

word *stultitia* often missed by his critics and biographers. It is that illusion of the heart, appearing to the reason as folly, which "overcomes all the wisdom of the world."

*History of the Great American Fortunes.* By Gustavus Myers. Vol. III. Chicago: Charles H. Kerr & Co. \$1.50.

This volume of Mr. Myers's work takes up the achievements of certain contemporary millionaires; principally, so far as space is concerned, J. Pierpont Morgan. The book appeared at a moment when three magazines were beginning, each on its own account, a "popular sketch" of Mr. Morgan's career in serial form, the grave announcement and flamboyant advertising of which might have led the familiar Man from Mars to suppose that the foremost citizen of the Republic was being chronicled.

It has never, in fact, been wholly clear whether this unusual amount of description, biography, and analysis, in the case of a career in high finance, was recognition of the fact, sometimes alleged, that the "multimillionaire" nowadays shares the honors of public pre-eminence with the statesman and the writer of short stories, or was merely an effort to hunt down wickedness in high places. The same doubt existed regarding the prolonged embalming of John D. Rockefeller in the columns of the same magazines. The historians of Mr. Morgan throw little light on this question. Some of them, like Mr. Steffens in *Everybody's*, affect the mysterious air of a Sherlock Holmes unravelling the secret crimes of finance. They and the anonymous authorities with whom their long conversations on the subject are reported "laugh cynically," "mutter," and "whisper," as they run upon one or another clue to the Money Power's infamies. Others, like Mr. Turner in *McClure's*, apply themselves to a study of inheritances, traits, and environment, as if admitting that the subject of their discussions is interesting solely in himself. Most of them, it must frankly be admitted, approach the matter with strong signs of preconceived opinion, not of a flattering character, whose correctness they mean to prove, whether or no. Of this type of discussion, Mr. Myers's book is pre-eminent.

We hold no brief for the "multi-millionaires." We have, indeed, ourselves been assured by high authority in the railway and industrial world, and by authority as far as possible removed from the field of muckraking, that there are few if any of the prodigious American fortunes, the history of whose accumulation would not present at least one chapter of questionable business morality. Be this as it may; we insist nevertheless that when an historian sets out to tell the story of a man or a ca-

reer, it is his business to tell it fairly. If one action in that career is open to grave criticism on ethical considerations, it does not follow that the next action is of necessity similar. But this is precisely what Mr. Myers takes for granted. The presumption with which he examines each successive achievement is that there must have been something wrong about it.

Now, to study a great financial operation, with a view to making sure whether it was really a "square deal" or not, is assuredly the financial historian's duty. But he must also know all the facts and circumstances before he is entitled to pass judgment. Thus, the purchase by Drexel, Morgan & Co. of a United States government loan in 1877, and their prompt re-sale of it at an advance of 1 to 4 per cent., is denounced by Mr. Myers as "one of the very worst cases ever known of the people being betrayed." Perhaps so; perhaps not. In order to criticise the affair intelligently, it is essential to know what was the real condition of the open investment market where Mr. Myers so confidently declares the government "could have disposed of the bonds without intermediaries." He gives not the least evidence of having ever examined or considered that question, or the further question, what incidental profits great international banking houses usually get for lending their credit to the placing of loans even for great foreign governments.

After this, it is not surprising to find the author denouncing the episode of 1895, when the bankers are pictured as "compelling" a bond issue and then "milking" the government on the terms. Again perhaps so, and perhaps not; the terms were certainly harsh. But we find no evidence that the author has ever reflected on the part played by inflation of the currency through the Silver-Purchase Act of 1890, and by the emptying of the Treasury through the McKinley Revenue Law of the same year. The conclusions arrived at may conceivably be correct; the method of arriving at them is not deserving of serious consideration. Historically, it is all quite of a piece with Mr. Myers's offhand acceptance, in a sentence or two, of the wholly exploded theory of the "crime of 1873."

