

those appropriate to that office, the pre-dominance of commissioners other than trained bankers need not be disturbing. The president of the Bank of France came from the customs service; the governors of the Bank of England are mostly wholesale merchants. If, indeed, the board were to be filled by fanatical Western legislators or by Eastern political hacks, mischief of the most serious sort might be ahead. But that is at least no visible probability; in fact, the terms of the bill do not actually exclude the appointment even of four bankers to the board. All that it says is that there must at least be one. The really vital question at issue is, not how the Federal board shall be made up, but whether improper powers, and the opportunity for mischievous intermeddling, are conferred upon it.

A few words may be timely as to the original proposals, the changes made last week, why they were made, and why other changes ought to be insisted on. There is a more or less prevalent impression that the purpose at Washington is to insist that the bill be enacted as it stands, and without material amendment. But no one will find, either in President Wilson's address to Congress or in the several explanatory statements given out in connection with the bill, any evidence of such purpose. Even Mr. Bryan, in his published comment of last week, admits that "whatever defects it may have will be brought out by discussion and cured by amendment."

The "regional reserve bank" plan has met with general commendation, and, in the main, correctly so. It has been described as the application of home rule in banking to the great geographical divisions of the country. That this authority would have to be hedged about with proper restriction and supervision under national auspices, no one has ever doubted. But to such supervision there are reasonable limits, and one of them is such interference as would deprive the regional reserve bank of its natural powers and functions, and therefore of its usefulness, as the central institution of its district.

The duty of discounting or rediscounting paper infers the function of fixing the rate at which the capital shall be loaned. If the bill had contemplated a national reserve institution, to rediscount paper for the whole United States—as the Aldrich plan proposed—it would have been the business of that institution to establish the rediscount rate for all parts of the country. That plan the present bill repudiates, and with good enough reason. But, after conferring on the regional central banks the duties and responsibilities of rediscounting commercial paper for the institutions in their several constituencies, it forthwith deprived them of all

power of deciding what their discount rate shall be. The Federal board, under the original provisions of the bill, was "to establish each week" a rate "which shall be mandatory upon each Federal reserve bank and for each class of paper."

It was difficult to see, in that separation of powers, anything short of absurdity. When to such a stipulation there was added the provision that the national board is to "have the right to determine or define the character of the paper thus eligible for rediscount," the principle of regional independence is reduced to the merest shadow. It was as if another Home Rule bill were to confer on an Irish Parliament the power of local legislation, and were then to provide that all the bills proposed and passed in that Parliament should originate at Westminster, and should not be changed. The conferrees at Washington were not so blind as to fail to see that by such a provision, the measure would defeat its own purposes.

One can imagine a system under which, should the general interests of all the districts so require, the national board might recommend to a regional bank a change in its official rate. It is conceivable that, under certain circumstances and with due formalities and reservations, such a change might be required—though the wisdom even of that would be debatable. But to have one body of directors lend the money, and another, a thousand miles away, fix the lending rate, is a strange proposal. Such a plan would in effect mean either a central bank masquerading as a supervisory commission for regional reserve banks, or else would mean a system of regional reserve banks with their natural powers usurped at Washington. The proper and just distribution of powers, as between the "regional reserve banks" and the national supervisory board, is yet to be effected. It is not completed, even when the drafters of the bill have now placed the fixing of the bank rate with the district institutions, subject to review by the central board. It is absolutely essential to determine what the scope of that "review" shall be.

When the other provision of the original bill is considered—in connection with the \$500,000,000 authorized Treasury notes, secured by banking assets and superimposed, so far as they are actually taken out, on all the other currency now in circulation—that the national board is to fix in its discretion the tax upon such notes, any one in the least conversant with the history of finance must know that an enormous and excessively hazardous authority would be conferred.

The proposed new note-issue offered no solution of the problem of an elastic currency. It would merely have expanded the total circulating medium be-

yond the highest total ever reached before, with the prospect of return to the present volume if the Federal board saw fit to impose a sufficiently high tax. In no case was actual automatic contraction of the currency provided for. If the board were not to have recourse to such powers, or if it were not to use them prudently, it would at least have to be admitted that the machinery of currency inflation was in working order.

The plan as revised last week extends the scope of the note-issue machinery, so that 5 per cent. of the existing bank-note circulation shall be extinguished every year, and shall be replaced by the new "Treasury notes." But the mischievous power of a discretionary tax by the Federal board remains, and the whole note-issue plan is surrounded by such obscurity and uncertainty that the root-and-branch revision of the clauses referring to it is imperative.

BOOKS OF THE WEEK.

