class bonds, he believes that the opportunity of picking them up at present bargain prices may not return for a generation. The mortgages are closed and the millions of dollars worth of new bonds soon to press on the market must necessarily be subject to the underlying issues. Mr. Britton is not alone in believing that after ten years of prosperity, investors must soon turn from real estate and semi-investment stock speculation and various wild-cat schemes, and seek safety of principal, rather than large returns. It would seem natural that municipal bonds and underlying bonds will, during the next few years, be the most satisfactory form of investment for conservative buyers. Guaranteed mortgages may be excellent investments, when sound bonds are selling at high prices, but they cannot share in an expected enhancement in the price of long time investment issues. Certain underlying bonds which have been tested for years, and are now quoted at bargain prices, are furthermore, much better secured than the strongest guaranteed mortgage in existence.

In this matter, it is noteworthy that during the month of November, transactions in bonds in the New York market showed a large increase, while stock sales diminished greatly—dropping from 17,215,410 shares in October to 9,258,830 in November. On the other hand, the transactions in railroad bonds alone, last month rose to $71,362,000 (par value) from $59,189,000 in October and $43,079,300 in November a year ago. In London, too, the present investment demand for American securities is distinctly more favourable to bonds than stocks. The comment of the New York Evening Post upon this tendency is aptly interesting:

"Not only is it true that bonds of undoubted soundness and investment value have been forced down abnormally by the pressure of panic liquidation, but it is also a fact, which all experience teaches, that after a shock to confidence and credit such as has lately confronted us, later demand converges inevitably on these very securities. This, indeed, is only another way of saying that the investing public, frightened at its sight of the risk which partnership in industrial undertakings involved, makes up its mind very positively, when it gets its second breath, to seek the position of a creditor."

United States Treasury Measures and Banking Recommendations.

The most interesting section of the United States Treasury's annual report is that in which Secretary Cortelyou deals with recent emergency measures. In this connection he complains that the Secretary of the Treasury is given wide discretion in many matters wherein he is rarely called upon to exercise it, and little, if any, in others where it is needed daily. If in periods of stress, he is obliged to resort to unusual measures, criticism is unfortunately in many instances directed not to the inadequacy of the system, but solely to the effort to give relief.

He emphasizes that what has happened not only this year, but many times before, should serve as an admonition to enact wise laws for the prevention in the future of disasters due in part at least to the imperfect organization of the country's monetary system. He urges that something be done as speedily as may be consistent with thorough consideration to provide under government guaranty a greater elasticity to the currency—something which shall be automatic in its operation, and which shall tend to equalize rates of interest not only in different sections of the country, but at different periods of the year. Provision should be made either for such elasticity without the necessity of intervention on the part of the secretary of the Treasury, or he should be granted the authority to supply it by properly safeguarded measures. What particular form this proposed legislation should take he leaves entirely to the action of Congress.

The report refers in some detail to the relief action of the Treasury in depositing funds with national banks throughout the country, and reviews the department's routine and special operations during the year. There was an increase of $42,676,330 in the volume of national bank notes during the fiscal year ending June 30, but the amount presented for redemption was only $240,314,681, as against $296,292,885 in 1906.

It is recommended that, in view of recent expansion in national bank note circulation, the retirement limitation of such notes to $9,000,000 a month, be removed, and the amount left to the discretion of the Secretary of the Treasury. Owing to the tendency to mass the great bulk of national bank reserves in New York and the other two central reserve cities, it is advised that consideration be given to the result of amending the laws so that the country might be divided into geographical or commercial sections, with provision for the retention within each section of a larger proportion of the bank reserves required to be held against deposits in the national banks of such section.

That Congress is likely to make currency matters its chief business this session is altogether likely. Latest Washington reports state that the senate leaders are now engaged in the task of framing such a measure, but that no definite plan has yet been even begun. Senators and representatives alike are said to be deluged with plans from the whole country over. Judging from the vagaries indulged in by scores of self-constituted currency reformers in communications to the American papers, the nation's legislators need experience no lack of novel suggestions.