence has been destroyed?

#### HOW IS THE FLOATING DEBT TO BE FUNDED?

How shall we fund our floating debt? By issuing a 6 per cent. Loan? A 6 per cent. Loan in the days of peace? It is said that the Bank rate was recently raised partly to stop speculation; in other words, to stay greed. Shall we stay greed and then gratify it by a 6 per cent. Loan? Instead of suppressing greed a high Bank rate serves to feed and stimulate it. By raising the price of money and of interest you act in the interests of the selfish. If we could bring down the rate of interest to the pre-war level—that is, improve our credit to that extent—should we not have greater power over greed and selfishness, limit them, than if we encouraged them by raising their expectations? A superficial knowledge of human nature would teach us this—the more we gratify greed the less are we likely to give it satisfaction.

There could be some hope, perhaps, of easing our problems by the issue of premium bonds. It would go some way to remove the fear of failure if we issued a loan at under 6 per cent. It would also lessen the fear of a further slump in securities

and a further destruction of confidence which would result from that slump. But whether we have a premium bond issue or not we must have a funding loan, and we must make sure of the success of that loan before it is issued.

Suppose it be another failure? This must be seriously contemplated. If the loan be a failure, what will be the consequences? The question has only to be put to the serious-minded to help them to imagine the gravity of the situation before them.

#### BANK RATE'S CRIPPLING EFFECT.

If it were necessary to stop speculation other methods could have been tried. No bank rate, however high, can stop it, whether it be speculation in stocks or speculation in goods, whilst the arbitrary effort to stop it is made at infinite cost to the community in these times and at infinite embarrassment to the Government.

As for the foreign exchanges, we have only to point to the unfavourable course of these since the rate was raised in order to point the moral.

## 17.—Bank Rate and the Gold Standard

CAN a rise in the Bank of England rate nowadays speed the restoration of the gold standard? The answer to this question must be an emphatic No. It will probably be many a year—perhaps a decade or two—before we can hope to restore the gold standard, and the Bank of England rate cannot hasten its restoration, because that sort of

machinery is obsolete. It was effective in normal conditions in maintaining the standard, and was only conceived for normal conditions, but in the abnormal conditions of to-day we must have quite new and not rusty, creaking machinery. In other words, new conceptions and new inventions must keep pace with financial, social and economic evolution.

#### THE CHANCELLOR'S IDEALS.

Let us recall in this connection the replies given by the Chancellor of the Exchequer to questions in the House of Commons concerning the raising of the Bank of England's minimum and the rates on Treasury bills.

One of the questioners was Mr. J. H. Thomas, who asked the Chancellor if he connected the increase in the Bank rate with the increased rate on Treasury bills or with the gamble taking place on the Stock Exchange.

Mr. Chamberlain answered as follows: "The rise in the Bank rate was made in view of the general financial conditions, and the Governor of the Bank of England convinced me of its necessity. It was made before the second rise in Treasury bills. Owing to the immense amount of short-term borrowings by the Government no rise in the Bank rate would be effective for the purpose for which such rise took place unless corresponding action was taken by the Government in respect of Treasury bills."

#### THE BANK DIRECTORS' DREAM.

In reply to a question by Mr. Bottomley, the Chancellor of the Exchequer said the rise in the

rates of Treasury bills was inevitable if the raising of the Bank rate, of the necessity of which the Bank of England was convinced, was to be effective. The hon. member was mistaken in thinking that the raising of the Treasury bill rates, which was posterior to the rise in the Bank rate, caused the rise in the Bank rate. The estimated debt charge in 1919-20 should cover the extra cost of the Treasury bills. *Any additional cost to the Exchequer in the current financial year would be repaid many times over to the nation and to the Exchequer if the steps which had been taken succeeded in reducing inflation and led to an early restoration of an effective gold standard.*

Is this, then, the real cause of the rise in the Bank rate? Is the ground for it nothing but a dream? "If" the step succeeds to an early restoration of the gold standard the nation will eventually, at some dim and distant day, be repaid the cost of it. That the cost of it will be dear, appallingly dear, has been made abundantly and incontrovertibly manifest. But there will come a day when we shall have our gold standard back again by the magical charm of the Bank rate, and all our sufferings will pass away as a spell passes, and if not we, then our children, will bask beneath the warm and genial rays of that golden sun that we have missed so long.

#### THE GREAT DOUBT.

"If." Yes, that "if" creates doubts. It may or may not come to pass. Anyway, one thing we can do. We can drag out the old machinery, try to remove its rust, examine the cogs of it, coat it over, perhaps, with some metal-plating, set it

up where it used to stand, and turn the wheels again and see what will happen. Will it creak? Will it collapse in its efforts to control circumstances and conditions vastly more complicated and difficult than it was originally designed to control? Or will it revolve and do nothing but harm? Or will it merely beat the air and not alter the currents of it by so much as a hair's breadth?

#### DEFLATING CURRENCY BY INFLATION.

It is to reduce inflation. This is to be done first of all by inflating the interest paid on borrowing. And by inflating the interest on borrowing it will inflate the currency. This will be followed by inflating the interest on the next Funding Loan. This in its turn will be succeeded by depreciating the credit of the country. And this is the direct way to the restoration of a gold standard which is to be the effect and evidence of deflation!

We are to help to right the exchanges by making dear capital dearer, and thereby raising the cost of production, and justifying a still greater clamour for a rise in wages. In this way must lie our hope of increasing our exports, and, therefore, of restoring a state of equilibrium in our international commerce! By raising the cost of production, and by raising still higher the level of wages, we are to reduce the demand for currency to meet these higher charges, and by reducing the demand for currency, we shall deflate the currency!

#### ASTONISHMENT OF THE UNSOPHISTICATED.

It may seem to the unsophisticated an astounding way of deflating the currency, correcting the

exchanges, expanding our export trade, and drawing a stream of gold into the Treasury and the Bank of England, but the unsophisticated has not the opportunity of looking into these mysteries. He must take a great deal on trust and confide in those to whom they are not mysteries.

Yet the unsophisticated naturally wants to know why there should be any doubts about it; why the word "if" should be thundered at him when he makes his humble inquiries.

#### WHAT THE FIRST STEP SHOULD BE.

Well, let the unsophisticated be told once and for all that this is neither the direct nor sure way to "an early restoration of an effective gold standard." The first step to take is to improve our credit. Any step that will damage that credit is a false step if done ignorantly and a foolish step if done by those who should act more thoughtfully, discreetly and wisely. The way to improve credit is to lower, not raise, the cost of borrowing and the rate of interest. And the lower it is reduced so it will help to reduce prices. And if prices are brought down less paper currency will be needed, for low prices and inflation are irreconcilable conceptions. We cannot conceive of inflation without high prices. The one is the concomitant of the other.

#### HIGH PRICES AND EXPORTS.

If, then, high prices are an obstacle to an expansion of our export trade and low prices are an encouragement to it, how can we hope to turn the exchanges in our favour by means of high

prices? And if we cannot turn them in our favour—they have gone rapidly against us since the rate was raised—how are we to attract a stream of gold here? And if we cannot attract that gold how are we going to restore an effective gold standard “early”?

Well, we cannot do it with this obsolete machinery. We can feel a certain amount of pathos for the directors of the Bank of England in clinging to that which they have long revered, which has many traditionary associations; we can imagine how painful it must be to them to see it ruined absolutely through lack of use. But having brought out once more and tried once again the old mechanism and found it wanting, useless for up-to-date requirements, it would be wise to put it back, to cover it reverently with old sack-cloth, and to shut the door on it till—the old pre-war times are restored. Only this is not the machinery that will now hasten its restoration. We must try the machinery of trade and credit first.

## 18.—The Price of Gold

FROM the point of view of the shareholder in South African gold-mining companies the price of gold is of great importance. This, of course, is obvious to all, for gold is the only commodity they produce, and the better the price they can get for it the bigger profits will the companies earn. But it has a far wider interest than this. It is of national and international importance and is a matter that concerns individual citizens, whether

they possess Kaffir shares or not. It is a question that can be regarded from many points of view, for it is one of deep complexity.

#### A COMPLEX PROBLEM.

The question is, of course, greatly complicated by the abnormal conditions that are the outcome of the war. Little did we dream before the war that the change would be so fundamental as it is. Before the war we could boast that we were the creditor nation of the world. And we boasted that Great Britain was the only free market for gold. But these relationships have been altered greatly. Although we are still a creditor nation, particularly to our former Allies, nevertheless the position has been reversed towards the United States, to whom we are burdensomely indebted.

There is no need to explain here at any length why we are indebted to America, for intelligent citizens know clearly why it has been brought about. We have been compelled to borrow heavily in the United States in order to buy munitions and other necessities from that country. And this debt is hanging round our necks like a millstone, and will hang there for many a day to come. When we shall be able to get rid of it no seer amongst us can predict. It is this debt to America that is much more serious than our internal debt, huge as it is. "What worries me most," said Lord Milner—and most reflective, deep-thinking men will share his worries—"is not all the thousands of millions we owe to ourselves, but the thought of the much smaller number of millions which we owe to other countries."

### MACHINERY FOR CONTROLLING EXCHANGES.

In the old times, when conditions were normal and familiar, and when exchanges moved against this country, it was easy to cope with those conditions and to control them. This was done by the simple process of raising the Bank rate. When exchanges moved beyond what is called the gold point it was cheaper to send gold abroad to meet indebtedness than to send remittances. But when a lot of gold went and depleted the Bank of England's reserve unduly the machinery of the Bank rate would be put into operation. This automatically raised the rate of discount and of interest, and if this was raised above the level existing in other countries then it caused a flow of money from abroad to earn this higher rate of interest, for money will always flow to the most profitable market. As the stream of money flowed here, and as money already here was retained here to earn the higher rate of interest, the exchanges were automatically affected and reversed. And when they became normal or favourable again the Bank rate was lowered.

### BANK RATE IN ABEYANCE.

But owing to the circumstances produced by the war, this machinery of the Bank rate has been practically in abeyance. We have had to attract foreign money here by other means, such as offering special rates of interest on foreign deposits and by making our War Loans as tempting as possible to foreigners. The machinery, too, has been affected by the embargo on exports of gold, with the exception of Government exports,

for the Government has had to send a great deal of the metal abroad to meet its own obligations. But on private exports there has been an embargo, and this is still in force. That is to say, gold can no longer be taken from the Bank of England for private export abroad, except by licence. In other words, our free gold market no longer exists.

#### EXISTENCE OF GOLD MINES THREATENED.

Until just recently the gold produced by the South African mines had to be sold to the Bank of England at the price of 77s. 9d. per ounce standard, and the gold producers were not allowed to sell it at a better price in the open competitive market. As in all other parts of the world, the cost of labour, materials and so forth has greatly increased in South Africa and cut down appreciably the margin of profit at which the mines can work. The richer mines have been more or less seriously affected, while a large number of the poorer mines—the low-grade mines, as they are called—have found it impossible to work at a profit on the old price for gold. They had, therefore, either to work at a loss or to shut down. In order to enable them to continue working, even at a small profit, the producers presented their case to the Government and asked the Government to allow them to sell their gold in the open market, which was particularly favourable to them, because of the unfavourable state of the exchanges. After lengthy negotiation and discussion, the Government granted them the privilege, and for some weeks past the gold has been sold in the open market at a substantial premium.

## KEEN COMPETITION FOR GOLD.

The chief competition for the gold has been on American and Indian account and the bulk of it has gone to these two countries. Some of it has gone to the Continent, to other parts of the Far East and to South Africa, but more has probably gone to India than elsewhere. It is now sold as fine gold and not as standard and the equivalent statutory price of fine gold on the basis of 77s. 9d. for standard is 84s. 9d. per ounce. And, at times, it has fetched in the market over £6 an ounce.

This higher price, needless to say, has been of great benefit to the South African mines. It has enabled poor mines to keep going, because they can now work at a profit, while it has enabled, and will enable, the richer mines to increase their profits and to distribute larger dividends.

But, as afore-mentioned, the problem is a complex one, and the effects and consequences are necessarily complex.

## 19.—How Long will the Gold Premium Last?

IN the preceding chapter some idea was given of the complex relationships between the price of gold and the foreign exchanges. In a little space it was possible only to deal cursorily and superficially with this profound subject, a subject that lends itself to illimitable discussion. Indeed, it is a theme upon which profound differences of view are held by experts. But it is—or should be—at this moment of great interest to the man in the

street, for it has more effect upon his individual welfare, and will have more effect upon it for a long time to come, than it has had during his life up to now.

#### EXCHANGE MOVEMENTS.

Before the war turned the world upside down and had so revolutionary an effect upon international relationships, we were able to go along comfortably without worrying ourselves about the economic effects upon living of adverse foreign exchanges. For these exchanges always moved within narrow limits, were often more in our favour than against us, and could always be controlled by putting into operation the simple machinery described in the previous chapter. But this machinery was not absolutely fitted for times such as we are now experiencing, and so useless is it to meet some of our exigencies and to remove extraordinary difficulties, that it is practically obsolete. For a very long time the Bank rate stood at 5 per cent., but at this figure it could have little or no control over the foreign exchanges. These exchanges were controlled during the latter part of the war by artificial means—that is to say, by measures taken by our own and other Governments. Such control could, of course, only be temporary. It was foreseen that the moment must come when control must be removed—when the exchanges must be “unpegged,” according to market language—and be left to their own devices; in other words, to the operations of the law of supply and demand.

Now that they have been “unpegged” and left to the free play of the well-known economic law,

we have seen phenomena that have given abundant food for study and reflection. The most effective way of controlling exchanges is to comply with the supreme law of supply and demand ; to export more and import less ; to practise more thrift and self-denial.

#### THE BANK RATE AND ADVERSE EXCHANGES.

While there is an embargo on gold exports in this and other countries, it seems useless to raise the Bank of England rate in order to turn adverse exchanges in our favour, for the flow of gold in either direction would be too little. The stream could not be of sufficient volume greatly to influence the exchanges, certainly not permanently. The Bank of England rate may be advanced to accomplish other purposes and in this way indirectly to influence unfavourable exchange, but this indirect method must at the best be necessarily a very slow one. There is but one quick method and that can be put into practice only by the producers and consumers of the country in the way indicated above.

#### OUR VAST LIABILITIES.

If we had a great mountain of gold lying idle and useless somewhere in this country and could ship it all to America, it might turn the American exchange rapidly in our favour. We could liquidate our indebtedness with it and allow the position to get back to something like normal. But we do not possess such a resource. We really only have a little bit of gold to set off against our enormous internal and external liabilities—for we

must not overlook our liabilities in the shape of our immense paper currency—and this little bit we have to guard and preserve with most zealous care. We must eke it out, as it were, and that is why there is an embargo on the private export of it.

As the gold produced by South African mines is now allowed to be sold in the open market, it goes abroad. So far as it is concerned, therefore, there is no embargo upon its export. That has been removed. It does not flow, as has been said, into the Bank of England to swell its reserve, which it otherwise would do, and in that way we can say it indirectly affects that reserve—but, being sold for export to creditor countries, it must influence favourably to some degree the exchanges that are against us.

#### WHY STERLING IS DEPRECIATED.

Take the most important exchange—the New York exchange. The man in the street knows that the pound sterling has so depreciated in value, owing to the fall in the exchange, that it is worth only 15s. or so in the United States. That is to say, a sovereign in the United States can buy only 15s. or 16s. worth of goods there; therefore, we have to pay correspondingly heavier prices for our necessaries in the shape of food and raw materials from America. At this or any autumn season of the year we have to buy more wheat and other vital goods than at any other season, and it is quite possible that, if large amounts of gold had not gone to the United States in recent weeks, the pound sterling would have depreciated still more in value. But our indebtedness to the

United States is so vast and our dependence upon that country for vital commodities is so great, that it will, in all likelihood, be a very long time—maybe many years—before we can hope to see the American exchange come near to the normal.

If only the working classes of this country could be sensible and intelligent enough to look after their own interests they would work hard to produce and to export. What a great task is before the nation to educate and enlighten us all and to teach us wisdom!

#### PREMIUM WILL PROBABLY CONTINUE INDEFINITELY.

Regarding it as a certainty, therefore, that the American exchange will stand at such a figure for an indefinite period of time as will command a more or less substantial premium on the price of gold, it follows that the gold mines of South Africa will reap this premium harvest for a long time. We should all like to see our indebtedness to America liquidated as early as possible, but how are we to do this? The nation is not in a position to perform wonders that will stagger the world.

Those, therefore, who contend that this premium will last but a little while base their views upon hazardous hypotheses, for India is taking really more gold at the moment than America; and there are other countries, potential buyers, nearer to our shores in Europe. They have been buying already; and there are other parts of the Far East where gold has gone.

We may not sigh and yearn for a boom in Kaffirs; but we may face facts, and the facts are big.

### MINT AND REFINERY FOR THE UNION.

Furthermore, all the world knows of the desire and the movement for establishing a mint and refinery in South Africa itself. Will not this help to place the market for gold on a permanently satisfactory basis? It may take a year or more to accomplish this, to set up the mint and refinery, but what is a year or more in the history of the gold mining industry, especially if during that period conditions continue as favourable for the sale of gold as they are now?

## 20.—Investors and the War

It is advisable to make it as widely known as possible how investors, in a general sense, have lost heavily since the outbreak of the war. A general impression is abroad, and it is a very strong impression amongst the labouring classes and their mentors, that the bulk of investors, who are falsely called unscrupulous capitalists, have, as a mass of individuals, made a great deal of money on the Stock Exchange. It is said that this money has been made out of the war, that it has been made at the expense of other people, that it is purely ill-gotten gain, that it should be disgorged, and given indirectly to the working classes, who have gained nothing at all out of the war, either in higher wages or in substantial bonuses.

### GILT-EDGED SECURITIES.

But it would be absorbingly interesting to learn from even the most reputable leaders of the Labour Party precisely how investors as a body

have gained. They have suffered enormous depreciation in high-class securities, and there is no hope whatever of an appreciation in these for many a year to come that will restore prices to the pre-war level. Take the case of the tens of thousands of people in this country, who, previous to 1914, had invested all their savings in Consols, the premier security in the world. Thousands of these people bought Consols at over 100, many thousands more bought them in the 90's and others somewhere in the 80's. How have they fared by a depreciation in Consols to the 50's and the 60's. ?

#### THE LOSSES ON HOME RAILS.

Consols are taken merely to provide one illustration. All other first-class Government securities have suffered in precisely the same way. And so it has been in every market—Corporation bonds, Colonial and Foreign Government securities, Colonial and Foreign Railway securities, and so forth.

And what about Home Railway stocks? They have slumped heavily, and would have slumped still more, but for the Government guaranteeing dividends. Hundreds, if not thousands, of widows who were dependent for their existence upon securities purchased with savings or with life insurance money are now living in penury and destitution. They have nothing to hope for in this life, and have to endure the corroding anxiety of making ends meet on a bare pittance.

Let us not be hypocrites and mince matters in a pusillanimous way. Let us tell it forth in simple language, for the facts are known, that

their terrible losses have driven many into asylums and more on the poor-law. And these are your bloated capitalists, who deserve no mercy!

Tens of thousands of industrious, worthy and respectable working people who in the past invested their savings in Consols or Local Loans have seen 50 per cent. of their capital disappear and 6s. in the £ deducted from the tiny interest they receive, and have to go through all the trouble and delay of getting the whole or a portion of it returned to them. How large is the multitude of these old people who are living in hopeless despair to-day?

And with soaring prices and heavy taxation those who deny themselves in order to save and to escape the workhouse when they are too old and enfeebled to work, must now carry on till they succumb, for the margin that remains for saving is so attenuated. And when the youthful extremists of to-day also become old and live on the old age pension they will suffer, too, for they will find that the old age pension will not go far, because their exhaustless demands have raised prices to appalling heights.

