crats and 37 Republicans. That this surmise is not unreasonable may be inferred from the fact that Mr. Osborne, the defeated Essex County Democratic candidate for the Senate, who was endorsed by Gov. Wilson and known to have incurred the hostility of powerful elements in the Smith-Nugent organization, ran from 1,000 to 2,000 votes ahead of the "organization" Assembly ticket. The election of Davis, a Wilson Democratic Senator in Salem County, and of Barber in Warren County, reduce the Republican lead in the Senate from 3 majority to 1; and the election of a solid delegation of 12 Democrats from Hudson County, at least 9 of whom are out-and-out Wilson men, are other indications that the election returns, when rightly read, do not spell rebuke to the Governor or repudiation of his policies. Had Osborne been elected in Essex along with a Democratic Assembly delegation from that county, the legislature would have been Democratic in both branches. The responsibility for turning the legislature over to the Republicans is therefore squarely up to the Smith-Nugent "machine."

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Senator Aldrich's "Democratized" Banking Scheme.

At the second Conference of the Western Economic Society, the first having been devoted to Reciprocity, the subject was "Currency and Banking Reform." Like the first, the second Conference was held at Chicago. There were three sessions, the third being a banquet at which the only speakers were Franklin McVeagh, Secretary of the Treasury; A. C. Bartlett of the National Citizens' League, and Nelson W. Aldrich, chairman of the National Monetary Commission, which proposes the Aldrich "National Reserve Association." Among the speakers at the other sessions were Professor Kemmerer of Cornell University, E. D. Hulbert of Chicago, and ex-Governor Folk of Missouri. [See current volume, pages 529, 535.]

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The discussions oscillated about the Aldrich plan, the banquet addresses being devoted exclusively—probably by some accident of arrangement—to a defense of it. Secretary McVeagh approved the plan as "purely democratic" in monetary control and urged it as necessary to prevent "a self-organized monetary oligarchy." The plan is not open, he said, to the objections to a central bank, for, although the Association "will receive deposits and pay checks," "will issue currency," "will buy and sell gold" and "exchange," and "will lend money," it will not be "a bank in any sense in which a central bank is objected to," because "it will not be privately owned" and "will not be a competitor of the banks." Governor Folk had objected at an earlier session that instead of a National Reserve Association with stock owned by the banks and a board of directors controlled by them, there should be a Department of Finance with directors named by the President, one from each of the proposed fifteen Reserve Districts. Senator Aldrich objected on the ground that "even so wise a President" as the present one could not be trusted to control so great and delicate an institution. He made no response to Governor Folk's point that "if the President can be trusted to appoint the judges of the Supreme Court" he can "be trusted to appoint a supreme court of finance," and that though he were to appoint "men recommended by the banks and thus his appointees would be the ones the banks would wish," yet "a director appointed by the banks direct would owe his allegiance to the banks," whereas one "appointed by the President would be a public servant." Neither did Senator Aldrich reply to Professor David Kinley's objection that the evils coming from "the confusion of our commercial and financial banking" are not obviated by the Aldrich plan. Among the other speakers at the sessions of the Conference, were Professor Sprague of Harvard, C. J. Frame, Senator Newlands, Professor Laughlin of the Chicago University, and Carl Vrooman. Mr. Vrooman described the Aldrich plan as one to give "complete control of the currency of the nation" to bankers, just at a time "when in response to the people's demands the government is perfecting its own control of railroads."

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According to the Aldrich plan as revised to date of October, 1911, it is in its larger features as follows:

Congress to charter the National Reserve Association for 50 years, with 47 directors, all but three to be chosen by the banks, the three being government officials.

Any bank may hold a proportionate share (at the rate of 20 per cent of its own stock) of the stock of the Association, the same to be non-transferable.

Half of the stock so held must be paid for in cash (remainder subject to call), and 4 per cent dividends are allowed out of profits on the stock subscribed for. Five per cent under certain circumstances.

Surplus above dividends to go, one-half to the government and one-half to the Association, and after stockholders get 5 per cent dividends and the Association's surplus amounts to 20 per cent of "paid-in capital," all excess earnings go to the government.

Subscribing banks are formed into 15 District Associations, which supervise the banking affairs of their respective localities under the general supervision of the National Association.

The National Association may receive deposits only from its constituent banks and the government, and shall pay no interest on deposits.

The government must "deposit its cash balance" and all its receipts with the Association.