- Archiv für Kunstgeschichte. Herausgegeben von Detlev Freiherrn von Hadeln, Hermann Voss, und Morton Bernath. Leipzig: Verlag E. A. Seemann.
- Baerlein, Henry. Mexico the Land of Unrest. Phila.: Lippincott.
- Barker, Ernest. The Dominican Order and Convocation. Oxford Press.
- Blackwood, A. A Prisoner in Fairyland. Macmillan. \$1.35 net.
- Boyle, James. The Minimum Wage and Syndicalism. Cincinnati: Stewart & Kidd. \$1 net.
- Britton, N. L., and Brown, A. Illustrated Flora of the Northern States and Canada. Second edition, revised. 3 vols. Scribner.
- Brown, P. Hume. The Youth of Goethe. Dutton. \$2.50 net.
- Bullen, F. T. From Wheel and Lookout. Phila.: Lippincott. \$1.25 net.
- Burt, A. L. Imperial Architects. Oxford. B. H. Blackwell.
- Canadian Financial Review, Annual. May, 1913. Montreal: Richardson & Co.
- Cather, W. S. O Pioneers! Boston: Houghton Mifflin. \$1.25 net.
- Constant, D. de. Les États-Unis d'Amérique. Paris: Colin.
- Cornille, Théâtre de. Paris: Bibliothèque Hachette.
- Cornford, L. C. William Ernest Henley. Boston: Houghton Mifflin. 75 cents.
- Dale, William. Tschudi, the Harpischord Maker. Dutton. \$2.50 net.
- Durran, William. The Lawyer, Our Old Man of the Sea. Dutton. \$2.75 net.
- Evarts, R. C. Alice's Adventure in Cambridge. Cambridge, Mass. Harvard Lampoon.
- Everyday Phrases Explained. Phila.: Lippincott. 50 cents net.
- Fitch, G. H. The Critic in the Orient. San Francisco: Elder & Co. \$2.
- Gallup's Latin Reader. American Book Co. 50 cents.
- Gladden, Washington. Present-Day Theology. Columbus, O.: McClelland & Co.
- Harvard College Observatory Annals. Vols. 72-6, 7; 74; 75-1, 2.
- Hauptmann, Gerhart. Dramatic Works, Vol. II, Social Dramas. Edited by L. Lewisohn. Huebsch. \$1.50 net.
- Hilton, H. H. Modern Golf. Outing Pub. Co. 70 cents.
- Hornbrook, Isabel. A Scout of To-day. Boston: Houghton Mifflin. \$1 net.
- International Studies. Special No.—Old Houses in Holland. Lane. \$3 net.
- Jebb, Richard. The Britannic Question. Longmans. 35 cents net.
- Kelly, E. M. Tova the Unlike. Boston: Small, Maynard. \$1 net.
- Knox, M. V. B. The Religious Life of the Anglo-Saxon Race. Boston: Sherman, French. \$2 net.

Millet P. Jenny s'en va-t-en guerre. Paris: Grasset.
Reinach, Salomon. Répertoire de l'art Quaternaire. Paris: Leroux.
Report of the Bureau of American Ethnology—1906-07. Washington: Gov. Ptg. Office.
Report of the Com'r of Corporations on the Steel Industry. Part III. Washington: Gov. Ptg. Office.
Roach, W. W. Revitalizing Devitalized Children. Reprint from Am. Journal of Public Health.
Roe, O., and Urse, H. By the Brown Bog Longmans. \$1.35 net.
Root, Ellhu. Experiments in Government and the Essentials of the Constitution (Stafford Little Lectures). Princeton Univ. Press. \$1.
Sanders, H. F. The White Quiver. Duffield.

Sandison, H. E. The Chanson d'Adventure in Middle English. Bryn Mawr College Monographs.
Shaw. The Wisdom of Bernard Shaw. Passages chosen by C. F. Shaw. Brentano. \$1 net.
Small, A. W. Between Eras from Capitalism to Democracy. Kansas City, Mo.: Inter-Collegiate Press.
Smith, Goldwin. Correspondence—1846 and 1910. Collected by Arnold Hautain. Duffield.
Stanard, M. N. John Marshall: An Address. Richmond, Va.: W. E. Jones' Sons.
Sullivan, T. R. The Hand of Petrarch, and Other Stories. Boston: Houghton Mifflin. \$1.30 net.
Todd, A. J. The Primitive Family as an Educational Agency. Putnam. \$1.75 net.
Trevelyan, G. M. Life of John Bright. Boston. Houghton Mifflin. \$4.50 net.

Verworn, Max. Irritability. Frowde. \$3.50 net.
Walton, G. L. Calm Yourself. Boston: Houghton Mifflin. 50 cents net.
Watkins, D. E. Public Speaking for High Schools. American Book Co. 75 cents.
White, Lazarus. The Catskill Water Supply of New York City. John Wiley & Sons. \$6 net.
Wicks, P. The Truth about Home Rule. Boston: Small, Maynard. \$1.25 net.
Wile, F. W. Men Around the Kaiser. Philadelphia: Lippincott.
Wilson, J. F. Tad Sheldon, Boy Scout. Sturgis & Walton. \$1 net.
Wilson, J. F. The Princess of Sorry Valley. Sturgis & Walton. \$1.25 net.
Wilson, T. P. C. The Friendly Enemy. Putnam. \$1.25 net.
Wordsworth's Poems. (Oxford Library.) Frowde.

Hitchcock's Rhetoric and the Study of Literature

By ALFRED M. HITCHCOCK, Head of the English Department in the Hartford Public High School. vi+410 pp. 12mo. \$1.00.