#### EFFECT OF MINIMUM PRICES.

Let it be remembered that, for a couple of years or so, investors had to look on hopelessly while the prices of their securities fell, because they could not sell. They could not sell because of the artificial condition of the market, brought about by the minimum price rule. And when 6 per cent. Exchequer bonds were issued the destruction of their capital and wealth by depreciation was greatly accelerated.

### LOSSES CAUSED BY THE WAR.

The war has been responsible for these losses. Had there been no war there might have been no depreciation at all. In order to give a faint idea of what has happened during the past five years the *Bankers' Magazine* has compiled useful tables. Each month this magazine gives a list of representative securities and makes a calculation of their value, showing the extent to which they have appreciated or depreciated during the preceding month. In order to show the war-time depreciation in 108 representative fixed-interest-bearing securities, *The Times* has published a table showing how these have depreciated in value since July, 1914.

In the five years up to 20th October, 1919, the depreciation in these 108 securities was no less than £555,000,000. The figure represents the losses suffered by holders. And these are only 108 securities. What would the aggregate loss be on a much larger number? When these tables were published they vastly astonished even the City, for it was not generally realised, even in financial circles, that the depreciation had been so colossal. No wonder the contrary impression reigns in other spheres, where the delusion is nursed that the gains have been stupendous.

### HOW THE WAR RAISED INTEREST.

In order to borrow money to carry on the war the interest offered by the Government has had to be raised. This we all know. If, therefore, pre-war securities yielded 3 per cent. the price of these had necessarily to fall to a level in the market which would give 5 per cent. or more, and that is why a 2½ per cent. security, like Consols, has

fallen so heavily. Home Railway stocks have fallen so substantially, too, that many of them can be purchased to-day to yield 8 per cent. and more. In this manner, then, the war has damaged the nation's credit, and if tens of thousands of deserving people have suffered, while thousands of others have gained by the receipt of higher wages and bonuses, on what sort of justice do the latter claim that the other sufferers should be penalised still more by yielding up a portion of the remnants of their capital in the way of a levy upon it ?

## 21.—How Investors' Capital Benefits the Working Classes

MANY delusions reign to-day in the minds of all sections of the populace. We are warned daily by preachers—economic, financial, social, political and religious—that this nation, and practically the world, is living in a fool's paradise. So often have we been told this that many people no longer pay heed to it, and we accordingly see them indulging in all sorts of extravagances, and throwing away money on selfish pleasures. They are heedless of the morrow, and heedless of how their extravagance burdens other people by forcing up prices.

We are witnessing to-day great activity in another direction. Instead of spending their money on luxuries and unessential things, we also see people helping the various industries of the country by subscribing to new issues of capital. But here we come up against a delusion which this phase of activity has created. It is the

delusion that this enterprise on the part of prudent investors is pure speculation, and it is confused with the real sort of gambling that has been witnessed in one or two sections of the Stock Exchange. It is well, therefore, that people who labour under delusions of this kind should have their minds disabused, and that they should not do mischief by spreading abroad false conceptions and impressions.

#### MISLEADING IMPRESSIONS.

For instance, newspapers have conveyed wrong impressions by flaring headlines about a speculative boom when referring exclusively to the large number of new companies and new issues that have recently made their appearance.

There has been, certainly, a considerable amount of speculation recently in Oil shares, and in some of the sub-sections of the Industrial Market. But it is misleading to convey the impression that, by subscribing to new issues of capital, all England is throwing money at the Stock Exchange; that this kind of investment activity constitutes a boom in the City, and that this is the direct and sure way to get rich quickly.

If a large flow of savings into industrial enterprises is a boom at all, it is not a boom in the City. It is a boom that is kingdom-wide. A boom in the Stock Exchange is sometimes, but not invariably, an outburst of gambling in a market where speculators try to make money at other people's expense, precisely as they do when they bet on horses and win or when they play in the gambling-den. That is to say, they gamble on chances. The winner takes money out of the pockets of the loser, and

the loser goes home sometimes, and sometimes not, a wiser and a sadder man.

Now where is the similarity between this sort of thing and subscribing to a new issue of Preference shares in a sound, promising or established undertaking? If an individual subscribes 100 Preference shares in Lever Brothers, how does the money go to the Stock Exchange? Do the directors take it there and speculate with it or pitch it on the floor of the House so that brokers and jobbers may unseemly scramble for it? Or does the money go to the development of a prosperous soap manufacturing business and give employment to working men and working women?

#### A GREAT VARIETY OF ENTERPRISE.

If another person takes up shares offered by a new or an old insurance company in order that the company might have more capital to develop its business, how does it at one and the same moment flow into the Stock Exchange? Has money some miraculous properties that enable it to flow in two opposite directions at one and the same time?

If a film-making company issues shares in order to build studios and all the appurtenances connected with motion-picture production, and the public subscribe to the capital of it, does the money flow into the Stock Exchange or into the pockets of workmen, artists, actors and the crowd of people employed in this popular business?

Are Lever Brothers' factories in the City? Are cinema studios in Throgmorton Street? Is a brickfield situated near the Bank of England? Does a fishing company fish in Cornhill? These are two or three of the enterprises that have been

appealing for capital to establish their businesses or to extend their trade. And is this sort of enterprise good for the country or bad? Does it provide more work for the already employed or the unemployed, or not? And does it help, or not help, to increase production, which is so necessary for the expansion of our export trade and for helping to move the exchanges in our favour?

#### INDUSTRIAL ACTIVITY BETTER THAN STAGNATION.

The boom, if there be a boom, is in industry, and that is something to be thankful for. It is far better than stagnation. And these new shares are not immediately dealt in on the Stock Exchange. And even if they were immediately dealt in—that is, bought and sold—that would not constitute a boom in them. Nor would it follow that there would be any speculation in them. People might buy them for investment, but investing in a share is not gambling in a share.

All England, then, is not throwing money at the Stock Exchange. To talk like this is to talk foolishly. If it were flung at the Stock Exchange, how could these varied enterprises have it and use it? It certainly flows into the coffers of the banks, but it is not pitched there, and the banks will only keep it temporarily. And if the banks have it and it is amongst the liquid assets of several companies, how can it at the same time flow out of and into the pockets of gamblers and speculators inside and outside the Stock Exchange?

#### THE RISKS OF BUSINESS.

And how are the subscribers to industrial issues going to get rich quickly, especially when such

enterprises have to be developed? But whether success or failure attends industrial enterprises working people will find employment and will be provided with a living.

#### HOW WEALTH IS CREATED.

Pure gambling does not increase the wealth of a nation, but the flow of money into trade and industry does increase it. And if people invest their money rather than spend it in luxuries or in other unproductive ways, they are benefiting the nation. But there are some folk who would punish them for this. And all that investors as a great body can do is not to help give the penalisers the opportunity of perpetrating such cruel injustice.

## 22.—Adverse Exchanges and Investments

THE Man in the Street hears a great deal nowadays about the foreign exchanges—more than he has heard before—and he will hear considerably more about them for many a day to come. He is vitally concerned in the foreign exchanges, for his comfort and his well-being are intimately related to them. Therefore he cannot know too much about them, nor study them too closely, nor watch too alertly how they affect his private affairs.

They affect conditions on the Stock Exchange, in the Money Market, as well as industrial and trade conditions, and they directly affect that state of confidence and repose on which national prosperity is so greatly dependent. If the foreign exchanges are against this country; it simply means indirect heavier taxation by raising prices ;

if they are in favour of this country, they mean that the cost of living and other burdens will be lighter. The dearer living becomes the less surplus will the individual possess for investment, and the fund for capital purposes in the country will be correspondingly less. Trade and industry, therefore, must suffer, and there must necessarily be more unemployment.

#### LORD MILNER'S WORRIES.

Before the outbreak of war there was little need for investors or other people to worry themselves about the foreign exchanges. These were almost universally in favour of Great Britain, for other countries were more indebted to us than we were to them. But the war, of course, has produced a fundamental change in the world position, and particularly in our relationships to the United States. There is no need to expatiate at any length upon our borrowings in America and our heavy indebtedness to that country. Unless America is generous enough to wipe this debt off the slate, as has been suggested, and make a present to us of all the money she has lent to us, this indebtedness will be a great burden to us for many a year to come. And Lord Milner said—and all wise and reflective folk will agree with him—that he was more worried over our debts to others—meaning principally the United States—than he was over our own national internal indebtedness. It certainly is a much more anxious obligation.

#### OUR EXTERNAL DEBT.

This external debt, with its influence upon exchange, is of paramount importance to us. If

we were less dependent upon America for food and raw materials it would be less of an anxiety, but so long as our dependence for these essentials is very great, so long shall we suffer from an unfavourable exchange. Hence the urgent, even vital, necessity for greater production at home in order that we may have a greater surplus of goods to export to America, and that it may help to bring prices down and make living cheaper. The effect of this would be incalculable upon the trade and commerce of the country, and this happy effect would have a most favourable influence upon conditions on the Stock Exchange.

#### EFFECT UPON CONFIDENCE.

It would have this favourable influence because it would strengthen confidence, and confidence is the foundation upon which all prosperity is built. But unfavourable exchanges tend to weaken confidence in many ways, and chiefly by promoting unrest amongst the working classes. Unfortunately, the bulk of the working classes are too ignorant to understand these causes and effects. They thus become easy prey to the glib-tongued, sophistical agitator, who attributes these higher prices solely to profiteering. To the intelligent man it is as clear as noon-day that a rise in wages must necessitate a rise in prices, because a rise in wages increases the cost of production, and as unfavourable exchanges increase the cost of necessitous purchases in America, they have practically the same effect upon the cost of production as does an advance in wages.

## THE EXTREMIST'S SOPHISTRY.

However, if the extremist and revolutionary convince the working classes that the exchanges are worked by the capitalists for their own ends, and that the latter raise prices to gratify their greed, then it leads to constant unrest, to demands for higher wages and to constant strikes. And all these consequences must necessarily weaken confidence. The economic ignorance of the average working man is so appalling that he acts against his own interests and in the interests of the capitalist by working less and producing less, and therefore exporting less, thereby refusing to help to right the unfavourable exchange position. And it seems hopeless to try to enlighten him except by ceaseless, untiring propaganda, and this is one of the urgent needs of the hour. It is the only way to fight the revolutionary at whose orders the working man limits his output, creates unemployment and adds to his own domestic troubles and burdens.

Ministers and authorities in every walk of life preach the gospel of greater production and greater thrift. There is no clap-trap in this preaching. It is the economic and the most serious gospel of the day. It is the way, and the only way, to economic and financial salvation. We must import less. This is grave counsel to the extravagant amongst us. We must buy food and raw materials, but we can greatly reduce our purchases of non-essentials and of luxuries. There is, however, a careless, indifferent spirit abroad, which is having unfortunate results. It helps, in the first place, to keep exchange against us, and, in the second place, it helps to feed industrial

unrest and agitation. Propaganda work, therefore, is just as necessary amongst these heedless, prodigal people as it is amongst the working classes.

#### STRIKES AND THE EXCHANGES.

Strikes in this country reduce exports, because they limit output and production and so provide less goods for selling abroad. At the same time, they tend to increase imports, for consumers then have to buy from other countries what they cannot buy here. They, therefore, help to make the exchanges still more unfavourable. Strikes in the United States have the contrary effect. They restrict imports from that country and increase exports to it, so that we may regard such outbreaks with some complacency. They help to move the exchanges in our favour. But, after all, these must, in the nature of their cases, be temporary phenomena. Permanent factors and cures are permanently increased production and decreased purchases, until we can bring about a state of equilibrium, but owing to our heavy indebtedness to America, it will be a very long time before we can do this, even if we have no more strikes.

### 23.—A Capital Levy

SHOULD certain people have their own way, and should the Government decide to penalise capital by imposing a levy upon it, it will be the concern, not solely of the investor and of the so-called capitalist, but the concern of each one of us, rich and poor alike, and only paupers need not worry about it. The extremist, in his dark and stark

ignorance, imagines that it will hurt only that illusive individual he calls a capitalist, and he rejoices that he is going to make that individual pay.

But in this business we are all capitalists if we possess wealth in the shape of furniture, jewels and so on, and though a line may be drawn at an arbitrary figure—say, £1,000 or £2,000—below which no levy will be made, it is supposed that every man Jack of us and every woman, too, will have to render an account of all he or she possesses so that somebody may be able to make a valuation of it.

It is quite possible, of course, for an expert to drop in one's house and take a hasty glance at the furniture and appraise its value and say it is worth approximately £1,000, but what of the jewels hidden in the garden? Are all gardens to be dug up and secret recesses explored in order to look for hidden wealth? Presumably it will be futile for any of us to make over our possessions to our wives, for we shall not thereby escape the levy collector.

#### VALUING INDIVIDUAL POSSESSIONS.

We can all easily see, therefore, what a long and minute job it will have to be to evaluate all our wealth, and what a host of valuers the Government will have to bring into existence to do the business. Some nice, fat jobs will be going, and there will be fierce competition for them, for it may mean a civil service situation that will last a life-time.

Taking inventories of all our individual possessions will, let it be emphasised last perhaps,

for years. And long before it is finished a host of us may be lying peacefully in our graves. And, perhaps, another host may be compulsorily sold up and residing in workhouses, because of the devastation such a valuation of individual possessions will do to trade and industry. By destroying credit, and faith, and confidence, a levy on capital would possibly make absolutely certain what we may, despite terrible Budgets and taxation, manage to avoid.

But there will be an immensity of other difficulties. To distinguish between capital and non-capital will be anything but an easy task, and may give rise to illimitable controversy and, maybe, irreconcilable decisions. There is not the slightest doubt that a levy would cause incalculable disturbance, deep discontent and unrest, and the only comfort would be that the effect of it would be so serious, and it would result in such widespread unemployment that it would kill the chances of a Labour Government in this country for a generation or two.

Those who advocate this levy on capital, willing to face all the odium, all the injustice, and all the grave—if not disastrous—consequences of it, must be men of very feeble imagination. They have the courage either of ignorance or of malice, and that is not a high and noble courage. They have the audacity of the blind man who cannot see the perils he is walking to.

#### DISADVANTAGES OF PENALISING THRIFT.

A capital levy would have all the disadvantages of penalizing thrift, of encouraging extravagance and selfishness. Those who have denied themselves,

and pinched and saved, are to be punished ; those who have spent all they earned will get off lightly, if not scot free. How will it benefit the nation in the future to penalize thrift ? Who will be encouraged to save for old age ? To what state of despair will it not lead amongst the thrifty, the best element of citizenship in any country ? To what cynicism will it not lead amongst the prodigal, the worst element of citizenship, because the most selfish and the most heedless of the sufferings and struggles of others ? And if we are discouraged from saving, if we are to live by the hour and the day, to be heedless of the future, to be heedless of provision for the day of trouble, whence are we to accumulate the capital for industrial enterprise and for employment ? Who will suffer most from this careless, prodigal living ? The working classes, they who would gain most from the laying of the golden egg, but who, from mere envy and malice, would kill the rare bird that lays it.

#### WORKMEN ARE CAPITALISTS.

Who are the capitalists in this country ? The hundreds of thousands of thrifty people who save and who invest their savings—running the risks of it—in every class of enterprise. Working men themselves are capitalists. Thousands have saved for a rainy day and invested their money in War Savings Certificates and War Loans, in buying houses, in purchasing small businesses, in running small poultry farms, and many other ways. These are they who are to be punished, while the gambler and the sot are to go free. But whether he has money saved or not, the working man is a capitalist, for his skill, intelligence and experience are his

capital. And capital is not money alone. Capital is composed of a thousand things, and how are we to value the infinite aspects and varieties of it, and differentiate and draw subtle distinctions and dividing lines so that we can be certain that no injustice will be done? It is an impossible task. It will result in infinite injustice, with the expenditure of prodigious labour.

#### HOW INVESTORS HAVE SUFFERED.

And who have suffered more than investors who have seen their capital, locked up in securities and shares, disappear like smoke through the heavy depreciation in prices since the outbreak of the war? And who have suffered more than the old, thrifty work-people who in years gone by invested in Consols through the Post Office and have seen 50 per cent. of it disappear through the fall in the price of Consols?

The burdens placed upon the "new poor" are already crushing. Fresh taxation, higher rents and higher rates, higher prices, will make their burdens still heavier. On them a capital levy would fall with disproportionate weight. But they have votes and will remember it all. No injustice can be done on a widespread scale with impunity. This "levy on capital" may be a popular cry amongst the malicious and the selfish, the bulk of them vain and empty-headed youths, without marital and other responsibilities, but it will be unpopular amongst the great mass of sober, respectable, thoughtful and intelligent citizens, and any party that does them a grievous wrong or outrageous injustice will arouse a mighty force that will be irresistible.

## 24.—Labour and Wealth

BEFORE we accept the gospel that is preached to workpeople to-day that labour produces wealth, and that the capitalist is unnecessary, and that those who produce wealth are alone justly entitled to the rewards of it, it is advisable not to use terms we do not understand. We talk about wealth loosely, not being able to define it in clear language, and we all have varied conceptions of what wealth really is. Wealth cannot, indeed, be defined in exact phraseology. Political economists have attempted to define it, but their definitions have greatly varied. And this must necessarily be so because wealth is illusive. Perhaps the best definition we have had of wealth is that it is a something that has exchangeable value. But even this presents a great difficulty, for we need a clear definition of what exchangeability is and what value is.

### MONEY AND WEALTH.

But the conception of the average man is that money is wealth, and the average man says that a wealthy man is a man who is rolling in money. Money, however, is only a token, a standard of value, and an expression of price, but it is quite true that a man who has command of a great quantity of these tokens is a rich man, for it means that he can command a large amount of the commodities that are produced by labour, capital and intellect.

All these tokens, however, would be useless if there were no commodities, and if there were no commodities money would not give a man wealth.

A rich man possesses rare pictures, for which he has paid many thousands of pounds. He is said to be rich because he has these rich possessions. But he is only rich in their possession because he believes they have exchange value. That is to say, he believes other citizens would exchange some of their wealth for his wealth, give him command over commodities in exchange for his pictures. In other words, in case of distress he could sell them for money and with this money he could purchase necessities from other citizens. And we say the same of his other possessions, such as estates, furniture, jewellery, etc.

#### THE COMMUNITY AND WEALTH.

If, however, the community did not want pictures, rare furniture and jewellery and would not buy them, they would not be wealth except in some ideal sense and in case of misfortune and penury overtaking him they would be valueless to him. Genius and labour produced the pictures, the furniture and the jewellery, but this product of labour would have no value at all unless other citizens would exchange other wealth for them.

If, therefore, a wealthy man depends upon other citizens for the exchange value of the wealth he possesses, so labour depends upon other citizens for the exchange value of the products of its labour. It follows, therefore, that a community makes a product a thing of wealth and not labour. What is more common than for labour to produce things that the community will not buy? What is more common than for labour to offer services to the community which the community does not want and will not pay for?

## NATURE'S WEALTH.

Again, nature produces what are called the fruits of the earth. Labour digs and sows but does not produce the light, warmth, climate and other essentials for bringing these fruits to maturity. Nature plays her part and man helps her, but there are fruits man can do without and if he does without them they are not wealth.

The more civilized a community the greater are its desires and needs—desires for comfort and enjoyment and needs for life. In order to gratify or satisfy desires man produces things. Other commodities, by the media of money, or tokens, are exchanged for these, and this act of exchanging creates a thing that is produced into a something called wealth. Multiply these desires and needs and there is a greater demand for the essentials of satisfaction and these essentials are called wealth. Reduce or restrict the desires and needs and less wealth is produced.

## EXCHANGE, OR MARKET, VALUE.

It follows that a community in the aggregate creates wealth ; in other words, converts products into wealth, by giving products exchange, or market, value. And this value, in its turn, is dependent upon the demand for the products. The less the demand the less the value ; the greater the demand the greater the value. And demand, or consumption, is continually varying. Therefore, value is continually varying. And price is constantly varying. Hence, the product of labour and the value of labour must continually vary.

