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According to this calculation, the annual "potential drain" amounts to £21,240,000, which agrees almost exactly with Sir Theodore Morison's conclusion on this head. The allowance for interest on private capital and for miscellaneous remittances also agrees with his. But the estimate of private capital newly invested is more than double.

With regard to the places of custom and competition in Indian economic life, Sir Theodore Morison amplifies the very admirable account of the matter which he gave in his earlier volume on the *Industrial Organisation of an Indian Province*. His view seems very convincing, that the importance formerly assigned to custom, as opposed to competition, arose erroneously, partly out of the slow rate at which economic conditions were changing when they first came under the notice of English observers, and partly out of the difficulties which these observers had in distinguishing where competition in fact prevailed and where it did not, in conditions where a money economy was the exception rather than the rule.

Sir Theodore Morison adds to a lucid and attractive style a sure eye for what is interesting and important, and he succeeds in dealing with some highly controversial topics in a manner full of sympathy for other points of view, and singularly devoid of partisanship. There are many matters which the author puts in a truer and clearer light than they have been in before, and the book should be read by every student of the national economics of India.

J. M. KEYNES

Workmen's Insurance in Belgium. By E. H. LEWINSKI-CORWIN. 122 pp. (New York: 1911.)

THE author describes the systems of insurance against accident, sickness, invalidity, old age, and unemployment which prevail in Belgium, and gives numerous statistics as to their operation. The following are the principal facts respecting these different forms of insurance.

Accident.—The law is in many ways similar to that in this country. The employer has to pay compensation in cases of accident. He is not bound to insure against his liabilities. But, if he does not insure, in ordinary circumstances he has to contribute to a guarantee fund, administered by the Government, to provide compensation in case of his inability to do so.

Insurance in certain companies recognised by the Government
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relieves the insurer of his liabilities. Commercial insurance companies are very closely regulated as regards the issue of accident insurance.

There are a number of mutual insurance societies of employers. Proposals have been made that such societies should be compulsory, after the model of Germany, but hitherto unsuccessfully.

Sickness.—As in other countries, there are a number of establishment funds, to which the employer generally contributes liberally; in some cases he supports the fund wholly. Apart from these, sickness insurance is effected through mutual societies. Small subsidies are paid by the State. Only a small part of the population is insured.

Invalidity and Old Age.—It is in this sphere that the experience of Belgium is most instructive, if we except her experience in unemployment insurance.

Liberal subsidies are paid by the public authorities, by the State especially, on provision made against invalidity and old age—the system provides for old age rather than for invalidity—more particularly on provision effected by means of mutual societies; the history of insurance in Belgium forcibly shows the advantage of working through mutual societies. There has been a remarkable growth in recent years in the number of persons by whom provision is made. It is of interest to note that it was found expedient to grant exceptional terms of assistance to persons elderly when the new scales of subsidies were brought into force.

Various criticisms have been made against the system—that the subsidy is too large (it is estimated that about 45 per cent. of the amounts provided comes from State, provinces, and municipalities); that the poorer class of workers are but little benefited; &c. But, on the whole, the law seems to have met with much success.

A characteristic of Belgian as of other Continental mutual organisations is that they are, or tend to become, definitely political and religious (or anti-religious) societies. This is another peg for objections to a system which works mainly through mutual societies.

The relation of housing to insurance deserves a word of mention. The provision against invalidity and old age is effected by making deposits (made, as stated, generally through mutual societies) in a special fund under the auspices of the Government for the purchase of annuities. This fund affords special facilities for the purchase by workmen of their houses by instalments, and enables workmen to take out an insurance whereby, in case of

their death, the balance of the instalments due are immediately paid, and the house becomes the unfettered property of the heirs.

Unemployment.—The inception of the Ghent system, whereby subsidies are granted on unemployment benefit paid by trade unions, is described, and particulars given of its extension to other municipalities of Belgium, and of the subsidies granted by provinces and State.

Some special funds, more especially the miners' funds, are separately described.

The author, unfortunately, has made little attempt to analyse the significance of the information which he gives. But the book is a useful collection of facts.

I. G. GIBBON

La Question de la Situation financière des Chemins de fer de l'Etat belge. By DR. LÉON DE LITWINSKI. (Bruxelles: Goemaere. Pp. 118.)

THE trustworthiness of the financial reports of the Belgian State Railways has been frequently a matter of discussion. Such an obvious irregularity as that of not charging the pensions of retired railway servants to the railway account fed suspicion. This particular defect was remedied some six years ago. The financial position of the railways, however, continues to be a fruitful source of discussion.

Dr. de Litwinski in this monograph has not attempted to clear up the position. He has simply stated the problems, and indicated with great clearness the directions which investigations must take. The main difficulty appears to be traceable to the neglect to keep the finances of commercial enterprises undertaken by the State separate from the general finances of the State. For instance, it is impossible to learn what is the interest the Belgian State has to pay on the debt incurred on behalf of the railways. The amount of the debt is known, but since 1878 an arbitrary rate of interest has been applied. This rate has been reduced from time to time. It is essential to know whether the original rate corresponded to the average rate on the debt as existing in 1878, and whether subsequent reductions correspond to the lower rate of interest at which fresh moneys have been borrowed for railway purposes.

If the sinking fund is examined, there is a similar suggestion of unreality. An arbitrary period of ninety years has been chosen as the period for capital redemption. This number of years was

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