

vestments. The figures are percentages to capital and surplus for all member banks of each Federal Reserve district:

	Net Earnings before deducting losses %	Net Losses Charged Off %	Net Profits %
Boston	12.30	4.73	7.57
New York	15.10	3.28	11.82
Philadelphia	12.65	1.68	10.97
Cleveland	12.14	2.50	9.64
Richmond	11.59	2.90	8.69
Atlanta	12.49	4.20	8.29
Chicago	12.91	4.30	8.61
St. Louis	12.52	4.80	7.72
Minneapolis	8.90	7.18	1.72
Kansas City	12.71	10.92	1.79
Dallas	12.68	7.27	5.41
San Francisco ...	14.26	5.51	8.75
Total United States	13.20	4.09	9.11

Among the items which determine the profits of banks one commands particular attention at this time. This is interest paid on deposits. For while the profits of all member banks amount to a little over 9 percent on capital and surplus, the interest paid to depositors comes to more than 15 percent. One of the reasons why the Minneapolis district shows such low earnings even before deducting losses, in the table above, is to be found in the fact that it paid its depositors interest amounting to 21 percent of its capital and surplus, while the other banks have paid only 15 percent.

During the fiscal year 1924 the banks paid almost exactly 2 percent on their deposits. Their net profits after losses amounted to only 1.2 percent of their deposits, and to 1.26 percent of their loans and investments combined. The interest paid depositors was more than twice as large as the dividends distributed to the stockholders of the banks. This item of interest on deposits is the banker's true cause for lament today. He cannot continue paying the interest which was paid during 1924 and

previous years, in the face of the declining rate for money which we have witnessed during the last six months. Unless the interest rate rises bankers must reduce the rate which they pay on deposits. In some cities the reduction has already begun. Call rates, time money on the stock exchange, and commercial paper rates are 2 percent below a year ago. If the assets of the banks consisted entirely of these items, such a decline would wipe out banking profits. But the banks have in addition many loans on real estate mortgages. Here the interest rate is higher and is fixed by contract for considerable periods. They hold large volumes of investment securities, also, on which the rate fluctuates comparatively little. While the business revival will doubtless raise some of these money rates, it is not likely that a serious fall in profits can be avoided except by cutting the rate paid to depositors.

The existing rates of interest on deposits came about as a result of the unusual profits which banks earned during the two decades from 1900 to 1920. The average earnings on capital and surplus combined averaged almost 10 percent over that entire period. They would have been even higher had it not been for the ever-increasing amount paid to depositors, for the gross earnings of national banks increased from 20 percent at the end of the last century to 52 percent in 1921. In 1900 banking profits amounted to almost half of the gross earnings. If this situation still prevailed, banks would be earning more than 20 percent on their capital and surplus today. The workings of competition among individual banks have kept profits at half this level. The other half has been driven into the hands of depositors by the bidding of the individual banks for the patronage of their depositors. If interest rates decline gradually over a number of years, as many financiers believe they will, interest on deposits will tend to fall. In the meantime it is more than likely that we shall see some decline in the level of banking profits.

DAVID FRIDAY.

Travelling in America

I SPENT but four months of the seven that I was in America in travelling, and I regret it, for I have never been in any country where the mere act of journeying from place to place was more seductive. Willingly could I, who have always imagined that I loathed travelling by land, have done nothing but wander on from town to town up and down the length and breadth of the United States. This is partly due to the genius of the place, but it is also due to the extreme comfort of American trains. It is true that they are all of them equipped with instruments of torture in the form of an apparatus known as the air-brake, which

works in such a way that every time the train starts there is a preliminary jar so severe that it feels as if not only every carriage but every individual had been struck a heavy blow with a club. The explanation is, I fancy, that the average American is so full of nervous energy that he can suffer this violent shock without the pain that we depleted and oversensitive creatures feel; but it may be that some slight measure of discomfort has to be inserted into the railway system to deter people from spending their entire lives on the train. I found myself sometimes regretting that I need ever step out of the Pullman car save to have a bath.

