remedy that he suggests—the unbiassed reader will be forced to accept; and yet a candid consideration of the argument leads the reviewer, at least, to feel that the author himself is not totally unprejudiced. He has allowed his mind to become too much occupied with a single idea, and he seems to make no allowance for the limitations that have in most cases surrounded the lives of the men from the day they were born. The railway employees are not the only class in the community which lacks a high sense of social responsibility; and despite the fact that the author shows that the management has in most cases adopted stringent rules to be observed by others, yet it could be shown that time and again, when financial outlays have been required to insure a greater degree of safety to the public at large, these outlays have been delayed until public indignation or legal enactment has compelled them. Of course, this is simply a further argument in support of Mr. Fagan's contention that improvement can be expected only when it is imposed from without.

The book is well thought out. The English is excellent and the style calm and clear. It is of interest to everybody.

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The Investments of Life Insurance Companies. By LESTER W. ZARTMAN. New York, Henry Holt and Company, 1906.—v, 259 pp.

Dr. Zartman's book has more virtues than that of mere timeliness. It is one of the increasing number of studies of actual business conditions that are bringing concreteness and vitality to American economic literature. Yet Dr. Zartman holds steadfastly to the point of view of the economist—the public interest is kept consistently in the foreground. State insurance reports and insurance periodicals (which seem to have been used discriminatingly) have furnished the greater part of the material.

The author is thoroughly convinced that improvement in the character and management of insurance company assets will be best achieved through the removal of legislative restriction of the field of investment, coupled with the development of the active interest of policy-holders in the affairs of their companies. The net result will be, he thinks, to focus responsibility upon officers, directors and trustees. Certain laws, such as the Texas statute intended to prevent insurance company officials from getting private profits through the handling of the funds committed to their charge, and the Massachusetts statute regulating the proxy system, are endorsed. The reviewer, however, is not altogether convinced that we can afford to do without some general state supervision of insurance company investments, although it is doubtless true that a larger measure of administrative discretion in such matters should be given to state insurance departments than legislatures, up to the present, have been willing to concede.

Most of the blemishes on what is in general a thoroughly admirable piece of work consist of mere infelicities of phrase or diction. In one important particular, however, Dr. Zartman seems to the reviewer to have erred, and that is in the inclusion of annual "investment fluctuations" with annual investment earnings. There are important differences between such things as realized income and accrued interest on the one hand, and mere imputed, hypothetical changes in security values on the other. Nor does the author's method justify itself by its results, for his tables of actual earning rates (pages 74, 76) are needlessly irregular and confusing.

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A Neglected Point in Connection with Crises. By N. JOHANNSEN. New York, The Bankers' Publishing Company, 1908.—viii, 194 pp.

The "neglected point" is that crises, and especially depressions, are due to "impair savings." The explanation is very simple. In a crisis, a great number of persons are obliged to realize on goods and chattels and even on businesses which are bought at a bargain by those more lucky and solvent. The consequence of this liquidation is that, while thereby the available surplus wealth, which still accrues in hard times, though in diminished volume, is fully absorbed and may truly be said to be "invested," such investment does no good to the "working forces," but its evil effects are spread far and wide by the "multiplying principle." Probably no one will be disposed to deny that failures make dull business, but the proposition that forced sales tend further to decrease employment is disputable, especially when carried to an extreme. However, Mr. Johannsen boldly claims that investment by the solvent capitalist is the injurious act: "One billion dollars of savings, if invested in the 'impairing form,' will not augment the country's wealth, but will, according to the figuring above, annihilate the income of the community to the extent of $5,000,000,000" (page 46). It is needless to say that the "figuring above" is cut to fit the proposition. But this position is subjected by the author to subsequent modification, as the exigencies of an elaborate process of "ques-