for the argument that the workman is not insured, unless the employer places his insurance with a good and solvent company, but, if he does not, then the other part of the argument is untrue, that the employer is insured—a fact that many employers, chasing a so-called cheap rate, have found to their cost.

The position is that in nearly every country except our own where insurance companies are permitted to write compensation, either alone or in competition with a State institution, the State takes care, not only by supervision, but by substantial guarantees, that they do their business in a proper way and that they maintain adequate reserves for every claim, so that there shall not arise any cause of complaint on the part of the workman that he is unable to obtain payment of what is due.

COMPANIES' SUCCESSFUL COMPETITION.

One might here say, if the State does all this, why should it not do the insurance itself and eliminate the company? I can only answer this by pointing to the fact that where there is a State institution, and companies are permitted, even with State supervision, more or less severe as the case may be, to do this business in competition, the companies can and do get as much or even more of it than the State. It is the better service that the insured receives from a company as compared with the State that probably accounts for this. A company that knows its business is alert and active, its representatives are known to their assured and are always ready to deal at once and on the spot with any of his difficulties. Their knowledge and experience are at his service; but the State institution is too big to do these things, it is part of the great machine and is bound round with red tape. You are all familiar with the attitude of a State official to the general public and can readily realise why many, probably the majority of, employers would prefer to deal elsewhere.

Another common charge that is constantly made, when this subject is under consideration, is that insurance companies fight every claim. I have seen this statement put forward over and over again, but always without the slightest evidence to support it. It is a statement which almost bears its refutation on the face of it, and is largely induced by men smarting under the unsatisfactory laws relating to employers' liability, and not to workmen's compensation, though it is used as an argument in this connection.

A WRONGLY ATTACHED ODIUM.

Of course, where the claim of an injured man was made under an employers' liability law there were many legal questions that always arose, and as a fact—as I stated earlier in this paper—the great majority of accidents did not entail any liability on the employer. The insurance companies, therefore, in endeavouring to settle equitably only those that did entail liability had, at the same time, to meet claims for the far greater number that did not entail such liability. They, therefore, had to bear the odium which rightly attached to the law dealing with those matters; but when workmen's compensation was introduced the position became quite different. The first English Workmen's Compensation Act was so badly conceived that an enormous amount of litigation was bound to, and did, follow in the endeavour to straighten out the crooked paths, all of which was straightway put down to the wicked insurance companies; but the second Act of 1906, though that left, as every Act on this thorny subject is bound to leave, many difficult points which only a court or a special tribunal created *ad hoc* can settle —whether the State or the insurance companies administer the benefits—inaugurated a very different state of things. The Government statistics on this subject are very defective, but from them one can gather (not very accurately, I must confess) that of the enormous number of claims that are made, less than 1 per cent. are contested on grounds of liability.

In the course of a number of years' experience of the working of insurance under the Belgian laws, I do not recollect any case which was contested at the instance of the insurance companies on the grounds of liability.

In Denmark, again, every case of industrial accident is investigated by a council which is composed of employers and workmen and is one of the most satisfactory tribunals of all that I have been brought into contact with—so much so that, though a right of appeal from their decisions exists, I am not aware that any such has been exercised.

(*Continued on p. 215*)