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Social Insurance. by Henry Rogers Seager

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*Social Insurance.* By HENRY ROGERS SEAGER. (*The American Social Progress Series.*) (Macmillan, 1910. Pp. 175.)

THE various branches of social insurance are receiving a wide measure of attention at the present time. During the month of September alone, different aspects of the question were considered successively by the International Congresses on Social Insurances, Occupational Diseases, and Unemployment, and by the International Association for Labour Legislation. Thus Professor Seager's little book arrives opportunely. It touches the question on all sides, and, indeed, extends beyond the realm of social insurance strictly speaking to the wider grounds of social reform in general. In a "Program of Social Reform," intended to impress upon American students the need "to deepen the sense of social solidarity and quicken the appreciation of common as distinguished from individual interests," social insurances necessarily play a large part. But other reforms, political and educational, administrative and financial, must also be touched upon as supplementary to reforms in the direction of social insurance against accidents, illness, premature death, unemployment, and old age, the five contingencies against which it is necessary for provision to be made.

Without containing anything strikingly new or original, the book forms a useful contribution to the literature of the subject. Many points dealt with have ceased to be of practical importance in European countries, where, for instance, legislation on compensation for accidents has been developed in a manner unknown as yet in any American State. But the chapters on unemployment and its remedies, and the author's views on provision for old age, contain much that will be found of value to reformers in Europe.

His statement of the problem of unemployment is succinct and to the point. The root of the evil lies in an over-supply of casual labour (shown, in an extreme case, by the readiness with which thousands of men can be procured to remove snow). These people have no permanent or settled occupation. Their wants do, indeed, create demand in a roundabout way, but "the trouble is that, as industry is now organised, there are a large number of occupations which require labour intermittently because the volume of production is highly irregular." The remedies which he outlines consist in an attempt to reduce variations in the demand for labour and in dovetailing irregular demands, with, of course, the aid of a system of labour exchanges. In the consideration of the first part of this remedy Professor

Seager's optimism shows itself. He is rightly sceptical as to the ultimate efficacy of consumers' leagues, but a paragraph on the contribution of individual employers towards steadying industry seems to show a faith in their foresight and power to "resist the temptation to crowd work by requiring overtime" which is hardly justified. As regards his suggestions for alleviating existing unemployment, insurance is his ideal, although he does not regard State intervention in this matter (*e.g.*, on the lines of the Ghent system) as practicable at present in the United States. Relief works he condemns absolutely, and in their place suggests that "it will be better to send the unemployed to school and train them to do the work for which there is a demand, even supporting them during the process, than to put them to work at tasks which they know, and everyone knows, are provided for the express purpose of giving them something to do." For "learning to be a better workman appeals to the best there is in a man, whereas doing artificially created work is calculated to bring out his worst characteristics."

Perhaps it is Professor Seager's innate American individualism, in spite of his earnest desire to correct this tendency in American thought, that gives rise to views on the solution of the old age pension question, which are likely to strike European readers as somewhat inconsistent. He regards the voluntary introduction by railroad and industrial corporations of old age pension schemes for their employees as "significant in its promise for the future," and at the same time points out the obvious objection that, being based upon conditions respecting length of service, they tend to tie the employee to his firm in a manner which is detrimental to the true interests of both the employee and the State, although certainly beneficial to the corporation, seeing that in so doing they are fulfilling their main purpose "of insuring continuity of service." This being their primary object, surely it is somewhat unlikely, to say the least of it, that employers will voluntarily adopt the schemes of insurance which he recommends as a means of enabling workmen to move from one firm to another without forfeiting their pension rights. However, his faith in this line of development is, perhaps, not in reality so strong as he seems to imply in the earlier part of his chapter on this subject. For he proceeds to describe briefly and sympathetically the various foreign systems of provision for old age, both the directly contributory system originated in Germany, and the system of old age pensions paid direct from public money. Although he is doubtful as to the suitability of such measures to

the American temperament, he is careful to point out to his students that the English system of old age pensions (which has the advantage of being far less costly to administer than any contributory system) is indirectly contributory. Consequently, whether or not such a system will be suited to a nation depends upon the state of the public mind, *i.e.*, the strength of the sense of social solidarity. Again, since the anticipation of old age is not one which influences the marriage or birth rates, the provision of gratuitous pensions will have no tendency to increase the number of old persons, and as regards the moral effects on the pensioners themselves, he claims that the very hopelessness of making proper provision for old age results, in the majority of cases, in no attempt being made at all, and that consequently, far from encouraging thriftlessness, the promise of a small pension is more likely to induce the workers to do something themselves to supplement it. "To encourage wage-earners to be more careful and provident, we must first of all protect their standards of living from these risks to which they are now exposed." This is the underlying principle on which Professor Seager builds his whole "program of reform."

SOPHY SANGER

*A History of California Labor Legislation, with an Introductory Sketch of the San Francisco Labor Movement.* By LUCILE EAVES. (University of California Publications in Economics, Vol. 2.) (Berkeley: The University Press, 1910. Pp. xiv + 461. 4 dollars.)

THE labour movement in California presents some features of special interest largely due to the geographical position of the State. These are well brought out in Professor Lucile Eaves' book, which forms the second volume of the University of California's series on economics. The Californian working classes seem to have been consistently actuated by a predominant desire to avoid contact with any inferior grades of labour, and their efforts to procure "labour legislation" have met with most success in questions of this kind. This attitude appears not only as regards the anti-Chinese agitation, but also in connection with the slave question (their antipathy to slavery having been coupled with a desire to keep the liberated slaves out of the State) and their objections to convict labour. The Chinese question takes, of course, the most prominent place in the labour movement of California, where the presence of the Chinese was a vital question