

21.9.39.

TO THE EDITOR OF THE TIMES

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Sir,—It has been my lot as an independent critic of public economy to study the finance of war since 1899, not merely in the abstract but in intimate relations with first-class Treasury officials, banking experts, and practical business men. This war presents at the very outset more difficult problems to the Chancellor of the Exchequer and to Ministers responsible for our internal and external trade than any preceding conflagration, though Pitt, in the great conflict with Revolutionary France, was very soon at his wit's end to find the money and maintain the national credit. In regard to debt and taxes, we start much as we were at the end of 1918. Luckily Germany is in a far worse plight, practically without gold or liquid resources, or adequate means of paying for indispensable imports. The Allies, therefore, should be able to win a war of exhaustion but to do so they must eliminate all unnecessary expenditure and all waste, public and private.

Instructions, I suggest, should be sent out to officers and officials dealing with public money to cut down all redundant staffs, to relax or remove all unnecessary controls, to remember that agriculture, productive industry, and commerce are essential to the maintenance of the national revenue and credit. Every individual doing useful, productive work, who is lured by a high wage or salary into a snug but useless billet, becomes a burden. The State is not omniscient. It is no wonder that mistakes were made at home after war broke out. I refrain from illustrations, but I earnestly hope that reforms and retrenchments will be effected speedily. To suppress extravagance, to reduce waste and above all to remove the mischievous regulations that hamper business and strangle trade—these I believe are among the most urgent duties of Ministers.

Yours, &amp;c.,

FRANCIS W. HIRST.

13, Kensington Park Gardens, W.11,  
Sept. 18.

TO THE EDITOR OF THE TIMES

Sir,—No part of your article on Economic War is more welcome than the last paragraph, and it is to be hoped that its brevity will not lead those in authority to overlook the extreme importance of its implications.

It is not enough to stop contraband on the high seas. We must out-bid the enemy in those neutral markets from which the Navy is unable to exclude him. One hopes that the new title—Ministry of Economic Warfare instead of the old Ministry of Blockade—is an indication that this need is recognized. But new Departments are liable to be weak as compared with old-established Departments—a truth illustrated by the recent experience of the Ministry of Information in regard to news about the arrival of the British Forces in France. And unless the wide scope of economic warfare is fully understood, there may be danger of the Treasury or the Board of Trade checking war efforts of great value by the application of departmental standards which are too narrow for the occasion.

The principle that we should buy in the cheapest market, though sound, is liable to fallacious interpretation. We must get what we want as cheaply as possible. But what we want is victory. And war economy does not mean that we ought to purchase every particular instrument of warfare in the cheapest market, or what appears to be such at first sight.

A concrete example may illustrate the principles involved. If it pays us to give a certain price for oil obtained from sources not available to Germany, it must pay us to give anything up to double that price for oil which would go to Germany if we did not buy it. Even if we could not get the oil to our ports, or did not need it, the purchase and destruction of oil which Germany would otherwise obtain would justify at least as much expenditure as would be needed to obtain the same quantity for ourselves from supplies unattainable by the enemy. A Ministry of Economic Warfare should treat the proverbial dog in the manger as a mascot.

Yours faithfully,

REGINALD LENNARD.

Lower Heyford, Sept. 19.