

to the workman would thus be one-fifth of this—i.e., £9 12s. a year. Where an accident results in death, the annuity is bestowed upon the family or nearest relatives of deceased dependent on him. This system of annuities is all very well in cases of serious injuries not resulting in death. In these cases a fairly substantial sum is paid yearly to one person. But where the injury is not so serious, or where death has resulted, and where the resulting annuity is split up amongst several relations, the sum paid to each person becomes trifling. The recipients grumble, while on the other hand the expense and trouble caused by attending to large numbers of tiny payments are considerable. The income of the companies in 1902 was £1,436,000; their expenditure £1,735,000, divided between (1) capital set aside for annuities, (2) compensation-payments, (3) cost of administration. The number of small annuities now in existence under the system in Austria is very large and grows with each year. Personally, I do not consider that the working-expenses of the insurance companies are heavy. In the year just mentioned they were £123,000 all told. The cost of administration of the Vienna company amounted nearly to about 12 per cent. of the working-receipts last year. This would not be considered at all an alarming proportion in a private accident insurance company; but, of course, the whole method of business with the Austrian companies is entirely different from those to which we are accustomed in private companies. The Austrian institutions are intended to be social and philanthropic, not carried on for the purpose of profit, but for the working of the benevolent law. Their weakest point appears to be that their tariffs are not heavy enough to enable them to be actuarially sound. Most of them show deficits, and for the reasons I have explained they fail entirely to satisfy either masters, workmen, or financial critics.

It is alleged that a certain amount of fraud is practised upon them by masters who fail to supply full and complete returns of the number of hands they employ, or of their full yearly outgoings and wages. It is obvious, however, that if such frauds exist the remedy is in the hands of the managers of the companies, and that such an abuse implies no defect in the law, but is simply due to faulty administration. Companies have absolute power to recover all overdue subscriptions, for these are placed by law on the same footing as unpaid taxes and municipal rates. Moreover, the managing committees of the companies are able to invoke the assistance of State Factory Inspectors and the police in their investigations, so if they fail to get at the truth it would appear to be their own fault. Workmen dissatisfied with the annuities awarded to them have the right of appeal to a State Tribunal of Arbitration. In this we find, as in our own Court of Arbitration, a State-appointed President sitting with two Assessors, the one representing employers and the other workmen. But Austria is not satisfied with one official representative only; two more must be added, so that the Austrian Court of Arbitration for workmen's accidents consists of five persons, three of whom are officials.

Sickness Branch.

The Austrian insurance law against sickness has a much wider application than the accident-insurance law of which I have been speaking. Yet it is also hampered by some of the absurd limitations of the accidents law. For instance, seamen are excluded from it just as they are from the benefits of the accidents law. Agricultural and forest labourers are also excluded from it, except to the extent that if they suffer from illness the result of an accident their employer has to find them medical attendance and maintenance for four weeks. Domestic servants and apprentices are also outside the law, because this class has special legal rights of its own to temporary support and medical help. Subject to the above exceptions, the sickness-insurance law, which was passed in 1888, applied generally not only to the working-classes but to certain persons in clerical occupations.

The benefits gained under the sickness-insurance law may be summarised as two—first, medical assistance; second, maintenance during inability to work. Medical assistance includes medicines, and may be given either at the house of an invalid or in a hospital. Maintenance may be given in all cases of illness lasting more than three days. It may continue for as long as twenty weeks. Its maximum rate is 60 per cent. of the workmen's earnings during a similar time. There are, I understand, cases in which maintenance may be extended for as long as one year in the event of a prolonged illness, but I believe that a benefit of this kind is very unusual.

The funds to furnish the benefits above specified are provided by subscriptions, paid partly by workmen and partly by the employers. Roughly speaking, the masters find one-third of the money and the men two-thirds. The masters may deduct the men's share from their wages, and are responsible for handing it over to the Administration. It will be noted, therefore, that the position of these sickness funds is very different from that in the accident fund, of which the employers provide nearly all. One curious result of this difference is that in the case of sickness resulting from accidents there is a certain amount of friction as to the fund to which the case should be chargeable. Workmen desire that such cases should be provided for by the accidents societies, while employers favour the burden being placed on the sick-funds. In practice, I understand that it is customary that the expenses of sickness resulting from accidents are charged to the sick-fund for four weeks of illness, and after that are transferred to the accidents companies. As in Germany, the student of the Austrian insurance system is brought face to face with an almost bewildering number of different funds and associations, local or otherwise. Of these I am informed that there are six main divisions—(1) district sick-funds, (2) sick-funds for accidents met with during work, (3) builders' sick-funds, (4) corporation sick-funds, (5) friendly societies' sick-funds, (6) union sick-funds. Where a workman is not enrolled in any other division, he is compelled by law to belong to one of the district funds.

The impression left on my mind is that on the whole the sickness-insurance law works tolerably well. At the same time, the number of the funds and societies seems altogether excessive. I am informed that in the year 1902 there were nearly three thousand distinctly administered sick-funds in Austria. The average number of members in each of these was about nine hundred. Hundreds of the societies