How, then, can labour be said to be the sole

creator of wealth? And how can labour justly be said to be entitled to the reward of wealth? If labour is dependent upon demand and demand upon the capricious desires of the community, labour must ultimately be dependent upon the community for its reward in the shape of wages.

#### INTELLECT AND WEALTH.

Intellect creates desire amongst a community, for intellect helps a community to have new and varied conceptions of desire. In a savage community the desires are less varied than in a civilized community. And in Great Britain the desires of a century ago were greatly less than the desires of the present day. And as intellect progresses so will desires grow, and as desires grow, so will wealth increase, and as wealth increases labour will benefit.

And while labour satisfies the desires of a community, the members of that community, by means of thrift, self-denial and saving, amass the capital that provides labour with the means and the opportunities for producing things that will satisfy desire. If they did not provide these means and opportunities labour could not produce wealth for the community because labour would not have the food and shelter for maintaining itself.

It is foolish, therefore, for labour to say that the community would starve without it. For labour would starve without the community. And we cannot divide labour from the community, for labour composes the community. Even the so-called idle rich work, for they work with their brains. And the satisfaction of their desires creates wealth.

## DELUSIONS AND FALSE CONCEPTIONS.

The delusion reigns in the minds of the ignorant that those who work with their hands alone create wealth. But we all are manual workers, whether we use the pen or the lancet. And what does machinery do? A machine is the idea of intellect and it produces. And to watch a machine producing is often less exhaustive work than brain work.

It is impossible, therefore, to segregate a community of citizens into workers and non-workers, wealth-producers and non-wealth producers, parasites and labourers, capitalists and non-capitalists, and say that the worthless shall be put into one fold and the worth-full into another. For all are worth-full; and to attempt an impossible division would bring about dissension, violence, disorder, and confusion. Yet there are some who imagine they personally would gather treasures from this social wreckage.

## 25.—Banks and "Inflated" Currency

THE Man in the Street hears more to-day about inflated currency and high prices than he has ever heard before, and he has it drummed into his ears by many people with loud persistency that all his burdens and woes are not due to profiteering, food control, under-production, scarcity, or even taxation, which has raised the price of tobacco, tea, sugar and other things he likes, but to something he does not understand, viz., the inflation of the currency. Some people tell him that the rise in wages raises prices because it increases the

cost of production. Others tell him that it is the adverse exchange that raises prices, because the raw materials and other necessities we purchase from the United States are correspondingly dearer.

#### BEWILDERING THEORIES.

So the poor chap, after listening in turn to all these preachers, gets bewildered, and then when he is told that these are all the delusions of ignorant, superficial people, and that the absolute cause of all his troubles and worries is inflation of the currency, he gets thoroughly impatient and indifferent and goes on his way spending his money and his wages.

He knows a great deal about taxation, and how it affects his tobacco, whisky and beer ; he knows how some people seize every opportunity to bleed him ; he knows something about scarcity of things and even understands what cost of production is, but he is utterly puzzled in trying to comprehend how currency inflation raises the price of milk to 1s. per quart and the loaf to 10d.

#### A FORMIDABLE TASK.

And this perplexed person can be assured that some of the greatest experts would find it a formidable task to *prove* that currency inflation has raised the price of milk and the loaf and the tin of salmon and other comestibles. People say that the farmers are profiteering, while the farmers reply that it is the price of labour, together with unfortunate weather, that has forced up the price of milk, not having sufficient imagination to see that it was neither the cost of labour nor bad weather that affected the supply and cost of milk,

but something far more remote, viz., the inflation of the currency.

#### MILK AND NATURAL CAUSES.

And it is quite possible to convince the average citizen that if cows yielded four or five times the quantity of milk they now yield, so much so that it would be difficult for the farmers to sell it all, then the price of milk would be lowered so that more people could afford to consume it. And happenings of this sort would be more surely and quickly effective in bringing down prices than the slow process of deflating the currency. And if taxation could be greatly reduced we should be able to buy cheaper tobacco, beer, and spirits. But we are told that tobacco has gone up, not because the currency is inflated, but because raw materials are not abundant and because adverse exchanges make those raw materials dearer.

#### WHAT IS THE MEANING OF INFLATION ?

What do people mean by inflation of the currency ? As currency is only a medium of exchange—the medium whereby we exchange commodities—it is said that a currency is inflated when the quantity of currency made exceeds the quantity of wealth that is produced. If it exceeds it then prices go up ; if the quantity is insufficient then prices go down ; if there is an equilibrium between the two, then prices neither go up nor down.

Here is the reasoning. And if it be true, then where will such logic lead us ? If the quantity of currency is less than the quantity of commodities or wealth to be exchanged, then prices fall. That being so, all we have to do is to hoard

all the currency we have or in some other way destroy it, and prices will steadily fall to zero, and we remove all our woes at a stroke.

#### A LOGICAL ABSURDITY.

But shall we then get something for nothing? If we have no money to spend what will be the use of prices? They will have no meaning for us if we cannot buy. And if we cannot buy what would be the use of producing anything? There would be no use; nothing would be produced and we should effectively end all our miseries by starving. And after that we should be still less interested in prices.

#### PRICES UNAFFECTED BY HYPOTHESES.

But prices cannot be lowered by mere theories and conjectures. In the old days we never agitated ourselves about inflation of currency, no matter how vast was the quantity of gold produced. We welcomed it all and never dreamed of disastrous economic effects following. Why? Because we knew the supply of commodities would always be superabundant and because there would always be the keenest competition to sell these commodities. So excessive supply and keen competition could always be depended upon to keep prices down.

#### BANK MONEY OR CREDIT.

It is said that inflated currency is the effect of putting into circulation great quantities of what is called Bank money, or credit, and by flooding the country with this money, or credit, prices are inevitably raised, and so long as this goes on it is

hopeless to look for a fall in prices. But the Man in the Street does not understand how this follows. In another chapter an attempt will be made to describe how banks create capital, credit and currency and how the products of this machinery lead to much confusion of thought.

## 26.—Capital versus Currency

It is a common delusion that banks lend money out of their huge deposit funds. The general idea is that these funds are stored away in a money reservoir and that when banks lend to one man they lend the actual cash another has deposited with them. If banks did this they would not do what some people say they do—create credit. What banks do is to credit the borrower with the amount of money he borrows and that book credit—or that permission to draw cheques on the bank—is entered on one side as a credit and on the other as a liability and the aggregate liabilities are called deposits.

### WHAT BANK DEPOSITS ARE.

If a person borrows £500 from a bank and the bank lends that amount, the bank's deposits are increased by £500. That is to say, they are increased by a loan, not by actual money, and that is the bank's debt to the customer during its currency, until the customer repays the loan. When the customer repays it the deposits are reduced by £500 and not increased, as some would imagine. If a thousand people repaid their debts to a certain bank simultaneously, and if these aggregated

£50,000, the deposits would be simultaneously reduced by that £50,000.

A man borrows on security of some kind. Say, he borrows on the security of Consols. Well, the bank places these Consols amongst its assets and balances the additional asset by a corresponding additional liability, and that liability is amongst its deposits. The bank is safe because it possesses the security. But if the next day, before the customer had time to draw cheques on the bank, there was a run on that bank and it was brought down, the customer would run more risk than the bank of losing all.

#### THE SECURITY FOR LOANS.

Although the bank has the equivalent of the loan, or really more than the equivalent, in the security, nevertheless it is said that the bank creates credit.

It enables the customer for a time to spend money, which he could not otherwise do if he did not raise it on Consols, but he has to repay that debt some time and will have to find the money wherewith to repay it.

Now banks lend, not according to the volume of their deposits or liabilities, but according to the amount of legal tender they have from time to time. They keep a certain proportion of legal tender—gold or notes—to their deposits, in order to be on the safe side and this averages 16 to 20 per cent. If the proportion runs too low, either because they are lending too much, or because too much legal tender has been withdrawn, they say they have no money, or very little, to lend. If the proportion is high, then they have it to lend. Therefore, the

higher the proportion, the more they can lend. We then say that money is very plentiful and cheap. If the proportion is low we say it is scarce and dear.

#### LEGAL TENDER AND LIABILITIES.

The proportion of legal tender to banking liabilities, then, is the machinery that determines whether money shall be plentiful and cheap or scarce and dear, and not the mass of liabilities called deposits.

Now, Treasury Notes are legal tender and it is said that Government borrowing at the Bank of England results in an excess of legal tender notes coming into existence. This legal tender flows into the banks and by raising the proportion of this to their liabilities it enables them to lend more money to their customers, and as more money is thereby borrowed, it increases the quantity of money—chiefly bank money in the shape of cheques—in circulation. People, therefore, have more money to spend and their spending it raises prices.

#### BANK LOANS AND EARNING POWER.

In other words, it increases, theoretically, demand for commodities irrespective of supply. This can be looked at from many points of view. If it increases demand it can only increase it by the demand coming first of all from people who are earning. There must be either a larger number earning, or there must be greater earning power in the community, that is, higher wages. For those who borrow the money from the banks borrow it to use it in business, not to throw it away in charity, and if used in business it is used as

capital, either for distributive purposes or for wages. At any rate, it is wanted to increase production.

People do not borrow for fun. There must be a demand for it for legitimate business objects, and who is to regulate that demand with scientific precision so that it shall not raise prices ?

#### PRE-WAR AND POST-WAR LOGIC.

Now, before the war, we used to argue that plenty of capital at a cheap cost was good for trade and employment. It stimulated demand and demand stimulated production. And greater production reduced prices. We used to say that scarce and dear capital had the opposite effects—it produced trade depression, and caused unemployment. And trade depression, by lessening the demand for capital, eventually increased loanable capital.

Now, for some extraordinary reason, we have reversed this kind of reasoning. We say that plenty of capital at the cheapest rate consistent with the new conditions is bad for trade. We argue now that it raises prices. We say that the best way to stimulate trade is to stimulate it by reducing prices. And the direct way to produce these two effects is to make capital scarce and dear.

#### TRADE AND CAPITAL.

These contrary arguments are the result of confusion of thinking, and this confusion of thinking is the effect of the great difficulty of distinguishing between capital and currency.

It is said that we go to banks for capital. Traders and limited liability companies, when they need capital for business purposes, go to the banks

to borrow this capital. This capital they use in precisely the same way as they use capital raised on shares or debentures and which they get directly from the public. In the past twelve months we have seen many millions of capital invested by the public in new enterprises.

#### BANKS AND THE NATION.

If, therefore, we borrow capital from the banks in order to meet business necessities, we say we are doing a good thing for the trade of the country, and we say the banks are performing a beneficial function. But when, at the same time, we say the banks are creating great evils because this capital is also currency and is inflating the currency, where do we stand? We say that the banks are working evil and working good simultaneously. And if they are doing this, perhaps we may hope some day to see a wonderful scale invented that shall tell us to a nicety whether the evil is greater than the good or the good greater than the evil.

## ADDENDUM

SINCE some of the foregoing chapters were written developments have occurred which justify the views expressed and the conclusions arrived at. The final report of the Committee on Currency and Foreign Exchanges has been published. In this report the following passage appears: "Increased production, cessation of Government borrowings, and decreased expenditure, both by the Government and by each individual member of the nation, are the first essentials to recovery. These must be associated with the restoration of the pre-war methods of controlling the currency and credit system of the country for the purpose of re-establishing at an early date a free market for gold in London."

"An early date" is a vague expression and may mean any period from a few months to a decade or two.

### THE CURRENCY COMMITTEE'S RECOMMENDATIONS.

The following passage is likewise important as bearing upon what has been written upon the relation between currency, or credit, inflation and high prices: "We have considered whether steps should not be taken at an early date to impose limitations upon the fiduciary portion of the currency note issue with a view to the restoration of the normal arrangements under which demands for new currency operate to reduce the reserve in the Banking department of the Bank of England. In view of the fact that demobilization

is approaching completion, and that, as we hope, fresh Government borrowing will cease, we consider that effect should now be given to the recommendation made in our interim report that the actual maximum fiduciary circulation in any year should become the legal maximum for the following year."

#### THE GOVERNMENT'S POLICY.

The Chancellor of the Exchequer expressed his sympathy with this and said practically that the Government had resolved to carry out the recommendation. In other words, he said the Government would restrict the fiduciary circulation and not further inflate it. The fiduciary issue is the issue that is not backed, pound by pound, by gold.

This purpose is being fulfilled and the fiduciary note circulation has been steadily reduced and is several millions below last year's maximum. Indeed, the reduction is much greater than the most sanguine considered possible.

#### THE RISE IN PRICES NOT CHECKED.

Have prices fallen simultaneously? No. They have risen, and so far from any promise being held out by the authorities that prices will fall, the community is warned that they are likely to advance to a further indefinite extent. Then where is the direct tie between the volume of the fiduciary note circulation and the movement of prices? If there is a tie it is a loose, or feeble, one, and the many causes that are raising prices are more powerful than the single cause of currency inflation.

The price of tobacco has gone up, the price of

paper is going up rapidly—and the individual is not spending extravagantly on paper—the cost of cotton has risen, our hair-cutting and shaving are to cost more—and hair-cutting and shaving do not come in the category of luxuries—and we are told that many other necessities of life are to go up.

#### EXAMPLES OF HIGHER PRICES.

Rents have risen, not because of currency inflation, but because of the shortage of houses. Rates have advanced to meet heavier borough expenditure, and if we have to pay higher rents and rates we should, as individuals, have less surplus to spend on luxuries and necessities. Yet prices are continually mounting. Higher wages have been granted to railwaymen and railway rates have been raised, and because these have been raised coal and everything else carried by the railways will cost the individual more. In this development it needs keen vision to see a direct connection between prices and the reduced fiduciary note circulation.

#### THE SLUMP IN WAR LOANS.

And while these events have been happening we have seen a great slump in prices on the Stock Exchange. It is said that this slump is the effect of the decision of banks not to lend money on speculative shares and in this way to discourage gambling. But all the War Loans—the 3½ per cent., the 4½ per cent., the 5 per cent., the 4 per cent., the Funding Loan, the Victory Bonds, and all the National War Bonds—have slumped and the thrifty people who invested their money in

these gilt-edged securities are suffering far more than speculators.

#### BANKERS LENDING LESS.

Why are banks lending less? Because, it is said, they have less to lend. The demand for money has overtaken the supply of it and money has become dearer. Unable to borrow from the banks, traders, manufacturers and industrialists generally have had to sell their best securities. It is this colossal liquidation that has caused the relapse in prices and raised the yield on first-class Government securities to 6 per cent. or more.

What does this imply? It implies a weakening of national credit. Simultaneously, therefore, with the adoption of the recommendations of the aforesaid Committee there has been a heavy depreciation in the value of National credit, so much so that it would be hopeless for the Government, eighteen months after the Armistice, to float a loan under 6 per cent. and perhaps even a 6 per cent. loan would be a failure.

#### A DARK-HUED PICTURE.

The writer does not wish to paint the picture in too dark colours, but its actual colouring is there for all eyes to see, and only the colour-blind would see a brightness there. The Chancellor of the Exchequer, we may be sure, does not deceive himself as to the embarrassments which surround him.

#### THE PROPOSED TAX ON WAR PROFITS.

And yet the Loan to fund the Floating Debt must be issued sooner or later. And the position is growing worse for this operation and not better.

Proposed taxation of war profits is making the situation less favourable daily. The innocent are suffering far more than the guilty; the thrifty more than the prodigal. And camouflaged levies on capital are fast destroying the confidence on which national prosperity must be built. It is far safer to build on the shifting sands than it is upon mental and moral insecurity.

#### HOW WORTHY CITIZENS SUFFER.

And the most worthy of the working classes who invested in one or other of the War Loans are seeing a portion of their savings vanish into air. How can the extremist and the revengeful attempt to exploit one class without injuring all? And the widows and orphans of those who sacrificed their lives are the greatest sufferers of all.

The inability of the banks to lend more, and the limitation of their lending resources are coincident with the reduction in the fiduciary note circulation. It has been explained in the preceding chapters that banks lend, not out of their deposits, but out of their legal reserves. Before the war these legal reserves were composed of gold. But in recent years and for some years to come they will be composed mainly of legal tender notes. Banks lend as the proportion of these reserves vary with their loans. The greater the reserves the more they can lend; the smaller the reserves the less they can lend.

#### THE DEARNESS AND SCARCITY OF GOLD.

Their reserves may have been depleted largely by tax-gathering. But if the note circulation is being reduced there must necessarily be less

elasticity in their power to lend. In other words, their lending resources must be lessened.

They are not getting fresh gold. It is too dear and it is all going elsewhere. It will continue dear for a very long time to come, and it will continue to go elsewhere. So there is no hope of the banks being able to replenish their reserves with gold. Paper has been a substitute for gold for some years, and if this substitute is to become scarcer, banks will have less to lend.

#### BANKS AND CAPITAL NEEDS.

Now, they will have less to lend at a time when Great Britain will need more capital for reconstructive work and for production generally. These demands will grow and not lessen. Hence the folly of purely arbitrary action in restricting the creation of legal tender regardless of the unknown needs of the future. There should be elasticity in this vital matter and not mere caprice; there should be prudence and not whimsicality; caution and not arbitrary decision. And we can depend upon the great banks for prudence and caution.

If we cannot get gold then it is vitally necessary to have a substitute. And there is but one substitute and that is paper. We cannot get, as of old, the gold the mines produce, and we cannot attract it, as of old, from abroad. And to restrict the note circulation arbitrarily is analogous in the olden times to an arbitrary closing down of mines in order to restrict the output of the metal.

#### HOW NATIONAL CREDIT HAS DEPRECIATED.

In consequence of this arbitrary action our national credit is seriously weakened, and who

will be bold enough to predict a rapid appreciation in this credit? One way towards it would seem to be to give greater lending power to the banks so that they can supply the capital necessary to increase the nation's productive power. And the greater our productive power the sooner shall we get the exchanges to move in our favour. And the sooner they move in our favour the sooner will our international credit improve.

And the less we talk about exploitation in the shape of levies on capital or taxes on War Profits, the sooner will our national credit improve. And the more quickly this improves the better off shall we be nationally and individually, whether we earn high wages as miners or live on truckle beds in garrets.

#### IRRECONCILABLE VIEWS OF BANK CHAIRMEN.

At the annual Bank meetings the various chairmen addressed themselves to the problems discussed in the pages of this book. Being practical men and in a favourable position to view the complex phenomena that are well-nigh beyond the capacity of any single brain to envisage, their speeches were profoundly interesting. But they did not give us light more illuminating than twilight and these phenomena still appear to us as shadows because we seek in vain for that searching light which will reveal them clearly in all their substance.

#### THEIR DISTINCT PLATFORMS.

These practical bankers differed in their diagnoses, differed in their interpretations, differed in their views and theories, differed in their conclusions.

And if they ranged themselves on different platforms, or different planks, seated firmly on their isolated convictions, where is the perplexed layman to take up a comfortable seat and feel at peace because he is sitting on truth? There is no such seat offered him by these hosts. What is offered him is a rickety seat that may collapse and place him in an undignified predicament.

#### MR. MCKENNA'S VIEWS.

At the meeting of the London Joint City and Midland Bank, Mr. R. McKenna said: "Although, as I venture to think, the increase in currency is not the cause of high prices, yet I believe the public have shown a right instinct in fastening upon this increase as a matter for anxiety and even alarm. Though not the rain-storm itself, it is the gauge which measures the rain-fall."

#### PUBLIC INSTINCT AND VISION.

If the increase in currency is not the cause of high prices, we must seek the cause, or causes, elsewhere. And the writer is not convinced that the public as a body does fasten upon the increase in currency as a matter for anxiety and alarm. On the contrary, it seems indifferent to it, maybe because it also has the instinct and the actual vision to see a multitude of causes operating in combination to force prices up, such as scarcity of goods, coincident with an ever-growing world-wide demand for them, and an insatiable demand for ever-increasing wages, which is constantly raising the cost of production.

