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Dr. Haig's work is sterner stuff. His report, prepared for the Committee on War Finance of the American Economic Association, is a piece of investigation of the highest class, whether regarded from the point of view of accuracy and fullness in detail, fairness in comparison and criticism, or analysis and presentation of principles involved. It is probable that no better *detached and unbiassed* account of this branch of war finance will ever be written. In a long visit to this country Dr. Haig interviewed everyone who was likely to have any important information or views upon the subject, and his contact with officials gave him much material evidence that is here published for the first time. He characterises our duty as "certainly" "in most respects the greatest and best" of all the attempts that were made. He compares the way in which the States shifted ground from one basis of invested capital in 1917, an alternative profits or capital standard in 1918, and an abandonment of the profit standard in 1919, with the British steadfastness of plan and purpose. In addition to the stability which has followed from the fact that the duty was so planned in the first case that it needed no material alteration subsequently, he praises the remarkable care taken to alleviate cases of unusual hardship, and the wide scope given to administrative authorities in making adjustments. The absence of friction is a feature which appeals to investigators from abroad. There is probably no matter in which the States have suffered from the lack of a Civil Service with great traditions like ours, so much as in taxation, where quick application and ready revenue have been required. They are beginning to assess the extraordinary value of the administrative factor, and anyone who has visited the States will have found that nearly all the complaints against their system can be traced back to undue centralization and the absence of trained officials of high calibre. Dr. Haig has produced a most readable book of the highest value.

J.C.S.

4.—*The Bankers' Clearing House: What it is and What it Does.* By Philip W. Matthews. With a Preface by R. Holland-Martin, C.B. 168 pp. London: Pitman, 1921. Price 7s. 6d.

Notwithstanding the interest and importance of its work, no history of the Clearing House has been available before now, if we except some scattered periodical articles and the brief paper contributed to the U.S. National Monetary Commission by Mr. R. Holland-Martin, who has written a lively preface to this book; so that the record by Mr. Matthews, for many years the Chief Inspector, is very welcome. The Bankers' Clearing House is one of those characteristically British organizations which, arising without premeditation and almost by chance, have gradually shaped themselves in accordance with growing needs, and have arrived at great efficiency. As is generally known, the clearing system originated (about 1770) in an arrangement made for their own convenience by clerks who "walked" to present at various banks the drafts payable to their own. They met at a tavern to lunch, exchange

cheques and strike a balance, returning later on to settle in cash. In this casual way began a procedure which, by enabling the cheque to develop into the main form of currency, has become essential to the trade of the country and has been largely instrumental in making London the focus of the world's finance. After relating the history of the "House" and of its Committee—which in course of time grew into a species of permanent conference on banking matters in general and advised the Government on financial policy throughout the war—Mr. Matthews explains its methods, describing in turn the town, country cheque, and Metropolitan clearings, with reproductions of the documents used. Statistics showing the growth of the Clearing House business are given in a table and enlarged on in Chapter VII. There was, unfortunately, no consecutive record until 1868, when the year's total of 3425·1l. million showed an increase of 254 per cent. over that of 1839. In 1897 the figure was 7,491·2l. million; in 1913, the highest pre-war year, it was 15,961·7l. million; and in 1919, 28,415·3l. million. The daily average grew from nearly 11,000,000l. in 1868 to 53,500,000l. in 1913, and in 1920 was over 129,000,000l. An account of the many banking amalgamations which have followed the first, in 1859, closes the volume. It includes a list of the clearing banks, showing all the banks absorbed by or incorporated with each, also a list of all the banks involved in these amalgamations, "as formerly known, and as at "present incorporated." Tables inserted at the end show the banks and branches included in the Town and Metropolitan clearings, respectively.

C.T.

5.—*Commercial Goodwill—its History, Value and Treatment in Accounts.* By P. D. Leake, F.C.A. 260 pp. Sir Isaac Pitman and Sons, Ltd., 1921. Price 21s. net.

Mr. Leake has performed a notable service in bringing together various ideas and principles relating to goodwill from the multitudinous quarters where they have lain half hidden and little noticed, into one proportioned and comprehensive book which is likely to bring the whole subject into better notice and to command adequate attention. The body of doctrine here set forth will now have an opportunity to exercise the weight it deserves. The work opens with an account of the law relating to goodwill, and then discusses the practical forms in which goodwill arises. The definition of goodwill as the capitalized present value of the right to receive future "superprofit" is the key to the whole work, and the different types of goodwill, dependent upon the cause of, or reason for, the existence of the superprofit are duly classified. Mr. Leake is well known as a purist or precisian in such matters, and he deals adequately with the exact or mathematical "writing off" that each type requires from annual profits in order to make the ascertainment of the latter "an exact science." Though his counsel is one of perfection, it is all the same worthy of the attention of all practical business men. He believes firmly in the truth of the economic saying