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Geschichte der Handelskrisen in England by Mentor Bouniatian

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would be the greatest administrative difficulties in assessing the values on which compensation is to be paid, in the settlement of claims, and in adequately safeguarding the State without rendering the guarantee illusory to the shipowner and trader. Space is not available to go into the details of the schemes considered, but it is difficult not to agree with the Committee's conclusions—firstly, that none of the contributory schemes are practicable; and secondly, that the cumulative effect of the objections to a non-contributory system outweighs any possible advantages.

It should be said that Sir Charles Ottley, in a reservation to his signature, expresses the view that the inability of the Committee to recommend immediate State action should not be regarded as definitive proof of the uselessness and impracticability of a national guarantee in future; and Sir George Clarke appends a note to the effect that he considers the draft report does not do full justice to a State insurance scheme which he had laid before the Committee, or bring out all the advantages which may be claimed for indemnity purchased at rates fixed by the Government. W.H.C.

11.—*Geschichte der Handelskrisen in England.* Von Dr. Mentor Bouniatian. 312 pp., large 8vo. München, 1908: Ernst Reinhardt. Verlagsbuchhandlung. Jägerstrasse 17.

It had occurred to the writer of this work that by a careful historical investigation and exact description of the phases of past economic crises, a firm foundation might be obtained upon which to build a sound theory of the causes of these disturbances. The economic life of England offered the best field for his enterprise, since it is in this country that such crises made their earliest appearance and, in their periodical recurrence, reached their most complete development. Dr. Bouniatian has accordingly made a close study of the circumstances connected with the panics and crises which have disturbed our commercial and financial organisations since the middle of the seventeenth century, and the results of his inquiries are excellently described in this "History of English Commercial Crises," which he modestly presents as a contribution towards the solution of one of the most difficult and most important problems of political economy, viz., the causes of economic crises.

Dr. Bouniatian's history begins with the first year of the Protectorate. It was in that year, he observes, that the credit system in English commerce was first organised as a banking operation. Prior to that time the negotiation of loans had been a part of the business of the notaries; and the Mint, then situated in the Tower, was the usual depository of the funds of merchants and bullion dealers in the Metropolis. The confiscation by Charles I of these deposits, as a compulsory loan, in 1640 created a panic in the City, and notwithstanding that this matter was subsequently compromised between the Crown and the merchants, the confidence of the latter in the security of the Tower as a "safe deposit" had disappeared. This incident, and the frequency with which their cashiers decamped in the confusion caused by the Civil War, induced the merchants to deposit their funds in the hands of

the goldsmiths who made a profit from this new business by utilising the standing balances of their depositors for the purpose of making short loans at a high rate of interest. In this way the goldsmiths began to fulfil the functions of bankers; and the "goldsmiths' notes," which were certificates of deposit payable at sight, or after notice, are regarded by the author as the progenitors of the modern bank-note. The new bankers did not, however, confine their credit-business to the mercantile community, they frequently advanced large sums for the replenishment of the Treasury chest, which in those troublous times was often in a state bordering on depletion. It is to these heavy commitments of the Crown that Dr. Bouniatian mainly ascribes the panics of 1667 and 1672, the earlier of which was characterised by "the first run on the banks" recorded in our history, and the later by the suspension of the exchequer payments in respect of the interest and capital on loans. In his account of this latter transaction he does not seem to have consulted Sinclair's "*History of the Public Revenue*," in which the "shutting-up" of the Exchequer is denounced as a transaction "which will for ever stamp the character of Charles II with most indelible infamy"; but this omission does not detract from the interest and accuracy of his narrative of the disastrous results of this measure. He shows how the losses incurred by the goldsmiths and their creditors led merchants to seek for some better organised, as well as cheaper, system of public credit than that afforded by the goldsmiths' banks, and how this need was met in 1694 by the establishment of the Bank of England.

Readers of Dr. Bouniatian's work cannot fail to perceive that it is characterised throughout by much original research. A striking example of the thoroughness of his methods is his comprehensive survey of the baneful effects on the trade and industry of the country of the fraudulent practices of "paring and clipping" the silver currency, which by 1695 had destroyed all confidence in the instrument of exchange, and a year later necessitated re-coinage operations at a cost to the nation of nearly $2\frac{1}{2}$ million £'s. Dr. Bouniatian expresses his admiration of Macaulay's dramatic description of the evils produced by this state of the currency, but his own investigations of contemporaneous records have enabled him to fill in details which Macaulay's more vivid account leaves to the imagination.

Considerations of space forbid more than a cursory glance at the principal contents of the remaining chapters. These include an account of that speculative mania commonly known as the South Sea Bubble; the panic of 1745, partly caused by the rising in favour of the young Pretender; the crises of 1793 and 1797, and the suspension of cash payments by the Bank of England in the latter year; and the several recurrent crises in the period from 1810 to 1839.

The volume abounds with numerous notes and references, all of which bear testimony to the exhaustive character of the author's investigations into the economic and social conditions of the period embraced within his inquiry. In the marshalling of his facts,

and in the form and style of their presentation to the public, Dr. Bouniatian has succeeded in producing a valuable and interesting history of English commercial crises which will be of service to students in this country as well as to his German readers. R.I.C.

12.—*La Vie des Grandes Capitales : études comparatives sur Londres, Paris, Berlin.* Par Gaston Cadoux, Chef de service à la Préfecture de la Seine. Paris : Berger-Levrault et Cie, 5, Rue des Beaux-Arts. 260 pp., 8vo. 1908. Price 3 frs. 50 c.

M. Cadoux is well known to many men in London public life, and his comparative studies of certain branches of public administration in London, Paris, and Berlin will be read with interest. He is, however, too experienced a statistician to attempt the construction of tabular comparisons between these three great cities. Instead, he places side by side clear, careful, and succinct descriptions of the systems of water-supply, lighting, transit, and loans prevailing in each capital, and leaves his readers to draw general conclusions. He does not fail, however, to point the moral in regard to particular details of administration.

The Berlin water-supply is, unfortunately, not dealt with in this book. Paris, it seems—more fortunate than London—bought out its single water company in 1860, and is not burdened with a Water Board. The story of the last forty years is one of almost continuous provision of new sources of supply and storage reservoirs. There are two systems in operation, one supplying drinking water ("eau de source") and the other Seine water, which is used for other purposes. The charges for the drinking water are about double those made for Seine water; and M. Cadoux claims that, on the whole, the supply is cheaper than in London. The Paris water, moreover, is supplied at an equable temperature, while in London there is considerable variation according to the seasons. But London clearly bears off the palm for water-fittings, and M. Cadoux is loud in his praises of our baths, lavatories, and conveniences, which he admits can only be equalled in the most luxurious of Parisian residences.

So far as lighting by gas is concerned, all three capitals are in the hands of companies. But while the London companies enjoy a perpetual franchise, the Berlin company (though its franchise has recently been extended to 1931) is restricted in its area of supply, and has to meet the competition of a municipal supply which in the suburbs possesses a monopoly. The Parisian company's term expired in 1905, and its installations were acquired by the city. They were, however, leased to a new company on profit-sharing terms.

A very good account of the complexity of the London arrangements for electric lighting is to be found in this chapter, including the unfinished story of the efforts to set up a bulk supply of electricity. With its 13 companies and 16 metropolitan boroughs all supplying current in different areas, London presents a striking contrast to Berlin, where the supply is in the hands of only 2 companies, who have recently joined to obtain a further concession.