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management, works only 11 hours. The master of B would prefer to work only 10 hours a day, because he thinks on the whole the work would be better done and better organised, but he cannot afford to do so while A works 12 hours. The passing of a Factory Act then restricts all factories to 11 hours, and brings A up to the level of B. B wishes to maintain a position of superiority to A and have the first choice of hands, and with his better appliances and management he can now reduce working hours to 10. This is no fiction, but plain historic fact. Robert Owen was able to reduce working hours to about $10\frac{3}{4}$, while his competitors worked 13 or 14. Some good employers of the present day can limit them to 8 or 9, because their rivals may not exceed 10 or $10\frac{1}{2}$. Another interesting chapter is that on the Interpretation of the Factory Law by the New York Courts (Chapter VII.), which shows that in the last few years the decisions of the courts on questions of employer's liability tend in the direction of increasing the employer's responsibility for accidents and injuries to the employed. In 1888 the Court of Appeals decided that even a boy under 14 must be considered to have voluntarily assumed all the risks of employment, and that the employer was not liable for injury caused by an accident, even though he had neglected to provide the machine guards required by the law. Later decisions show a spirit of less extreme individualism as far as children are concerned.

Dr. Fairchild's book is marked by an eminently fair and impartial tone, and his investigations should be studied by those who are interested in the great social problems that are shaping themselves in the States.

B. L. HUTCHINS

The Modern Trust Company, its Functions and Organisation.

By F. B. KIRKBRIDE and J. E. STERRETT, C.P.A. (Macmillan & Co., New York and London, 1905. Pp. xi. + 309.)

THE trust companies of the United States now number 1,427 and their deposits amounted to £470,000,000 in the middle of 1904, or rather more than half the deposits in the national banks. The main differences between the two classes of institutions are that banks may issue notes and discount their customers' paper, but may not advance money on real estate or lend more than one-tenth of their capital to any one individual, while trust companies have not the right of issue and in some States are prohibited from discounting bills, but are free from restrictions as

to the nature and amount of their loans. The functions of a trust company are banking; acting as trustee under corporate mortgages and trust deeds, including the authentication of bonds, the payment of interest, the registration of stock and transfers; the execution of individual trusts; the care of securities and valuables; life and fidelity insurance, which, however, are passing into the hands of special companies. They are incorporated under State laws, and in recent years have increased more rapidly than national banks. According to the Comptroller of the Currency, "these companies, organised under State laws originally designed to provide for companies doing a strictly trust business, are taking advantage of the liberal character of those laws, and a very large portion of the new organisations are merely commercial banks, having trust company privileges, perhaps, but in reality doing comparatively little strictly trust business." The importance of the trust companies as a supplement to the ordinary banks is occupying more and more of the public attention, since they enjoy great freedom from Governmental interference, restriction, and control, and it is noteworthy that Massachusetts requires a legal reserve to secure deposits. The formation of underwriting syndicates to float new railway issues or to finance industrial consolidations or "trusts" has been a prominent feature of the American financial world in the last ten years, and the great trust companies have played their part therein, too great a part according to Mr. Lawson, of "Frenzied Finance," and other less violent critics. The authors of the present treatise discourage all such stockjobbing enterprises, remarking that "an interest should never be taken in underwriting syndicates unless the intrinsic value of the securities has already been demonstrated."

Messrs. Kirkbride and Sterrett are only incidentally concerned with the higher financial problems of the trust company; what one might call financial mechanics are their main theme. The practical work of every department of the office, from the duties of the president to the best methods of registering correspondence, are successively brought under review. The merits of bound *versus* loose-leaf ledgers, the different ways of filing papers, the most efficient means of check, are doubtless questions of more immediate interest to an accountant or bank clerk than to the economist, but they also serve to indicate the infinite complexity of a large business and the division of labour, the check, and the routine which makes a body of clerks simulate a machine. The book is illustrated with numerous copies of ledger-pages, forms of account, all the documents in use in a banking business, and may

be recommended to every bookkeeper anxious to know whether he has reached the utmost limit of efficiency.

HENRY W. MACROSTY

Money and Currency. By JOSEPH FRENCH JOHNSON. (Boston : Ginn & Co.)

FEW subjects are more interesting than the theory of money. The variety of monetary experiments has given the economist a better opportunity for testing and illustrating his theories in relation to this branch of economics than he possesses in relation to any other. We cannot, therefore, feel surprised if book after book is written on the subject, or if most of the books add but little to our previous knowledge of the subject. Professor Johnson's book was not needed. It makes no important addition to the subject. The exposition is not remarkably lucid ; the writing is not remarkably elegant ; at times the fundamental difference between money and the metal of which it may be made is not sufficiently emphasised. Until the underlying conceptions are made evident, all details as to coinage, credit, banking or kindred topics will prove confusing to the reader. Further, the peculiar characteristics of the precious metals are not sufficiently made clear. No doubt it may be true that "The supply of a commodity produced under conditions of free competition is so regulated that its value in the long run coincides with the cost of producing it under the most unfavourable conditions"—but how long is the "long run" in the case of gold? Gold lasts a long time ; people, it is true, will not mine gold at a loss, but the cost of production of gold at any given time has very little influence on the value of gold at that time. That the price of (say) boots tends to coincide with the "cost of production" of boots is true, because boots wear out quickly ; if the cost of production of gold became and remained infinite for a century the value of gold would not tend to become infinite ; but is not a century a "long" time? In short, the author is a pronounced "metallist" ; as such he gives a most fair account of the bimetallic controversy ; perhaps he is a little too lenient to some of the nonsense talked by the "gold bugs," but on the whole nothing could be fairer than his treatment of the dispute, and his discussion of the subject is the most readable and attractive part of the book.

Canadian readers will be gratified to find the high praise which the author bestows on the Canadian banking system ; it has, without doubt, many good points, yet to fix the limit of the