As Mr. McKenna pointed out in the same address, "the rise that has taken place is not local. It is

not even European and American. It covers the whole world," and instanced Japan, China and India, where the cost of living is much above the pre-war standard.

#### MR. MCKENNA'S WISE WARNING.

"Increased production," he went on to say, "will bring down prices to a certain extent, but the purchasing power of the world measured in money cannot be materially diminished. Deflation is bound to be very slow. Any attempt, indeed, to bring it about rapidly would cause widespread ruin among manufacturers and traders. The greatest caution will be necessary in handling our financial machinery and many of our pre-war ideas must be modified in view of the fundamental change in our conditions."

#### MR. GOODENOUGH'S THEORIES.

At the meeting of Barclays Bank, Mr. F. C. Goodenough said: "The questions of credit and currency are closely interlocked. Many people have argued that, because inflated currency and high prices originate from inflation of credit, therefore it is necessary to deflate credit as a first step towards deflation of currency and reduction of prices, and that with deflation of credit, deflation of currency and prices will automatically follow, but this is not necessarily the case. Experience goes to show that there exists a tendency for credit to rise gradually in ratio to the amount of currency available, and this is particularly the case where the currency is not of such a nature as to be subject to automatic contraction, as happens with a gold currency. For this reason the re-establishment

of a sound currency, regulated by value, is essential, and there is cause for satisfaction that a limit has now been set to the fiduciary issue."

#### INDEFINITE PHRASEOLOGY.

The writer is at a loss to imagine what exactly is Mr. Goodenough's conception which he phrases "regulated by value." If he means by value wealth, using these as interchangeable terms, it accords with the writer's own views as expressed in this book. But if he means value as non-related to any distinct substance, then it must necessarily be a vague and shadowy conception. Values are constantly changing. Values are never still, and to regulate currency by an element that is inconstant is like trying to regulate the light coming to earth through constantly shifting clouds of irregular density. It cannot be done. And bankers always have had and always will have their individual conceptions of value and their individual conceptions of wealth. Nothing can be mathematically regulated by a measure that is unstable. And it is less possible to do this if, while wealth is expanding, the currency is arbitrarily and forcefully contracted. This is hardly scientific regulation.

#### CREDIT FACILITIES.

Mr. Goodenough, indeed, proceeds to admit something of this, when he says: "The method adopted, however, does not give much room for expansion. Government borrowing, except for funding purposes, is probably drawing to a close, but it must be remembered that this country, with its enormous responsibilities as the centre

of the British Empire, and as the financial centre of the world, will find it difficult to refuse those additional credit facilities which are undoubtedly needed to effect reconstruction now that the war has ended.

“The present condition of the world will not admit either that we should stand still or go backwards, and further justifiable expansion of credit may be forced upon us, to meet the demands of industry and trade, which will probably be very heavy if we are to help to re-establish the distressed countries of Europe, and to carry out Empire and home developments, both industrial and social. The necessity for further expansion of credit may demand a larger volume of currency, and for this reason, as I have already said, sound currency as a practical measure, but based upon a system which is capable of expansion, is of primary importance.”

There appears to be some contradiction, or inconsistency, in the views advanced in the above citations. Value both expands and contracts. But the currency is to be contracted. How, then, can it be regulated by expansion? Is it the only element that can proceed in two contrary directions at once?

#### DIFFICULTIES OF GETTING A SOUND CURRENCY.

All will agree that “sound currency as a practical measure, but based upon a system which is capable of expansion, is of primary importance.” This is wisdom. But how are we to get such a currency if we can get no gold? What are we to do meanwhile? We must depend upon the best substitute we can and make it elastic, and not make it rigid,

incapable of expansion. How long will it take to get back the old system and especially to get it back to its pre-war elasticity? Years? If so, it would be wiser to devise the best system we can out of the materials we have. Let the output of wealth regulate the output of currency and do not let the output of currency regulate the output of wealth.

#### MR. WALTER LEAF'S OPINIONS.

At the meeting of the London County Westminster and Parr's Bank, Mr. Walter Leaf said: "I am no believer in proposals for artificial restrictions of the currency. To say that the total issue of Treasury notes shall not exceed an arbitrary amount seems to me useless. It comes to the same thing, since the amount of gold in the country is a fixed sum at any time, to say that the currency can only be issued against a fixed percentage of gold. So long as the Government is freely issuing claims for currency, it must supply the currency to meet them. To fix an upper limit would in time merely bring us to a point when the banks would find themselves unable to meet their customers' demands for notes, and we should have to choose between bankruptcy or a removal of the restriction. It would be like trying to cure a fever by plugging your clinical thermometer at normal; the only result will be that you will burst your thermometer.

#### "THE ONLY REMEDY."

"The only remedy is to attack the fever, to stop the issue of claims to currency in the form of

Government expenditure and Government credits. It seems to me that the fixing of arbitrary limits, so far as it has any effect, is rather to delude us by the idea that the limit is the normal and that so long as we are below it we are all right.

“We are yet a long way from the normal. Just where that will be we can only find out by experience. We do not yet know how many £1 notes will circulate when we have reached stability. But there will be no difficulty in saying when we have reached that point; we shall have reached it when a ‘Bradbury’ exchanges freely for a sovereign and a sovereign for \$4.866, so that London is once more a free market for gold. And that end can be gained only by steady and determined self-denial. It is definitely postponed and made harder of attainment by waste and luxury, private as well as public. That is the direction in which we can each best set ourselves to help our country now.”

#### SOME CONCLUSIONS.

To produce wealth and make wealth abundant is infinitely wiser than capriciously to regulate the flow of legal tender, for we thereby depend upon the limited intelligence of a fallible individual. He may be a mediocrity to-day, a genius to-morrow, a man of weak vision in one administration and of clear, powerful vision in another.

And, finally, another word about the malicious extremist, the selfish revolutionary, the cruel strike-maker, the man who seeks power for power's sake, that he may set himself upon a tyrant's throne and have a tyrant's power and a tyrant's wealth. He will not scruple to seize this power and wealth

over the prostrate bodies of widows and orphans, the sick and the maimed, the aged and the feeble. His cruelty to these is as deadly as his malice is ferocious.

It is not the capitalist he fights and slays, but the helpless. The capitalist can take care of himself effectually enough. But the bully who knocks down ruthlessly, with a stunning blow, the helpless child or starving widow, by way of revenging himself on a man, is the most horrible dastard striding the earth to-day.



— AN ABRIDGED LIST OF THE —  
**COMMERCIAL HANDBOOKS**  
 OF  
**SIR ISAAC PITMAN & SONS, LTD.**

LONDON 1 AMEN CORNER, E.C.4  
 BATH Phonetic Institute. MELBOURNE The Rialto, Colinas St.  
 NEW YORK 2 West 45th St.

**The Prices contained in this Catalogue  
 apply only to the British Isles**

**TERMS—**

*Cash must be sent with the order, and must include an approximate amount for the postage. When a remittance is in excess of the sum required, the surplus will be returned.*

*Sums under 6d can be sent in stamps. For sums of 6d and upwards Postal Orders or Money Orders are preferred to stamps, and should be crossed and made payable to*

SIR ISAAC PITMAN & SONS, LTD.

*Remittances from abroad should be by means of International Money Orders in Foreign Countries, and by British Postal Orders within the British Overseas Dominions. Colonial Postal Orders are not negotiable in England. Foreign stamps cannot be accepted.*

**ARITHMETIC**

- FIRST STEPS IN COMMERCIAL ARITHMETIC.** By ARTHUR E. WILLIAMS, M.A., B.Sc. In crown 8vo, limp cloth, 80 pp. Net 1/3
- THE ELEMENTS OF COMMERCIAL ARITHMETIC.** By THOMAS BROWN. In crown 8vo, cloth, 140 pp. Net 2/-
- BUSINESS ARITHMETIC. Part I.** In crown 8vo, cloth, 120 pp. 1/3 Answers 1/-
- BUSINESS ARITHMETIC. Part II.** In crown 8vo, cloth, 144 pp. 1/9. Answers 1/-
- COMPLETE COMMERCIAL ARITHMETIC.** Contains Parts I and II above mentioned. In crown 8vo, cloth, 264 pp. 3/-, Answers 1/6
- SMALLER COMMERCIAL ARITHMETIC.** By C. W. CROOK, B.A., B.Sc. In crown 8vo, cloth, 1/6 net, Answers Net 1/6
- FIRST STEPS IN WORKSHOP ARITHMETIC.** By H. P. GREEN. In crown 8vo, limp cloth, about 80 pp. Net 1/3
- COMPLETE MERCANTILE ARITHMETIC.** With Elementary Mensuration. By H. P. GREEN, F.C. Sp T. In crown 8vo, cloth gilt, with Key, 646 pp. Net 5/-  
 Complete book without Key, 600 pp., 4/6 net. Key separately, 1/3 net. Also in three parts. Part I, 300 pp., 2/6 net. Part II, 208 pp., 1/6 net. Part III, 100 pp., 1/- net.
- COUNTING HOUSE MATHEMATICS.** By H. W. PORRITT and W. NICKLIN, A.S.A.A. In crown 8vo, cloth, 120 pp. Net 1/6
- ARITHMETIC AND BOOK-KEEPING.** By THOS BROWN, F.S.S., and VINCENT E. COLLINGE, A.C.I.S. In two parts. Part 1, 124 pp. Part 2, 115 pp. Each in crown 8vo, cloth. Net 1/3
- LOGARITHMS FOR BUSINESS PURPOSES.** By H. W. PORRITT and W. NICKLIN, A.S.A.A. In crown 8vo, limp cloth. Net 9d.
- RAPID METHODS IN ARITHMETIC.** By JOHN JOHNSTON. Revised and Edited by G. K. BUCKNALL, A.C.I.S. (Hons.). New and Enlarged Edition. In foolscap 8vo, cloth, 96 pp. Net 1/-
- EXERCISES ON RAPID METHODS IN ARITHMETIC.** By JOHN JOHNSTON. In crown 8vo, cloth. Net 1/-
- METHOD IN ARITHMETIC.** A guide to the teaching of Arithmetic. By G. R. PURDIE, B.A. In crown 8vo, cloth, 87 pp. Net 1/6
- THE METRIC AND BRITISH SYSTEM OF WEIGHTS, MEASURES, AND COINAGE**  
 By DR. F. MOLLWO PERKIN. In 8vo, with numerous illustrations. Net 2/6

<b>ARITHMETIC OF ALTERNATING CURRENTS.</b> By E. H. CRAPPER, M.I.E.E. In crown 8vo, illustrated	Net	3/-
<b>ARITHMETIC OF ELECTRICAL ENGINEERING.</b> For Technical Students. crown 8vo, illustrated	In	3/6
<b>THE SLIDE RULE ITS OPERATIONS, AND DIGIT RULES.</b> Pocket size	Net	6d.
<b>THE SLIDE RULE. A Practical Manual.</b> Illustrated	Net	3/6

## BOOK-KEEPING AND ACCOUNTANCY

<b>FIRST STEPS IN BOOK-KEEPING.</b> By W. A. HATCHARD, A.C.P., F.B.T. crown 8vo, limp cloth, 80 pp.	In Net	1/8
<b>PRIMER OF BOOK-KEEPING.</b> Thoroughly prepares the student for the study of more elaborate treatises In crown 8vo, cloth, 144 pp.	1/6. Answers, Net	1/6
<b>EASY EXERCISES FOR PRIMER OF BOOK-KEEPING.</b> In crown 8vo, 48 pp.		6d.
<b>BOOK-KEEPING FOR BEGINNERS.</b> A first course in the art of up-to-date Book- keeping. With Answers to the Exercises. By W. E. HOOPER, A.C.I.S. In crown 8vo, cloth, 148 pp.	In Net	1/6
<b>THE ELEMENTS OF BOOK-KEEPING.</b> By W. O. BUXTON, A.C.A. (Hons.). crown 8vo, cloth, 157 pp.	Net	2/-
<b>BOOK-KEEPING AND COMMERCIAL PRACTICE.</b> By H. H. SMITH, F.C.T., F.Inc.S.T. In crown 8vo, cloth, 152 pp.		1/6
<b>BOOK-KEEPING SIMPLIFIED.</b> Thoroughly revised edition. By W. O. BUXTON, A.C.A. (Hons.) In crown 8vo, cloth, 304 pp.	3/6. Answers, Net	2/-
<b>ADVANCED BOOK-KEEPING.</b> In crown 8vo, cloth, 187 pp.	Net	3/6
<b>HIGHER BOOK-KEEPING AND ACCOUNTS.</b> By H. W. PORRITT and W. NICKLIN, A.S.A. In crown 8vo, cloth, 304 pp., with many up-to-date forms and facsimile documents.	Net	3/6
<b>FULL COURSE IN BOOK-KEEPING.</b> By H. W. PORRITT and W. NICKLIN, A.S.A. This volume consists of the popular text-book <i>Higher Book-keeping and Accounts</i> , to which has been prefixed a section on elementary Book-keeping In crown 8vo, cloth gilt, 540 pp.	Net	4/-
<b>COMPLETE BOOK-KEEPING.</b> A thoroughly comprehensive text-book, dealing with all departments of the subject. In crown 8vo, cloth, 424 pp. 5/- net. Answers, Net		2/6
<b>ADVANCED ACCOUNTS.</b> A Practical Manual for the Advanced Student and Teacher. Edited by ROGER N. CARTER, M.Com., F.C.A. In demy 8vo, cloth gilt, 988 pp., with many forms and facsimile documents.	Net	7/6
<b>DICTIONARY OF BOOK-KEEPING.</b> A Practical Guide and Book of Reference for Teachers, Students and Practitioners. By R. J. PORTERS. In demy 8vo, cloth gilt, with facsimiles, 780 pp.	Net	6/-
<b>BOOK-KEEPING FOR RETAILERS.</b> By H. W. PORRITT and W. NICKLIN, A.S.A. In crown 8vo, cloth, 124 pp.	Net	2/-
<b>ADDITIONAL EXERCISES IN BOOK-KEEPING, Nos. I and II.</b> New Editions. In crown 8vo, 56 pp. Each, 8d. net. Answers, each, Net		6d.
<b>BOOK-KEEPING TEST CARDS.</b> Elem. and Inter. Per set.	Net	1/6
<b>BUSINESS BOOK-KEEPING.</b> By J. ROULEY. In crown 8vo, cloth, 360 pp.	Net	3/6
<b>EXAMINATION NOTES ON BOOK-KEEPING AND ACCOUNTANCY.</b> By J. BLAKE HARROLD, A.C.I.S., F.C.R.A. Cloth, 64 in. by 3½ in., 56 pp.	Net	1/-
<b>HOTEL BOOK-KEEPING.</b> With illustrative forms and exercises. In crown 8vo, cloth, 72 pp.	Net	2/6
<b>BALANCING AND SELF-BALANCING LEDGERS.</b> By C. A. MOSS, A.C.I.S. In demy 8vo, 24 pp.	Net	6d.
<b>BOOK-KEEPING AND ACCOUNTANCY PROBLEMS.</b> By G. JOHNSON, F.C.I.S. In crown 8vo, cloth gilt, 112 pp.	Net	2/6
<b>COMBINED MANUSCRIPT BOOK FOR BOOK-KEEPING.</b> In crown 4to, stiff paper wrapper, 66 pp.		1/6
<b>IDEAL MANUSCRIPT BOOKS FOR BOOK-KEEPING.</b> Specially ruled and adapted for working the exercises contained in the Primer of Book-keeping. The sets consist of Cash Book, Purchase Book, Sales Book and Journal; Ledger. Each		6d.
<b>AVON EXERCISE BOOKS FOR BOOK-KEEPING.</b> Specially adapted for the exer- cises in <i>Book-keeping Simplified</i> or <i>Advanced Book-keeping</i> . Foolscap folio. Journal, 81.; Cash Book, 6d.; Ledger		10d.
<b>EXAMINATION NOTES ON MUNICIPAL ACCOUNTANCY.</b> By W. G. DAVIS, A.S.A.A. Size 6½ in. by 3½ in., cloth, 56 pp.	Net	1/-
<b>BALANCE SHEETS: HOW TO READ AND UNDERSTAND THEM.</b> By PHILIP TOVEY, F.C.I.S. In foolscap 8vo, cloth, 85 pp., with 26 inset Balance Sheets	Net	2/-
<b>HOW TO BECOME A QUALIFIED ACCOUNTANT.</b> By R. A. WITTY, A.S.A.A. Second Edition. In crown 8vo, cloth, 120 pp.	Net	2/-
<b>ACCOUNTANCY.</b> By F. W. PIXLEY, F.C.A., <i>Barrister-at-Law</i> . In demy 8vo, cloth, 318 pp.	Net	6/-
<b>BOOK-KEEPING TEACHERS' MANUAL.</b> By C. H. KIRTON, A.C.I.S., F.Inc.S.T. In demy 8vo, cloth gilt, 230 pp.	Net	5/-

<b>AUDITING, ACCOUNTING AND BANKING.</b> By FRANK DOWLER, A.C.A., and E. MARDINOR HARRIS, A.I.B. In demy 8vo, cloth gilt, 328 pp. . . . .	Net	5/-
<b>PRINCIPLES OF BOOK-KEEPING EXPLAINED.</b> By I. H. HUMPHREYS. In crown 8vo, cloth, 120 pp. . . . .	Net	2/6
<b>MANUFACTURING BOOK-KEEPING AND COSTS.</b> By G. JOHNSON, F.C.I.S. In demy 8vo, cloth gilt, 120 pp. . . . .	Net	3/6
<b>PRACTICAL BOOK-KEEPING.</b> By the same Author. In demy 8vo, cloth, 420 pp. . . . .	Net	5/-
<b>DEPRECIATION AND WASTING ASSETS, and their Treatment in Computing Annual Profit and Loss.</b> By P. D. LEAKE, F.C.A. In demy 8vo, cloth gilt, 257 pp. . . . .	Net	10/6
<b>THE PRINCIPLES OF AUDITING.</b> By F. R. M. DE PAULA, F.C.A. In demy 8vo, cloth gilt, 224 pp. . . . .	Net	5/-
<b>COST ACCOUNTS IN PRINCIPLE AND PRACTICE.</b> By A. CLIFFORD RIDGWAY, A.C.A. In demy 8vo, cloth gilt, 120 pp. . . . .	Net	5/-
<b>GOLD MINE ACCOUNTS AND COSTING. A Practical Manual for Officials, Accountants, Book-keepers, Etc.</b> By G. W. TAIT. In demy 8vo, cloth gilt, 93 pp. . . . .	Net	5/-
<b>COMPANY ACCOUNTS.</b> A complete, practical Manual for the use of officials in Limited Companies and advanced students. By ARTHUR COLES, F.C.I.S. In demy 8vo, cloth gilt, 356 pp. Second Edition . . . . .	Net	7/6
<b>THE ACCOUNTS OF EXECUTORS, ADMINISTRATORS AND TRUSTEES.</b> By WILLIAM B. PHILLIPS, A.C.A (Hons Inter. and Final), A.C.I.S. In demy 8vo, cloth gilt, 152 pp. . . . .	Net	5/-
<b>RAILWAY ACCOUNTS AND FINANCE.</b> The Railway Companies (Accounts and Returns) Act, 1911. By ALLEN E. NEWHOOK, A.K.C. In demy 8vo, cloth gilt, 148 pp. . . . .	Net	5/-
<b>THE FARMER'S ACCOUNT BOOK.</b> Compiled by W. G. DOWSLEY, B.A. A Simple and concise System of Account Keeping, cloth, 106 pp. with interleaved blotting paper. . . . .	Net	7/6
<b>THE PERSONAL ACCOUNT BOOK.</b> By the same Author. Size, 15½ in. by 9½ in., half leather, 106 pp., with interleaved blotting paper . . . . .	Net	7/6
<b>THE "EFFICIENT" CHECK FIGURE SYSTEM.</b> By H. O. HORTON. In demy 8vo, 22 pp. . . . .	Net	1/-