It is, you see, so exquisitely irresponsible from the very beginning. One packs one's trunks, in no particular hurry; it will do if they are ready an hour before starting. One gives them to the hotel porter, who in return presents one with checks. Never does one think of them again till one gives the checks to the express company at the station where one ends one's journey, and it delivers them at one's hotel. This, you will allow, is different from England where one has to keep watch on one's luggage as on a sick child. Thus disembarrassed, one goes nonchalantly to the train which, should one be in New York, starts from a cathedral. Europeans to whom I have said that the Americans are geniuses in architecture would be angry with me for having understated the case if I could show them the Pennsylvania station in New York. We in Europe have tried to treat the railway station in the grand manner. England made its great comic efforts in the cruet-stand Gothic of St. Pancras and the monumental mason's nightmare of Euston, and then gave up the attempt and relapsed into the formless chaos of Victoria and Waterloo. Germany kept up the struggle longer, but to no good. Leipzig Hauptbahnhof, vast as it is, is only remarkable because it produces, as one could not have believed that masonry could, the effect of obesity. One longs to advise it to give up bread and potatoes. But here, in New York, is a marvel of noble stone arching over an infinity of pearly light, with a certain ultimate beauty in its proportions which gives a solemnity to all that happens beneath. The crowds hurrying between the booking offices and the platform look dwarfed, yet for all that, more and not less significant, as processions of worshipers do in great churches. For some things—and those great and admirable things—one must go to America.

The Pullman car is too hot, but then every interior in America is. That is why one acquires on arrival the art of continually slaking oneself with ice-water. It has however every other advantage except reasonable temperature. There is abundant space round one's arm-chair. One's suitcase and attaché case are not exiled to a rack but stand openable at one's knee. Newspapers and books—quite good books—are sold on the train. One is encouraged to carry on one's correspondence by telegram. In the dining-cars there are meals that the Americans esteem but lightly, but which nevertheless are better than most meals one gets in quite good hotels in provincial England. And one is adopted by a Negro porter. For no extravagant recompense in the way of tips he is prepared to act as one's father and mother for the duration of the journey. He brushes one's clothes, he polishes one's shoes, he will even very respectfully draw one's attention to the fact that one is nearing one's destination and that one's hat is not on at quite the proper angle, and he does one a service deeper than these by showing one what life might be if one kept the heart of a child, and laughed aloud at happiness,

and drooped for not more than a minute when things went wrong. Sad he is fundamentally, for he is a strayed child, a lost child, who will never get back to his own nursery in Africa but must wander for ever in this grownup world of the United States, but he gets an exquisite infantile glee out of the simplest things. One morning, when I was traveling from Chicago to Omaha, I rose from my sleeping berth before the rest of the passengers had risen, and, going along the aisle to wash in the dressing room, encountered two Pullman porters in the corridor. One was polishing the patent leather shoes of the other, and the polishee was standing with his arms outspread, beaming down on the proceedings and chanting with the extremest voluptuousness: "Ah doan care about ma hands—and Ah doan care about ma face—but—Ah—do—like—clean—shoes!"

They have, too, moments of imagination by which the traveler benefits. Once, when I was traveling through the Rockies, from Salt Lake City to Pueblo, Colorado, the train halted at the highest point of our journey, and the Negro porter called me to the window and showed me a pool beside the railway track. Just a pool, just such a dark ditchful as one might see by an English railway line. But the darky's eyeballs rolled in his head, his glistening black hands waved impressively, his soft voice dipped and soared, as he laid before me the fact, which indeed thrilled me, that this pool was lying on the Great Divide. The trickle that ran from it at the one end became, in the long last, an arm of the Colorado river which winds away and away for fifteen hundred miles through the strangest country of cliffs cut by water and weather to shapes fine drawn as spires or fantastic as a dinosaur and are like a sunset sky, with splashes of scarlet and purple and emerald earths, till it reaches the warm Pacific. And the trickle that ran from the other end was the Arkansas river that tumbles down the boulders of the Rockies and becomes a slow silver stream that crawls over the green flat plains for a thousand miles and more till it joins the corpulent brown body of the Mississippi, and moves like a vast sliding lake on to the Gulf of Mexico. Here was a prodigious birth and beginning.

I was grateful to the Pullman porter for having the imagination to recognize the quality of that sight, for it was part of the pageant of rivers which to me is one of the most valid reasons why every one ought to visit America before he dies. Till one sees the Hudson river one cannot believe that for three hundred and fifty miles of New York state, as far as from London to Edinburgh—it runs through country as lovely as our Lake district. Hour after hour one travels past wooded mountains falling to quiet waters, as beautiful as the finest moments of Derwentwater or Ullswater. There is the Susquehanna, too, which is as lovely as its Indian name, broad and shining, with forests on each side that mount sugar-loaf hills and crown craggy,

