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## Economic Dictation

**The Financiers and the Nation.** By the Rt. Hon. Thomas Johnston. (Methuen. 5s.)

"For nought so vile that on the earth doth live  
But to the earth some special good doth give;  
Nor aught so good, but, strained from that fair use,  
Revolts from true birth, stumbling on abuse."

THE first couplet would serve admirably as a motto for the whitewashing school; the second indicates the raw material for denigration. Mr. Johnston has had no difficulty in finding enough of this raw material in the history of finance and financiers to fill more than half his book of two hundred pages. Other books waiting to be written on the same lines are "Industrialists and the Nation," "Soldiers and the Nation," "Doctors and the Nation"—the list could be extended almost *ad infinitum*, but it would not be complete without "Politicians and the Nation." It is only necessary to assume that the world is full of calculating and clever persons, and all the stupidity and shortsightedness of any elements in our social life can be ascribed to a conspiracy of knaves.

That there have been, from the South Sea Bubble onwards, outrageous financial ramps and rackets, and that the investor needs protection—and constantly improved protection as criminal methods of exploiting the public are refined—is undeniable. But does this justify a full-blooded attack on "Financiers" in their relation to the "Nation"? If it does, the author has nothing much better to suggest, so far as regards this part of his theme, than remedies long ago prescribed in the *Liberal Yellow Book*—that mine from which all parties have quarried.

But although criminal abuses, generally visited with condign punishment, take up the major part of the book, the main suggestion which Mr. Johnston desires to convey is that the "City" was responsible for the economic crisis, and—perhaps more important—for the downfall of the Labour Government. The main lesson which he desires to inculcate is that it is "impossible in the twentieth century for a democracy to permit financial domination by a handful of City financiers; and it is intolerable that these financiers should be left in a position to thwart and obstruct the government of the day when that government is bent upon removing any privilege or injustice in the State."

Now the "City" was not responsible for the crisis—nor was international finance. We were landed in the depression because we were in the grip of economic, social, and political forces which we could not perfectly control, and shall never perfectly control. It is easy, especially easy if one "jobs backward," which is allowed in politics but not in the City, to condemn the errors of domestic and international finance, but any such condemnation overlooks the fact that financial policies, quite legitimately directed towards private profit, became disastrous only because there was imperfect co-ordination between them and the policies pursued by politicians. The American bankers' policy, for instance, of lending generously abroad was, apart from its "stumbleings on abuse," perfectly defensible in itself; only, it could not be reconciled with a *régime* of high tariffs and restricted international trade imposed by American politicians.

Again, supposing that we overlook the *suggestio falsi* in the quotation above, and admit, as most people will, that the control of credit is one of the most important functions of the State, what does Mr. Johnston, in the somewhat exiguous constructive part of his book, suggest? The nationalization of the Bank of England. It is true, as Mr. Johnston points out, that this is one of the few countries where the Central Bank is not controlled by the State, and we may further concede that State ownership of the Bank of England would not provoke disasters—it would make too little difference. But is there anything in the recent history of other Central Banks to suggest that their control by the State has conduced to policies which have better served public ends? Is there any reason to suppose that the mere substitution of the taxpayer for the shareholder would make any difference to the efficiency of the Bank? And unless we believe that the Bank of England is run in the interests of the shareholders, we shall find it hard to believe that a Court appointed by the government of the

day—the words "of the day" are important—will necessarily make a better contribution to the problem of controlling credit in the interest of the community. The truth is that for all practical purposes the Bank of England is already a public department, and by the voluntary design of its directors an institution not administered for profit.

Mr. Johnston's other constructive proposals are "ridiculous mice." A reasonable extension of facilities for Post Office Savings Bank depositors may do some good, but is hardly likely to affect the trade cycle. Municipal banks are much more debatable, and the existence of such banks in Birmingham and Kirkintilloch is not a good ground for holding that a multiplication of them would hurt nobody but holders of shares in the Joint Stock banks. A municipal bank in Poplar, for instance, might have caused some alarm.

ANDREW McFADYEN.

## Attack on Everest

**Everest, 1933.** By Hugh Ruttledge. (Hodder and Stoughton. 25s.)

THE Ruttledge expedition to Mount Everest left this country in the early part of 1933 and began to assemble at Darjeeling towards the end of February. It was composed of fourteen men, among whom were such first-class mountaineers and explorers as F. S. Smythe, who had climbed Kamet, L. R. Wager, a companion of Gino Watkins, and Shipton, Greene and Birnie, also of the successful Kamet expedition. It was a party of tough customers. It was made even more so by the acquisition at Darjeeling of the Sherpa and Bhutia porters, among whom were men who had served in previous expeditions with Ruttledge and in the 1924 attempt on Everest itself. It seemed likely that they would make a strong attack on the mountain. Inventors had conferred on them all sorts of new equipment, from a special double-skinned octagonal tent, "a combination of a Tartar 'Yust' and Watkins' Arctic tent," to an ingenious breathing mask designed to prevent sore throat and loss of body heat at high altitudes. The expedition had even had to reject the offers of certain inventors: of one gentleman who was anxious to lay gas-piping up the mountain with a view to having oxygen on tap, of another who was willing to supply a man-raising kite "inscribed with the legend 'Buy New Zealand butter.'"

