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of mind and character, and that, in fact, these latter are the things which fundamentally count.

Against this underlying principle arose in the course of the last century the doctrine of self-realisation. And to-day in the social sphere we see arising a vigorous school of thought with the same bent, translating this doctrine into social terms. It may seem a far cry from questions of insurance to those of philosophy. They are, nevertheless, essentially connected. Even the apparently simple problem of how to secure sufficient of the wherewithal of life to men and women cannot be permanently solved by rule of three. And though consideration of the deeper issues of social problems too often leads to obscurantism and reaction, that should not hide the fact that those issues must be considered if a satisfactory solution is to be found.

I. G. GIBBON

Social Insurance in Germany, 1883-1911. By W. HARBUTT DAWSON. (London : Fisher Unwin. 1912. Pp. 283. 6s.)

THIS book is mainly a statement of the German compulsory insurance laws—accident, sickness, invalidity and old age, &c.—as amended in 1911, and of the new law passed in the same year providing for the compulsory insurance of employees on salaried staffs. Some particulars are given of insurance in Germany before the passing of the imperial laws, of the crusade against disease, of the cost of insurance, and of the opinions of employers and employed. The book contains some photographs of sanatoria and of devices for lessening the crippling effects of accidents.

Mr. Dawson shows that compulsory insurance already existed to a considerable extent in Germany when Bismarck introduced his schemes to dish the socialists. As to the amendments effected in 1911, the main are :—

Sickness.—Insurance made compulsory for agricultural workers, domestic servants, and casual labourers (with special conditions). Income limit under which non-manual workers compulsorily insured raised from £100 to £125 per annum. Some changes made in the kind of societies through which insurance may be effected; larger minimum membership required (though still low). Power of insured persons in administration curtailed in certain respects. Sickness insurance brought under the supervision of the Imperial Insurance Office.

Invalidity and Old Age.—Survivor (widow and children)

pensions added to the invalidity and old age pensions, contributions being raised for this purpose; imperial subsidy also given.

Accident.—Little change. Alteration in the arbitration authorities for deciding appeals. The income limit below which insurance compulsory as regards foremen, technical employees, &c., raised.

The compulsory insurance for salaried staffs is a new departure. The compulsion applies to employees earning not more than £250 a year. The benefits are similar to those granted under the invalidity, old age, and widow and orphan insurance for workmen. But there is a wider and higher range of pensions. Contributions are paid in equal shares by employers and employed. The Imperial Government does not give any direct subsidy. The management is to be largely under the control of a central authority, with local committees; it will be decidedly bureaucratic.

The results achieved through the insurance schemes in the improvement of health and the prevention of accidents are highly praised. The burden of contributions on employer and employed is calculated, partly on the rates of contribution, partly on the more valuable basis of wages paid by some firms. The opinions of some employers and workmen's representatives are quoted in confirmation of the good results of the insurance laws—most of the employers' opinions have already appeared in the White Paper issued by the Government—and the change in the attitude of the Social Democratic party from hostility to support is also noticed.

The book provides a useful statement of the legal provisions of the new insurance laws. Corresponding provisions of the English law are also stated, and thus it is possible to compare the two. Some interesting facts are given respecting the operation of the old laws, especially as regards costs.

But one misses independent analysis of results, and that, I think, is what is most needed at the present time. The opinions of employers and of working-men leaders may be interesting and suggestive. But they do not carry us far enough. What is wanted is a comprehensive statement of facts and a searching examination of them.

Mr. Dawson apparently thinks that German insurance has been brilliantly successful; a close scrutiny of results will give a more tempered conclusion. The book gives little inkling of some of the problems which arise when an impartial endeavour is made to assess the results of German insurance. Thus, take the

crusade against disease. It is safe to say that at present the standard of health in this country is at least as high as in Germany. The figures of the German sickness insurance societies do not indicate that there has been any marked improvement in general health. As a matter of fact, the average days' sickness per member has on the whole risen in the later years; but to get at the real significance of this would need an examination of the terms of benefit, which in many cases have been made more favourable to the insured.

And, of course, in assigning the cause of any improvements which may have been effected, it is imperative to remember that since the insurance laws have been in force great strides have been made in Germany in other directions towards improving health, especially in public health work.

Or, to be more particular, take the measures against tuberculosis. It must be remembered that not very much was done by the insurance authorities against tuberculosis specially until about the beginning of the present century. But the death-rate from tuberculosis had been rapidly falling in Germany, as in other countries, long before this. The statistics of the sanatoria, excellently compiled though they are in many ways, need close analysis. It is undoubted that in the past many cases have been treated which were not tuberculous, or which were only latently tuberculous, and did not need sanatorium treatment. Moreover, cases are received at early stages, and it is well known that a large percentage of such cases get well without special treatment. The measures taken against tuberculosis have been very costly. It is significant, too, that recent efforts in Germany are directed rather to the dispensary system than to sanatoria; and this movement, while liberally supported by, is largely independent of, the invalidity insurance authorities.

Mr. Dawson is probably right in thinking that there is a tendency to exaggerate the existence of deliberate malingering. But there is another evil with which he does not deal, that of valetudinarianism, the imagination of non-existent, or the exaggeration of existing, ills, a danger very much graver than that of deliberate malingering, and a danger which Germany has not escaped.

Then again with regard to the question of poverty. Undoubtedly the fathers of the insurance laws hoped that poor law charges would be substantially reduced. Mr. Dawson quotes Bismarck: "The end I have in view is to relieve the parishes of a large part of their poor law charges by the establishment of

an institution, having State support and extending to the whole Empire, for the maintenance of old and infirm persons" (p. 14). For comment I would refer to an article in *THE ECONOMIC JOURNAL* of June, 1911, in which I gave some particulars of, and commented on, the large increases in recent years in poor law charges. There are many reasons extraneous to insurance why poor law charges have increased, and it may be true, as many able and experienced apologists have held, that the increases are in despite of relief afforded by the insurance schemes. But this remains to be conclusively proved. As I have stated elsewhere, it does not seem to me that an insurance scheme is necessarily a failure because it does not reduce public dependence.

A close and careful examination of the experience of German insurance should yield results invaluable for this country in regard to the new measures of insurance which have been undertaken. The lessons of German successes and failures need to be extracted and learned. For this purpose I am afraid that Mr. Dawson's book, though useful in other ways, is not of much help.

I. G. GIBBON

The Progress of the Nation, in its Various Social and Economic Relations, from the Beginning of the Nineteenth Century.

By G. R. PORTER. A completely new edition, revised and brought up to date by F. W. HIRST, Editor of *The Economist*. (London: Methuen, 1912. Pp. xvi + 735.)

THE crop of valuable statistical blue books and buff books issued since 1903 by the Board of Trade has already been so plentiful that it was a happy idea of Mr. Hirst to have their richest grain garnered, under his supervision, by members of the staff of *The Economist*. But whether it was altogether the best plan to tack their work on to a number of selected and abbreviated chapters and paragraphs of Porter's classical treatise, and call the combined result a new edition of Porter's *Progress of the Nation*, may perhaps be doubted. In the first place, we lose by this procedure the full flavour both of Porter and of Mr. Hirst. The first writer opened his treatise—as early as 1836, be it noted—by the confident assertion that "this country and . . . the present generation . . . have . . . made the greatest advances in civilisation that can be found recorded in the annals of mankind." According to the later writer, "It may be gravely doubted whether 'the Progress of the Nation' is not a misnomer, if the condition of the working classes from, say, 1794 to 1844 be impartially