

WILEY



Review

Author(s): Henry L. Moore

Review by: Henry L. Moore

Source: *The Economic Journal*, Vol. 19, No. 74 (Jun., 1909), pp. 253-255

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2221443>

Accessed: 27-06-2016 03:02 UTC

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forces of shifting and incalculable strength, and knowing that his life depends on throwing in his lot with the winning side."

Both the precision of the writer's knowledge and his consciousness of its limitation appear to us marks of authority, disposing us to accept his practical recommendations. They are mainly two. (1) There should be established some connection between the official and the market rate of discount, some understanding between the Bank of England and the other banks with respect to the manufacture of credit. (2) Greater publicity of banking accounts is recommended. If it is too much to expect that all banks like the London and County Bank should give the amount of its daily average cash holding, at least a weekly statement seems desirable. These are the principal practicable suggestions. As a counsel of perfection it is proposed to increase the gold reserve by reducing the amount of the Bank of England's fiduciary note issue.

F. Y. EDGEWORTH

Investigations in Currency and Finance. By W. STANLEY JEVONS. Edited, with an Introduction, by H. S. Foxwell. New Edition, abridged with Preface, by H. Stanley Jevons. (London: Macmillan, 1909. Pp. 347.)

THIS new edition of a well-known work is issued at a considerable reduction of price, which has necessitated some omissions, in particular that of the bibliography of works on currency and the large diagram illustrating the Bank of England. The editor refers to the articles on Periodicity of Commercial Crises, and anticipates confirmation of the connection between commercial and cosmical phenomena. Other small alterations have been made in the second edition. But, indeed, its most interesting feature is the evidence which it affords that the editor has inherited more than the name of the author, and that the economic work of Jevons is being continued by a worthy successor.

F. Y. EDGEWORTH

The Currency Problem and the Present Financial Situation. A Series of Addresses delivered at Columbia University, 1907-1908. (New York: Columbia University Press, 1908. Pp. xxvii + 170.)

DURING the autumn of 1907 and the spring of 1908, Columbia University, at the suggestion of Prof. E. R. A. Seligman
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induced representative Wall Street financiers to lecture before the students of the university upon the currency problem and the financial situation. The series of lectures, together with an introductory essay by Prof. Seligman, compose the present volume. The lecturers and their topics were : Frank A. Vanderlip, President of the National City Bank, "The Modern Bank"; Thomas F. Woodlock, formerly editor of the *Wall Street Journal*, "The Stock Exchange and the Money Market"; A. Barton Hepburn, President of the Chase National Bank, "Government Currency *v.* Bank Currency"; Albert Strauss, of Messrs. J. and W. Seligman and Co., "Gold Movements and Foreign Exchanges"; W. A. Nash, President of the Corn Exchange Bank, "The New York Clearing House"; James G. Cannon, Vice-President of the Fourth National Bank, "Clearing Houses and the Currency"; Paul M. Warburg, of Messrs. Kuhn, Loeb, and Co., "American and European Banking Methods and Bank Legislation Compared"; George W. Perkins, of Messrs. J. P. Morgan and Co., "The Modern Corporation." The introductory essay by Prof. Seligman is entitled : "The Crisis of 1907 in the Light of History."

The interest of such a collection of essays centres in the agreement that may be found in the opinions of the several writers; in the differences of their opinions and in their suggestions of remedies. It may be said that, in the main, there is an agreement of the essayists that the inelasticity of the currency was chiefly responsible for the acute form assumed by the recent panic, and that the remedy is in the direction of a central bank. Mr. Vanderlip emphasises the inconvenience, expensiveness, and perverse elasticity of a currency based upon Government bonds. Mr. Woodlock shows why the call-loan money market becomes the storm centre in a panic, finding the chief reason in the practice on the part of country banks of placing a large part of their reserve on call with New York institutions, only to be suddenly withdrawn at the first sign of stringency in the metropolis. Mr. Hepburn makes a plea for a currency based upon the assets of banks, and offers a telling criticism of the bungling Government financiering in issuing bonds during the panic in order that they might serve as a basis for bank-note circulation.

Four of the essays are of permanent value. In discussing the causes of panics, Prof. Seligman offers, in the introductory article, what is doubtless the most philosophical series of reflections which the distress of 1907 evoked. Prof. Seligman, furthermore, sketches, in his usual lucid manner, the history of

crises in the United States. Mr. Woodlock develops the far-reaching consequences of the special features in which New York differs from all other great financial centres of the world, namely, in having a Stock Exchange conducted upon the basis of a daily settlement, and a large call money market in which the chief collaterals hypothecated are the securities sold on the Stock Exchange. With an unusual grasp of the difficult subject, Mr. Strauss traces the intricate complications of the settlement of international debts, incidentally remarking that English bankers, in failing to accept liberally New York finance bills just before the crisis of 1907, were largely responsible for the heavy draft of gold from London after the panic set in. Mr. Warburg restates a thesis which he was the first to advance, but which has been frequently repeated and has impressed the Currency Commission, that an elastic and safe currency may be secured through the institution of a central bank at which bills of exchange may be re-discounted in the manner of European central banks.

Taken as a group the essays are representative of the most thoughtful American opinion upon the nature and solution of the currency problem.

HENRY L. MOORE

"All about Investment" and "Investment an Exact Science."

By HENRY LOWENFELD. (London: *The Financial Review of Reviews*.)

MR. LOWENFELD'S latest works on investment, in spite of their somewhat pretentious titles, will not, we fear, persuade the wary that the dangers and uncertainties of investment can be circumvented by the application of definite rules or systems. To call such a body of rules "an exact science" is, of course, an obvious hyperbole, though it serves to bring out the author's point of view that by choosing investments according to his system, the risks of the ordinary private investor may be greatly, if not entirely, evaded.

The larger of the two books contains a great deal of very suggestive matter, among which perhaps the most interesting is the classification of the different types of investor according to the income return, and the capital security which they require. This is followed by a discussion of the kind of security suitable to each class, and the proportions in which securities of different grades may reasonably be combined. In this part of his treatment Mr. Lowenfeld is eminently "safe," and much sound advice

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