

Brooklyn Institute. Of more questionable success is the University Club. In spite of Congressional carping, one may be permitted to cite the restoration of the White House in Washington as the carrying out of the original designer's conception on a scale and with a sumptuousness of which he would not have ventured to dream. More important was McKim's restoration and extension of L'Enfant's original plan of Washington. It had become so overlaid with defacements that the first duty of the commission, of which McKim was the leading spirit, was to clear them away and enable the design to assert itself. But the work included extensions, to meet later needs, and these were made with perfect sympathy and true artistic intelligence.

The chief monument of Mr. McKim's powers will probably remain the Boston Public Library. This has been dismissed by high critical authority as a "copy" from the Library of Ste. Geneviève in Paris. Ste. Geneviève is soon said. But to say no more is discreditably to ignore the great and sensitive care that has been taken in the adjustment and extension and modification of the prototype. In fact, few modern buildings so forcibly evince that they have been affectionately "lived with" by their designers, from the first conception to the last detail, inasmuch that the very sidewalk "belongs." The Boston Public Library is a rare success, and of itself would justify all the honors that have been bestowed, at home and abroad, upon its author.

Mr. McKim's career fell in an epoch fruitful for American architecture. Monumental buildings, for public or business use, were, in his lifetime, rising in greater numbers than ever before, while increasing wealth and a more chastened taste were giving architects tempting opportunities in the erection of private houses, both in city and country. Indeed, it is the envious testimony of foreigners that America is to-day a kind of promised land for architecture. To have contributed so much to the wise guidance of this artistic movement is one of the just titles of Charles McKim to remembrance. John Delane of the *London Times* once wrote that he thought of setting up as an architect, since he had the first requisite to success—namely, entire ignorance of the business. It would be a libel to say that anything like this was true of American architects at the time Mr. McKim began to work; but there has certainly been enormous progress since that day, and his example and counsels have not been the least of the powers at work.

"Dutch Bulbs and Gardens" (The Macmillan Co.) is another of the books illustrated in color, which prove the ability of modern water-color artists. Miss Mina Nixon's

pictures, as here represented, are excellent—better, as affording backgrounds and landscape values, than the glaring color-patches which too many painters of Dutch flower-fields are fond of giving us. Besides such subjects, her glimpses of the palace gardens at Het Loo are charming. As for the text, in such books it is quite a matter of course that it should not closely correspond with the pictures, and it should, perhaps, not be taken too seriously. But one wishes that Miss Silberrad's chapters spoke more of Dutch gardens, which may be assumed to be, in spite of Dutch thrift, for pleasure rather than profit, and to show some national characteristics of design and taste. The author's English is careless; she is, further, a little given to quotations concerning old-time fashion in bulbs, so that she teases us by hovering on the fringe of the subject of bulb-growing. The appendices (which may be assumed to be by Miss Sophie Lyall, whose name is on the title page; her connection with the book is otherwise not clear) are odd combinations of translation and critique, both concerning bulb-growing 140 years ago. What changes time has made in the custom and the science we are not told. But, apart from these disappointments, the text will be of interest to American gardeners, since it shows the origin of the bulbs which we buy in such quantities. The book gives the reader a welcome view of a community that has been pursuing its work for generations, and of individuals whose quiet devotion is yearly increasing the world's minor beauties. We must, after reading, acknowledge our debt to the Dutch.

It is a rather wan philosophy that Vernon Lee (Miss Violet Paget) unfolds in her "Laurus Nobilis" (John Lane Co.). As A. C. Benson makes a too conscious cult of sweet reasonableness, so Miss Paget makes one of serenity. But this serenity is hardly spontaneous; it has been valiantly fought for, and the dust and heat of that strife are still too apparent. Having achieved a permanent attitude, however, Miss Paget is determined to make the universe square with it. She sets out to prove that the development of the æsthetic faculties will foster the growth of the altruistic instincts, bring men into harmony with the universe, and aid the nobler self-realization of the individual. These are assertions that no one would willingly deny. But Miss Paget's instructive air serves only to throw into relief her unconsciousness of the nature of any satisfying demonstration. Thus to say that a whole school of modern artists is at sixes and sevens with the universe may be a convenient fashion of speaking. In a philosophical essay it lays itself open to the retort that these artists are themselves but parts of an indivisible universe which cannot, rationally, be at sixes and sevens with itself. As the expression of a temperament her book is hardly more persuasive. From her æsthetic world the keen winds and arduous waters would be banished, in it light and flame would die, and under the last rays of a perpetual sunset we should wander in the attitude of the saints and martyrs of early Tuscan art. Nor is the style of these essays less wan than their thought. The author hovers hopelessly about a verbal felicity or a happy rhythm, and never actually attains either. The book is the fruit of a spirit that lacks

neither charm nor distinction, but always the ardor to embody these qualities in a form of quite authentic memorableness.

Finance.

THE TURN IN THE MONEY MARKETS.

During several months, it has been a matter of frequent comment and warning that it was no longer safe to ignore the probable influence of a rise in the autumn money markets. Last year, the month of September opened with the demand for money to use in ordinary trade at very low ebb; the New York surplus bank reserve stood at \$65,000,000, almost the highest recorded level. Money rates, therefore, continued low; demand loans on the Stock Exchange ruled at 2 per cent. for a good part of the autumn, and went no higher than $4\frac{1}{2}$ per cent. at any time; European money rates were similarly low and Europe a ready lender in New York, and the money market presented no obstacle to Stock Exchange speculation for the rise with borrowed money. The present month of September opened with the New York surplus bank reserve down to \$18,000,000, hardly above the average for the time of year. Trade activity, notably in this country, had increased rapidly as compared with a year ago; European banks, already heavy lenders, began to look askance at the New York market, and a speculation of unusual violence was under way in Wall Street.

