

## ECONOMIC AND FINANCIAL

61. THE MONEY MYSTERY. By Sir Norman Angell. 1936. (London: Dent. 8vo. viii + 171 pp. 3s. 6d.)

SIR NORMAN ANGELL has followed up his *Money Game* with a little book designed to explain the principles of monetary theory in a form which can be grasped by the ignorant general reader and expounded in school classes. In writing popular economics it is a matter of the utmost difficulty to strike exactly the right balance—to be lucid without condescension and simple without inaccuracy. Sir Norman Angell perhaps over-reaches himself in his attempt to be persuasive, for schoolboys, even more than the general reader, dislike being talked to as if they were schoolboys. The elaborate story of a sailor shipwrecked on an island, intended to make everything easy, is not, after all, very helpful, for the difficulty of seeing just where the analogy holds good and where it breaks down is far greater than the difficulty of following a straightforward account of the operations of a modern money market.

Expositions of monetary theory usually leave the layman in a state of bewilderment, for he is told on the one hand that an increase in the quantity of money will raise prices, and that a rise of prices is what we need in order to reduce unemployment. On the other hand, he is told that an increase in the quantity of money will lead to uncontrollable inflation, and just when he is hoping for an account of what ought to be done at the present time he is fobbed off with stories of ordering two books at once in Germany in 1923. This little book does not altogether escape the accusation of leaving the layman, when all is said, without a solution of the dilemma. The lynch-pin of the argument—that inflation cannot set in until unemployment has almost disappeared—has somehow worked loose, and while each separate chapter is clear, interesting and readable, the book as a whole appears fragmentary, like the broken machinery on the island before the sailor fitted the parts together.

Behind the simplicity of style and of thought there lies a kind of moral simplicity in Sir Norman Angell's point of view. He admits at the outset that "in most monetary policies interests are in conflict," but as the argument proceeds he seems to suggest that most troubles are due to mere ignorance and confusion of thought, and he implies that if the controlling authorities had understood the quantity theory of money and the principles of international trade, there would have been no German inflation and no reparations problem. The effects of self-interest, fear and malice would still have to be reckoned with even if every schoolboy understood the *Money Mystery*, and though Sir Norman Angell's plea for education is convincing, it is hard to believe in all the beneficial effects that he hopes for from it.

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