We should hardly deem it worth while to devote thus much attention to a discussion of the sort, but for the fact that such haphazard assertions and deductions do harm, and do it, not to the men or institutions against which they are supposed to be directed, but to the cause of financial reform which they profess to uphold. That the methods of what has come to be known as High Finance in Wall Street have repeatedly been objectionable in principle, illegal in practice, and utterly demoralizing in influence, is nowadays scarcely a debat-

able question. The efforts of sound thinkers and independent-spirited legislators have been directed towards punishing such abuses where they can be punished, and preventing them at all times. The new insurance law and the new trust company law of Gov. Hughes's State administration; the Supreme Court decisions under the Anti-Trust Law, at the instance of President Roosevelt's Administration; the new powers with which the Public Service Commissions and the Interstate Commerce Commission have been clothed; the extension, not yet completed, of the public restrictions on capitalization of new enterprises, on recapitalization of old, and on methods of speculation in the stock exchanges—all these are steps in the same direction. Further progress in that direction will be achieved, however, not at all through indiscriminate clamor at everything done by great banking interests, but by careful, thorough, and entirely fair examination of every episode involving the old-time financial practices.

Nothing in Mr. Myers's book is more striking an instance of the wrong way of writing financial history than his description of Mr. Morgan's part in the panic of 1907. Two legends have already grown up regarding the incident of October 24, when the Stock Exchange had approached the point of general suspension of payments, and when J. P. Morgan & Co. appeared as lenders of \$25,000,000, at high rates, to avert the catastrophe. One, the popular legend, regards Mr. Morgan as a sort of demigod who had answered the prayers of Wall Street and descended upon it in a benevolent shower of gold. The other—which we may term the La Follette theory, because that statesman gravely expounded it to Congress in 1908—assumes the existence of a group of millionaires who create both prosperity and adversity for their own wicked ends, and who caused with that purpose the panic of 1907, by hiding away \$25,000,000 in cold cash, which Mr. Morgan suddenly produced and sold at exorbitant rates to Wall Street, when he could see no further advantage to be gained.

Both conceptions of Mr. Morgan's part in the panic are picturesque; Mr. Myers, it hardly need be said, accepts the second. One is as reluctant to destroy either picture as to destroy the time-honored narratives of Romulus and the wolf, or of Joshua and the sun. Such stories make for the winter fireside's entertainment. But the simple fact, which any one who cared to inquire might have learned, is that on October 24, 1907, the New York banks themselves were in a panic; that they had begun to refuse to lend, in violation of the soundest principles of dealing with a crisis; that the president of the Stock Exchange set forth the desperate situation to the banks, enlisting Mr. Morgan's large per-

sonal influence to support him; that the banks yielded, issuing \$25,000,000 in new credits through recourse to clearing-house loan certificates; that they fixed a high rate of interest, in line with the well-established rule that only thus could the loans be sure of going to the people who really needed them; and that Mr. Morgan's house was employed to offer the bank loans on the Stock Exchange.

*Quiet Days in Spain.* By C. Bogue Luffmann. New York: E. P. Dutton & Co. \$2 net.

The impression made by Mr. Luffmann's book is that the author has been sharing the everyday life of the Peninsula, a life still destitute of almost every domestic comfort known to modern civilization. He winters on a small estate in the bleak hills of the Sierra Nevada, and summers in the Vega of Malaga with an old woman who furnishes his table for six and eight pence a week. His book has little to say of cathedrals or galleries, art or history, nor is it the notebook of the would-be vagabond who, in search of the glamour and romanticism of Gautier's time, snapshots Spain from the third-class window and the *casa de huéspedes*. The author says, "the aim has been to write provincially—to set the local fact on its ground." In this he has succeeded. A multitude of humble details lend unusual freshness to what is rather a picture than a narrative, with all the continuity and intimacy that distinguish living from sightseeing and reality from pose. That contradictions abound is proof of truthfulness, for Spain is the land of contradictions.

The author is not so happy in his reflections, for it is dangerous to generalize about a whole made up of such parts as Castile, Catalonia, Biscaya, and Andalusia, and it would lead one far afield if one began to answer the challenge of his general statements. The impress left by the Moor upon Spain is fundamental, but it is absurd to say that "all his [the Spaniard's] dreams are of the East and of the Moorish period in the West. His old romances are based entirely on Arabic themes; his modern stage characters hail from Morocco; his lover of fiction is under the spell of eyes which have captivated him in Tangier" (p. vii). To affirm that "all decrees are of a suppressive character; press censorship; no public meeting; no free education; no unions or alliances; no emigration without permit; no petitions for work nor demonstrations against rapacious authority" (p. ix), is to convey an altogether false idea of contemporary Spain. The statement that "the fingers are used alike by rich and poor in carrying food to the mouth. . . . In the highest society food is handled a great deal, and it is a

mark of attention to be fed from the fingers" (p. 96), might apply to Persia, but certainly not to Spain. The author's habit of intruding upon the reader his personal views of life reminds one of Montaigne, though the manner is not so happy or naïve. It is a little startling to be told that "nothing is important which man may do. It may be necessary for the moment; at the next a new necessity will arise. Consider what any reform has ever done. Never has there been one which did not increase human misery."