The plan of attack on Everest was different from anything previously attempted. The keynote of it all was acclimatization. By moderate progress and slow acclimatization up to 23,000 feet it was hoped that the party would arrive on the North Col in a condition of first-rate freshness. Above that altitude, when deterioration sets in rapidly, a series of short hammer attacks were to be launched. Then also camps were to be higher than in 1924. Camp VI was to be not at 26,800 feet but at 27,700 feet. It was even possible that there might be a camp VII. Three attempts, and possibly four, were to be made on the mountain. Actually three were made. All were failures. The weather was atrocious. Indeed the weather is really, like Egdon Heath in *The Return of the Native*, the greatest protagonist in the drama. Everest itself remained aloof and static; but the weather was fickle, cruel, relentless in its bitter perversity. It shattered the third attempt almost before it had begun.

But by that time two remarkable assaults had been made, the first by Wyn Harris and Wager, the second by Shipton and Smythe, and they are each bits of epic climbing. It is hard to say which is more admirable, but the first will surely become historic. For on it Harris and Wager made an amazing discovery:

"The sun had not yet reached them, and they suffered much from cold during the first hour while traversing diagonally upwards towards the north-east ridge. Wager noticed that excessive panting resulted in rapid loss of body heat. Both felt the beginnings of frost-bite. . . . Soon after this, about 60 feet below the crust of the ridge and 250 yards east of the first step, Wyn Harris who was leading, found the ice axe. . . . It was lying free on smooth brown 'boiler-plate' slabs, inclined at an easy angle but steeping considerably just below. It was in perfect condition, looking quite new. On the polished steel head was stamped the name of the maker—Willisch of Tassel, in the Zermatt valley."

It is clear that the axe belonged either to Irvine or Mallory, who perished in their assault on the summit in 1924. But when was it dropped? And how? And why? Its dis-

covery was a piece of sublime chance. The axe had resisted the wind and the snow and the pull of gravity for nine years. It seems incredible; and its presence there, on that boiler-plate slab, seems likely to remain, in spite of all conjecture and argument and controversy, as much an everlasting mystery as the exact end of Mallory and Irvine themselves.

Of the second assault Smythe has written his own account. It is appropriate that he should do so, since he made the greater part of the attempt alone, Shipton succumbing suddenly to stomach trouble soon after the start of a journey they both knew would be futile. That sense of futility has crept even into Smythe's writing: "We had planned to leave the camp at 5 a.m., but the wind and cold were so great. . . . We cooked some sort of breakfast." Then Shipton broke down. It was quite hopeless. Nevertheless Smythe went on, often in danger that he could not have realized. "Somewhere near my highest point a small protuberance on which I was standing came clean away. It was a near thing, but at 28,000 feet the brain is incapable of registering strong emotion."

But curiously, only a thousand feet lower, the brain—through the stomach—was capable of registering very strong emotion indeed. At 27,000 feet, a height at which food and even the thought of food had always been intensely nauseating to climbers, Smythe and Shipton were afflicted with sudden gargantuan appetites, Smythe tortured by Teutonic visions of Frankfurter sausages and sauerkraut, Shipton complaining bitterly for a dozen eggs. Such was the success of the policy of acclimatization. It had worked almost too well. Former expeditions had just managed strawberry jam and carbohydrates in varied forms. "We wanted," says Dr. Greene, "meat, cut off the joint, and two veg." The lesson for future expeditions is clear.

After the return of Smythe, who slept alone at 27,400 feet and who experienced a strong sensation that someone else was everlastingly climbing with him, it was virtually all over. The weather became worse. The party descended. The expedition was a failure.

A failure, that is, compared with Miss So-and-So's successful swimming of the Channel or somebody else's record dance of 300 hours on nothing but a coddled egg and a pea-nut. Otherwise not. The climbing of Everest, successfully or unsuccessfully, is, as Mr. Ruttledge remarks, "one of the last great adventures which the surface of the earth has to offer." And his book is an exhilarating record, worthy of his own attempt on it.