The Association may re-discount loans for its depositing banks and in some circumstances may discount direct obligations of the banks; may purchase acceptances and sell checks and bills of exchange, domestic and foreign; may invest in United States bonds and in one-year bonds of the United States, the

States, our dependencies and foreign governments; and may deal in gold coin or bullion, and make loans thereon and contract for loans thereof.

Reserves of 50 per cent of its demand liabilities must be kept by the Association in gold or other lawful money, the penalties for deficiency of reserve being a tax at the rate of 1½ per cent per annum for each 2½ per cent of deficiency.

Reports of the Association are to be made to the Comptroller of the currency and published.

Provisions are made for substituting Association currency for national bank currency and for adding to the amount thereof, the currency of the Association to be secured, to the extent of one-third its volume, by gold or other lawful money; of the other two-thirds, by bankable commercial paper.

For a currency volume exceeding $900,000,000 the excess must be secured by 100 per cent of lawful money under pain of a tax at the rate of 1½ per cent per annum up to $300,000,000 excess and a 5 per cent tax on any excess above $1,200,000,000. This currency is to "be received at par in payment" of all public obligations, except gold obligations. Currency must be sent by the Association to any depositing banks "against its credit balance."

The Association may purchase from the banks "the 2 per cent bonds bearing the circulation privilege" and may compel the government to redeem them with 50-year "3 per cent bonds without the circulation privilege," paying a tax of 1½ per cent annually "upon an amount equal to the par value of such bonds transferred to it by the subscribing banks." After five years the Secretary of the Treasury may permit the Association to sell not more than "$50,000,000 of such bonds annually," the government reserving the right "at any time to pay any of such bonds before maturity or to purchase any of them at par." The stated object of this provision is "to enable the United States to provide permanently for a large part of the public debt at a net interest charge of 1½ per cent."

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Ontario Politics.

N. W. Rowell, the new Liberal leader in Ontario, issued the Liberal campaign platform on the 6th in which it is declared that

social justice demands the removal of existing inequalities in taxation, and we propose the amendment of the Assessment Act to permit municipalities to exempt improvements from taxation either in whole or in part. . . . We believe in and will support the public ownership and operation of public utilities, and especially the utilization of waterpowers throughout the Province for the generation and distribution of electricity; also the acquisition and operation of telephone lines.

[See current volume, page 1143.]

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Balfour's Resignation of Leadership.

A. J. Balfour was reported on the 8th as having resigned leadership of the Conservative (Tory) party of Great Britain, ostensibly on account of poor health but probably as much on account of a campaign within the party against his further leadership on the ground that he opposes "tariff reform," the British name for what Americans call "Protection." The resignation was made in person at a meeting of the Conservative Association of the City of London, which represents the business section of old London, from which Mr. Balfour goes to Parliament through the votes of non-resident landowners and their dependents. Later dispatches name Andrew Bonar Law, a native of Canada, who has never held ministerial office, but who is a pronounced protectionist, as Balfour's successor in Tory leadership.

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Adult Suffrage in Great Britain.

Announcing the Ministerial measures to be proposed immediately after the Christmas holidays, Mr. Asquith stated in the House of Commons on the 7th that a bill for manhood suffrage and the abolition of plural voting will be introduced early by the Ministry. This is in accordance, as he explained, with the pledges of the party in power. Questioned by a deputation of members favoring woman suffrage, he said that the bill as agreed upon by the Ministry, and to be by them presented officially, would not include woman suffrage, but would nevertheless be drawn in such form that the House can make it include women as well as men if a majority so desire. Efforts to make it appear that the woman suffragists of Great Britain resent this action of the Ministry, demanding the "conciliation bill" which is limited in its provisions, are not not yet reported as having shown signs of vitality. [See current volume, pages 440, 583.]

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Land Values Taxation in Great Britain.

The Parliamentary Bills Committee of the Glasgow Town Council have undertaken to produce evidence officially before the Lloyd-George committee of Parliament, in support of the land values taxation policy declared in September by the Glasgow Conference as reported in The Public of September 15th at page 956, and in The Public of October 6th at page 1030. The general municipal agitation for this policy which spread over Great Britain and culminated in the George budget of 1909 began in the Glasgow Council, but was stopped in 1906 by a judicial decision to the effect that the City could not spend public money to promote land values taxation. [See current volume, page 327.]

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The Singletax in South Africa.

London news dispatches of the 27th from Johannesburg, South Africa, tell of remarkable Labor victories in the municipal elections on the 26th. In Johannesburg the Labor party, with its non-Labor sympathizers, has a clear majority in the Municipal Council. According to these dis-