For all this, the book may be heartily commended for its portrayal of provincial life, for its homely illustrations of local character, and for the many interesting facts which find no place in handbooks or among the superficial notes of the ordinary traveller.

*Practical Real Estate Methods.* New York: Doubleday, Page & Co. \$2 net.

This volume comprises the addresses delivered during the last five years to the real estate classes of the West Side Young Men's Christian Association of New York. Some thirty different experts have here expressed themselves upon various real estate problems. Francis E. Ward, former president of the Real Estate Board of Brokers, and Joseph P. Day, the present president, are among the contributors. The public questions pertaining to realty, such as tax assessment and tenement-house regulations, are admirably canvassed by Lawson Purdy and Lawrence Veiller, respectively.

An examination of the volume reveals how various are the qualifications needed to equip the successful dealer in real estate. The realty history of the city in general and of particular neighborhoods; the law of leasing, managing, appraising, condemning, insuring, selling, and building; the tact for administration; the diplomacy of commerce; no less than character, personality, and imagination are all required.

Not only the practitioner, as well as the owner and investor, can obtain serviceable suggestions from this symposium; but the economist also will profit by its perusal. The subject of land in theoretical economics is too imperiously dominated by certain broad and rigid generalizations, such as the assumed limitation of the land supply, the automatic increase of its rent, its comparative freedom from commercial risk, and its supposed coign of vantage as regards the other factors of production. All of these hypotheses are rudely jostled by the testimony of men who make real estate dealing their profession. When the retail shops begin to relocate, and wholesale houses invade the forsaken territory, there is often "an actual drop in the value of property so replaced by wholesale [establish-

ments]" (p. 203). The agent, it is now universally admitted, seeks the tenant; not the tenant the agent, as formerly. The trade is evidently as plastic as most other commercial enterprises; and land and its improvements are seen to be quite akin to the other instrumentalities of production. The closet economist's ideas about land remind one of what Emerson says of the young citizen's illusion about society:

It lies before him in rigid repose, with certain names, men, and institutions, rooted like oak trees to the centre, round which they all arrange themselves as best they can. But the old statesman knows that society is fluid; there are no such roots and centres, but any particle may suddenly become the centre of the movement, and compel the system to gyrate round it.

## Notes.

Dent & Sons are to bring out separately the introductions to the Everyman Edition of Dickens which were written by G. K. Chesterton.

As number three of the "Girton College Studies," the Cambridge University Press is publishing Miss M. G. Clarke's "Sidelights on Teutonic History during the Migration Period: being Studies from Beowulf and other Old English Poems."

"The Mayor of Casterbridge" in Harper's new thin-paper edition brings us to one of the three or four great books of Hardy's Wessex series—probably most readers would think quite the greatest after "The Return of the Native."

Thomas Hughes's "History of the Society of Jesus in North America" (Burrows Brothers), noticed in the *Nation* of October 27, is to be completed in six volumes, of which the third volume forms the second instalment of Documents. The publication of the second volume of Text is not yet announced.

The seventh series of Paul E. More's "Shelburne Essays," just issued by Putnam's, contains twelve studies of nineteenth-century authors and movements, viz.: Shelley, Wordsworth, Thomas Hood, Tennyson, William Morris, Louisa Shore, Thomas Bailey Aldrich, Francis Thompson, The Socialism of G. Lowes Dickinson, The Pragmatism of William James, Criticism (dealing mainly with Matthew Arnold, Pater, and Oscar Wilde), and Victorian Literature (The Philosophy of Change). A number of these papers appeared originally, in considerably abridged form, in the *Nation*.

H. G. Wells's novel, "The New Machiavelli," the publication of which Duffield & Co. have postponed until January, sketches the rise of the hero to political fame, and his renunciation of the great prizes which England offers her successful leaders.

Henry Frowde, publisher of Prof. Edward Suess's "The Face of the Earth," writes to inform us that the fifth and concluding volume of the work will contain the index.

Emily James Putnam is publishing, with Sturgis & Walton, "The Lady," or studies of ladies of various nations, contemporary