H. E. BATES.

## Hoover v. Roosevelt

**The Challenge to Liberty.** By Herbert Hoover. (Scribner. 6s.) SINCE leaving the White House in March, 1933, Mr. Herbert Hoover has had no place in American public life. This form of eclipse is in accord with tradition. Upon relinquishing office the President of the United States, like the President of the French Republic, becomes a private citizen. A defeated President, or presidential candidate, has no claim upon the leadership of his party, or even upon a place at its council board. And in the case of Mr. Hoover these normal reasons for retirement were reinforced by others special to himself. Mr. Hoover is not known as a platform speaker. He was never a politician. Even after his remarkable victory over Governor Al Smith in 1928 he was not taken into the governing group of his Party. He does not belong to the Republican regulars, and can never be of them. Moreover, as President Mr. Hoover was the victim of unparalleled ill-fortune. The Great Depression struck America at the end of his first half-year, and during seven-eighths of his term the country experienced the deepening depression. Silence, therefore, was most proper to Mr. Hoover, but he was bound to break it. The interesting question was, what kind of attack when the time came would he make upon his successor and the New Deal?

The publication of *The Challenge to Liberty* synchronizes with the launching of the Liberty League, a non-party organization headed by prominent Americans whose political philosophy is essentially the same as Mr. Hoover's. It is noteworthy, however, that while the Liberty League is avowedly aimed at the President and his policy, Mr. Hoover makes no mention of Mr. Roosevelt or any of his advisers and does

not devote even a single page to any one of the terrific problems that were inherited by the present Administration from his own. His book is the utterance of a grave and deeply puzzled American, who, while knowing that the political formulae of the America by which he was nurtured have very little relation to the actual world of today, still clings to the belief that the watchwords of the "founding Fathers" must be reaffirmed.

Mr. Hoover summarizes and dismisses the existing alternatives to political democracy—Communism, Fascism, Nazism, and National Regimentation, the last being his label for the Roosevelt policy. He contends that there is little to choose between them, since each involves a flat denial of Liberty as understood in America. "All these various forms of the collective philosophy," he says, "merely differ in degree or kinds of servitudes." Mr. Hoover's most concrete chapter is that dealing with national regimentation, in which he enumerates the chief emergency powers delegated by Congress to the Executive in Washington within the past eighteen months. Needless to say, the list is startling; and if it can be shown that the President is wielding all these powers and, as Mr. Hoover implies, creating commissions and other authorities, outside the established Federal departments and the civil service, for the purpose of transforming the Presidency and the American system—then we might doubtless infer that the ex-President's position will not lack support as Mr. Roosevelt passes the milestone of the mid-term elections this November. But it is necessary to remember that in the crisis of 1933 Congress freely voted these extraordinary powers. They are strictly limited in time; they have not all been exercised; they can be reduced or withdrawn. The status of the President as a democratic ruler has not been changed. Mr. Hoover affirms that the worst of the depression was passed in the summer of 1932, and that recovery has been hampered or prevented by the policy of the Government. That is, we know, the big-business theory; but there can be no doubt as to the general conviction of the American public. It is that in the spring of 1933 the United States was on the edge of the abyss, and that a new Administration, whatever its political colour, could not have escaped the necessity of adventurous and far-reaching experiment.

English readers, however, are more likely to be interested in the attitude and manner of Mr. Hoover's attack than in the points of his indictment. It is noteworthy that he speaks not only of American Liberty, as though that were a special embodiment of the concept of freedom, but also of American Liberalism. This is decidedly new, coming as it does from a public man who, in any European country, would be regarded as a representative of extreme Conservatism. And we may assume that, despite the Liberty League, his adoption of the term will not be generally welcomed by Mr. Hoover's own side. Liberty is one thing; "American Liberalism" quite another. Mr. Hoover tells us that the American people "are slow to move by an abstraction." His own capital initials and reiterated appeals to the traditional American spirit would seem to support the opposite view. "As a nation," he says, "we had accepted the principle of collective bargaining," and yet there appears to be no answer to the constantly repeated assertion that the innumerable labour disputes of the past year have turned in nearly all cases upon this principle. Mr. Hoover is no advocate of *laissez-faire*. The surviving believers in that system, he suggests, are negligible; but competition he holds to be the right and unalterable principle of a progressive society. The American system, he contends, "cannot be made to work part free and part regimented," and yet Mr. Hoover emphasizes and praises the steady movement in America, before the New Deal, towards government regulation. In other words, the system he approves actually was part free and part regimented. He enunciates the admirable truth that there can be no liberty without economic freedom; but surely he would not wish us to infer that the America of his dream was ever within sight of that ideal? Finally, on some matters Mr. Hoover sees the facts and states their implications plainly, as for example, that in the United States the reaction, in certain eventualities, would not be toward more Socialism but toward Fascism. That is beyond all question.

S. K. RATCLIFFE.