

ings insurance banks, and the advantage in rates now offered, will be but a very small part of the achievement of the savings bank insurance movement. Its greatest success by far has been in its effect upon the industrial insurance companies.

When the abuses of industrial insurance—the terribly high cost to the policyholder, the huge expense rate and the forfeiture of policies—was called to the attention of the public, it was asserted by the industrial companies that their business was admirably managed, and that the high cost to the policyholder, and the apparently onerous provisions of the policies, were a necessary incident to the business. The lessening of these abuses since the savings bank system was inaugurated has been marked:

1. For a period of at least twenty years prior to the inauguration of the savings bank insurance movement there had been no reduction in the premiums of industrial policies. In the three years since the movement was started, industrial insurance companies' premiums have been reduced on an average of about 20 per cent, the first large reduction having been made as of January 1, 1907, after the plan was submitted to the Legislative Recess Insurance committee; the second as of July 1, 1909, after the system had been put into successful operation.

This reduction will soon result in an annual saving to the working people of Massachusetts alone of from \$1,000,000 to \$1,500,000; for the amount of industrial premiums collected by the companies in Massachusetts was, in 1908, \$8,062,389. A relatively small part of the premiums of that year had the benefit of the reduced rate, but as the average life of an industrial policy is less than four years, it will be seen that the saving to the working people, resulting from this reduction in rates in Massachusetts, will, in a few years, rise above \$1,000,000 annually.

The saving in Massachusetts represents, however, only a small part of the saving to the working people of America from the reduction now made. The total industrial premiums collected in the United States in 1908 was about \$90,000,000.

It will be but a few years when the saving effected on the volume of insurance represented by such premiums will be between \$10,000,000 and \$15,000,000 a year.

2. Another great change to the advantage of policyholders resulting from the inauguration of the savings bank insurance movement is the increase of the amount payable in case of the death of the insured within the first year after the policy is written.

For probably twenty years prior to the inauguration of the savings bank insurance movement, the policies of the leading industrial companies provided that in case of death within the first six months, only one-fourth of the face of the policy would be paid, and in case of death within the second six months, only one-half of the face of the policy would be paid.

The savings insurance advocates insisted that such provisions were in effect delusive, and in view of the fact that more than one-half of all industrial policies lapse within a year, the effect was to make the industrial insurance for an appreciable portion of the average time covered by the policy, not only twice as expensive as ordinary insurance, but indeed four or eight times as expensive.

The savings bank insurance policies provide that the full amount written in the policy shall be payable even in case of death immediately after the policy is written. Since the inauguration of the savings bank insurance movement, the industrial companies have made the full benefit of the policy payable in case of death six months after the policy is written, and one-half payable in case of death within the first six months.

3. For the last ten years prior to the inauguration of the savings bank insurance movement, the two leading industrial companies gave no cash surrender value until the end of twenty years after the date of the policy, and in case of lapse of policy, gave a small paid up value after three years, but denied to the insured the right to extended insurance.

The Savings Bank Insurance act provided that no policy should be forfeited after premiums covering six months had been paid, and that in the event that premium payments then ceased, the insured should have either a cash surrender value, paid-up insurance or extended insurance.

Since the inauguration of the savings bank insurance movement, the two leading industrial companies have changed their policies so as to give extended insurance after three years, and a cash surrender value after ten years.

Sixth—It is of course apparent that the great success of this movement in effecting such important reforms in the abuses of the industrial companies has made competition with them more difficult. The advantages over them in rates and terms which we had to offer when the movement started, so far as the policyholders are concerned,—have been lessened by half through the reforms which our movement led the companies to adopt. They claim now to have accepted the principle on which savings bank insurance rests,—namely, that the working people should be served in respect to life insurance by a social institution rather than by an exploiting business,—and have given some evidence of an intention to act upon it. It seems to us, however, that even if the industrial companies were conducted with a sincere desire to serve the people, that could not be the sole purpose of their organization; that a necessary incident, if not the purpose of the business, is the control by a few capitalists of a vast aggregation of savings drained from the working people of the whole country,—which presents dangers and develops abuses that cannot safely be ignored. No system of workingmen's insurance based upon such a foundation can secure the confidence of the working people. It is the aim of the savings bank insurance movement to counteract such danger by the necessary localization of the reserves in altruistic institutions as much as to reduce the burden of insurance premiums.

Far more has been accomplished by the savings bank insurance movement within the three years than even its most ardent supporters had dared hope for.

LOUIS D. BRANDEIS.

* * *

PRIMARY ELECTION IN WISCONSIN

Madison, Wis.

