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The Economic Journal

Versicherungswesen. Vol. I. Allgemeine Versicherungslehre ;
Vol. II. Besondere Versicherungslehre. By ALFRED MANES.
(Leipzig and Berlin : B. G. Teubner, 1922. Pp. xiv + 231,
and xiv + 357.)

EIGHT years elapsed between the publication of the first and second editions of this treatise, and similarly eight years separate the issue of the second and third. During this latter period there has taken place, as Dr. Manes puts it, the first act of the world revolution.

One is tempted to wish that the results of this revolution on insurance generally had engaged more of the author's attention. Not that such a record would have been particularly sensational, for only in Russia, as Dr. Manes remarks, has there been any actual collapse of insurance, and then not because it was insurance but simply because it was something stable and as such had to go. In other States insurance institutions emerged from the earthquake in no worse plight than the rest of the capitalistic furniture, and when it came to sweeping up the bits it was for the most part fantastic City Equitables which were found among the *débris*—about as substantial still as they ever had been—and not the wreckage of anything more considerable.

In England the newer companies of the respectable sort are just now having their troubles, because in many cases they had forgotten to bear in mind that their large war profits, particularly when derived from marine business, contained a large liability ; but most of them will probably emerge, though a bit dishevelled. The great composite concerns, on the other hand, which largely control the insurance market, whilst compelled since the early days of the War to write off enormous sums for depreciation in their investments, had already sunk their roots too deeply to be even shaken. True, falling values and curtailed activity in industry have meant falling premium incomes, and the incomes of insurance companies are in any case largely based on the pre-war valuation of money (for insurance was one of the few things, like the teaching of economics, which did not go up in price much during the boom), and working expenses and loss reinstatements are based, of course, on the new valuation, which is an unfortunate combination, to say the least of it. None the less the collapse of a single large tariff insurance company would perhaps be an even more surprising event than the failure of one of the big joint stock banks.

To-day the business of insurance occupies such a prominent

position in any civilised country that a survey of it implies a survey of all the leading features of its social and political affairs. It has so many points of contact with the life of the community that the phenomenon of a world revolution, even though the effects are not actually sensational, cannot fail to be productive of many far-reaching and arresting results. Hence the temptation to wish that the author had turned the third edition of what has already been referred to as a treatise into a breezy chronicle of economic change. It would, of course, be about as logical to wish that Milton might have been instead a contributor to *Punch*. The treatise is a splendidly systematic one of the sort which has never been attempted on the subject in English, and of the sort which the present reviewer (who very gratefully acknowledges none the less the help which years ago he received from the earlier editions) would not find it altogether easy now to sit down and read from end to end. It is, that is to say, an exceedingly sound piece of work, and in fact covers the ground so completely that the task of the reviewer, searching for some oversight or omission wherewith to justify himself, is made hopelessly difficult. It need hardly be added that whilst refusing in any way to pander either to our natural indolence or our inherent desire for the sensational, Dr. Manes does carefully notice and label the various legislative and administrative changes which have taken place : throughout the two volumes indeed he marshals his facts with a precision of which any drill-sergeant might be proud, so that it almost becomes a presumption to look for one of them out of place or wrongly accoutred. It only remains for someone on the look-out for a quiet winter's work to prepare an English edition. From the point of view of the large public now actively engaged in the profession of insurance, as well as the professional economists, who cannot venture to be altogether ignorant of such a far-reaching economic institution, it would be well worth the labour.

A. FINGLAND JACK

Il Fallimento della Politica Annonaria. By UMBERTO RICCI. (Florence : "La Voce." 1921. Pp. vii + 493.)

Aspetti Sociali ed Economici della Guerra Mondiale. By ACHILLE LORIA. (Milan : Vallardi. 1921. Pp. xii + 458.)

PROFESSOR RICCI of the University of Pisa is one of the outstanding figures among the younger generation of Italian