## BUSINESS TRAINING, COPY BOOKS, ETC.

<b>COMMERCIAL READER (Junior Book).</b> Our Food Supplies. By F. W. CHAMBERS. With over 70 illustrations, 240 pp. . . . .		1/9
<b>COMMERCIAL READER (Intermediate Book).</b> Our Manufacturing Industries. In crown 8vo, cloth, 240 pp. Over 150 illustrations . . . . .		2/-
<b>COMMERCIAL READER (Senior Book).</b> An introduction to Modern Commerce. Contains over 160 black and white illustrations. In crown 8vo, cloth, 272 pp. . . . .		2/6
<b>OFFICE ROUTINE FOR BOYS AND GIRLS.</b> In three stages. Each in crown 8vo, 64 pp. . . . .	Each	8d.
<b>FIRST STEPS IN BUSINESS TRAINING.</b> By V. E. COLLINGE, A.C.I.S. In crown 8vo, limp cloth, 80 pp. . . . .	Net	1/3
<b>COUNTING-HOUSE ROUTINE. 1st Year's Course.</b> By VINCENT E. COLLINGE, A.C.I.S. In crown 8vo, cloth, with illustrations, maps, and facsimile commercial forms, 162 pp. . . . .	Net	1/3
<b>COUNTING-HOUSE ROUTINE. 2nd Year's Course.</b> By VINCENT E. COLLINGE, A.C.I.S. In crown 8vo, cloth, with illustrations, maps and facsimile commercial forms, 188 pp. . . . .	Net	1/9
<b>THE PRINCIPLES OF BUSINESS.</b> By JAMES STEPHENSON, M.A., M.Com., B.Sc. Part 1. In crown 8vo, cloth, 217 pp. . . . .	Net	2/6
Part 2. In crown 8vo, cloth, 320 pp. . . . .	Net	3/6
<b>MANUAL OF BUSINESS TRAINING.</b> Contains 66 maps and facsimiles. Eighth Edition, thoroughly revised and considerably enlarged. In crown 8vo, cloth, 302 pp. . . . .		3/6
<b>THE PRINCIPLES AND PRACTICE OF COMMERCE.</b> By JAMES STEPHENSON, M.A., M.Com., B.Sc. In demy 8vo, cloth gilt, 648 pp., with many illustrations, diagrams, etc. . . . .	Net	7/6
<b>COMMERCIAL PRACTICE.</b> By ALFRED SCHOFIELD. In crown 8vo, cloth, 296 pp. . . . .	Net	3/6
<b>THE THEORY AND PRACTICE OF COMMERCE.</b> Being a Complete Guide to Methods and Machinery of Business. Edited by F. HEELIS, F.C.I.S., Assisted by Specialist Contributors. In demy 8vo, cloth gilt, 620 pp., with many facsimile forms 8/- Net. Also in 2 vols, each . . . . .	Net	3/6
<b>HOW TO TEACH BUSINESS TRAINING.</b> By F. HEELIS, F.C.I.S. In crown 8vo, 160 pp. . . . .	Net	2/6
<b>QUESTIONS IN BUSINESS TRAINING.</b> By F. HEELIS, F.C.I.S. In crown 8vo, cloth, 108 pp. . . . .	Net	1/2

<b>MODERN BUSINESS AND ITS METHODS.</b> By W. CAMPBELL, Chartered Secretary. In two vols. Each 3/6 Net. Complete	Net	6/-
<b>ANSWERS TO QUESTIONS IN BUSINESS TRAINING.</b> By the same Author. In crown 8vo, cloth, about 100 pp	Net	2/-
<b>A COURSE IN BUSINESS TRAINING.</b> By G. K. BUCKNALL, A.C.I.S. In crown 8vo, 192 pp	Net	2/6
<b>FACSIMILE COMMERCIAL FORMS.</b> New, Revised, and Enlarged Edition. Thirty-five separate forms in envelope	Net	1/-
Forms separately, per doz.	Net	4d.
<b>EXERCISE BOOK OF FACSIMILE COMMERCIAL FORMS.</b> In large post 4to, 32 pp	Net	6d.
<b>FACSIMILE COMPANY FORMS.</b> Thirty-four separate forms in envelope	Net	1/3
Forms separately, per doz	Net	6d.
<b>"NEW ERA" BUSINESS COPY BOOKS.</b> By F. HEELIS, F.C.I.S. Civil Service Style. In three books, Junior, Intermediate, and Senior. Each in stout paper covers, large post 4to, 32 pp.		6d.
<b>BUSINESS TRAINING EXERCISE BOOK. Part I.</b> By JAMES E. SLADEN, M.A. (Oxon.), F.I.S.A. In large post 4to, 64 pp	Net	8d.
<b>MANUSCRIPT LETTERS AND EXERCISES.</b> In envelope.	Net	8d.
<b>OFFICE ROUTINE COPY BOOKS, Nos. 1, 2, and 3.</b> Each in large post 4to, 24 pp	Net	6d.
<b>COMMERCIAL HANDWRITING AND CORRESPONDENCE.</b> In foolscap 4to, quarter cloth, 80 pp.	Net	2/-
<b>BUSINESS HANDWRITING.</b> Seventh Edition, Revised. In crown 8vo, cloth, 84 pp.	Net	1/6
<b>HOW TO WRITE A GOOD HAND.</b> By B. T. B. HOLLINGS. In crown 8vo, oblong, 56 pp.	Net	1/-
<b>HANDBOOK FOR COMMERCIAL TEACHERS.</b> By FRED HALL, M.A., B.Com., F.C.I.S., etc. In crown 8vo, cloth gilt, 200 pp	Net	2/6
<b>THE BUSINESS GIRL'S HANDBOOK.</b> By C. CHISHOLM, M.A., and D. W. WALTON. Foreword by SARAH BERNHARDT. In crown 8vo, cloth, 176 pp	Net	1/6
<b>THE BOY'S BOOK OF BUSINESS.</b> By the same Authors. Foreword by Lieut.-Gen. Sir R. S. S. BADEN-POWELL. In crown 8vo, cloth, 176 pp	Net	2/-
<b>BUSINESS METHODS AND SECRETARIAL WORK FOR GIRLS AND WOMEN.</b> By HELEN REYNARD, M.A. In crown 8vo, cloth, 96 pp.	Net	1/6
<b>THE JUNIOR WOMAN SECRETARY.</b> By ANNIE E. DAVIS, F.Inc.S.T. In crown 8vo, cloth, 100 pp, with illustrations	Net	1/3
<b>CLERKS: THEIR RIGHTS AND OBLIGATIONS.</b> By EDWARD A. COPE. In foolscap 8vo, cloth, 160 pp	Net	1/6
<b>GUIDE TO BUSINESS CUSTOMS AND PRACTICE ON THE CONTINENT.</b> By EMIL DAVIES. In crown 8vo, cloth, 154 pp	Net	2/6
<b>HOW TO GET A SITUATION ABROAD.</b> By EMIL DAVIES. In crown 8vo, cloth, 70 pp	Net	1/6
<b>THE JUNIOR CORPORATION CLERK.</b> By J. B. CARRINGTON, F.S.A.A. In crown 8vo, cloth gilt, with illustrations, 136 pp	Net	1/6
<b>POPULAR GUIDE TO JOURNALISM.</b> By A. KINGSTON. 4th Edition. In crown 8vo, 124 pp, cloth	Net	1/6
<b>PRACTICAL JOURNALISM AND NEWSPAPER LAW.</b> By A. BAKER, M.J.I., and E. A. COPE. In crown 8vo, cloth, 180 pp.	Net	3/6

## CIVIL SERVICE

<b>CIVIL SERVICE GUIDE.</b> By A. J. LAWFORD JONES. In crown 8vo, cloth, 120 pp	Net	1/6
<b>DIGESTING RETURNS INTO SUMMARIES.</b> By A. J. LAWFORD JONES, of H.M. Civil Service. In crown 8vo, cloth, 84 pp.	Net	2/-
<b>COPYING MANUSCRIPT, ORTHOGRAPHY, HANDWRITING, etc.</b> By the same Author. Actual Examination Papers only. In foolscap folio, 48 pp	Net	2/-
<b>CIVIL SERVICE HANDWRITING GUIDE AND COPY BOOK.</b> By H. T. JESSOP, B.Sc. In crown 4to, 32 pp.	Net	6d.
<b>CIVIL SERVICE AND COMMERCIAL COPYING FORMS.</b> In crown 8vo, 40 pp	Net	6d.
<b>RULED FORMS FOR USE WITH THE ABOVE.</b> Books I and II. Each foolscap folio, 40 pp.	Net	6d.
<b>CIVIL SERVICE AND COMMERCIAL LONG AND CROSS TOTS.</b> Two Series, each in crown 8vo, 48 pp.	Net	6d.
<b>CIVIL SERVICE ARITHMETIC TESTS.</b> By P. J. VARLEY-TIPTON. In crown 8vo, cloth, 102 pp.	Net	1/3
<b>CIVIL SERVICE ESSAY WRITING.</b> By W. J. ADDIS, M.A. In crown 8vo, limp cloth, 108 pp.	Net	1/6
<b>STUDIES IN ESSAY WRITING.</b> By V. P. PEACOCK. In crown 8vo, 64 pp. Paper	Net	6d.
Cloth	Net	9d.
<b>CIVIL SERVICE PRACTICE IN PRÉCIS WRITING.</b> Edited by ARTHUR REYNOLDS, M.A. (Oxon.). In crown 8vo, cloth, 240 pp.	Net	2/6
<b>ELEMENTARY PRÉCIS WRITING.</b> By WALTER SHAWCROSS, B.A. In crown 8vo, cloth, 80 pp.	Net	1/3

<b>GUIDE TO INDEXING AND PRÉCIS WRITING.</b> By W. J. WESTON, M.A., B.Sc. (Lond.), and E. BOWKER. In crown 8vo, cloth, 110 pp.	Net	1/6
<b>INDEXING AND PRÉCIS WRITING.</b> By A. J. LAW FORD JONES. In crown 8vo, cloth, 144 pp.	Net	2/-
<b>EXERCISES AND ANSWERS IN INDEXING AND PRÉCIS WRITING.</b> By W. J. WESTON, M.A., B.Sc. (Lond.). In crown 8vo, cloth, 144 pp.	Net	1/6

## ENGLISH AND COMMERCIAL CORRESPONDENCE

<b>FIRST STEPS IN COMMERCIAL ENGLISH.</b> By W. J. WESTON, M.A., B.Sc. (Lond.). In crown 8vo, limp cloth, 80 pp.	Net	1/3
<b>FIRST STEPS IN BUSINESS LETTER WRITING.</b> By FRED HALL, M.A., B.Com., F.C.I.S., etc. In crown 8vo, limp cloth, 80 pp.	Net	1/3
<b>GUIDE TO COMMERCIAL CORRESPONDENCE AND BUSINESS COMPOSITION.</b> By W. J. WESTON, M.A., B.Sc. (Lond.). In crown 8vo, cloth, 146 pp., with many facsimile commercial documents.		1/6
<b>MANUAL OF COMMERCIAL ENGLISH.</b> By WALTER SHAWCROSS, B.A. Including Composition and Précis Writing. In crown 8vo, cloth gilt, 234 pp.	Net	2/6
<b>HOW TO TEACH COMMERCIAL ENGLISH.</b> By WALTER SHAWCROSS, B.A. In crown 8vo, cloth gilt, 160 pp.	Net	2/6
<b>COMMERCIAL CORRESPONDENCE AND COMMERCIAL ENGLISH.</b> In crown 8vo, cloth, 272 pp.		2/6
<b>ENGLISH MERCANTILE CORRESPONDENCE.</b> In crown 8vo, cloth gilt, 260 pp.		3/-
<b>FIRST STEPS IN BUSINESS COMPOSITION.</b> Edited by R. W. HOLLAND, M.A., M.Sc., LL.D. In crown 8vo, limp cloth, 80 pp.	Net	1/3
<b>ENGLISH COMPOSITION AND CORRESPONDENCE.</b> By J. F. DAVIS, D.Lit., M.A., LL.B. (Lond.). In crown 8vo, cloth, 118 pp.	Net	1/6
<b>A GUIDE TO ENGLISH COMPOSITION.</b> By the Rev. J. H. BACON. 112 pp. cloth	Net	1/6
<b>ENGLISH GRAMMAR.</b> New Edition, Revised and Enlarged by C. D. PUNCHARD, B.A. (Lond.). In crown 8vo, cloth, 142 pp.	Net	2/-
<b>ENGLISH GRAMMAR AND COMPOSITION.</b> By W. J. WESTON, M.A., B.Sc. (Lond.). In crown 8vo, cloth, 320 pp.	Net	3/6
<b>SELF-HELP EXERCISES IN ENGLISH</b> (Reform Method) In crown 8vo, limp cloth, 80 pp.	Net	1/3
<b>NOTES OF LESSONS ON ENGLISH.</b> In crown 8vo, cloth, 208 pp.	Net	3/6
<b>PUNCTUATION CHART.</b> Size 7½ in. by 9½ in., mounted on card eyeletted and strung		2d.
<b>PUNCTUATION AS A MEANS OF EXPRESSION.</b> By A. E. LOVELL, M.A. In crown 8vo, cloth, 80 pp.	Net	1/-
<b>PRÉCIS WRITING</b> <b>ESSAY WRITING</b> } (See CIVIL SERVICE, page 4 and above.)		
<b>STUDIES IN ELOCUTION.</b> By E. M. CORBOULD ( <i>Mrs. Mark Robinson</i> ). With over 100 selections for Reciters and Readers. In crown 8vo, cloth gilt, 270 pp.	Net	2/6
<b>POCKET DICTIONARY.</b> Royal 32mo, 5 in. by 3 in., cloth gilt, 362 pp.	Net	1/6
<b>COMMERCIAL DICTIONARY.</b> In foolscap 8vo, paper boards, 192 pp.	Net	1/-
<b>BOOK OF HOMONYMS.</b> With copious Exercises on Homogeneous, and Homophonous Words and chapters on Compound Hyphenated Words, etc. By B. S. BARRETT. In crown 8vo, cloth, 203 pp.	Net	2/-

## COMMERCIAL GEOGRAPHY

<b>FIRST STEPS IN COMMERCIAL GEOGRAPHY.</b> By JAMES STEPHENSON, M.A., B.Com. There are 16 maps and diagrams included. In crown 8vo, limp cloth, 80 pp.	Net	1/3
<b>THE WORLD AND ITS COMMERCE.</b> In crown 8vo, cloth, 128 pp., with 34 maps.		1/8
<b>THE ELEMENTS OF COMMERCIAL GEOGRAPHY.</b> By C. H. GRANT, M.Sc., F.R.Met.Soc. In crown 8vo, cloth, 140 pp.	Net	2/-
<b>COMMERCIAL GEOGRAPHY OF THE BRITISH ISLES.</b> In crown 8vo, cloth, 150 pp., with 34 coloured maps and plates, three black and white maps, and other illustrations	Net	2/-
<b>COMMERCIAL GEOGRAPHY OF THE BRITISH EMPIRE ABROAD AND FOREIGN COUNTRIES.</b> In crown 8vo, cloth, 205 pp., with 35 coloured maps and plates, 11 black and white maps, and end-paper maps	Net	2/-
<b>COMMERCIAL GEOGRAPHY OF THE WORLD.</b> In crown 8vo, cloth, 350 pp., with about 90 maps and plates	Net	3/6

<b>EXAMINATION NOTES ON COMMERCIAL GEOGRAPHY.</b> By W. P. RUTTER, M.Com. Size 6½ in. by 3½ in., cloth, 120 pp. . . . .	Net	1/6
<b>COMMERCIAL ATLAS OF THE WORLD.</b> In crown 4to, cloth, 128 pp., 58 maps and explanatory text . . . . .	Net	2/6
<b>ECONOMIC GEOGRAPHY.</b> (See "Economics" below)		

## COMMERCIAL HISTORY

<b>THE ELEMENTS OF COMMERCIAL HISTORY.</b> By FRED HALL, M.A., B.Com., F.C.I.S. In crown 8vo, cloth, 164 pp. . . . .	Net	2/-
<b>COMMERCIAL HISTORY.</b> By J. R. V. MARCHANT, M.A. In crown 8vo, cloth gilt, 272 pp. . . . .	Net	3/6
<b>ECONOMIC HISTORY.</b> (See "Economics" below.)		

## ECONOMICS

<b>THE ELEMENTS OF POLITICAL ECONOMY.</b> By H. HALL, B.A. In crown 8vo, cloth, 140 pp. . . . .	Net	2/-
<b>GUIDE TO POLITICAL ECONOMY.</b> By F. H. SPENCER, D.Sc., LL.B. In crown 8vo, cloth gilt, 232 pp. . . . .	Net	3/6
<b>OUTLINES OF THE ECONOMIC HISTORY OF ENGLAND: A Study in Social Development.</b> By H. O. MEREDITH, M.A., M.Com. In demy 8vo, cloth gilt, 376 pp. . . . .	Net	6/-
<b>ECONOMIC GEOGRAPHY.</b> By JOHN MCFARLANE, M.A., M.Com. In demy 8vo, cloth gilt, 568 pp., 18 illustrations . . . . .	Net	8/6
<b>THE HISTORY AND ECONOMICS OF TRANSPORT.</b> By A. W. KIRKALDY, M.A., B.Litt. (Oxford), M.Com. (Birm.), and A. DUDLEY EVANS. In demy 8vo, cloth gilt, 350 pp. . . . .	Net	7/6
<b>DICTIONARY OF ECONOMIC AND BANKING TERMS.</b> By W. J. WESTON, M.A., B.Sc. and A. CREW, <i>Barrister-at-Law</i> . In crown 8vo, cloth gilt, 150 pp. . . . .	Net	2/6
<b>ECONOMICS FOR BUSINESS MEN.</b> By W. J. WESTON, M.A., B.Sc. (Lond.) In crown 8vo, 130 pp., cloth . . . . .	Net	2/-
<b>THE ECONOMICS OF TELEGRAPHS AND TELEPHONES.</b> By JOHN LEE, M.A. In crown 8vo, cloth gilt, 92 pp. . . . .	Net	2/6
<b>OUTLINES OF LOCAL GOVERNMENT.</b> By JOHN J. CLARK, M.A., F.S.S. In crown 8vo, 83 pp. . . . .	Net	1/-
<b>OUTLINES OF CENTRAL GOVERNMENT.</b> By the same Author. In crown 8vo, 90 pp. . . . .	Net	1/-

## BANKING AND FINANCE

<b>THE ELEMENTS OF BANKING.</b> By J. P. GANDY. In crown 8vo, cloth, 140 pp. . . . .	Net	2/-
<b>BANK ORGANIZATION, MANAGEMENT, AND ACCOUNTS.</b> By J. F. DAVIS, M.A., D.Lit., LL.B. (Lond.) In demy 8vo, cloth gilt, 165 pp., with forms . . . . .	Net	5/-
<b>MONEY, EXCHANGE, AND BANKING.</b> In their Practical, Theoretical, and Legal Aspects. By H. T. EASTON, A.I.B. Second Edition, Revised. In demy 8vo, cloth, 312 pp. . . . .	Net	6/-
<b>PRACTICAL BANKING.</b> By J. F. G. BAGSHAW. With Chapters on The Principles of Currency, by C. F. HANNAFORD, A.I.B., and Bank Book-keeping, by W. H. PEARD. In demy 8vo, cloth gilt, about 400 pp. . . . .	Net	6/-
<b>BANKERS' SECURITIES AGAINST ADVANCES.</b> By LAWRENCE A. FOGG, Cert. A.I.B. In demy 8vo, cloth gilt, 123 pp. . . . .	Net	5/-
<b>FOREIGN EXCHANGE, A PRIMER OF.</b> By W. F. SPALDING. In crown 8vo, cloth, 108 pp. . . . .	Net	3/6
<b>FOREIGN EXCHANGE AND FOREIGN BILLS IN THEORY AND IN PRACTICE.</b> By W. F. SPALDING, Cert. A.I.B. In demy 8vo, cloth gilt, 227 pp. . . . .	Net	7/6
<b>EASTERN EXCHANGE.</b> By W. F. SPALDING. In demy 8vo, cloth, 375 pp., illustrated . . . . .	Net	12/6
<b>TALKS ON BANKING TO BANK CLERKS.</b> By H. E. EVANS. In crown 8vo, cloth . . . . .	Net	2/6
<b>SIMPLE INTEREST TABLES.</b> By WILLIAM SCHOOLING. In crown 4to, cloth gilt . . . . .	Net	21/-

## INSURANCE

<b>THE ELEMENTS OF INSURANCE.</b> By J. ALFRED EKE. In crown 8vo, cloth, 140 pp. . . . .	Net	1/-
<b>INSURANCE.</b> By T. E. YOUNG, B.A., F.R.A.S. A complete and practical exposition. With sections on Workmen's Compensation Insurance, by W. R. STRONG, F.I.A., and The National Insurance Scheme, by VYVYAN MARR, F.F.A., F.I.A. Third Edition. Revised and Enlarged. In demy 8vo, cloth gilt, 440 pp. . . . .	Net	10/6

<b>GUIDE TO LIFE ASSURANCE.</b> By S. G. LEIGH, F.I.A. In crown 8vo, cloth gilt, 192 pp. . . . .	Net	2/6
<b>INSURANCE OFFICE ORGANIZATION, MANAGEMENT, AND ACCOUNTS.</b> By T. E. YOUNG, B.A., F.R.A.S., and RICHARD MASTERS, A.C.A. Second Edition, Revised. In demy 8vo, cloth gilt, 146 pp. . . . .	Net	5/-
<b>GUIDE TO MARINE INSURANCE.</b> By HENRY KEATE. In crown 8vo, cloth gilt, 203 pp. . . . .	Net	3/6
<b>THE PRINCIPLES OF MARINE LAW.</b> (See p. 11.) . . . . .		

