

10/6
NET

Dhananjayrao Gadgil Library



GIPE-PUNE-008756

87 56

THE ECONOMIC WAR



MACMILLAN AND CO, LIMITED
LONDON · BOMBAY · CALCUTTA · MADRAS
MELBOURNE

THE MACMILLAN COMPANY
NEW YORK · BOSTON · CHICAGO
DALLAS · ATLANTA · SAN FRANCISCO

THE MACMILLAN COMPANY
OF CANADA, LIMITED
TORONTO

THE ECONOMIC WAR

BY

GEORGE PEEL

Author of

The Financial Crisis of France,
and of

The Economic Impact of America

MACMILLAN AND CO., LIMITED
ST. MARTIN'S STREET, LONDON

1930

COPYRIGHT

X:74.1.N3

G0

8756

PRINTED IN GREAT BRITAIN

87 5 6

PREFACE

IN the course of 1925 I published *The Financial Crisis of France*. That book was written half-way through the crisis which lasted from the opening of 1924 up to the latter half of 1926. Grounding myself on technical considerations to which I need not refer, I concluded that France would not merely surmount her existing troubles, but would, very shortly and without difficulty, establish the Gold Standard.

In the course of 1928 I published *The Economic Impact of America*. This was written in the middle of that period of financial inflation which ran from the close of 1926 nearly up to the close of 1929. In this case my conclusion was that great forces, "beyond the ken of London or the control of Washington," were preparing another of those reversals of fortune which are the standing feature in American Economics.

In the present volume, while pursuing the same method of economic argument as before, I deal with a subject of wider scope and of more poignant interest for ourselves.

GEORGE PEEL.

27, BELGRAVE SQUARE, S.W. 1
September 1930.

CONTENTS

CHAP.	PAGE
I. THE ECONOMIC WAR DEFINED	1
II. THE CAUSES OF STRIFE	23
III. THE CAUSES OF STRIFE (<i>continued</i>)	40
IV. THE CAUSES OF STRIFE (<i>continued</i>)	58
V. THE CAUSES OF STRIFE (<i>continued</i>)	75
VI. THE BALANCING OF ECONOMIC POWER	105
VII. THE BALANCING OF ECONOMIC POWER (<i>con- tinued</i>)	129
VIII. THE WIDENING WAR	165
IX. THE CAMPAIGN OF BRITAIN	198
X. THE CAMPAIGN OF BRITAIN (<i>continued</i>)	221
INDEX	281

INDEX

- ABERCONWAY, LORD, 237-8
Act of Settlement, 95
Addis, Sir Charles, 274-6
Agriculture at Cambridge, 167-9
— in Russia, 169-70
— in U S A , 200-2
American Debt, 151-2
Anglo-Saxon Tenures, 44-5
Appleton, W. A , 220
Arkwright, 77
Armaments Expenditure, 20-1
Ashley, Professor, 54, 61, 62, 66
Assessed Taxes, 99
Austraia, Economics of, 6, 8
- Bacon, 49, 64
Bain, *Merchant and Craft Guilds*,
61, 88
Baldwin, Rt. Hon. Stanley, 208,
212, 218
Bank of England, 276-8
Bank of France, 266
Bank for International Settle-
ments, 274-6
Bankers' Industrial Develop-
ment Committee, 242
Bankers' Resolution, 214
Bateman, John, *Great Land-
owners*, 56
Baxter, Dudley, 28-9
Beaverbrook, Lord, 210-12
Bentham, Jeremy, 39, 122-3
Blackett, Sir Basil, 217, 271-2
Blackstone, W., 65, 122
Board of Trade, President of, 200
Bowley, Dr. A L , 29, 31-2, 83
Britain, Budget of, 5-6
— Currency of, 2-3
British and German Trust,
Chairman of, 272-4
British Banking, 267-8
- British Empire Marketing Board,
207
Butler, H. B , 234
Butler, President Nicholas M.,
151
Buxton, Earl, 100
- Calais, 166
Campbell-Bannerman, 30
Cannan, Professor, 112
Capital Investments, 82-3, 106,
204
Capitalism defined, 76-7
Carr-Saunders, 80
Cartwright, 77
Cassel, Professor Gustav, 223-4
Census of Production, 1924, 89
Chamber of Shipping, Report of,
200
Chamberlayne, *State of Great
Britain*, 51
Chronicle of Henry of Knighton,
50
Clapham, Professor J. H., 69, 88,
91
Clay, Professor Henry, 36, 128,
144, 195, 229
Coal, 190-4, 236-7
Coal Industry, Royal Commis-
sion on, 97, 193
Coal Mines Act of 1930, 155
Coke, E., 65
Combination Laws, 96
Commercial Councillor in China,
245-6
Committee on Industry and
Trade, 85, 97, 98, 108, 184,
197, 203, 205-6, 209-10, 235,
249, 252, 253, 255
Committee on National Debt
and Taxation, 123-5

