

THE ECONOMIST IN
THE WITNESS BOX

THE ECONOMIST IN THE WITNESS BOX

By
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AND
N. F. HALL

BEING A RECORD OF A SERIES OF BROADCAST
CROSS-EXAMINATIONS OF AN ECONOMIST BY A
LAYMAN TOGETHER WITH CERTAIN ESSAYS
RELATIVE TO THE BUSINESS IN THE STUDIO

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*To all who had the patience
to go on listening*

FOREWORD

IN the Spring of 1933 the British Broadcasting Corporation decided that an Economist should be cross-examined by a layman and that a microphone should listen to the conversation. The Economist was Mr. N. F. Hall, Head of the Department of Economics, University College, London; the cross-examiner was Commander Stephen King-Hall, known as a writer and broadcaster upon foreign affairs. He is also Secretary of the Study Groups Research Department at the Royal Institute of International Affairs. This book has been compiled at the request of a considerable number of listeners, who expressed a desire to possess a permanent record of an experiment in the broadcasting of economic knowledge which has aroused interest.

CONTENTS

	PAGE
FOREWORD - - - - -	7
ECONOMISTS - - - - -	11
THE WORLD DEPRESSION - - - - -	28
THE CROSS-EXAMINATION - - - - -	51
RETROSPECT - - - - -	191
WHAT THE LISTENERS THOUGHT - - - - -	213
SELECTED BIBLIOGRAPHY - - - - -	239

SELECTED BIBLIOGRAPHY

SELECTED BIBLIOGRAPHY

THE most difficult part of the business of studying contemporary economic problems is the selection of books. The selected bibliography which is given here does not pretend to be exclusive; it is hoped, however, that the brief notes which are given about the books which are mentioned may help the layman in carrying out for himself further study of economic problems.

ECONOMIC THEORY

Economics has developed in the past two hundred years a technology and methodology of its own. Some acquaintance with theory is of the greatest possible value before any attempts are made to study a particular problem. Without it, the way in which a professional economist deals with special problems may be misleading, and probably irritating to the non-professional reader. It is, therefore, well worth while to spend some time at the beginning by reading as a whole, one or more books on Economic Principles. The reader should try to grasp the book as a whole, noticing

particularly the *method* by which the complex subject matter is split up into its component parts and the way in which the several parts relate together. Of this class of book, the most inclusive and brief is

MISS H. M. SCOTT. *The Approach to Economics*. (Christophers 2/6.)

PROFESSOR E. CANNAN. *Wealth*. (P. S. King 6/-)

views fewer topics, but goes deeper into general theoretical issues. Professor Cannan's approach to the subject is less technical and more humanistic.

If further time can be spared for a study of the methodology of Economics

Mr. J. N. KEYNES. *Scope and Method of Political Economy*. (Macmillan 8/6.)

or PROFESSOR L. ROBBINS. *Nature and Significance of Economic Science*. (Macmillan 7/6.)

are both of great value, and will do much to remove misapprehensions, and increase the command of the lay reader over the whole field of Economic Literature.

More advanced students of Economic Theory should find any of the following stimulating :

P. H. WICKSTEED. *The Common Sense of Political Economy*, Vol. I. (Routledge 8/6.)

G. CASSEL. *Theory of Social Economy*, Vol. I. (2 Vols. 42/-)

F. A. FETTER. *Economic Principles*. (The Century Co., New York 12/6.)

Once some acquaintance with general theory has been obtained, the way is prepared for studies

of special problems, particularly of Currency and Banking and foreign exchanges, which occupied a large part of this series of talks. Two separate subjects here need to be studied. *First*, the organization of Banking in London and elsewhere.

BAGEROT. *Lombard Street*. (John Murray 6/-.)

first published more than half a century ago, is still unequalled, and this read in conjunction with the report of the Macmillan Committee on Finance and Industry (H.M. Stationery Office, Cmd. 3897, 1931) should be sufficient for London.

PROFESSOR W. E. KEMMERER. *The A.B.C. of the Federal Reserve System*. (Princeton University Press, 12/6.)

gives an account of the objectives of the American banking reforms carried out in 1913, and enables the reader to get some idea of the difference in development and structure of the British and American systems, although it does not attempt a direct comparison of them.

J. P. DAY. *The Money and Banking System of the United States*. (Macmillan 4/6.)

was specially written for the non-American student, and contains a useful discussion of American Banking policy up to the crash on the New York Stock Exchange in 1929.