## SHIPPING

<b>SHIPPING.</b> By A. HALL and F. HEYWOOD. In crown 8vo, cloth, 136 pp. . . . .	Net	2/-
<b>SHIPPING OFFICE ORGANIZATION, MANAGEMENT, AND ACCOUNTS.</b> By ALFRED CALVERT. In demy 8vo, cloth gilt, 293 pp. . . . .	Net	6/-
<b>THE EXPORTER'S HANDBOOK AND GLOSSARY.</b> By F. M. DUDENEY. With Foreword by W. EGLINGTON. In demy 8vo, cloth gilt, 254 pp. . . . .	Net	6/-
<b>CONSULAR REQUIREMENTS FOR EXPORTERS AND SHIPPERS TO ALL PARTS OF THE WORLD.</b> By J. S. NOWERY. In crown 8vo, cloth, 82 pp. . . . .	Net	2/6
<b>CASE AND FREIGHT COSTS.</b> The principles of calculation relating to the cost of, and freight on, sea or commercial cases. By A. E. CROSFIELD. In crown 8vo, cloth, 62 pp. . . . .	Net	2/-
<b>HOW TO DO BUSINESS WITH RUSSIA.</b> By C. E. W. PETERSSON and W. BARNEFS STEVENI. In demy 8vo, cloth, 200 pp. . . . .	Net	5/-

## SECRETARIAL WORK

<b>COMPANY SECRETARIAL WORK.</b> By E. MARTIN, F.C.I.S. In crown 8vo, cloth, 154 pp. . . . .	Net	1/6
<b>GUIDE TO COMPANY SECRETARIAL WORK.</b> By O. OLDHAM, A.C.I.S. In crown 8vo, cloth gilt, 256 pp. . . . .	Net	3/6
<b>THE COMPANY SECRETARY'S VADE MECUM.</b> Edited by PHILIP TOVEY, F.C.I.S. Second Edition, Enlarged and Revised. In foolscap 8vo, cloth, 247 pp. . . . .	Net	2/-
<b>GUIDE FOR THE COMPANY SECRETARY.</b> By ARTHUR COLES, F.C.I.S. Illustrated with 75 facsimile forms. Second Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 432 pp. . . . .	Net	6/-
<b>SECRETARY'S HANDBOOK.</b> Edited by MURBERT E. BLAIN. In demy 8vo, cloth gilt, 168 pp. . . . .	Net	6/-
<b>THE CHAIRMAN'S MANUAL.</b> By GURDON PALIN, of Gray's Inn, Barrister-at-Law, and ERNEST MARTIN, F.C.I.S. In crown 8vo, cloth gilt, 192 pp. . . . .	Net	3/6
<b>PROSPECTUSES: HOW TO READ AND UNDERSTAND THEM.</b> By PHILIP TOVEY, F.C.I.S. In demy 8vo, cloth gilt, 109 pp. . . . .	Net	2/6
<b>OUTLINES OF TRANSFER PROCEDURE IN CONNECTION WITH STOCKS, SHARES, AND DEBENTURES OF JOINT STOCK COMPANIES.</b> By F. D. HEAD, B.A. (Oxon), of Lincoln's Inn, Barrister-at-Law. In demy 8vo, cloth gilt, 112 pp. . . . .	Net	2/6
<b>THE TRANSFER OF STOCKS, SHARES, AND OTHER MARKETABLE SECURITIES.</b> A Manual of the Law and Practice. By F. D. HEAD, B.A. (Oxon). Second Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 220 pp. . . . .	Net	5/-
<b>WHAT IS THE VALUE OF A SHARE?</b> By D. W. ROSSITER. In demy 8vo, cloth, 20 pp. . . . .	Net	2/6
<b>HOW TO TAKE MINUTES.</b> Edited by E. MARTIN, F.C.I.S. Second Edition, Enlarged and Revised. In demy 8vo, cloth, 126 pp. . . . .	Net	2/6
<b>DICTIONARY OF SECRETARIAL LAW AND PRACTICE.</b> A comprehensive Encyclopaedia of information and direction on all matters connected with a Company Secretary. Fully illustrated with the necessary forms and documents. With sections on special branches of Secretarial Work. With contributions by nearly 40 eminent authorities. Edited by PHILIP TOVEY, F.C.I.S. In one vol., half leather gilt, 1011 pp. Third Edition, Revised and Enlarged. . . . .	Net	35/-
<b>FACSIMILE COMPANY FORMS.</b> (See p. 4)		
<b>COMPANY ACCOUNTS.</b> (See p. 3)		
<b>COMPANY LAW.</b> (See p. 11.)		

## INCOME TAX

<b>PRACTICAL INCOME TAX.</b> A Guide to the Preparation of Income Tax Returns. By W. E. SWEETING. In crown 8vo, cloth, 136 pp. . . . .	Net	2/6
<b>INCOME TAX AND SUPER-TAX PRACTICE.</b> Tax and specimen returns, showing the effect of the Finance Act, 1918, and Decisions in the Courts. By W. E. SWEETING. Third Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 513 pp. . . . .	Net	15/-

- COAL MINES EXCESS PAYMENTS. Guarantee Payments and Levies for Closed Mines.** Deals with the Agreement entered into between the Coal Controller and the Colliery Owners. By W. E. SNELLING. In demy 8vo, cloth gilt, 180 pp. . Net 12/6
- INCOME TAX AND SUPER-TAX LAW AND CASES.** Including the Finance Act, 1918. With an Analysis of the Schedules, Guide to Income Tax Law, and Notes on Land Tax. By W. E. SNELLING. Third Edition, Revised. In demy 8vo, cloth gilt, 482 pp. . Net 12/6
- EXCESS PROFITS (including Excess Mineral Rights) DUTY, and Levies under the Munitions of War Acts.** Incorporating the Provisions of the Income Tax Acts made applicable by Statute and by Regulation, also the Regulations of the Commissioners of Inland Revenue. By W. E. SNELLING. Fourth Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 422 pp. . Net 12/6

## BUSINESS ORGANIZATION AND MANAGEMENT

- OFFICE ORGANIZATION AND MANAGEMENT, INCLUDING SECRETARIAL WORK.** By LAWRENCE R. DICKSEE, M.Com., F.C.A., and H. E. BLAIN. Fourth Edition, Revised. In demy 8vo, cloth gilt, 306 pp. . Net 7/6
- MUNICIPAL OFFICE ORGANIZATION AND MANAGEMENT.** A comprehensive Manual of information and direction on matters connected with the work of Officials of Municipalities. Edited by W. BATHSON, A.C.A., F.S.A.A. In crown 4to, half leather gilt, with 250 forms, diagrams, etc., 503 pp. . Net 25/-
- COUNTING-HOUSE AND FACTORY ORGANIZATION.** By J. GILMOUR WILLIAMSON. In demy 8vo, cloth gilt, 182 pp. . Net 6/-
- SOLICITORS' OFFICE ORGANIZATION, MANAGEMENT, AND ACCOUNTS.** By E. A. COPE, and H. W. H. ROBINS. In demy 8vo, cloth gilt, 176 pp., with numerous forms. Net 5/-
- COLLIERY OFFICE ORGANIZATION AND ACCOUNTS.** By J. W. INNES, F.C.A., and T. COLIN CAMPBELL, F.C.I. In demy 8vo, cloth gilt, 135 pp. . Net 6/-
- CLUBS AND THEIR MANAGEMENT.** By FRANCIS W. PIXLEY, F.C.A. *Of the Middle Temple, Barrister-at-Law*. In demy 8vo, cloth gilt, 240 pp. . Net 7/6
- DRAPERY BUSINESS ORGANIZATION, MANAGEMENT AND ACCOUNTS.** By J. ERNEST BAYLEY. In demy 8vo, cloth gilt, 302 pp. . Net 6/-
- GROCERY BUSINESS ORGANISATION AND MANAGEMENT.** By C. L. T. BRECHING and J. ARTHUR SMART. Second Edition. In demy 8vo, cloth, 160 pp. . Net 6/-
- INDUSTRIAL TRAFFIC MANAGEMENT.** By GEO. B. LISSENDEN. With a Foreword by C. E. MURGRAVE. In demy 8vo, cloth gilt, 260 pp. . Net 7/6
- SHIPPING ORGANIZATION, MANAGEMENT AND ACCOUNTS.** (See p. 7.)
- INSURANCE OFFICE ORGANIZATION, MANAGEMENT AND ACCOUNTS.** (See p. 7.)
- BANK ORGANIZATION AND MANAGEMENT.** (See p. 6.)
- STOCKBROKERS' OFFICE ORGANIZATION, MANAGEMENT AND ACCOUNTS.** (See p. 10.)
- THE CARD INDEX SYSTEM.** Its Principles, Uses, Operation, and Component Parts. In crown 8vo, cloth, 100 pp. . Net 1/6
- FILING SYSTEMS.** Their Principles and Their Application to Modern Office Requirements. By E. A. COPE. In crown 8vo, cloth gilt, 200 pp., . Net 2/6
- A MANUAL OF DUPLICATING.** By W. DESBOROUGH. In demy 8vo, cloth, 90 pp. . Net 2/-

## ADVERTISING AND SALESMANSHIP

- ADVERTISING.** By HOWARD BRIDGEWATER. In crown 8vo, cloth, 120 pp. . Net 1/6
- ADS. AND SALES.** By HERBERT N. CASSON. In demy 8vo, cloth, 167 pp., . Net 7/6
- THE THEORY AND PRACTICE OF ADVERTISING.** By W. DILL SCOTT, Ph.D. In large crown 8vo, cloth, 61 illustrations. Net 7/6
- ADVERTISING AS A BUSINESS FORCE.** By P. T. CHERINGTON. In demy 8vo, cloth gilt, 586 pp. . Net 7/6
- THE PRINCIPLES OF ADVERTISING ARRANGEMENT.** By F. A. PARSONS. Size 7 in. by 10½ in., cloth, 128 pp., with many illustrations. Net 6/-
- THE NEW BUSINESS.** By HARRY TIPPER. In demy 8vo, cloth gilt, 406 pp. . Net 8/6
- THE CRAFT OF SILENT SALESMANSHIP.** A Guide to Advertisement Construction. By C. MAXWELL TREGURTHA and J. W. FRINGS. Foreword by T. SWINBORNE SHELDRAKE. Size, 6½ in. by 9½ in., cloth, 98 pp., with illustrations. Net 5/-
- THE PSYCHOLOGY OF ADVERTISING.** By W. DILL SCOTT, Ph.D. In demy 8vo, with 67 illustrations. Net 7/-
- SALESMANSHIP.** By W. A. CORBION and G. E. GRIMSDALE. In crown 8vo, cloth, 186 pp. . Net 2/6
- PRACTICAL SALESMANSHIP.** By N. C. FOWLER, assisted by 29 expert Salesmen, etc. In crown 8vo, cloth, 337 pp. . Net 5/-
- COMMERCIAL TRAVELLING.** By ALBERT E. BULL. In crown 8vo, cloth gilt, 170 pp. . Net 2/6

# BUSINESS HANDBOOKS AND WORKS OF REFERENCE

- COMMERCIAL ENCYCLOPAEDIA AND DICTIONARY OF BUSINESS.** Edited by J. A. SLATER, B.A., LL.B. (Lond), *Barrister-at-Law*. Assisted by about 50 specialists as contributors. A reliable and comprehensive work of reference on all commercial subjects, specially written for the busy merchant, the commercial student, and the modern man of affairs. With numerous maps, illustrations, facsimile business forms and legal documents, diagrams, etc. In 4 vols., large crown 4to (each about 450 pp.), cloth gilt. . . . . Net £2 12s. 6d.
- COMMERCIAL SELF-EDUCATOR.** A comprehensive guide to business specially designed for commercial students, clerks, and teachers. Edited by ROBERT W. HOLLAND, M.A., M.Sc., LL.D. Assisted by upwards of 40 Specialists as contributors. With many maps, illustrations, documents, Diagrams, etc. Complete in 2 vols., crown 4to cloth gilt, about 900 pp., sprinkled edges. . . . . Net 18/-
- BUSINESS MAN'S GUIDE.** Edited by J. A. SLATER, B.A., LL.B. Seventh Edition, Revised. In crown 8vo, cloth, 520 pp. . . . . Net 5/-
- PUBLIC MAN'S GUIDE.** Edited by J. A. SLATER, B.A., LL.B. (Lond). A Handbook for all who take an interest in questions of the day. In crown 8vo, cloth gilt, 444 pp. . . . . Net 3/6
- LECTURES ON BRITISH COMMERCE, INCLUDING FINANCE, INSURANCE, BUSINESS AND INDUSTRY.** By the RT HON FREDERICK HUTH JACKSON, G. ARMITAGE-SMITH, M.A., D.Litt, ROBERT BRUCE, C.B., etc. In demy 8vo, cloth gilt, 295 pp. . . . . Net 7/6
- THE MONEY AND THE STOCK AND SHARE MARKETS.** By EMIL DAVIES. In crown 8vo, cloth, 124 pp. . . . . Net 1/6
- THE EVOLUTION OF THE MONEY MARKET (1885-1915).** An Historical and Analytical Study of the Rise and Development of Finance as a Centralized, Co-ordinated Force. By ELLIS T. POWELL, LL.B. (Lond), D.Sc. (Econ., Lond.). In demy 8vo, cloth gilt, 748 pp. . . . . Net 10/6
- THE HISTORY, LAW, AND PRACTICE OF THE STOCK EXCHANGE.** By A. P. POLEY, B.A., *Barrister-at-Law*, and F. H. CARRUTHERS GOULD, of the *Stock Exchange*. Second Edition, Revised. In demy 8vo, cloth gilt, 348 pp. . . . . Net 6/-
- STOCKBROKERS' OFFICE ORGANIZATION, MANAGEMENT AND ACCOUNTS.** By J. E. DAY. In demy 8vo, cloth gilt, 242 pp. . . . . Net 7/6
- DICTIONARY OF THE WORLD'S COMMERCIAL PRODUCTS.** By J. A. SLATER, B.A., LL.B. (Lond). Second Edition, Revised. In demy 8vo, cloth, 170 pp. . . . . Net 3/6
- TELEGRAPH CIPHERS.** A condensed vocabulary of 101,000,000 pronounceable artificial words, all of ten letters. By A. W. E. CROSFIELD. Size 12 in. by 12 in., cloth. . . . . Net 21/-
- DISCOUNT, COMMISSION, AND BROKERAGE TABLES.** By ERNEST HEAVINGHAM. Size 3 in. by 4½ in., cloth, 160 pp. . . . . Net 1/6
- BUSINESS TERMS, PHRASES, AND ABBREVIATIONS.** Fourth Edition, Revised and Enlarged. In crown 8vo, cloth, 280 pp. . . . . Net 3/-
- MERCANTILE TERMS AND ABBREVIATIONS.** Containing over 1,000 terms and 500 abbreviations used in commerce, with definitions. Size 3 in. by 4½ in., cloth, 126 pp. . . . . Net 1/6
- TRAMWAY RATING VALUATIONS AND INCOME TAX ASSESSMENTS.** By F. A. MITCHELSON. In demy 8vo, cloth gilt. . . . . Net 2/6
- THE TRADER'S GUIDE TO COUNTY COURT PROCEDURE.** In foolscap 8vo, cloth, 112 pp. . . . . Net 1/6
- A COMPLETE GUIDE TO THE IMPROVEMENT OF THE MEMORY.** By the late Rev. J. H. BACON. In foolscap 8vo, cloth, 118 pp. . . . . Net 1/6
- HOW TO STUDY AND REMEMBER.** By B. J. DAVIES. Third Edition. In crown 8vo. . . . . Net 6d.
- THE NEW REGISTER-ACCOUNT BOOK.** Compiled by H. R. STANILAND, P.C.T., A.C.T.S. Size 9 in. by 5½ in., 50 pp., specially ruled, qr. cloth. . . . . Net 3/-
- TRADER'S HANDBOOKS.** In crown 8vo, cloth, 260 pp. . . . . Each Net 3/6
- Drapery and Drapers' Accounts. By RICHARD BEYNON.
- Grocery and Grocers' Accounts. By W. F. TUFMAN.
- Ironmongery and Ironmongers' Accounts. By S. W. FRANCIS.

