

## DENMARK.

*Old-age Pensions, Sick-clubs, and Compensation for Accidents.*

State workmen's insurance can scarcely be said to exist in Denmark. With one small exception there is no law binding either workers or employers to insure themselves against risks of any sort. Industrial providence is, however, encouraged and even subsidised by the State in various ways. Moreover, as you are aware, there is in Denmark a system of State pensions for invalidity and old age which has been in operation for fourteen years, and which is of special interest to New-Zealanders because it is the only system of free pensions to the deserving poor of any importance in the Old World. As you are aware, it anticipated our New Zealand law in several features, though in many respects the two differ very greatly. As in New Zealand, so in Denmark, pensions are granted to the very poor over a certain age without any contribution being demanded from the recipients. In Denmark, too, an applicant for pension must prove continued residence in the country for a long term, and must give proof of good character. But the pension age in Denmark is sixty, and not sixty-five, and in that respect the Danish law is more liberal than ours. In almost every other respect it is less so. The average rate of pension paid in Denmark works out at seven guineas a year to the head of each family. Even allowing for a difference in cost of living in Denmark's favour, this leaves their average rate of pension greatly below ours. In the year 1903 the amount of public money spent on pensions was about £312,000 sterling. The number of persons benefiting more or less by the expenditure was 60,806, but of these about 17,000 were not adults. The total included a large number of members of families dependent on the heads aforesaid. The Danish pension law is administered by the local bodies, who pay half the cost of it, receiving the other half from the National Exchequer. It is as though in New Zealand the pension law were administered by the Hospital and Charitable Aid Boards. The result of this is that each Danish local body (Commune) decides what it shall pay to each applicant, and the rates are fixed according to local caprice or belief in what is desirable. Mr. Cordt Trap, a member of the Workmen's Insurance Council in Denmark, informed the Conference at Vienna that the main objection in Denmark to the pensions system was based upon the irregular and often parsimonious methods of the communal authorities. The pensions law only contemplates the granting of the pension in cases where an applicant is unable to support himself and those dependent on him. The difficulty of laying down hard and fast rules as to what constitutes such a state of extreme poverty as to entitle an applicant to a pension is obvious. It is admitted that many of the communes take a narrow and somewhat harsh view of the claims of the poor to consideration. Some of them decline to give any help so long as old people are able to do any sort of work, or while they own any property, however meagre in amount. This parsimony acts as a powerful deterrent to industry and thrift. Why should a working-man strive to save, when every stroke of labour, and every shilling saved goes to reduce his chance of an old-age pension? It is true that under an amending law in Denmark an exemption has been allowed by which an applicant for pension may receive as much as £5 10s. from private sources without forfeiting all claim to a pension. This exemption is manifestly too small. Our own exemptions in New Zealand are not as large as some of us would like to see, especially on the property side; but they are not a mere mockery, as the Danish is. So strong is the feeling that the Danish law requires amending that proposals have been made to fix a sort of standard rate of subsistence in different districts. Any applicant whose means or earning-power did not enable him to reach this would be entitled to help. However, in March, 1903, a Government Commission was set up to examine into and report upon the system of old-age pensions and of workmen's insurance (including insurance against unemployment). Presumably any further reforms will depend on the result of this Commission's work.

The Danish law dealing with industrial accidents bears some resemblance to that in force in England and New Zealand, but bears no likeness whatever to the German system of compulsory insurance. It simply gives factory and machine hands the right to recover compensation for accidents incurred in the course of their labour, provided that the accidents are not due to their own wilful default or gross neglect. With the exception of one class, the employers may please themselves about insuring against the risk of paying compensation. The exception is the case of shipowners. These are bound by law to insure themselves adequately in some mutual or limited-liability company. No compensation is paid for any accident unless the effects of it last for more than thirteen weeks. The maximum sum paid to the family of any workman who has been killed, or wholly incapacitated from labour, is the very moderate amount of about £270 sterling. As a rule, compensation takes the form of a small capital sum rather than a weekly allowance, though in the minor sort of accidents the latter form of payment is not uncommon. There is no State Insurance Office. In few respects does the Danish law offer any example for foreign countries to copy. It has, however, one excellent feature which will command the entire sympathy of New-Zealanders. Instead of referring employers and workmen to settle dispute cases before ordinary law-courts, it helps them to arrange their difficulties before a Council of Insurance. This body consists of seven members, three of whom are Government servants, who sit with two employers and two workmen. The employers are nominated by the Government, and the workmen's representatives are elected by the sick-fund societies of the country. Where disputes arise about the amount and nature of compensation, this Council of Insurance endeavours to bring about a friendly settlement, and where that is impossible it arbitrates between the parties, and has the power of delivering a final and binding decision. In this respect the Danish system of compensation closely resembles that in force in New Zealand.

Insurance against sickness is attended to in Denmark by a large number of voluntary societies and clubs. The State inspects these societies, audits their accounts, sees that they are actuarially sound, and promulgates rules which they obey. There were 1,271 sick-benefit clubs in 1903, and their muster-roll numbered 402,551 members. Their total revenue for the year came to about £217,000, of which the State subsidy represented about 27 per cent. The number of these sick-benefit societies,