- Committee on Production, 147
 Conciliation and Arbitration Act, 146
 Consett Iron Co., Chairman of, 187-8
 Costs in Industry, 248-54
 Cotton Industry, 175-81, 239-41
 Crompton, 77
 Customs, Commissioners of, 100

 D'Abernon Mission, 244-5
 Dalton, Dr Hugh, M P., 34-5
 Death Duties, 35, 116-20
 Delegation on Iron and Steel Industries, 238-9
 Derby, Lord, 113
 Dacey, Professor, 123
 Direct Taxation, 115-18
 Domesday of 1873, 56
 Downing Street, 148-9

 Economic Advisory Committee, 207
 Economic Advisory Council, Cotton Industry, 177
 Education Commissioners, 102
 Education for Salesmanship, Committee on, 243, 247
 Einstein, Professor, 207
 Eldon, 122
 Electricity Supply Act of 1926, 160
 Ellinger, Messrs B. and H., 241
 Ely, Professor, 112
 Ernie, Lord, 45-6, 55
 Exports, British, 97
 — per head, 215

 Federation of Master Cotton-Spinners' Associations, 179
 France, Currency of, 2
 — Financial Crisis of, 4-5
 — Industry of, 188-9

 Germany, Amount of Reparations, 16
 — Budget of, 3-4
 — Currency of, 2
 Gibbins, *Industry in England*, 52, 54, 72

 Gilds, 60-3, 65-7
 Gladstone, 101, 118
 Gomme, 44
 Guest, Keen, and Nettlefold, Chairman of, 184-7

 Harcourt, Sir William, 112
 Hargreaves, Parkinson, 77, 162
 Harrison, *Description of England*, 51
 Hasback, Dr., 53
 Hilton Young, Sir E., 278
 Hobson, C K., 83
How to deal with Unemployment, 153-4
 Howell, George, 131
 Huskisson, 100

 Imperial Economic Committee, 207, 216
 Imperial Economic Conference, 217
 Income Tax, Rates of, 115
 India, Currency of, 3
 Industrial Courts, Act of 1919, 146
 Inland Revenue, Board of, re capital, 37-8
 — Commissioners of, 158
 Iron and Steel Industry, 189-90, 254-8
 Italy, Currency of, 2

 James, Professor William, 198-9
 Jevons, 109-11
 Joint-Stock Banks, 267-8
 Jones, Professor J. H., 193

 Key Industry Duties, 209
 Keynes, J. M., 223, 226-9
 Kundersley, Sir Robert, 83
 King, Gregory, 79-81

Labour and the Nation, 23-4, 58-9, 98-9, 155-6, 208
 Lancashire Cotton Corporation, 270
 — Unemployment, 176
 Lands Clauses Acts, 159
 Layton, Sir Walter, 118

