

knowledge of Stock Exchange procedure; partly, on complete ignorance of the mechanism of exchanges. It is quite certain that a good part of the complaint against the Stock Exchange, in particular, was a complaint against speculation itself. The evils of speculation by the ignorant and credulous portion of the community were manifest. It was on the Stock Exchange that this speculation was principally carried out. Therefore, let the Stock Exchange be regulated so as to put an end to speculation. Along with this more or less vague demand came a very different criticism, based on assertions that part of the actual daily transactions on the Stock Exchange, whereby volume of business is determined and movement of prices regulated, was in reality a collusive and deceptive business, in which the same people, acting indirectly both as buyers and sellers, were using the Exchange to mislead its legitimate investment customers.

With the first of these demands the White committee deals effectively and conclusively. It does not deny that ignorant speculation is an evil. Even as to outsiders with capital, experience, and knowledge of business conditions, the committee states, as a result of its long and thorough hearings, that on the average, with commissions and interest charges always running against them, and with good luck and bad luck necessarily alternating, speculation on borrowed money pretty surely ends in "forcing them out of the Street." As to the inexperienced speculators, "almost without exception they eventually lose." Nevertheless, to intervene by law with a sweeping prohibition will hardly meet the situation. "Trading on margin" has been freely and indiscriminately denounced. But the committee points out that "purchasing securities on margin is as legitimate a transaction as a purchase of any other property in which part payment is deferred." This conclusion is, in principle, hardly open to dispute, unless the buying of real estate with a 60 per cent. mortgage on it is also to be proscribed. The committee recommends, however, that no purchase of stocks ought to be allowed on less than a 20 per cent. margin of cash payment; a provision which would at least do away with the most seductive temptation and surest guarantee of loss to the ignorant speculator.

Another of the more hap-hazard demands for reform has taken the shape of proposed abolition of "short selling." It has been seriously argued that something ethically wrong is involved in selling what one does not at the time possess, and that "short sales" are a species of conspiracy to destroy legitimate values. The committee shows with great clearness, not only that the entering on a contract to deliver here-

after what the contractor does not at the moment own is a perfectly normal and proper undertaking, common to all business, but that, on the Stock Exchange particularly, it is the strongest restraining influence against fictitious and unwarranted marking-up of prices.

By far the most difficult part of the committee's labors had to do with alleged improper and illegitimate manipulation of prices, under the shelter of the Stock Exchange. This is a question which deeply affects the interests, not only of the general public, but of the Stock Exchange itself. It is an evil which, if it exists, is bound to grow to especially dangerous proportions at times when powerful capitalists and institutions are engaged in the work of fostering "bull movements." To tempt the outside public in, a semblance of violent activity and a show of already advancing prices are notoriously the readiest means, and it has been freely alleged that both these achievements have been accomplished without the awkward necessity of buying from some one else, and paying for, the mass of securities involved.

If in this matter the committee's findings and recommendations are less conclusive, that is because the matter was peculiarly complicated. Manipulation with a view to creating a market for new securities, the committee holds, "when not accompanied by 'matched orders,' is unobjectionable *per se*," and "has certain advantages" in establishing regular quotations at which investors, at the very start, may buy and sell. But manipulation "in order to draw in the public as buyers and unload upon them the holdings of the operators, or to depress the prices and induce the public to sell," is declared to be an un-mixed evil. The remedy, however, is exceedingly difficult to find, save in the discipline of the Stock Exchange itself. Such is the necessary machinery of the Exchange, that distribution, even of "matched orders," may be arranged by an outside party, through the medium of brokers wholly innocent of complicity. The committee, therefore, lays the duty of restraint and reform squarely at the door of the Stock Exchange authorities themselves. "Instances of continuous manipulation," it concludes, "are patent to every experienced observer, and could without difficulty be discouraged, if not prevented, by prompt action on the part of the Exchange authorities." This is a finding which places definite public responsibility on the shoulders of the institution.