Secondly the general theory of money, banking and the foreign exchanges must be tackled. On

this subject the books are legion and the controversies are acute. As a general introduction to the subject—

MR. H. WITHERS. *The Meaning of Money*. (John Murray, 6/-.)

can be recommended, to be followed by the earlier chapters of

MR. J. M. KEYNES. *A Tract on Monetary Reform*. (Macmillan, 7/6.)

MR. D. H. ROBERTSON. *Money*. (The Cambridge Economic Handbook Series, Nisbet, 5/-.)

is written with all its author's charm and brilliance. It is brief and inclusive.

MR. R. G. HAWTREY. *Currency and Credit*. (Longmans 16/-) particularly the first thirteen chapters, and his *Gold Standard in Theory and Practice* (Longmans 5/-) should be consulted.

For the Theory of International Trade,

MR. P. B. WHALE. *International Trade*. (Home University Library Series 2/-.)

is very useful. For those who are interested in the more extreme forms of monetary doctrine, which usually gain considerable attention during periods of trade depression, Mr. E. F. M. Durbin's brief study of extreme monetary theories and his criticism of them, contained in his

Purchasing Power and Trade Depression. (Capes 6/-.)

is to be recommended. For simplicity, lucidity and charm of style, three small pamphlets written

on monetary and foreign exchange problems by Nassau W. Senior over a century ago still are unrivalled. They have recently been reprinted under the auspices of the London School of Economics, their titles are—

Transmission of the Precious Metals from Country to Country.

The Value of Money.

The Cost of Obtaining Money.

They cost 3/6 each volume.

CONTEMPORARY PROBLEMS

The World Depression has been accompanied by a very large output of studies of all types, written from every possible point of view and ranging over a great variety of subjects. All that is attempted here is to select a few of those which bear more or less directly on the subject matter of the talks.

I. THE GENERAL WORLD SITUATION.

To obtain a general background of facts and figures, relieved by expert analysis and discussion, the publications of the League of Nations are invaluable. Messrs. George Allen & Unwin, Ltd., 40 Museum Street, W.C.1. (League of Nations Department) published in June, 1933, a small descriptive catalogue of the more important League of Nations publications relating to the World

Monetary and Economic Conference. This can be obtained free on application to the publishers. The general reader will probably obtain what he wants from the following, all of which are obtainable from the League of Nations Department of Messrs. George Allen & Unwin :

The Course and Phases of the World Economic Depression. (6/-.)

World Economic Survey, 1931-2. (6/- net, cloth 7/6.)
(A 1932-33 edition is being published in Sept., 1933.)

The Report of the Gold Delegation of the Financial Committee. (2/6.)

A Committee appointed by the council of the Royal Institute of International Affairs in 1932 attempted to review for the lay reader the economic controversies relating to monetary policy during the depression. The first report of this Committee was published by the Oxford University Press, under the title of :

Monetary Policy and the Depression. (7/6.)

2. GREAT BRITAIN.

PROFESSOR T. E. GREGORY. *The Gold Standard and its Future.* (Methuen 3/6.)

written shortly after the suspension of the Gold Standard is valuable.

JOHN A. TODD. *The Fall of Prices.* (Oxford University Press 2/6.)

was published in 1931, and contains a brief account of the facts of the fall in prices up to that date, the

probable cause of the fall and possible cures. It is brief but very readable, and includes interesting diagrams and tables of figures.

Those who are particularly interested in the problems of *Silver* will find the small pamphlet prepared by Professor Gregory at the special request of the Manchester Chamber of Commerce—

The Silver Situation. (Manchester University Press 1/6.)

brimful of information, explanations and cautious comments.

Those who wish to explore the Tariff question will find in *Tariffs, The Case Examined*; written, by a committee of Economists, under the chairmanship of Sir William Beveridge (Longman's, 7/6) a professional counterblast to the views that are most popularly held and expounded on this question.

3. THE UNITED STATES.

A special bibliography would be necessary to deal adequately with the American Situation, but a book published by Twelve Princeton Economists, just before President Roosevelt came into office, called—

Facing the Facts. (G. P. Putnam, \$3.00.)

presents an excellent background against which the experiments of the present régime in the United

States can be judged. *Gold and Monetary Stabilization*, Edited by Mr. Quincy Wright, and published by the Chicago University Press at \$2.00, early in 1932, also deserves more attention than it has received in this country. Appendix I of this small book contains six practical resolutions signed by twenty-four American Economists of widely different schools of thought. For those who hold that no two economists can ever agree, this appendix should make interesting reading.

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