



WILEY

Review

Author(s): Bolton King

Review by: Bolton King

Source: *The Economic Journal*, Vol. 13, No. 52 (Dec., 1903), pp. 606-609

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2221336>

Accessed: 25-06-2016 18:52 UTC

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at

<http://about.jstor.org/terms>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



Royal Economic Society, *Wiley* are collaborating with JSTOR to digitize, preserve and extend access to *The Economic Journal*

they are based on a very careful study of the question. Their best part is that which deals with the German system and the comparison between the "organised compulsory insurance" of Germany and Austria and the "simple compulsory insurance" of England, France, and Italy. The author has some remarkable figures as to Germany. He shows that 70 per cent. of German workmen are insured against sickness, 90 per cent. against incapacity and old age, and 100 per cent. against accidents. The average cost of a workman's annual premiums for all three insurances is 32.15 marks, of which 16.22 marks are borne by the worker, 14.05 marks by the employer, and 1.88 marks by the State. The author speaks from personal investigation of the great popularity of the system among all classes and parties; and he mentions that the party-leaders, from Conservatives to Socialists, all try to claim for their own groups the credit of it. He gives an interesting account of the various voluntary organisations that have sprung up—alike to the interest of employers and workmen—to reduce absence from work through accidents or sickness to its smallest proportions; the special hospitals and convalescent homes, the *Wochenbettunterstützungen* to supply better medical provision, and the ambulance stations. He shows that the percentage of deaths in cases of accident has fallen from 28.7 in 1886 to 9.1 in 1894. He considers the sole defect of the German system to lie in the separation and varying systems of the three kinds of insurance, and he claims for it very great advantages in security and economy over systems, such as those of England and Italy, where insurance is not directly organised by the State. He points out that whereas insurance against accidents costs an employer in Italy 39.5 per 1,000 lire paid in wages, in Germany, thanks to the saving of the agency charges and profits of private insurance societies, it costs him only 12.05 per 1,000, though the scale of payments is much the same in the two countries. In Germany the working expenses of the scheme are 11.43 per cent. of premiums, in the private insurance societies of Italy they are from 30 to 35 per cent.

BOLTON KING

Leja Nazionale delle cooperative italiane. Statistica delle società cooperative italiane esistenti nel 1902. (Milano: Tipografia degli operai. 1903. Pp. lxxii, 374. 10 lire.)

THIS volume contains by far the fullest information yet collected on Italian co-operation, other than people's banks, and the Italian National Co-operative League deserves high credit for the great labour taken. A list is given of 2,500 societies, and figures are given for 1877 of them. It is a pity, however, that the information is not better summarised. A bald summary is given of members, capital, and annual business, but curiously the totals do not include the figures of 302 societies, whose returns arrived late and are embodied in an

Appendix. Thus the inquirer has to complete the totalling for himself.
The completed totals are as follows:—

	Societies.	Societies making returns	Members.	Capital.	Annual business.
Co-operative and Village Banks.....	397	290	140,969	£ 558,000	£ 18,730,000
Distributive Societies	950	765	188,359	457,000	2,388,000
Co-operative Bakeries *	27	18	4,974	17,000	81,000
Co-operative Creameries.....	99	72	5,632	70,000	136,000
Co-operative Wine Factories and Distilleries.....	41	32	2,958	6,000	59,000
Agricultural Syndicates.....	148	125	27,773	57,000	665,000
Other Agricultural Societies†	37	26	5,270	18,000	35,000
Productive Societies	175	135	10,344	126,000	362,000
“Labour” Societies ‡	435	308	52,336	114,000	349,000
“Public Service” Societies §	37	28	6,497	28,000	17,000
Building Societies	55	44	11,811	595,000	105,000
Insurance Societies 	86	25	129,879	1,012,000	1,104,000
Scholastic Societies.....	13	9	2,002	1,000	3,000
Total.....	2,500	1,877	588,804	3,059,000	24,034,000

* Unattached to distributive societies.

† Societies for sale of produce, co-operative farms, &c.

‡ Societies of masons, navvies, &c., to contract for public and private work.

§ Societies to supply electric light, steamship services, &c.

|| Chiefly for insurance of cattle and small societies to insure against fire and hail.

These figures, however, are far from being a complete summary of Italian co-operation for the following reasons:—

1. The returns purposely omitted most of the people's banks, by far the most important side of the Italian co-operative movement, so far as magnitude goes. Only 9 (one a very large one) are included of the 687 returned in the Government figures for 1898. These figures gave a membership of 381,000, capital £4,149,000, annual business in loans and discounts £32,967,000; but some of the smaller banks failed to send returns, and the figures have no doubt largely increased since 1898. The “co-operative banks” included in the above table consist of about 315 village banks and about 82 urban banks, for the most part on a smaller and simpler scale than people's banks.