# COMMON COMMODITIES OF COMMERCE AND INDUSTRIES

- Each book in crown 8vo, cloth, with many illustrations, about 130 pp . Net 2/6
- TEA.** From Grower to Consumer. By A. IBBETSON.
- COFFEE.** From Grower to Consumer. By B B KEABLE.
- SUGAR, Cane and Beet.** By GEO. MARTINEAU, C B
- OILS.** Animal, Vegetable, Essential, and Mineral. By C AINSWORTH MITCHELL, B A, F.I.C.
- WHEAT AND ITS PRODUCTS.** By ANDREW MILLAR.
- RUBBER.** Production and Utilisation of the Raw Product. By C. BEADLE and H. P STEVENS, M.A., Ph.D., F I C
- IRON AND STEEL.** Their Production and Manufacture. By C. HOOD.
- COPPER.** From the Ore to the Metal. By H. K PICARD, *Assoc. Royal School of Mines, Mem. Inst of Min. and Met*
- COAL.** Its Origin, Method of Working, and Preparation for the Market. By FRANCIS H. WILSON, M.Inst.M.E.
- TIMBER.** From the Forest to its Use in Commerce. By W. BULLOCK.
- LEATHER.** From the Raw Material to the Finished Product. By K J. ADCOCK.
- COTTON.** From the Raw Material to the Finished Product. By R. J. PEAKE.
- SILK.** Its Production and Manufacture. By LUTHER HOOPER.
- WOOL.** From the Raw Material to the Finished Product. By J. A. HUNTER.
- LINEN.** From the Field to the Finished Product. By ALFRED S. MOORE.
- TOBACCO.** From Grower to Smoker. By A. E. TANNFR.
- CLAYS AND CLAY PRODUCTS.** By ALFRED B. SEARLE
- PAPER.** Its History, Sources, and Production. By H. A. MADDOX, *Silver Medalist, Paper-making, 1909*
- SOAP.** Its Composition, Manufacture, and Properties. By WILLIAM A. SIMMONS, B.Sc. (Lond.), F.C.S.
- GLASS AND GLASS MAKING.** By P. MARSON
- GUMS AND RESINS.** Their Occurrence, Properties, and Uses. By ERNEST J PARRY, B.Sc., F.I.C., F.C.S.
- THE MOTOR INDUSTRY.** By HORACE WYATT, B.A.
- THE BOOT AND SHOE INDUSTRY.** By J. S HARDING.
- GAS AND GAS MAKING.** By W. H. Y. WEBBER.
- FURNITURE.** By H. E. BINSTEAD.
- COAL TAR AND SOME OF ITS PRODUCTS.** By A. R. WARNES, F.C.S., A.I. Mech. E.
- PETROLEUM.** By ALBERT LIDGITT, *Editor of the "Petroleum Times."*
- SALT AND THE SALT INDUSTRY.** By A F CALVERT
- KNITTED FABRICS.** By J. CHAMBERLAIN and J H QUILTER.
- ZINC.** By T. E LONES.

## LAW

- THE ELEMENTS OF COMMERCIAL LAW.** By A. H. DOUGLAS, LL.B. (Lond). In crown 8vo, cloth, 128 pp. . Net 2/-
- THE COMMERCIAL LAW OF ENGLAND.** By J A. SLATER, B.A., LL.B. (Lond). In crown 8vo, cloth, 252 pp. Seventh Edition . Net 3/6
- THE LAW OF CONTRACT.** By R. W. HOLLAND, M.A., M.Sc., LL.D. *Of the Middle Temple, Barrister-at-Law.* In foolscap 8vo, cloth, 120 pp. . Net 1/6
- QUESTIONS AND ANSWERS IN COMMERCIAL LAW.** By J. WELLS THATCHER, *Barrister-at-Law.* In crown 8vo, cloth gilt, 172 pp. . Net 2/6
- EXAMINATION NOTES ON COMMERCIAL LAW.** By R. W. HOLLAND, M.A., M.Sc. LL.D. Cloth, 64 in. by 3½ in., 56 pp. . Net 1/-
- ELEMENTARY LAW.** By E. A. COPE. In crown 8vo, cloth, 228 pp. . Net 2/6
- LEGAL TERMS, PHRASES, AND ABBREVIATIONS.** By E. A. COPE. Third Edition. In crown 8vo, cloth, 216 pp. . Net 3/-
- SOLICITOR'S CLERK'S GUIDE.** An Introduction to the work of a solicitor's office; with a chapter on Costs. By the same Author. In crown 8vo, cloth gilt, 216 pp. . Net 2/6
- CONVEYANCING.** By E. A. COPE. In crown 8vo, cloth, 206 pp. . Net 3/6
- WILLS, EXECUTORS, AND TRUSTEES.** With a Chapter on Infestacy. By J. A. SLATER, B.A., LL.B. (Lond). In foolscap 8vo, cloth, 122 pp. . Net 1/6
- THE LAW RELATING TO TRADE CUSTOMS, MARKS, SECRETS, RESTRAINTS, AGENCIES, etc., etc.** By LAWRENCE DUCKWORTH, *Barrister-at-Law.* In foolscap 8vo, cloth, 116 pp. . Net 1/3
- MERCANTILE LAW.** By J. A. SLATER, B.A., LL.B. (Lond.). In demy 8vo, cloth gilt, 464 pp. Fourth Edition . Net 7/6

<b>BILLS, CHEQUES, AND NOTES.</b> By J. A. SIATER, B.A., LL.B. Third Edition, In demy 8vo, cloth gilt, 214 pp. . . . .	Net	6/-
<b>PRINCIPLES OF MARINE LAW.</b> By LAWRENCE DUCKWORTH. Third Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 400 pp. . . . .	Net	7/6
<b>OUTLINES OF COMPANY LAW.</b> By F. D. HEAD, B.A. (Oxon.). In demy 8vo, cloth, 100 pp. . . . .	Net	2/-
<b>GUIDE TO COMPANY LAW.</b> By R. W. HOLLAND, M.A., M.Sc., LL.D. In crown 8vo, cloth gilt, 203 pp. . . . .	Net	2/6
<b>EXAMINATION NOTES ON COMPANY LAW.</b> By R. W. HOLLAND, M.A., M.Sc., LL.D. Cloth, 64 in. by 34 in., 56 pp. . . . .	Net	1/-
<b>COMPANIES AND COMPANY LAW.</b> Together with the Companies (Consolidation) Act, 1908, and the Act of 1913. By A. C. CONNELL, LL.B. (Lond.). Second Edition, Revised. In demy 8vo, cloth gilt, 348 pp. . . . .	Net	6/-
<b>COMPANY CASE LAW.</b> A digest of leading decisions. By F. D. HEAD, B.A. (Oxon.). In demy 8vo, cloth gilt, 314 pp. . . . .	Net	7/6
<b>THE STUDENT'S GUIDE TO RAILWAY LAW.</b> By ARTHUR C. CHAPMAN, M.A., LL.D. (Camb). In crown 8vo, cloth gilt, 200 pp. . . . .	Net	2/6
<b>RAILWAY (REBATES) CASE LAW.</b> By GEO. B. LISSENDEN. In demy 8vo, cloth gilt, 450 pp. . . . .	Net	10/6
<b>THE LAW RELATING TO SECRET COMMISSIONS AND BRIBES (CHRISTMAS BOXES, GRATUITIES, TIPS, etc.).</b> The Prevention of Corruption Act, 1906. By ALBERT CREW, of Gray's Inn, and the South-Eastern Circuit, <i>Barrister-at-Law</i> . In demy 8vo, cloth gilt, 198 pp. . . . .	Net	5/-
<b>INHABITED HOUSE DUTY.</b> By W. E. SNELLING. In demy 8vo, cloth gilt, 357 pp. . . . .	Net	12/6
<b>THE LAW OF CARRIAGE.</b> By J. E. R. STEPHENS, B.A., of the Middle Temple, <i>Barrister-at-Law</i> . In demy 8vo, cloth gilt, 340 pp. . . . .	Net	5/-
<b>THE LAW RELATING TO THE CARRIAGE BY LAND OF PASSENGERS, ANIMALS, AND GOODS.</b> By S. W. CLARKE, of the Middle Temple, <i>Barrister-at-Law</i> . In demy 8vo, cloth gilt, 350 pp. . . . .	Net	7/6
<b>THE STUDENT'S GUIDE TO BANKRUPTCY LAW AND WINDING UP OF COMPANIES.</b> By F. PORTER FAUSSET, B.A., LL.B., <i>Barrister-at-Law</i> . In crown 8vo, cloth gilt, 196 pp. . . . .	Net	2/6
<b>BANKRUPTCY, DEEDS OF ARRANGEMENT AND BILLS OF SALE.</b> By W. VALENTINE BALL, M.A., and G. MILLS, B.A., <i>Barristers-at-Law</i> . Third Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 364 pp. . . . .	Net	5/-
<b>FARM LAW.</b> By M. G. JOHNSON. In demy 8vo, cloth gilt, 160 pp. . . . .	Net	3/6
<b>GUIDE TO THE LAW OF LICENSING.</b> The Handbook for all Licence Holders. By J. WELLS THATCHER. In demy 8vo, cloth gilt, 196 pp. . . . .	Net	5/-
<b>LAW OF REPAIRS AND DILAPIDATIONS.</b> A Handbook for Students and Practitioners. By F. CATO WORSFOLD, M.A., LL.D. In crown 8vo, cloth gilt, 104 pp. . . . .	Net	3/6
<b>THE LAW OF EVIDENCE.</b> A Handbook for Students and Practitioners. By W. NEMPHARD HIBBERT, LL.D. (Lond.), <i>Barrister-at-Law of the Middle Temple</i> . In crown 8vo, cloth gilt, 144 pp. Second Edition, Revised. . . . .	Net	5/-
<b>THE LAW OF PROCEDURE.</b> A Handbook for Students and Practitioners. By the same author. In demy 8vo, cloth gilt, 122 pp. . . . .	Net	5/-
<b>HANDBOOK OF LOCAL GOVERNMENT LAW.</b> By J. WELLS THATCHER. In large crown 8vo, cloth gilt, 250 pp. . . . .	Net	3/6
<b>THE LAW RELATING TO THE CHILD: ITS PROTECTION, EDUCATION, AND EMPLOYMENT.</b> By R. W. HOLLAND, M.A., M.Sc., LL.D. In demy 8vo, cloth gilt, 166 pp. . . . .	Net	5/-
<b>INCOME TAX AND SUPER-TAX LAW AND CASES.</b> (See p. 8.) . . . . .		

## FOREIGN LANGUAGES

### FRENCH

<b>A CHILD'S FIRST STEPS IN FRENCH.</b> By A. VIZETFLY. An elementary French reader with vocabulary. Illustrated. In crown 8vo, limp cloth, 64 pp. . . . .	Net	1/-
<b>FRENCH COURSE. Part I.</b> In crown 8vo, 120 pp., limp cloth . . . . .	Net	1/3
<b>FRENCH COURSE. Part II.</b> ( <i>In preparation</i> ) . . . . .		
<b>PROGRESSIVE FRENCH GRAMMAR.</b> By Dr. F. A. HEDGCOCK, M.A. . . . .	Net	5/6
(Also in 2 vols. Part I, 3/6 net; Part II, 2/6 net) . . . . .		
<b>Key</b> . . . . .	Net	3/6
<b>EASY FRENCH CONVERSATIONAL SENTENCES.</b> In crown 8vo, 32 pp. . . . .	Net	6d.
<b>ADVANCED FRENCH CONVERSATIONAL EXERCISES.</b> In crown 8vo, 32 pp. . . . .	Net	6d.

<b>TOURISTS' VADE MECUM OF FRENCH COLLOQUIAL CONVERSATION.</b> Handy size for the pocket, cloth	Net	1/3
<b>FRENCH VOCABULARIES AND IDIOMATIC PHRASES.</b> By E. J. KEALBY, B.A. In crown 8vo, 151 pp.	Net	2/-
<b>GRADUATED LESSONS IN COMMERCIAL FRENCH</b> By F. MARSDEN. In crown 8vo, cloth, 168 pp	Net	2/-
<b>FRENCH-ENGLISH AND ENGLISH-FRENCH COMMERCIAL DICTIONARY.</b> By F. W. SMITH. In crown 8vo, cloth, 576 pp	Net	7/6
<b>FRENCH RECITER LE ROI LION ET SES GRANDS VASSAUX.</b> By F. W. M. DRAIER, M.A., B. & L. In crown 8vo, limp cloth, 56 pp	Net	8d.
<b>COMMERCIAL FRENCH GRAMMAR.</b> By F. W. M. DRAPER, M.A., B. & L. In crown 8vo, cloth gilt, 166 pp	Net	2/6
<b>RAPID METHOD OF SIMPLIFIED FRENCH CONVERSATION.</b> By V. F. HIBBERD. In crown 8vo, cloth, 192 pp.	Net	2/-
<b>GRADUATED FRENCH-ENGLISH COMMERCIAL CORRESPONDENCE.</b> By MAURICE DENEVE. In crown 8vo, 100 pp	Net	2/-
<b>FRENCH BUSINESS LETTERS.</b> First Series. In crown 4to, 32 pp	Net	8d.
<b>FRENCH BUSINESS LETTERS.</b> By A. H. BERNAARDT. Second Series. In crown 8vo, 48 pp.	Net	8d.
<b>COMMERCIAL CORRESPONDENCE IN FRENCH.</b> In crown 8vo, cloth, 240 pp	Net	3/6
<b>MERCANTILE CORRESPONDENCE.</b> English-French. In crown 8vo, cloth 250 pp	Net	2/6
<b>MODELS AND EXERCISES IN COMMERCIAL FRENCH.</b> By E. T. GRIFFITHS, M.A. In crown 8vo, cloth, 180 pp	Net	2/6
<b>FRENCH COMMERCIAL PHRASES AND ABBREVIATIONS WITH TRANSLATION.</b> In crown 8vo, 32 pp		6d.
<b>FRENCH BUSINESS CONVERSATIONS AND INTERVIEWS.</b> In crown 8vo, 80 pp., limp cloth	Net	2/-
<b>READINGS IN COMMERCIAL FRENCH.</b> With Notes and Translations in English. In crown 8vo, cloth, 90 pp	Net	1/-
<b>FRENCH COMMERCIAL READER.</b> In crown 8vo, cloth, 208 pp	Net	2/6
<b>ENGLISH-FRENCH AND FRENCH-ENGLISH DICTIONARY OF BUSINESS WORDS AND TERMS.</b> Size 2 in. by 6 in., cloth, rounded corners, 540 pp	Net	3/6
<b>VEST POCKET LIST OF ENDINGS OF FRENCH REGULAR AND AUXILIARY VERBS.</b> With Notes on the Participles and the Infinitive. Size 2½ in. by 1½ in. 48 pp.	Net	2d.

## GERMAN

<b>GERMAN COURSE.</b> Part I. 9d. net. Cloth	Net	1/-
<b>KEY TO GERMAN COURSE.</b> In crown 8vo	Net	1/6
<b>PRACTICAL GERMAN GRAMMAR.</b> In crown 8vo, 102 pp.	Net	2/6
<b>EASY LESSONS IN GERMAN.</b> By J. BITHELL, M.A. In crown 8vo, cloth, 116 pp	Net	1/3
<b>EASY GERMAN CONVERSATIONAL SENTENCES.</b> In crown 8vo, 32 pp.	Net	8d.
<b>ADVANCED GERMAN CONVERSATIONAL EXERCISES.</b> In crown 8vo, 32 pp.	Net	6d.
<b>TOURISTS' VADE MECUM OF GERMAN COLLOQUIAL CONVERSATION.</b> In crown 8vo, cloth	Net	1/3
<b>EXAMINATION NOTES ON GERMAN.</b> By A. HARGREAVES, M.A., Ph.D. Cloth, 6½ in. by 3½ in., 56 pp.	Net	1/-
<b>GERMAN EXAMINATION PAPERS WITH MODEL ANSWERS.</b> In crown 8vo, 48 pp.	Net	6d.
<b>COMMERCIAL GERMAN GRAMMAR.</b> By J. BITHELL, M.A. In crown 8vo, cloth gilt, 182 pp.	Net	2/6
<b>GERMAN BUSINESS INTERVIEWS, Nos. 1 and 2.</b> Each in crown 8vo, limp cloth. No. 1, 100 pp. No. 2, 74 pp	Net	1/6
<b>ELEMENTARY GERMAN CORRESPONDENCE.</b> By LEWIS MARSH, M.A., In crown 8vo, cloth, 143 pp.	Net	2/-
<b>COMMERCIAL CORRESPONDENCE IN GERMAN.</b> In crown 8vo, cloth, 240 pp	Net	3/6
<b>MERCANTILE CORRESPONDENCE.</b> English-German. In crown 8vo, cloth, 250 pp.	Net	2/6
<b>GERMAN BUSINESS LETTERS.</b> First Series. In crown 8vo, 48 pp	Net	6d.
<b>GERMAN BUSINESS LETTERS.</b> By G. ALBERS. Second Series. In crown 8vo, 48 pp.	Net	6d.
<b>GRADUATED GERMAN-ENGLISH COMMERCIAL CORRESPONDENCE.</b> In crown 8vo, cloth	Net	3/6
<b>GERMAN COMMERCIAL PHRASES.</b> In crown 8vo, 32 pp.	Net	6d.
<b>GERMAN COMMERCIAL READER.</b> In crown 8vo, cloth, 208 pp.	Net	3/6
<b>READINGS IN COMMERCIAL GERMAN.</b> With Notes and Translations in English. In crown 8vo, cloth, 90 pp	Net	1/-
<b>ENGLISH-GERMAN AND GERMAN-ENGLISH DICTIONARY OF BUSINESS WORDS AND TERMS.</b> Size 2 in. by 6 in., rounded corners, cloth, 440 pp.	Net	3/6

## SPANISH

<b>EASY SPANISH CONVERSATIONAL SENTENCES.</b> In crown 8vo, 32 pp. . . . .	Net	6d.
<b>ADVANCED SPANISH CONVERSATIONAL EXERCISES.</b> In crown 8vo, 32 pp. . . . .	Net	6d.
<b>TOURISTS' VADE MECUM OF SPANISH COLLOQUIAL CONVERSATION.</b> Cloth . . . . .	Net	1/3
<b>EXAMINATION NOTES ON SPANISH.</b> By ALFRED CALVERT. Cloth, 6½ in. by 3¼ in., 56 pp. . . . .	Net	1/-
<b>COMMERCIAL SPANISH GRAMMAR.</b> By C. A. TOLEDANO. In crown 8vo, cloth gilt, 250 pp. . . . .	Net Key . . . . .	4/6 2/-
<b>SPANISH VERBS, Regular and Irregular.</b> By G. R. MACDONALD. In crown 8vo, cloth, 180 pp. . . . .	Net	2/6
<b>COMMERCIAL CORRESPONDENCE IN SPANISH.</b> In crown 8vo, cloth, 240 pp. . . . .	Net	3/6
<b>MANUAL OF SPANISH COMMERCIAL CORRESPONDENCE.</b> By G. R. MACDONALD. In crown 8vo, cloth gilt, 328 pp. . . . .	Net	4/6
<b>LESSONS IN SPANISH COMMERCIAL CORRESPONDENCE.</b> By the same Author. In crown 8vo, cloth, 107 pp. . . . .	Net	2/-
<b>SPANISH COMMERCIAL READER.</b> By G. R. MACDONALD. In crown 8vo, cloth, 178 pp. . . . .	Net	2/6
<b>READINGS IN COMMERCIAL SPANISH.</b> With Notes and Translations in English. In crown 8vo, cloth, 90 pp. . . . .	Net	1/-
<b>SPANISH BUSINESS LETTERS.</b> First Series. In crown 8vo, 32 pp. . . . .	Net	6d.
<b>SPANISH BUSINESS LETTERS.</b> By E. McCONNELL. Second Series. In crown 8vo, 48 pp. . . . .	Net	6d.
<b>SPANISH COMMERCIAL PHRASES.</b> With Abbreviations and Translation. In crown 8vo, 32 pp. . . . .	Net	6d.
<b>SPANISH BUSINESS CONVERSATIONS AND INTERVIEWS.</b> With Correspondence, Invoices, etc. In crown 8vo, 90 pp, limp cloth . . . . .	Net	2/-
<b>SPANISH-ENGLISH AND ENGLISH-SPANISH COMMERCIAL DICTIONARY.</b> By G. R. MACDONALD. In crown 8vo, cloth gilt, 652 pp. . . . .	Net	7/6

## ITALIAN

<b>TOURISTS' VADE MECUM OF ITALIAN COLLOQUIAL CONVERSATION.</b> cloth . . . . .	Net	1/3
<b>COMMERCIAL ITALIAN GRAMMAR.</b> By LUIGI RICCI. In crown 8vo, cloth gilt, 154 pp. . . . .	Net	2/6
<b>MERCANTILE CORRESPONDENCE.</b> English-Italian. In crown 8vo, cloth, 250 pp. . . . .	Net	3/6
<b>ITALIAN BUSINESS LETTERS.</b> By A. VALGIMIGLI. In crown 8vo, 48 pp. . . . .	Net	6d.