Space is lacking to take up the numerous further recommendations of the report—some of them highly important—regarding not only the Stock Exchange, but the other similar organizations in other markets. What is reviewed above is the part of the committee's task which has chiefly occupied the pub-

lic mind. The report as a whole is worthy the careful study and consideration of every business man.

BOOKS OF THE WEEK.

- Abbey, George. *The Balance of Nature: A Practical Manual of Animal Foes and Friends*. Dutton & Co. \$2.50 net.
- American Bar Association: *Report of the Thirty-first annual meeting*. Baltimore: The Lord Baltimore Press.
- Auvergne, Edmund B. d'. *Lola Montez: An Adventure of the Forties*. John Lane Co. \$4 net.
- Bagot, Richard. *Anthony Cuthbert Brentano's*.
- Bailey, John C. *The Claims of French Poetry: Nine Studies in the Greater French Poets*. New York: Mitchell Kennerley. \$2.50 net.
- Barber, Edwin Atlee. *The Pottery and Porcelain of the United States: An Historical Review of American Ceramic Art from the Earliest Times to the Present Day*. (Third Edition.) Putnams.
- Belleli, L. *An Independent Examination of the Assuan and Elephantine Aramaic Papyri*. London: Luzac & Co.
- Blom, Ada. *The Biography of a New York Hotel Scrub*. New York: Ada Blom. 25 cents.
- Bradley, A. C. *Oxford Lectures on Poetry*. Macmillan. \$3 net.
- Browning, Captain. *Auction Bridge and How to Play It*. Dutton & Co. 75 cents.
- Carotti, Dr. G. *A History of Art*. Vol. II (Part I). Dutton & Co. \$1.50 net.
- Collier, James. *Sir George Grey, Governor, High Commissioner, and Premier: an Historical Biography*. London: Whitcombe and Tombs.
- Count Lützow. *The Life and Times of Master John Hus*. Dutton & Co. \$4 net.
- Davis, Foxcroft. *The Whirl: A Romance of Washington Society*. Dodd, Mead. \$1.50.
- Day, Sarah J. *Mayflowers to Mistletoe: A Year with the Flower Folk*. (Second Edition.) Putnams.
- Ditchfield, P. H. *The Old-Time Parson*. Second edition. Dutton & Co. \$2.50 net.
- Eliot, Charles W. *Education for Efficiency and the New Definition of the Cultivated Man*. Houghton Mifflin. 35 cents.
- Francis, John Collins. *Notes by the Way. With Memoirs of Joseph Knight, F.S.A.* London: G. Fisher Unwin.
- Frizell, William G. *Out of the Way Places*. Dayton: United Brethren Publishing House. \$1.20 net.
- Fulton, Robert L. and Trueblood, Thomas C. *Essentials of Public Speaking*. Ginn & Co. 90 cents.
- Green, Olive. *How to Cook Vegetables*. Putnams.
- Grenfell, Wilfred Thomason. *Adrift on an Ice-Pan*. Houghton Mifflin. 75 cents net.
- Hall, Arthur Graham, and Frink, Fred Goodrich. *Trigonometry*. Henry Holt & Co. \$1.40.
- Hall, Bolton. *Life and Love and Peace*. New York: Arcadia Press.
- Hoogvliet, Dr. J. M. *Elements of Dutch*. (Seventh Edition.) The Hague: Martinus Nijhoff.
- Hughes, James L. *Teaching to Read*. Barnes & Co. 50 cents.
- Jewett, John Howard. *Friends of the Hunted*. Dodge Publishing Co. \$1.
- Knight, E. F. *The Awakening of Turkey*. Philadelphia: Lippincott Co.
- Kottas, Dr. Karl. *Thomas Randolph: Sein Leben und Seine Werke*. Wien: Wilhelm Braumüller.
- Law, Frederick Houk. *Ad Miriam*. Putnams.
- Lester, Oliver Clarence. *The Integrals of Mechanics*. Ginn & Co. 80 cents.
- Letts, W. M. *Diana Dethroned*. John Lane Co. \$1.50.
- Lewis, Lawrence. *The Advertisements of The Spectator: Being a study of the Literature. History and Manners of Queen Anne's England, as well as an Illustration of the Origins of the Art of Advertising*. Houghton Mifflin Co. \$2 net.
- Lucy, Henry W. *Sixty Years in the Wilderness*. Dutton & Co. \$3 net.
- Lyman, William Denison. *The Columbia River: Its History, its Myths, its Scenery, its Commerce*. Putnams.