- Lewis, Sir Frederick W., 200
 Lindsay, Dr. A. D., 41
 Lipson, 45, 61, 64
 Lloyd George, Rt Hon. D., 112
 Locke, John, 26-7, 39
 London and Lancashire Insurance Co., Chairman of, 121-2
 London Money Market, 254, 253-70
 Lothian, Lord, 118-9

 Macaulay, 79
 McKenna Duties, 209
 Macmillan, Lord, 173-5
 Manorial System, 46-8
 Marx, Karl, 25-6, 137
 Master of Balliol College, 41
 Melbourne, Lord, 123
 Memorandum on Production and Trade, 230-2
 Menken, Mr. Jules, 256-7
 Merchant Adventurers, 63-4
 Midland Bank, Chairman of, 268
 Mill, John Stuart, 39, 91, 109-12
 Ministry of Labour, 152-3
 Morley, Lord, 123
 "Most-favoured-nation," 215
 Mulhall's *Dictionary of Statistics*, 34
 Munitions of War, Act of 1915, 147

 Napoleon, 266
 National Debt, Amount and Weight of, 17-18
 Nicholl, J., 61
 Norman, Rt. Hon. Montagu, 269, 278-9
 North Carolina, 181

 Pearse, Arno, 179-80
 Peel, Sir Robert, 101, 118
 — (1st Bart.), 126
 Pigou, Professor, 112
 Pitt, William, 99-100
 Plato, 157
 Poor Laws, Royal Commission on, 139
 Population, Growth of, 78-81

 Price Index, 1914-20, 18
 — Level, 150
 — 1896-1913, 143
 Privy Council, 94-5
Progress and Poverty of Henry George, 137

Qua Emptores, Statute of, 49

 Radcliffe, W., 92
 Railway Wages, 253-4
 Registrar of Friendly Societies, 139
 Report on Taxation by General Federation of Trade Unions, 219-20
 Ricardo, 39
Riches and Poverty, 30-1
 Rignano, Professor, 125
 Rosebery, Lord, 114
 Rothermere, Lord, 210-4
 Round, Professor, 44
 Rousseau, J. J., 25-6
 Royal Commission on Labour, 1894, 29
 Ruskin, 137
 Russia, British Delegation to, 10-12
 — Currency of, 2
 — Economics of, 9-13
 — New Economic Policy of, 10

 Safeguarding Duties, 209
 Samuel, Rt. Hon. Herbert, 237
 Securities Management Trust, 241-2
 Shipping Industry, 181-4
 Silberling, Professor, 92
 Smith, Adam, 27, 33, 71, 96, 133
 — Sydney, 123
 Snowden, Rt. Hon. Philip, M P., 20-1, 112, 276-7
 Social Provision, 126-8
Socialism, Critical and Constructive, 24-5
 Spinoza, 160
 Stamp, Sir Josiah, 32, 78, 223
 Statute of Artificers, 94
 Statutes of Labourers, 93

- Stephen, Justice, 96
 Strakosch, Sir Henry, 223-6
 Strikes, Figures of, 107-8
 Stubbs, 49

 Tariffs, 205, 208-20
 Taussig, Professor, 112
 Taxation Weight, 218
 Thomas, Rt. Hon J H., 241
 Toynbee, Arnold, 69
 Trade Board Act, 146
 Trade Commissioner in India,
 247
 Trade Unionism, 131-45
 Treasury Bills, 264-5
 Tudor, Mary, Statute of, 67-8

 Ure, A , 88

 Wage System, 140-3
 Walpole, Spencer, 90
 Waters, C. M , 68
 Watt, James, 77
 Weavers Act of 1555, 94
 Webb, Sidney and Beatrice, 75-
 6, 134-6
 Wheat Imports, 171
 Wilson, President, 15
 Wool Textile Industry, 173-5
 Working-class Capital, 160-3
 World Economic Conference,
 1927, 18-19, 198, 203
 World Trade, 231-3

 Yeomanry, 49-53
 Young, Arthur, 51, 71