## MISCELLANEOUS

<b>PRACTICAL PORTUGUESE GRAMMAR.</b> By C. A. and A. TOLEDANO. In crown 8vo, cloth, 330 pp. . . . .	Net	5/-
<b>MERCANTILE CORRESPONDENCE.</b> English-Portuguese. In crown 8vo, cloth, 250 pp. . . . .	Net	3/6
<b>LESSONS IN PORTUGUESE COMMERCIAL CORRESPONDENCE.</b> By G. R. MACDONALD. In crown 8vo, cloth, 108 pp. . . . .	Net	2/-
<b>DICTIONARY OF COMMERCIAL CORRESPONDENCE IN ENGLISH, FRENCH, GERMAN, SPANISH, ITALIAN, PORTUGUESE, AND RUSSIAN.</b> Third Revised Edition. In demy 8vo, cloth, 718 pp. . . . .	Net	10/6
<b>THE FOREIGN CORRESPONDENT.</b> By EMIL DAVIES. In crown 8vo, cloth, 80 pp. . . . .	Net	1/6
<b>COMMERCIAL TERMS IN FIVE LANGUAGES.</b> Being about 1,900 terms and phrases used in commerce, with their equivalents in French, German, Spanish, and Italian. Size 3 in. by 4½ in., cloth, 118 pp. . . . .	Net	1/6

## PITMAN'S SHORTHAND

All books are in foolscap 8vo size unless otherwise stated.

### INSTRUCTION BOOKS

*Centenary Editions.*

<b>PITMAN'S SHORTHAND TEACHER.</b> An elementary work suited for self-instruction or class teaching . . . . .	8d.
<b>KEY TO "PITMAN'S SHORTHAND TEACHER"</b> . . . . .	8d.
<b>PITMAN'S SHORTHAND PRIMERS.</b> In three Books: Elementary, Intermediate, and Advanced . . . . .	Each, 8d. Keys, each 8d.

<b>PITMAN'S SHORTHAND READING LESSONS.</b> Nos. 1, 2 and 3 . . . . .	Each	8s.
<b>KEYS TO "PITMAN'S SHORTHAND READING LESSONS,"</b> Nos. 1, 2, and 3	Each	3d.
<b>PITMAN'S SHORTHAND COPY BOOKS.</b> Nos. 1, 2, 3, and 4. An entirely new series covering the theory of the system. Foolscap 4to (8½ in. by 6¼ in.) . . . . .	Each	6d.
<b>PITMAN'S SHORTHAND DRILL EXERCISES.</b> Oblong . . . . .		8d.
<b>COMPEND OF PITMAN'S SHORTHAND.</b> . . . . .		2d.
<b>PITMAN'S SHORTHAND INSTRUCTOR.</b> Complete Instruction in the System. Cloth . . . . .	Key, 1/6; cloth	4/-
		2/-
<b>THE CENTENARY CHANGES IN PITMAN'S SHORTHAND.</b> In crown 8vo . . . . .		1d.
<b>SUMMARIES FROM "PITMAN'S SHORTHAND INSTRUCTOR."</b> Size, 2½ in. by 4 in. . . . .		3d.
<b>PITMAN'S SHORTHAND MANUAL.</b> Contains instruction in the Intermediate Style, with 100 Exercises . . . . .	Cloth	2/-
	Key	2/6
		8d.
<b>PITMAN'S SHORTHAND GRADUS.</b> Writing Exercises in ordinary print for <i>Manual</i>		3d.
<b>PITMAN'S SHORTHAND REPORTER.</b> Containing instruction in the Advanced Style. with 52 Exercises . . . . .		2/6
	Cloth	3/-
	Key	8d.
<b>REPORTING EXERCISES.</b> Exercises on all the rules and contracted words in ordinary print, counted for dictation . . . . .		1/-
<b>PITMAN'S SHORTHAND CATECHISM.</b> In crown 8vo . . . . .		1/6
<b>PITMAN'S SHORTHAND WRITING EXERCISES AND EXAMINATION TESTS.</b> In crown 8vo, paper boards . . . . .		2/-
	Key	3/6
<b>EXAMINATION NOTES ON PITMAN'S SHORTHAND.</b> By H. W. B. WILSON. 8 in. by 3½ in., cloth . . . . .		1/6
<b>GRADED SHORTHAND READINGS.</b> . . . . .		
Elementary, with Key. In crown 8vo, oblong . . . . .		6d.
Intermediate, with Key. In crown 8vo, oblong . . . . .		8d.
Second Series . . . . .		8d.
Advanced, with Key. In crown 8vo, oblong . . . . .		8d.
<b>GRADUATED TESTS IN PITMAN'S SHORTHAND.</b> Illustrating all the rules in the Intermediate Style. In note-book form, post 8vo (6½ in. by 4½ in.), with ruled paper . . . . .		8d.
<b>PROGRESSIVE STUDIES IN PITMAN'S SHORTHAND.</b> . . . . .		1/-
<b>TALKS WITH SHORTHAND STUDENTS.</b> By JAMES HYNES . . . . .		1/-
<b>CHATS ABOUT PITMAN'S SHORTHAND.</b> By GEORGE BLETCHER . . . . .		1/-
<b>LECTURETTES ON PITMAN'S SHORTHAND.</b> By J HANES . . . . .		1/-
<b>PITMAN'S SHORTHAND RAPID COURSE.</b> A Series of Twenty Simple Lessons covering the whole of the system and specially adapted for business purposes. In crown 8vo . . . . .	Cloth	2/6
	Key	2/-
With Additional Exercises . . . . .		4/-
<b>PITMAN'S SHORTHAND RAPID COURSE. ADDITIONAL EXERCISES ON</b>		8d.
<b>READING EXERCISES ON THE RAPID COURSE</b> (In Shorthand), crown 8vo, 62 pp		1/-
<b>PITMAN'S SHORTHAND COMMERCIAL COURSE.</b> Specially adapted for commercial students . . . . .	Cloth	4/-
	Key, 2/-, Additional Exercises	1/-
<b>PITMAN'S EXERCISES IN BUSINESS SHORTHAND.</b> By A. BENJAMIN, I.P.S. (Hons.), F C Sp T. . . . .		1/9

## GRAMMALOGUES AND CONTRACTIONS

<b>GRAMMALOGUES AND CONTRACTIONS.</b> For use in classes . . . . .		2d.
<b>VEST POCKET LIST OF GRAMMALOGUES AND CONTRACTIONS OF PITMAN'S SHORTHAND.</b> 2½ in. by 1½ in., limp cloth . . . . .		2d.
<b>EXERCISES ON THE GRAMMALOGUES AND CONTRACTIONS OF PITMAN'S SHORTHAND.</b> By J. F. C. GROW. In Shorthand, with Key. In crown 8vo, limp cloth . . . . .		6d.
<b>HOW TO PRACTISE AND MEMORIZE THE GRAMMALOGUES OF PITMAN'S SHORTHAND.</b> Compiled by D. J. GEORGE. Size 7½ in. by 5 in. . . . .		4d.

## SHORTHAND DICTIONARIES

<b>PITMAN'S ENGLISH AND SHORTHAND DICTIONARY.</b> In crown 8vo, cloth, 820 pp.	7/6
<b>PITMAN'S SHORTHAND DICTIONARY.</b> Crown 8vo (7½ in. by 5½ in.), 378 pp. Cloth	6/-
<b>PITMAN'S POCKET SHORTHAND DICTIONARY.</b> Royal 32mo (3½ in. by 4½ in.). Cloth	2/-
<b>PITMAN'S REPORTER'S ASSISTANT.</b> In crown 8vo, cloth . . . . .	3/6

## SHORTHAND PHRASE BOOKS, ETC.

<b>PHONOGRAPHIC PHRASE BOOK.</b>	1/6; Cloth	2/-
<b>SHORTHAND WRITERS' PHRASE BOOKS AND GUIDES.</b> Each in foolscap 8vo, Cloth	Net	2/-
Electrical and Engineering, Railway, Estate Agents, etc., Printing and Publishing, Insurance, Banking, Stockbroking and Financial, Commercial, Legal, Municipal, Builders and Contractors, Shipping, Iron and Steel Trades, Civil Engineering, Naval and Military, Chemical and Drug.		
<b>MEDICAL REPORTING IN PITMAN'S SHORTHAND.</b> By H. DICKINSON. With an Introduction and Lists of Phraseograms, Outlines, and Abbreviations. In crown 8vo, cloth	Net	3/-
<b>SHORTHAND CLERK'S GUIDE.</b> By VINCENT E. COLLINGE, A.C.I.S. In crown 8vo, cloth		1/6

## DICTATION AND SPEED PRACTICE BOOKS

<b>SPECIALISED CORRESPONDENCE BOOKS.</b> (1) The Chemical Trade. (2) The Paper Trade. (3) The Building Trade. In ordinary print	Each	6d.
<b>GRADUATED DICTATION BOOKS.</b> (1) Political Speeches. (2) Sermons. In ordinary print. In crown 8vo	Each	4d.
<b>STUDENT'S PRACTICE BOOK.</b> In cr. 8vo, 241 pp		2/-
<b>GRADUATED DICTATION BOOKS.</b> (New Series) I and II	Each	6d.
<b>GRADUATED COMMERCIAL LETTERS FOR DICTATION.</b> 8½ in. by 6 in.		8d.
<b>REPORTING PRACTICE.</b> In crown 8vo, cloth		2/6
<b>PROGRESSIVE DICTATOR.</b> Third Edition. In crown 8vo, cloth		2/6
<b>SHORTHAND CANDIDATE'S DICTATION EXERCISES.</b> In crown 8vo, cloth		1/-
<b>COMMERCIAL DICTATION AND TYPEWRITING</b>		1/-
<b>SPEED TESTS AND GUIDE TO RAPID WRITING IN SHORTHAND.</b> In crown 8vo, cloth		2/-
<b>FIVE MINUTE SPEED TESTS.</b> With Introduction on Acquisition of Speed by P. P. JACKSON. In crown 8vo, cloth		2/-
<b>CUMULATIVE SPELLER AND SHORTHAND VOCABULARY.</b> By CHARLES E. SMITH. In crown 8vo, paper boards		2/-
<b>POCKET DICTATION BOOKS.</b> Nos. 1, 2, 3, and 4. 2½ in. by 3½ in.	Each	2d.
<b>SPEED TRAINING IN PITMAN'S SHORTHAND.</b> By F. MARRINER		6d.
<b>ACQUISITION OF SPEED IN SHORTHAND.</b> By E. A. COPE. In ordinary print. In crown 8vo		8d.
<b>BROWN'S SHORT-CUTS IN SHORTHAND.</b> By GEORGE BROWN, F.I.P.S. In crown 8vo		1/-
<b>THE STENOGRAPHIC EXPERT.</b> By W. B. BOTTOME and W. F. SMART. In demy 8vo, cloth	Net	7/6
<b>SHORTHAND COMMERCIAL LETTER-WRITER.</b> Advanced Style	1/-; Key	6d.
<b>OFFICE WORK IN SHORTHAND.</b> Specimens of Legal and other Professional Work commonly dictated to Shorthand clerks, in the Advanced Style	1/3; Key	6d.
<b>COMMERCIAL CORRESPONDENCE IN SHORTHAND.</b> In crown 8vo, cloth		2/6
<b>BUSINESS CORRESPONDENCE IN SHORTHAND.</b> In the Advanced Style	1/3; Key	10d.
<b>TRADE CORRESPONDENCE IN SHORTHAND.</b> In the Advanced Style	1/3; Key	8d.
<b>MISCELLANEOUS CORRESPONDENCE IN PITMAN'S SHORTHAND.</b> First, Second, and Third Series. Advanced Style, with Keys in ordinary print. Each in crown 8vo, oblong. Limp cloth		1/3

## SHORTHAND READING BOOKS

	In the Elementary Style.	
<b>AESOP'S FABLES</b>		6d.
<b>EASY READINGS.</b> With Key		8d.
<b>LEARNER'S SHORTHAND READER.</b> Illustrated		8d.
<b>STIRRING TALES</b>		8d.
<b>PERILS OF THE BUSH AND OTHER STORIES</b>		8d.
	In the Intermediate Style.	
<b>PITMAN'S PHONOGRAPHIC READER, No. 1.</b> With Key		6d.
<b>GULLIVER'S VOYAGE TO LILLIPUT.</b> By JONATHAN SWIFT. With Key. Cloth		2/-
<b>SUBMARINE X7 AND OTHER STORIES.</b> Illustrated		1/3
<b>THE VICAR OF WAKEFIELD.</b> By OLIVER GOLDSMITH. Illustrated.	2/-; Cloth	2/6
<b>TALES AND SKETCHES.</b> By WASHINGTON IRVING. With Key.	1/6; Cloth	2/-
<b>TALES OF ADVENTURE.</b> By various Authors		1/-
<b>THE RUNAWAY AIRSHIP AND OTHER STORIES.</b>		1/3
<b>THE SILVER SHIP OF MEXICO.</b> An abridgment of J. H. INGRAHAM'S Story	Cloth	2/-
<b>SELECT READINGS</b>	No. 1, 6d. No. II	8d.
<b>THE BOOK OF PSALMS.</b> Bible Authorised Version. Cloth gilt, red edges		3/6

**COMMERCIAL READERS IN SHORTHAND.** (1) Commercial Institutions. (2) Commodities. (3) Leaders of Commerce. (4) Gateways of British Commerce.

	Each	6d.
	In the Advanced Style.	
<b>PHONOGRAPHIC READER II</b> With Key		6d.
<b>A CHRISTMAS CAROL.</b> By CHARLES DICKENS	1/3; Cloth	1/9
<b>TALES FROM DICKENS</b>	Cloth	2/-
<b>THE SIGN OF FOUR.</b> By SIR A. CONAN DOYLE	Cloth	2/-
<b>THE RETURN OF SHERLOCK HOLMES.</b> Vols. I, II and III	Each, cloth	2/-
<b>AROUND THE WORLD IN EIGHTY DAYS.</b> By JULES VERNE		2/-
<b>SELF-CULTURE.</b> By J. S. BLACKIE	1/-; Cloth, 1/6; Key	2/6
<b>SELECTIONS FROM AMERICAN AUTHORS.</b> With Key		1/3
<b>THE LEGEND OF SLEEPY HOLLOW.</b> By WASHINGTON IRVING. With Key		8d.
<b>RIP VAN WINKLE.</b> By WASHINGTON IRVING With Key		6d.
<b>A COURSE IN BUSINESS TRAINING.</b> By G. K. BUCKNALL, A.C.I.S. (Shorthand Edition), 288 pp		3/-

### SHORTHAND TEACHERS' BOOKS

<b>PITMAN'S SHORTHAND TEACHER'S HANDBOOK.</b> In crown 8vo, cloth	1/8
<b>NOTES OF LESSONS ON PITMAN'S SHORTHAND.</b> Size 8 in. by 3½ in., cloth	2/6
<b>PREPARATION FOR A SHORTHAND TEACHER'S EXAMINATION.</b> Size 8 in. by 3½ in., cloth	1/6
<b>A COMMENTARY ON PITMAN'S SHORTHAND.</b> By J. W. TAYLOR In foolscap 8vo, cloth gilt, 448 pp	4/6
<b>THE METHODS OF TEACHING SHORTHAND.</b> By E. J. McNAMARA, M.A. In crown 8vo, cloth	2/6
<b>CHART OF THE PHONOGRAPHIC ALPHABET.</b> 22 in. by 35 in.	2s.
Mounted on canvas with rollers and varnished	Net 3/6
<b>CHARTS ON PITMAN'S SHORTHAND.</b> Twenty large Charts (22 in. by 35 in.)	The Set 7/6
<b>DERIVATIVE AND COMPOUND WORDS IN PITMAN'S SHORTHAND</b> By H. W. B. WILSON In foolscap 8vo	2/-
<b>HISTORY OF SHORTHAND.</b> By SIR ISAAC PITMAN. Fourth Edition, Revised. In crown 8vo, cloth	Net 5/-

### TYPEWRITING

<b>THE JUNIOR TYPIST.</b> By ANNIE E. DAVIS. Demy 8vo, cloth	Net 1/6
<b>NEW COURSE IN TYPEWRITING.</b> By MRS. SMITH CLOUGH. Large post 4to	1/6
<b>PITMAN'S TYPEWRITER MANUAL.</b> Can be used with any machine. Sixth Edition. Large post 4to, cloth	5/-
<b>PITMAN'S TYPEWRITING EXAMPLES</b> for any machine—	
On cards, 48 examples, foolscap folio	3/-
In oblong note-book, for standing by the side of the machine	2/-
In note-book form, in covers	2/6
<b>PITMAN'S EXERCISES AND TESTS IN TYPEWRITING.</b> Foolscap folio. Quarter cloth. Third Edition, revised	3/6
<b>HOW TO TEACH TYPEWRITING.</b> By KATE PICKARD, B.A. (Lond.) Crown 4to cloth	Net 3/6
<b>PRACTICAL COURSE IN TOUCH TYPEWRITING.</b> By C. E. SMITH. English Edition, revised and enlarged. Size, 8½ in. by 11 in.	2/-
<b>PRACTICAL TOUCH TYPEWRITING CHART.</b> Size, 30 in. by 40 in.	Net 2/6
<b>REMINGTON TYPEWRITER MANUAL.</b> For Nos. 5 and 7, 10 and 11. With Exercises and illustrations. Ninth Edition. Large post 4to	Net 2/-
<b>THE UNDERWOOD TYPEWRITER MANUAL.</b> By A. J. SYLVESTER. Large post 4to	2/6
<b>BAR-LOCK TYPEWRITER MANUAL</b> (Group System of Touch Typewriting). By H. ETHERIDGE. Large post 4to	2/-
<b>INSTRUCTIONS ON THE REMINGTON</b> (Nos. 7, 8, 10 and 11), <b>YOST</b> (No. 10), and <b>BARLOCK TYPEWRITERS.</b> Each, demy 8vo	6d.
<b>MODERN-TYPEWRITING AND MANUAL OF OFFICE PROCEDURE.</b> By A. E. MORTON. 6½ in. by 9½ in., cloth	5/6
<b>A TYPEWRITING CATECHISM.</b> By MRS. SMITH CLOUGH. In large post 4to	Net 3/6

### PERIODICALS

<b>PITMAN'S JOURNAL.</b> Subscription, which may begin at any time, 15/2 per annum, post free. (Estab. 1842). 24 pp.	Weekly 3d., by post	4d.
<b>PITMAN'S SHORTHAND WEEKLY.</b> (Estab. 1802.)	Weekly 2d., by post	2½d.
<b>BUSINESS ORGANISATION AND MANAGEMENT.</b> Monthly. 1/6 net, by post		
1/8. Annual Subscription		Net 18/-

*Pitman's Complete Commercial and Shorthand Catalogues containing FULL particulars of these and other important works will be sent post free on application.*



3304

W 18L

آخری درج شدہ تاریخ پر یہ کتاب مستعار  
لی گئی تھی مقررہ مدت سے زیادہ رکھنے کی  
صورت میں ایک آنہ یومیہ دیرانہ لیا جائے گا۔

---

6

5-10-51

17/10/51

3-6-51

12-11-51

27-1-53

14/3/58

8 SEP 1951

25 SEP 1951



330.4

W 18L

آخری درج شدہ تاریخ پر یہ کتاب مستعار  
لی گئی تھی مقررہ مدت سے زیادہ رکھنے کی  
صورت میں ایک آنہ یومیہ دیرانہ لیا جائے گا۔

---

6

5-6-51

17/6/51

3-6-51

12-11-51

27-1-53

14/3/58

8 SEP 1951

25 SEP 1951