Mackail, J. W. Swinburne: A Lecture Delivered Before the University on April 30, 1909. Henry Frowde.
Oestéren, Friedrich Werner van. Armes Kalabrien. Wien: Verlag Lumen.
Pemberton, Max. The Show Girl. Philadelphia: John C. Winston Co. \$1.50.
Pickering, William H. A Search for a Planet Beyond Neptune. Annals of the Astronomical Observatory of Harvard College. Vol. LXI, Part II. Cambridge, Mass.
Picton, J. Allanson. Man and the Bible: A Review of the Place of the Bible in Human History. Henry Holt & Co. \$2.
Pierce, William. An Historical Introduction to the Marprelate Tracts: A Chapter in the Evolution of Religious and Civil Liberty in England. Dutton & Co. \$3 net.
Religion and Life: Chapel Addresses by Members of the Faculty of the Meadville Theological School. Boston: Sherman, French & Co. \$1.10 net.
Shaw, Joseph Thompson. Spain of To-day: a Narrative Guide to the Country of the Dons. The Grafton Press.

Smith, Goldwin. No Refuge but in Truth. (Second Edition. Enlarged.) Putnams.
Sophocles. The Trachinian Maidens. Translated into English verse by Hugo Sharp-ley. London: David Nutt.
Stanard, Mary Newton. The Dreamer: a Romantic Rendering of the Life-story of Edgar Allan Poe. Richmond, Va.: Bell Book & Stationery Co.
Synge, John M. Poems and Translations. Churchtown, Dundrum, Cuala Press.
Taxation of Corporations. Report on the System of Taxing in New England. Part I. Washington: Government Printing Office.
The Autobiography of Nathaniel Southgate Shaler: With a Supplementary Memoir by His Wife. Houghton Mifflin. \$4 net.
The History of the Seal of the United States. Washington: Government Printing Office.
The Rise and Progress of the British Explosives Industry. Macmillan. \$5.25 net.
The Smokeless Combustion of Coal in Boiler Plants. Washington: Government Printing Office.
The Statesman's Year-Book. Forty-sixth Annual Publication. Macmillan. \$3 net.

The Water-Colours of J. M. W. Turner. Text by W. G. Rawlinson and A. G. Finberg. John Lane Co. \$3 net.
Thorold, Algar. Six Masters in Disillusion. Dutton & Co. \$1.50 net.
Thwing, Charles F. Education in the Far East. Houghton Mifflin Co. \$1.50 net.
Tower, Walter Sheldon. The Story of Oil. Appleton & Co.
Trenholme, Rev. Edward Craig. The Story of Iona. Edinburgh: David Douglas.
Verrier, Paul. Essai sur les Principes de la Métrique Anglaise. Two parts. Paris: Librairie Universitaire.
Wenzlaff, Gustav Gottlieb. The Mental Man: an outline of the Fundamentals of Psychology. Merrill Co. \$1.10.
Winslow, Helen M. A Woman for Mayor: a Novel of To-day. Chicago: Reilly & Britton Co. \$1.50.
Witkowski, Dr. Georg. The German Drama of the Nineteenth Century: Authorized translation from the second German edition by L. E. Horning. Henry Holt & Co.
Wood, H. G. Ideal Metrology in Nature, Art, Religion, and History. Dorchester, Mass.: H. G. Wood.

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