heights. Its tributary, the Julietta, runs through woodland as sweet as our own Exmoor valley. But even better than these is the Connecticut river in its upper reaches, running deep blue under a cloudless winter sky, a tangle of red bramble and amber grasses jewelled with frost on its brink, and the bare silver birches standing by like shapely ghosts. All these woodland rivers have a special beauty in the autumn and the winter that cannot be foreseen by the English imagination, for in autumn the foliage passes through a range of colors that is infinitely more varied than anything ever seen in Europe, and we have no conception of the golden clarity of their winter sunshine. Though the rivers of the Middle West are apt to be as tame as our East Anglian rivers since they run on the flat prairies, they have their character. With the coppices on their banks, and the marshes where the bullrushes grow, they look like the kind of places where small boys love to play; one thinks of Tom Sawyer and Huckleberry Finn and their not unworthy descendant, Booth Tarkington's Penrod. And in the Middle West there comes the greatest thrill in all this pageant of rivers. Who could look on the Mississippi without emotions? It is a hero among rivers, a watery Hercules. I first saw it one sunset in Minnesota, where it runs between Minneapolis and St. Paul. At the bottom of a deep trench whose walls were hung with flaming autumn trees, it lay in the shadow, almost tenuous, shining whitely, with shadows ribbed with the velvety bars of sandbanks. One could imagine Red Indians. I saw it again later, a day's journey southward, down on the Iowa and Illinois border. On each bank was a steel-colored rectangular Middle West town; east, west, north and south stretched the fallow prairies. On a grassy island in the river stood a white wooden house, evidently some sort of a public building dating back to the early nineteenth century or so, a beautiful example of the colonial style of architecture, with its classical colonnade and pediment all wrought in wood; like all the houses of that type in this country which was but recently so painfully claimed from savagery, its delicacy had an air of pathos, like a noble lady enduring poverty. Past this flowed a river that had lost its looks, that was nearly featureless, that was just a river, but that had a look of power. I saw it a third time, again a day's journey south, down by St. Louis. Even flatter there than the Middle West, and oozier of earth; on the dark fields stood the withered maize plants, as tall as men, and looking with their limpness and outthrust leaves, like men in attitudes of desperation. At the bottom of a clay cutting ran the Mississippi, mud-yellow, quite featureless now, and to apply a word that until then one would not have thought applicable to a river, shapeless. Just water running between two banks. It is odd that it was there, where the Mississippi is just water, that I realized that I would never be content till I had come back and known this river, and had taken a

journey on it by steamer, down between Missouri and Kentucky, between Arkansas and Tennessee, between Louisiana and Mississippi, all the way to the Gulf of Mexico. It is an absurd desire. Probably no such steamers run. But have you never been in love with somebody plain and probably unattainable? It is like that.

Really, it is just like that. America is a continent with which one can have innumerable love-affairs. I am not monogamous myself in my passion for the Mississippi. There are times when I think with as insistent a longing for a place named Bingham, which is in the state of Utah. It is a mining-camp. One drives in one's automobile on noble roads planted with poplars over a green and fertile plain (it was desert till the Mormons irrigated it) to a canyon that drives a wedge into the foothills of the snow-peaked mountains. There is one long winding street of wooden houses, paintless, dilapidated; some with verandas on which men in broad hats sit in rocking chairs, spitting slowly and with an infinity of sagacity; some with plate glass windows, on which the washed-off word "saloon" still shows as a pathetic shadow, which are eating-houses of incredible bareness and dinginess, some others with plate-glass windows that show you men on high chairs with white sheets round them being shaved, and tin cans everywhere. Then at the end of the street one comes on a mountain of copper. Just that, a mountain of copper. Pyramid-shaped it is, and cut into regular terraces all the way from the apex to the base, where lies a pool of water emerald as Irish grass. It sounds the hardest thing in the world, and the terraces have as sharp an edge as a steel knife. Yet it seems a shape just taken for an instant by the ether. One feels as if one were standing in front of a breaking wave of a substance more like cloud-stuff than water, yet like the sea; for the whole hillside is luminously and transparently pale, and reticulated with mineral veins that are blue and green like sea water. I want to see that marvel again, that mountain that is made of metal, that looks as if you could put your hand through it. I want to go back, just as I want to go back to San Francisco, which is a day and a night further west from Bingham. For that is like the Bay of Naples, but it is all done in the delicate pastel shades and the gentle greyness of Edinburgh. Sailing ships lie in the harbor, with their lovely rigging. There is a dead volcano looking over the Bay at the city, whose musical name is Tamalpais; she is shaped like Fujiyama, and I am enough in love to swear she is as beautiful. Round here are daughterly green hills running down to the indenting waters, their slopes blue and white with wild lupins. I love these places.

