

the concept itself is not yet quite dead. Only recently, the Chamber of Commerce at Frankfort-on-the-Oder opposing a projected insurance law for private officials, has placed itself on record that: 'The assumption by the State of too large a responsibility in providing for its citizens involves the grave danger that individual responsibility, that powerful incentive to thrift and enterprise, may become gradually atrophied.'<sup>1</sup> And of employers themselves the complaint is that "it has long since become the regular custom for masters—and their example has been followed by many other employers, especially in rural districts—to pay the full contributions towards the invalidity insurance of their insurance; and not to subtract the half as they may optionally do. Many indeed know of no other course; and many would even be ashamed to do it."<sup>2</sup>

Much more remarkable than the article itself is the attempt of the advocates of the system of individual employers' liability with voluntary insurance to use the pamphlet in support of their views, and as an exposé of the weakness of state insurance. The article is being quoted by representatives of the liability insurance interests in opposing the idea of state insurance. Used for this purpose the article is certainly a boomerang. In the first place, the German system of accident compensation is not a State insurance system, and in the second place, as has been pointed out, the strongest argument contained in the article is a plea for state insurance. Moreover, Dr. Friedensburg is most emphatic in disclaiming dissent from the underlying principles of the German system. He intimates that he would be a "blind fool" who would "fail to recognize that the blessings of the insurance system cannot be fully described even by the use of the customary expressions of unqualified laudation."<sup>3</sup>

The following letter by Dr. Zacher, the recognized authority on the German insurance system, is quoted from the brief presented to the Federal Commission on Workmen's Compensation by Mr. Ferdinand C. Schwedtmann, on behalf of the National Association of Manufacturers of the United States, and probably represents with fair accuracy the views of those best in a position to estimate the force of Dr. Friedensburg's criticism:

BERLIN, April 19th, 1911.

My dear Mr. Schwedtmann,

In reply to your favours of March 31st, and April 7th, I beg to send you herewith the desired particulars of Dr. Friedensburg. His statement must not be taken too seriously. Dr. Friedensburg has been generally known even during his active connection with the Imperial Insurance Department as the solitary advocate of extreme tendencies. His present articles show an unwarranted tendency to condemn a great national, social insurance system on account of a few shortcomings in some of its details. That any system, covering by compulsion nearly all of the working population of a nation, has some faults, especially at the beginning, is natural, and I have long ago called attention to them in my works on social insurance but have at the same time pointed out their remedies.

While I have the highest regard for the sense of justice and fairness of Dr. Friedensburg, who for many years was my associate in office; I know that there is no foundation for his accusation on the part of the German Imperial Department in favour of the wage workers. The labour press has in recent years with equal lack of reason accused this department of the opposite tendency—that is, of injustice to the wage-worker.

<sup>1</sup> P. 41 (Gray, 54).

<sup>2</sup> P. 46 (Gray, 54).

<sup>3</sup> P. 46 (Gray, 60).