

Banks, Bankers and Banking

English Banks Demanding their Rights

At last, after five years of subservience and passive obedience, the British banker is once more asserting himself. He has already taken several decisive steps to regain control of credit and finance.

In the commercial countries, there is now a duel between the banker and the bureaucrat. The banker, on the one hand, seeks to restore normal conditions of trade and industry; and the bureaucrat, on the other, seeks to perpetuate the socialism that was established during the war.

The conflict, therefore, between the banker and the bureaucrat is inevitable; and as the fate of Russia has shown, civilization itself depends upon the victory of the banker.

In England, fortunately, all the banks are private. All are controlled by private tax-payers, not by political appointees.

During the war, the banks were submerged by the government, as completely as were the factories and the railroads. But they were not put under a ministry of banking. They were not incorporated into the structure of bureaucracy, as the railroads were.

They endured everything during the war. They endured the inflation of the currency and the waste of public money and the stupendous war debt. They have not even protested against the intolerable taxation.

The direct taxation in Britain is now \$70 a year per capita. This is the highest direct taxation that has ever been imposed in any country. In France, it is only \$11 per capita. In Italy it is \$10. But the banks have made no protest against it.

What they have protested against is the excessive borrowing on the part of the Government and the speculator. Between these two, the banks have not had enough money for their regular customers.

The banks endured their hardships quietly until several months ago. Then they decided that

"too much is enough"—to quote from Mrs. Katzenjammer.

They protested against the gigantic floating loan; and as a result the Government is now trying to sell an issue of Treasury Bonds. These, up to the present moment, are believed to have been a flat failure. But they are a sign that the banks are applying strong pressure to the Government.

In short, the banks have now begun to fight for their rights. They have their backs against the wall; and they are fighting to protect the structure of credit against the irresponsible speculators and bureaucrats who have been breaking it down.

The bank rate is now 7 p.c. and may be 8 p.c. before the summer is over. On June 30, the rate of interest will be increased to borrowers—so says a notice that was sent out this week by many London banks. The reason given is that there is not enough money for the ordinary purposes of trade.

Already there has come a fall in prices because of the elimination of speculation. Goods that were bought on borrowed money are now being thrown on the market.

Copper has suddenly fallen \$140 a ton. There has been a dramatic collapse of the wool and cotton markets. Fish prices are down. Shipping freights are lower. Nothing has gone up in the past week except rents, and they have risen 40 p.c. by special act of Parliament.

So, a ray of hope is now shining in the darkness of British finance. The banker has come to the rescue. He has had enough of the mad dance of waste and taxation; and he has come to the help of his own customers.

In the dingy old Bank of England, which, by the way, is now a monstrous institution with 6,000 employees, there are serious conferences now being held. These conferences are unreported, but they are of vital importance to the prosperity of the British people.

Seaplaning is to be one of the chief sports in the Canadian Pacific Rockies this summer, and guests at Banff hotels can book their flights to view and snapshot the Rocky Mountains from

the air. Heavy bookings from tourists on both sides of the line have already been made and many are including the seaplane flight in their reservations.

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