It is real love. One has been fond of European places, but the affection has been mild and reasonable. I have imagined that I loved Rome and Granada, but there they are, both within two days and two nights of London, for no undue expenditure, and I have visited neither for the last two

years. But I know that I am capable of getting up and going to have a look at San Francisco at a time when I ought not, though it means five days on the water and five days and five nights on the train, and many pounds and more dollars than I can afford to spend on merely going to have a look at anything.

This is the real unreasonable thing that is called love. And mind you, it is not only one that feels it. I am not telling you about myself; I am telling you about the American people. For this love that their Continent has the power to evoke is one of the most powerful factors in the moulding of their lives. It makes them wanderers. And that is the thing that marks them off from all other modern peoples. They are migrating. They are nomads. It makes their cities enchanting. For each of these marks an occasion when these wanderers have fallen so deeply in love with a place that for a time they abandoned their nomadism. This is a most romantic country.

It is at first hard for the stranger to realize how nomadic the Americans are, because one is apt to draw a false conclusion of stability from the facts that, in the towns at least, they have the best homes in the world, and that their women are incomparably the best housekeepers. But unlike the successful domestic women of other climes, the American housewife is not tethered to the cooking stove. She is astonishingly mobile. Of an evening, after dinner, should she and her husband be alone, the weather will have to be pretty bad before they will settle down before the fire. They are more likely to take the automobile out for a run of a length that would be considered a whole day's expedition in this country. If they live in Salt Lake City they will have a marvellous homecoming. Beautifully did the Mormons build on this perfect site that they found after their thousand mile trek through the desert, a city of broad lawny streets with a Capitol that stands out against the sunset on a ledge on a hill as finely as any building raised by the old Romans; widely stretches the plain that was desert till the Mormons came, that is green and plenteous because of their tillage and irrigation, in the East to the feet of the mountains whose arms are now blue with nightfall, in the West to the great Salt Lake where the last light lies rosy on the peaks of the unvisited islands where buffalo still roam. There is romance for you. You would go out and look at it if it were at your backdoor. Even if you lived on the prairies of Nebraska, that are as flat as the mud at Southend, you would still take that nocturnal ride. For here, as always on the plains, what one loses on the swings one makes up on the roundabouts. What the landscape lacks in interest, the cloudscape supplies. It is good to drive there by night, under bright stars that look as if they were nailed onto the dark roof of some not too elevated tent.

The mobility of the American housewife mani-

fests itself of course in much more startling ways than that. She will up at any moment and start out at a few hours' notice on an automobile trip of several days, up into the mountains or across the desert, and serve her family with a succession of meals that the English mind cannot conceive as being born of the casualness of a picnic. Lovely it is to travel on the Ridge Route from Los Angeles to San Francisco, high among the blue mountains with sharp spiney ridges that lie up against each other like so many vast lizards; or to cross the Nevadan desert and see the mirage change a peak as big as Ben Nevis to an island floating on a lake whose magic waters are drunk at their not-existing shore by horses never to be bridled by tangible riders. These are love affairs with the American continent that are worth having; there are other, more extensive ones, that she has. American summer holidays are longer than ours and run, indeed, to a full three months.

Then the American housewife takes up her house and lifts it any distance up to a thousand or fifteen hundred miles. The Salt Lake City woman will take her family up to the far North West in Oregon. The Nebraskan woman will find a summer home in the woods of Maine, in New England. There is a difference between these transcontinental leaps and our nervous August toddles to Newquay or Aldeburgh. And what is even more remarkable is the way that elderly people will leave the districts where they have lived all their lives and start over again in some strange place that has caught at their imagination. There is a town in southern California, Los Angeles, which is developing an enormous belt of suburbs that rather resemble one of our riverside towns like Maidenhead in their expanses of cheerful houses with flowery gardens. It is populated largely by retired farmers and their families from Iowa, which is in the Middle West. I cannot imagine a fashion springing up among Essex farmers for settling in the south of France or on the Italian Riviera; yet the distance is not more great.

They run up and down their continent, they run across it. They are wooing her beauty, they are seeking the adventures she gives them with both hands. It is in their blood. The history of their country is the history of that chase. Firstly there was the settlement of the East; then the more vigorous stocks pushed out for the Middle West. Then there was a double movement: of the gentler spirits who wanted to found an American culture, back to the East; of the bolder spirits, who wanted to extend the United States, out West. That adventurous spirit spills sometimes outside the cup; up to the gold-mines in the Klondike. It is a strong and beautiful thing, as lovely in its way as the English love of stability and a settled home.