What has been the effect of the direct primary upon voters, parties, party machines, candidates,

newspapers and public service corporations? What amendments to the present primary law in Wisconsin are generally desired? What proportion of the voters attend the primary? To what extent do members of one party vote in the primaries of other parties? To what extent have nominees been the choice of a majority of the party selecting them? What has been the influence of the alphabet in determining nominations? Do cities have a disproportionate influence under the direct primary system? What has been the attitude of the voters toward independent candidates at elections?

These questions are taken up and answered in a report of the Wisconsin Bureau of Labor and Industrial Statistics now in press. Some of these questions can be answered from statistics; others cannot. As far as possible, the questions have been answered by analysis of the primary election returns of September, 1908. The other questions have been answered by comparison of the opinions of the friends and the opponents of the direct primary. In discussing questions which can be answered by opinion only, the method followed has been to present first the points upon which practically all are agreed, and then to contrast the conflicting opinions in matters of dispute. There has been sufficient experience with the new system so that the pamphlet is able, either from election statistics or from the substantial agreements of observers, to give definite answers to a majority of the questions indicated above.

The following facts are fairly well established in this pamphlet:

The direct primary brings the voters and representatives closer together.

The excessive use of money in campaigns while not caused by the primary system has certainly not been cured by it, and it is on all hands agreed that some check is absolutely essential.

There has been a confusion of party lines, and it has not thus far been possible to prevent men from participating in the primaries of parties which they do not entirely support at the general election. This may in small part be due to the discreditable purpose of undermining a party by helping to nominate a weak candidate, but it is apparently more often due to the independence of electors. (The recent amendment designed to hold voters constantly to their parties has not yet been put to the test.)

The direct primary has not destroyed party bosses and machines, but it has caused readjustments that seem to have left the bosses with less autocratic power.

There has been no perceptible change in the character of nominees, but they are now more responsible, and are chosen less arbitrarily.

The contests of candidates for sheriffs brought out more votes than that for United States senator; and those for register of deeds more than that for governor, showing that conspicuous offices do not necessarily enlist the greatest interest on the part of the voters. More important factors in stimulating interest are close contests, and the rivalries and chains of friendships which grow out of personal acquaintanceship.

More than half of the voters at the general election voted for sheriff in the preceding primaries, while 40 per cent of the vote was cast at the pri-

maries for candidates for attorney general, an office for which there were no important contests.

The Republican vote at the primary was nearly 80 per cent of the Republican vote at the general election, showing that the primary is a matter of keen popular interest in the dominant party, and of relatively little interest in the others. The primary brought out between a fifth and a fourth of the Democratic strength, a sixth of the Prohibition strength, and not quite a seventh of the Social Democratic strength.

In the Republican party there were 536 nominations for county offices out of a possible 568. In only 264 of these cases were there any contests, and there were only 101 cases, or 18.8 per cent of the whole, in which the nominee failed to receive a majority vote. The proportion of failures to receive a majority vote as Republican candidate for the assembly was about the same.

Independent candidates at the general election have little prospect of defeating the party nominees.

The cities are not extensively represented either in votes or in influence under primary system.

The report gives a complete tabulation by precincts of the votes for United States senator and for sheriffs. The vote for senator was tabulated because it attracted the greatest state-wide interest. The vote for sheriffs, in which the county rather than the State was unit, is also presented because, largely by reason of the many contests and the many candidates, it attracted an intensity of local interest which in the aggregate exceeded that in the more spectacular contest for United States senator.

J. D. BECK.

INCIDENTAL SUGGESTIONS

JOHAN HANSSON'S BOOK ON WAR.

Boston, Mass., Feb. 28, 1910.

In the Public of Feb. 4 is a review of an enthusiastic single taxer's book on "War and the World Strife of Money," in which he alleges that the work of the "so-called peace societies is along fruitless lines," so long as they do not attack the cause of commercial wars—monopoly in land. Rev. Mr. Irvine, the ardent socialist, tells me only socialism can end war. Mr. Blackwell used to assure me woman suffrage must precede the abolition of war. David Lubin, the able founder of the International Institute of Agriculture, writes me that the work of forty-nine nations to prevent corners on food products, wool and cotton, will do more for peace than anything else.

Granted that peace societies are only one element in the many which are necessary to secure international justice. But let every man with a panacea remember one great historic fact. Less than one hundred men in the Constitutional Congress of 1787 worked out a method, later ratified by the voters, which for 120 years through a Supreme Court has prevented strife between our several States. The Civil War, in which one-half the nation tried to overthrow the national government, was another matter. Numerous interstate difficulties, more serious than many which have created many European