

a banker, now passed away, recounting to me one day, years after, the inner history of the memorable meeting in the Bank of England Parlour on that afternoon, when it was a question as to whether Barings should be allowed to smash or no. One of the assembled bankers retired to the corridor to weep copiously, picturing, like our Levy Panicists of to-day, a universal slump, engulfing all property and involving the end of all things financial. Fortunately, the bulk of the assembly, including my friend, were of sterner stuff, and man after man pledged his firm to the guarantee fund, with the result that Baring's securities, instead of being dumped on a market for the benefit of bargain hunters, were marketed at leisure, and a surplus of half a million left over. The formation of holding or "nursing" syndicates to prevent abnormal amounts of stock coming on the market is an everyday occurrence on the Stock Exchange, and the principle of regulating prices by controlling supply is the backbone of the present-day "trustification" of industries. The cisterns of water in our houses do not flood them while the ball-cock acts (unless the tap is turned on by Master Tommy), even so a reservoir of property will not flood a market while the taps are wisely controlled. It would be the business of the Government and the Nation to see that the taps were wisely controlled until the situation righted itself and the reservoir was gradually emptied.

As 25 per cent. of our Individual Capital Wealth consists of War Loan, presumably at least 25 per cent. of the eight thousand millions the Government would acquire under the Levy would be War Loan, which could be at once wiped out, reducing the property held by 25 per cent. During the War the Treasury, by controlling the supply of new capital issues, maintained a strong market for existent securities, which formed the only vent for investment. Similar control for a time of the supply of securities available for investors might be