A manual for the last two years of the high-school course, intended to supplement the author's *Practice Books*. Part I contains a compact rhetoric with a vocabulary of rhetorical and critical terms. A condensed manual of composition deals with the four forms of discourse, exposition and argument being given the prominence appropriate for Junior and Senior work. Part II takes up the study of masterpieces and surveys the entire field of pure literature. Part III gives a condensed summary by periods of English literature—such a survey as is called for in the new college requirements. The Appendix includes questions on a number of the more commonly studied masterpieces.



Henry Holt & Co., 34 W. 33 St., New York

A FIRST COURSE IN ALGEBRA

By FREDERICK C. KENT, Associate Professor of Mathematics, University of Oklahoma. 8vo. Pp. xxii+249. \$1.00.

LONGMANS, GREEN, & CO.

JUST PUBLISHED PAUL ELMER MORE'S THE DRIFT OF ROMANTICISM

An admirable group of papers on such authors as William Beckford, Cardinal Newman, Walter Pater, Fiona Macleod, Nietzsche, and other leaders of the romantic movement. \$1.25 net. Postpaid, \$1.37.

Boston HOUGHTON MIFFLIN CO. New York

THE GREAT ART GIFT-BOOK OF THE YEAR ART By Auguste Rodin

(Translated from the French of Paul Gsell by Mrs. Romilly Fedden.) With over 100 illustrations in photogravure and half-tone. Buckram, \$7.50 net; three-quarter levant, \$15.00 net; carriage additional. A book which takes its place at once as the most important art book in years. It covers practically the whole range of art, and abounds in memorable analyses of the works of the masters of painting and sculpture, ancient and modern. Send for descriptive circular.

Small, Maynard & Co., Publishers, Boston

THE AMERICAN YEAR BOOK
FOR 1912 IS NOW READY. Cloth, \$3.50 net
D. APPLETON & COMPANY

CONSTRUCTIVE RURAL SOCIOLOGY

By JOHN M. GILLETTE

Professor of Sociology, Univ. of North Dakota

This work surveys carefully rural conditions, notes tendencies and deficiencies, seeks to present clearly problems calling for prompt solution, and to point out ways of betterment in accordance with the best ideals of country life. 12mo. \$1.50 net.

SOCIAL WELFARE IN NEW ZEALAND

By HUGH H. LUSK

For ten years Member of New Zealand Parliament

A summary of the results of twenty years of progressive social legislation in New Zealand, and an interpretation of its significance to the United States and other countries. 12mo. \$1.50 net.

STURGIS & WALTON CO.
31-33 East 27th Street, New York.

MAKE \$3,000 A YEAR

START AN ORIGINAL MAIL ORDER BUSINESS. Not a stock scheme that is worn out and dead—not a plan to buy some other fellow's goods—but a good, sensible, workable plan. OWN AND CONTROL YOUR OWN BUSINESS. I tell you what to make, how to manufacture or produce it, write your ad. matter, etc. Terms reasonable. You can own, patent, or copy-right your goods. Address W. CLEMENT MOORE, Business Specialist, Box 24, New Egypt, N. J.

E.P. DUTTON & COMPANY

All the new books and standard books; country-house boxes of selected books for summer reading

681 Fifth Ave., nr. 54th St.

The second volume of Hauptmann's Dramas

is now ready. Contents:

Drayman Henschel; Rose Bernd; The Rats
At all bookstores, \$1.50 net; by mail, \$1.65
B. W. Huebsch, Publisher, 225 Fifth Avenue, New York

A CATALOGUE of books and pamphlets on economic, social and political science now ready. H. WILLIAMS, 105 E. 22d St., N. Y.

The Primitive Family as an Educational Agency

By ARTHUR JAMES TODD, Ph.D.
of the Department of Sociology,
University of Illinois.

Science Series. 8vo. \$1.75 net; by mail, \$1.90

From widely scattered sources—travels, ethnography, folk-lore, studies in the evolution of the law, morals, etc., and personal observation—the author has collected evidence on such problems as the economic basis of family life, the position of the wife, promiscuity, group-marriage, divorce, sex taboos, procreation myths, the couvade; primitive, moral, and vocational instruction; initiations, puberty ceremonies, etc. The fact that much of primitive education was genuine social education is strongly emphasized.

New York G. P. Putnam's Sons London

"At McCLURG'S"

It is of interest and importance to Librarians to know that the books reviewed and advertised in this magazine can be purchased from us at advantageous prices by

Public Libraries, Schools, Colleges and Universities

In addition to these books we have an exceptionally large stock of the books of all publishers—a more complete assortment than can be found on the shelves of any other bookstore in the entire country. We solicit correspondence from librarians unacquainted with our facilities.

LIBRARY DEPARTMENT

A. C. McClurg & Co.
CHICAGO

LIBRARY RESEARCH

Researches made in Boston and Harvard Libraries. Ancient and modern languages. Translation, revision of manuscripts, etc.

MISS M. H. BUCKINGHAM,
96 Chestnut Street, Boston, Mass.