I mean to go back to America again and again. I want to see more of these love-affairs between America and the American people.

REBECCA WEST.

Blood Money

THE cool half-million pounds exacted by His Britannic Majesty's government from that of the King of Egypt for the assassination of the Sirdar, following the more remote Corfu incident and the tidy little sum which our Department of State obtained from Persia on the occasion of the murder of Consul-General Imbrie at Teheran, revives with refreshing candor the ancient and honorable custom of the wergeld, or, to be crude, "blood-money."

The propriety of this survival from primitive times is beside the point. Morally there is much to be said for and against blood-money. When the Germans imposed it upon certain Belgian municipalities in the occupied territories during the war, we Allies found it a most excellent fodder for our propaganda. Yet the history of even our own lily-white foreign policy—if only in the instance of the Boxer indemnity—admits "blood-money" in practice, as a convenient and comprehensible form of retribution. With the disappearance of its companion practice, that of exacting hostages, whose noses, lips, ears and limbs could be amputated as a sign of diplomatic impatience and whose lives were forfeit to our interpretation of our enemy's intentions, blood-money is the sole relic of our glorious and unregenerate past.

What we must do, if only to vindicate our proud title to efficiency, is to equate our wergeld quotations on the basis of some internationally accepted common denominator. When that is done, the problem of the indemnity will be a mere matter of routine to be checked by public accountants; nations will not find it necessary to go to war for a dead drummer and, best of all, other nations will know the precise extent of their liability in murdering offensive foreign officials or tourists.

The lack of such a scientific rating leads only to confusion and consequent international jealousy. Why, for instance, is a British general twenty-five times as expensive as an American consul? Why is an American who went down with the *Lusitania* without commercial value in the light of recent negotiations between the German and American governments if he was almost worth going to war for in 1915?

Let us propose for our unit the lowest form of human life. In place of the reader's pet abominations—whether Rotarian, Parlor Radical, Babbitt or International Banker—let us take as our unit the New Hebridian negrito. There may be other humans more degraded. The author has never met them, neither has he met a negrito, but the principle is clear. Let the nations agree that the indemnity for such a unit shall be one dollar. With that as a starting point it will be easy to work up the

scale until we strike the delicate levels of officialdom, for which special formulae must be evolved. We shall find the scale running about as follows: Chinese coolies, Egyptian fellaheen, and Asiatic peasants generally, \$10.00; Asiatic factory workers, \$12.50; European peasants (exclusive of the Balkans), \$25.00; European industrial workers, \$35.00; European public servants, \$21.13; European professional classes, \$50.00; and so on. We should progress through the various strata of continental and British society, making appropriate notations for such figures as French counts and British jockeys, until we strike God's Own Country and finally attain the customary \$10,000 liability of American railroads and other homicidal agencies of a semi-public nature.

Such a scale would lead to many stimulating contrasts. One might find a Liverpool dock-worker, a Neapolitan barber and a Swiss bell-ringer bracketed with the average American alderman. An Oxford don, a French headwaiter and a Canton tea-merchant might be grouped with such capable persons as Tad Jones or Charlie Chaplin. The reader can amuse himself preparing his own categories.

The objection that such ratings would be so arbitrary as to render an international agreement out of the question is, unfortunately, sound. Would the Imperial Japanese government agree that it takes ten yellow men working in a rice field to equal one white American farmer cranking a Ford? The Imperial Japanese government would undoubtedly become sentimental over the subject of race-equality if so reasonable a contention were made. Would Zinovieff ever admit that three moujiks must be placed end to end in order to atone—even hypothetically—for one Parisian stock-broker? Zinovieff would call out the Third International and the ghost of Lenin rather than yield to so obvious a truism. And would not Costa Rica and Siam contend that one of their generals had a greater value than one-fourth of an Italian organ-grinder?

Yet another manner, and one less contentious, for arriving at a basis for determining blood-money claims would be to rate men at their economic capacity. No arbitrary valuations need be established here. Income tax returns in the countries where income tax is levied give a rough idea of a man's economic value. An international union, similar to the postal union, could arrive at mutually acceptable rates on a gold basis. And in a world of unstable exchanges we could experience the ineffable joy of picking up the morning paper and reading that Bolivian llama-herders had been at a heavy discount all day, that Danish churn-inspectors had advanced three-eighths of a point over yesterday's closing quotations, that American business men had