Two visible weather-signs have given evidence of a changed condition. A week ago, call money at New York, for the first time in five months, rose to 3 per cent., and loans on time advanced 1 per cent. over the prevalent rate of September's opening. This week, the Imperial Bank of Germany, whose action on its official discount rate is often the harbinger of European money conditions generally, put up the rate from $3\frac{1}{2}$ to 4 per cent., and the cables informed us that the action was expressly designed to check the excessive stock speculation of the day. But the really impressive incident was the change in the New York surplus bank reserve.

At the close of July, when the New York Associated Banks reported a surplus of \$34,259,000 over the 25 per cent. reserve required against deposits, it was possible to say that so large a figure had been reached at that date in only two years of the decade past—1908 and 1904; furthermore, that the surplus was more than twice as large as in such years as 1907, 1906, 1905, or 1902. The weekly bank report of Saturday, September 11, showed conditions so greatly changed that the surplus, \$3,166,000, was smaller than that of the corresponding date in any but two of the fifteen past

years. Those two exceptions, 1902 and 1899, were years of excessively disordered autumn money markets; both witnessed deficits in the bank reserve, and Wall Street call money rates rose to 35 per cent. in the one season and to 186 in the other.

This change within six weeks in the bank position came as a consequence of decreased cash reserves. Since the end of July, cash holdings of the New York banks had diminished \$43,000,000. Such decrease is a normal incident of the season; it is expected at the ending of an August and the opening of a September. There are always heard in the midsummer months, both from Wall Street and from the farming West, cheerful assurances that the West is now so rich in independent wealth that this time it will not have to call on the Eastern markets to "help move the crops." But what the authors of these assurances forget is that this money of its own which the West proposed to use was deposited in New York and had been rented out, for a modest consideration, for New York banks to lend on Wall Street during the dull months of the agricultural year. When the Western banks needed their money back again, they quite naturally drew on the same deposits.

Now a loss of cash reserves on such a scale necessitates, in an ordinary year, curtailment of loans—especially of loans to Stock Exchange speculators—to square with the reduced resources. No such curtailment has occurred this season; as a result, the banks were brought, two weeks ago, face to face with the possibility of an exhausted surplus.

Under such circumstances, there remained four possible courses of procedure. Stock Exchange speculation, the greatest absorbent of the surplus bank funds in this city, might be resolutely curbed, and liquidation of loans attained through that expedient. Inland banks with credit deposits in New York institutions might be induced to withdraw those deposits, thus decreasing the liabilities of the New York banks, and to lend the same deposits out directly, for their own account, to the same borrowers as before. European credit might be drawn upon, whereby loans now standing on the books of New York banks might be virtually transferred to the books of foreign lenders, the borrowers again not being disturbed. Or, finally, the position might be taken that the borrower has a right to the money, and that, deficit or no deficit, he will go on borrowing.

All of these four expedients have at times been used. In 1902 particularly, the banks themselves took a hand in putting a stop, through calling in their Stock Exchange loans, to the reckless speculations of the so-called "Gates pool." In most of our recent autumn

speculations, the inland banks have turned a good part of their New York deposits into loans. In both 1905 and 1906, "shifting of loans to Europe" was employed on an extensive scale. And in 1905, the time unquestionably came when banks reported a weekly deficit in reserves with no apparent effort to adjust things.

One of these expedients has already been applied. When call money went to 3 per cent. in Wall Street last week, the inland banks loaned out their New York funds for their own account, thus relieving the loan and deposit account of the New York Associated Banks. The bank statement of the ensuing Saturday, September 18, showed the extraordinary reduction, in the New York bank loans, of \$30,600,000; as a result of which, the surplus reserve increased \$8,900,000. This did not arrest either the harvest outflow of currency or the firmness of money rates. In fact, it was recalled that when, under very similar circumstances and at exactly this time of year in 1905, a similar "shifting process" cut down loans \$30,000,000 in one week, \$20,000,000 in the next, and \$9,000,000 in the next, nevertheless continuance of the heavy demand from stock exchange speculators so far offset this artificial relief as to create a deficit in bank reserves in November and drive call money, at the end of the year, to 125 per cent.

Is such a result at all probable this season? It is difficult to say. The trade demand for money, here and abroad, is very much greater than it was a year ago, but probably very much less than in 1905. That is in favor of the present bank position and of the Stock Exchange speculation. Other considerations are not so clearly to our advantage. Europe's markets are not the resource which on some previous similar occasions they have been. Wall Street does not enjoy the unbounded credit which was offered to it by the great European banks in 1906; the country has no such accumulated foreign credit fund on trade account as it possessed at this time in 1901 and 1904. Europe, like ourselves, has passed through 1907, and the balance on merchandise trade account stands far more heavily against us now than at any time in a dozen years.

There is always left the expedient of gold imports, to replenish our bank reserves. But gold imports come in response to such a fall in foreign exchange as is commonly brought about, either through a very large excess of merchandise exportations, or through a very sharp rise in money at New York. The first we cannot hope to have. The second may come to pass; but it will hardly arrive with the aid and comfort of the powerful borrowers for Stock Exchange speculation. Tight money brings in foreign gold; but it also, and for ob-

vious reasons, has an awkward way of knocking down the price of stocks.

BOOKS OF THE WEEK.

Anatomy and Physiology for Nurses. Compiled by D. C. Kimber. Third edition revised by C. E. Gray. Macmillan. \$2.50 net.
Architects' Directory for 1909. W. T. Comstock. \$3 net.
Beard, C. A. Readings in American Government and Politics. Macmillan. \$1.90 net.

Financial.

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