2. For some cause, which is not very clear, no attempt was made to obtain a complete return of village banks. In 1898, Signor Micheli obtained particulars of 904 such banks, of which 61 are enumerated in this volume, which, however, contains about 250 village banks not mentioned by Micheli, thus bringing their total number to 1,154. Allowing for possible dissolutions, their number may be put at 1,100. Their probable membership is 120,000, capital £25,000, annual business in loans and discounts £500,000 to £600,000, if not more.

3. Even for the other classes the returns, in spite of the pains taken to collect them, are imperfect. The editors state that in June, 1902,

they knew of 3,574 societies, exclusive of people's banks and, apparently, of many village banks; and their own figures show a total of 5,122 societies inclusive of people's banks. There is reason to think that the number of distributive societies reaches nearly, if not quite, 2,000, and the editors own that they have omitted the numerous sections of such societies belonging to friendly societies. Again, Signor Bassi's inquiries led him to the conclusion that there are between 700 and 800 creameries, though probably many of them are not strictly co-operative. There are known to be over 300 agricultural syndicates, though the border-line between them and the larger village banks is not always clear, and there may be errors of classification.

It is probable that the omitted societies are for the most part small; still, they are numerous enough to seriously affect the totals.

4. Many of the societies sent in very incomplete returns. *E.g.* of the village banks making returns 52 omit to give their business and 25 omit their capital. Only 15 insurance societies give figures as to business.

5. On the other hand, some of the included societies are really commercial societies under a co-operative guise. Some of the public service and insurance societies come under this head.

Again, some are in no sense working-class societies. Six at least of the co-operative wine factories are confined to large proprietors. The distributive totals include the *Unione Militare* and *Unione Co-operativa*, both of the Civil Service Stores type, with a joint membership of 21,091, capital £206,000, annual business £573,000, and they are omitted from the following table. It is well known that some people's banks and agricultural syndicates are mainly used by the middle classes, but it is impossible to classify their *clientèle* with sufficient accuracy, and they are therefore included below.

Thus it is probable that a complete return of Italian co-operation should be approximately as follows:—

	Societies.	Members.	Capital.	Annual business.
			£	£
People's Banks.....	700	420,000	4,500,000	40,000,000
Other Co-operative Banks (Urban)....	73	80,000	200,000	1,800,000
Village Banks.....	1,100	120,000	25,000	550,000
Distributive Societies.....	2,000	280,000	500,000	2,800,000
Bakeries.....	27	6,500	23,000	110,000
Creameries.....	500	20,000	150,000	300,000
Wine Factories, &c.....	41	3,800	8,000	75,000
Agricultural Syndicates.....	300	60,000	90,000	1,000,000
Other Agricultural Societies.....	37	7,000	25,000	48,000
Productive Societies.....	200	14,000	160,000	450,000
Labour Societies.....	450	75,000	160,000	480,000
Public Service Societies.....	5	2,400	30,000	4,000
Building Societies.....	60	15,000	650,000	—
Insurance Societies.....	100	25,000	450,000	—
Total.....	5,593	1,128,700	6,971,000	47,617,000

We must again express a regret that the editors have done so little to analyse the valuable materials that they have collected, and have left the reader to do most of the digging for himself. The following figures, however, are given, which are of interest :—

Of those societies that returned their profit or loss,	
1572 made profits to the total of £190,000	
142 „ losses „ „	£11,000

for £10,000 of which productive societies are responsible.

The local distribution is very variable, there being one co-operator to 14 inhabitants in Piedmont, as against one to 490 in Apulia and one to 573 in Sardinia.

Other facts, which the student can work out for himself, are these :—

There is one co-operative society to every 5,895 inhabitants ; there are 3·4 co-operators to every 100 inhabitants ; the co-operative capital per inhabitant is 4s. 3d. ; the annual business per inhabitant is £1 9s. 3d.

As might be expected in a country which has few large towns, many of these societies are small ; as a matter of fact, the distributive and “labour” societies, and, of course, the village banks, are mainly rural. The average number of members in a distributive society is probably about 140, and the average business probably £1,400. The average number of members in a productive society is about 70, and the average output probably £2,250.

The returns of productive societies show that of the different trades, the printers are by far the most numerous, having 29 societies. Next come furniture makers with 15, tailors with 14, carpenters with 13, metal trades with 12, bootmakers with 11.

There is no doubt a mass of other information to be gleaned by a patient investigator.

BOLTON KING

Money and Banking. An Introduction to the Study of Modern Currencies. By WILLIAM A. SCOTT, Ph.D. (London : George Bell & Sons. 1903.)

THIS work is intended to serve as a text book on money and banking for teachers of political economy in schools of commerce, and in certain respects it fulfils its aims very well indeed. In fact when reading some of the earlier Chapters we were under the impression that we had before us the rare but pleasant task of reviewing favourably a book on Money. The author appears to us to deal on the whole excellently with many practical questions, and the Chapters on the nature and functions of money, Government paper money, the chief banking systems of the world, and banking machinery and methods, are clear and sound, though perhaps a little over laboured in parts.