

Current Comment on Leading Topics

LIFE INSURANCE REVELATIONS

The startling revelations made by various witnesses at the New York investigation of the big life insurance companies furnish much food for sober reflection. They show that the chief officials of these companies have a low moral standard in business affairs and expend the funds entrusted to them by policy-holders for private graft and public corruption:

Evidently it made no difference whether the democrats stood for sound money or not. Judge Parker's election on a sound money platform or declaration was feared, as well as Bryan's election on a silver platform. Democrats are not safe men to be charged with the national administration apparently, in the view of the New York Life company, whether they be gold democrats or radical democrats. This is likely to raise the question in democratic minds whether they are proper men to be insured in that company. As corporation officials charged with the collection and care of funds belonging to men of various political beliefs, they properly had no political relations whatever, and no more right to divert money from the trust fund to any party than to give it away to their friends or to themselves; and if the officials responsible for this outrageous breach of trust are not compelled to make good to the company every dollar so taken with interest, it will prove that justice and the law of trusts may be successfully mocked. Nor is it clear that punishment can properly stop at this point.—Springfield Republican.

The further Mr. Hughes delves into life insurance corruption the more there appears. The falsity of the public statements is confessed. A secret card index contained items hidden from the ledgers. Bonds were entered by the New York Life as costing 99 when their real cost was first entered as 91. Who got the eight points difference? Wash sales, suspended accounts, doctored books, false entries and the like belong rather to bucketshop finance than to the conservative care of the savings of policy-holders. Let Mr. Hughes deeper press his probe. He cannot insert it too sternly. Any suppression of facts or glossing over of bad conditions would be only a repetition of what the state insurance department has done. It is no wonder the policy-holders' dividends fell short of promise and expectation when millions of dollars of assets which they owned were hidden. Enough has already come to light to prove that the sworn statements to the state and the regular books failed to give the policy-holders their due.—New York World.

The remedy is near at hand and easily applied. If the New York legislature will extend to the life insurance companies some of the legislation it has applied to the savings banks it will control both the direction and the character of the investments made on behalf of policy-holders. No promoter can touch the funds of the savings banks, and no promoter should be permitted to touch the funds of the life insurance companies. There are no \$100,000 salaries in the savings banks, because there are no \$100,000 opportunities. The legislature can easily specify the character of the securities in which the officers of life insurance companies may invest, and in so doing may absolutely debar speculators and promoters from the use of trust funds belonging to policy-holders.—Chicago Tribune.

When Lawson began his picturesque exposures it was regarded as a sufficient reply to call him a liar, and let it go at that. And really what could be said for those exposures, when they were not only lurid in their picturesqueness but included such truly good persons, such eminently sane and superlatively safe persons, as the high-salaried managers of those splendid eleemosynary institutions, the Mutual Life, the Equitable Life, the New York Life and the Rockefeller-Morgan hierarchy? To paint such men in Lawsonian colors as swindlers and pirates, how could it be other than a lie—a most dangerous lie, because calculated to undermine the confidence of the unsophisticated and shatter

the fragile temple of the great joss "business"? True enough, Lawson retorted that if anything he said wasn't true, the good men he assailed could easily prove it wasn't true. But, they were such very good men. Why put them to the proof? And now, lo and behold! Lawson's character pictures seem tame and colorless in comparison with the rigid photographic portraits that the Armstrong investigating committee is turning out. And the culprits seem able to say nothing for themselves but "that they all do it."—Chicago Public.

Several of these secret expenditures were disclosed in yesterday's testimony. The payment of \$100,000 to Andrew Hamilton is especially suggestive. Mr. Hamilton is better known in Albany than in New York. He is a friend of Eugene D. Wood, whose vocation for many years is well known to everybody in politics. He was an associate of David B. Hill, who when governor appointed him judge of the court of claims. He is closely identified with Anthony N. Brady, a partner of Thomas F. Ryan, whose interests he has looked after in Albany for many years. The hidden payment of \$48,702 of the New York Life's policy-holders' money to the Roosevelt campaign fund and of \$50,000 to each of the McKinley campaign funds is not so significant as this item of \$100,000 paid to Mr. Hamilton. An explanation was made that this payment from the secret fund was charged to the annex building account. That is as good as any explanation for bookkeeping purposes, but it is too transparent to satisfy the public. The trail of the connection between life insurance and state politics was struck when disclosure was made of this secret fund and its huge disbursements. The trail should be followed.—New York World.

AMERICA'S PROLETARIAT

In The International Socialist Review appears a translation of the principal parts of an article by Prof. Werner Sombart of Breslau university on the evolution of the American Proletariat. Prof. Sombart writes

The United States of America is the promised land of capitalism. Here for the first time are all the conditions requisite to its full and perfect development. Land and people were never before created so favorable to its highest evolution. The fact is that nowhere else on earth has capitalist society and capitalist character attained so high a degree of development. Nowhere else does the desire for gain play so great a part; nowhere else is the hunger for profits, the making of money for its own sake, the beginning and end of all economic activity. Every moment of life is filled with this striving, and death alone ends the insatiable pursuit of gain. The non-capitalist renting class is almost unknown in the United States. This struggle for gain is directed by an economic rationalism of a crudeness unknown in any European community. The capitalist class furthers its interests unaffected by any scruples, even though its way lies over corpses. The statistics of railway accidents prove this assertion. In 1903 the American railroads injured 11,006, the Austrian 172. For every kilometer of road the American injured 3.4 the Austrian .87. For every million persons carried the railways of the United States wounded 19; those of Austria .99. In power of capital—the height of capitalist accumulation—the United States, in spite of its "youth," stands far in advance of all other lands. The American laborer (so far at least as the "normal" laborer, whose votes seem to dominate the majority or the laboring class and among whom are included the leaders) is on the whole not dissatisfied with existing conditions; on the contrary he feels very well and is very well satisfied with himself—like all Americans. His view of the world (Weltanschauung) is most rosyly optimistic—live and let live is his fundamental maxim. This unbounded optimism, which is his most prominent characteristic, expresses itself in a faith in the mission and greatness of his country—a faith that often takes on an almost religious character; for him the

Americans are the chosen people of God—the salt of the earth. * * * This means, however, that the American laborer identifies himself with the present American state and is most intensely patriotic. The centrifugal force that leads to class divisions, class antagonisms, class hatred and the class struggle is weak, while the centripetal force that leads to endorsement of the national political commonwealth of the state—to patriotism—is strong; consequently there is a lack among American workers of that enmity to the state so characteristic of continental European socialists. The American laborer is not in any way antagonistic to the capitalist economic system as such, neither mentally nor sentimentally.

MAYORALTY CAMPAIGN IN NEW YORK

The city campaign in New York promises to revolve around the question of municipal ownership of public utilities. The situation is thus stated by the Chicago Review:

The political situation in New York City is interesting, to say the least, and inasmuch as New York is metropolis of the nation all eyes will be turned toward that city when the final test is made. It is a foregone conclusion that Mayor McClellan will make the race for a second term and will have back of him the Tammany organization and the business interests allied with it. The effort to find a satisfactory candidate to oppose him has not been encouraging. The latest is to unite upon Judge Gaynor. The Citizens' union, which is an independent organization seeking only a good mayor and city administration, has pronounced against Gaynor, which will prove a handicap to him. The Municipal Ownership League is willing to accept him. The republican organization is ready to nominate him. Whatever the result may be of this arrangement it is certain there will be two things conspicuous in the campaign—a demand for municipal ownership of public utilities, and the record of Tammany in administration of city affairs. The municipal ownership movement in New York is directed especially toward the franchises for lighting companies, and toward keeping the city from granting any more long-term franchises of any kind. The attitude of the Tammany leaders seems to be forcing the republican organization into the same attitude on the question as that taken by the democratic organization in Chicago.

CONCENTRATED PROSPERITY

The Springfield Republican noting that there has been a great increase in the country's wealth during the last few years and that this wealth has not been widely distributed, suggests the following as an explanation:

If, then, a leading western agricultural state and a leading eastern manufacturing state show no evidence of equal or greater increase, but rather reveal indications of a greatly declining rate of population growth, where are we to look for the demonstration of what has evidently happened? Where has this equal or greater population increase gone? We may possibly find a suggestion in this item from a New York paper: The population of Massachusetts is only 2,998,958, according to the last official report. That is about 1,000,000 short of Greater New York. May it not be in fact that Greater New York has been gaining at the expense not only of Massachusetts, but of other parts of the country? After all, then, it is possible and even probable that the metropolis has been absorbing more than its common share of the growth of the country. It is possible and probable that this vast prosperity the country has been enjoying in very recent years is peculiarly the prosperity of Greater New York. For this era of industrial revival has also been above anything ever before known an era of industrial concentration. The drift of capital has been to combine in monopolistic trusts, and industrial management, before widely localized, now becomes centralized and locates in New York. The city of