

its entirety by another community. Do not misunderstand me. The modifications introduced by Sir William in the proposed Ontario act, indicate that he is no mere copyist, but has attempted to modify the German act in such a way as to make it workable in Ontario.

German Socialists' Influence.

Prior to 1871, when the new German Empire was formed, the Socialists, as a political factor, did not enter into the calculations of any of the dominant parties. Socialism up to that time had been a mere study, a cult, a fad, but in 1871 we find two Socialist members in the first Diet; in 1874 the number had increased to seven, and in 1877 to twelve. The far-seeing Bismarck realized that a new factor had entered into the political life of the German Empire, and if the Government hoped to secure the support of the German workmen it would have to establish a new standard about which they could rally, and it would have to promulgate doctrines and ideas which would serve to wean them from Socialism. He came to the conclusion that the first necessary step was to introduce repressive legislation in the Reichstag, but that body was not prepared to follow his lead. Repeated re-introduction of the same form of legislation followed, but without effect. In 1878, when Bismarck was bringing all of his arguments to bear, some fanatic attempted to assassinate the aged Emperor, William the First. Within a few months a second attempt was made. With this as an incentive, Bismarck no longer appealed to the Reichstag, but went before the people and asked to have a new Diet elected, which would be more responsive to his wishes, a request which the German people honored, and a new Reichstag was elected. Repressive legislation was enacted, but it carried with it a promise for social reforms. In 1881 the first accident insurance bill was introduced in the Reichstag, accompanied by this statement, which Bismarck personally made to the representatives of the Diet.

"The domain of legislation which enters with this law deals with a question which will not soon disappear from the order of the day. For fifty years we have been speaking of a social question. Since the passing of the Socialist law I have continually been reminded that a promise was then given that something positive should also be done to remove the legitimate causes of Socialism. I have had the reminder to mind to this moment, and I do not believe that either our sons or our grandsons will quite dispose of the social question which has been hovering before us for fifty years. No political question can be brought to a perfect mathematical conclusion, so that book balances can be drawn up; these questions rise up, have their day, and then disappear among other questions of history; that is the way of organic development."

The Emperor's Proclamation.

Keen to the necessity for obtaining the assistance of the representatives of the people, Bismarck frequently consulted with them in the preparation of bills having for their object a complete system of compulsory insurance. The accident insurance bill, which he introduced in 1881, was not in acceptable form to the Reichstag, and the members availed themselves of their constitutional prerogatives by introducing amendments, which, however, did not meet with Bismarck's approval, and he withdrew the bill. The Emperor, realizing that something had to be done to soften the relationship between the Reichstag and the Chancellor, threw himself into the breach and issued this proclamation:

"The cure of social ills must be sought not exclusively in the repression of Social Democratic excesses, but simultaneously in the positive advancement of the welfare of the working classes. We regard it as our Imperial duty to urge this task again upon the Reichstag, and we should look back with the greatest satisfaction upon all the successes with which God has visibly blessed our Government if we were able one day to take with us the consciousness that we left to the Fatherland new and lasting sureties for its internal peace, and to those needing help greater security and liberality in the assistance to which they can lay claim. Our efforts in this direction are certain of the approval of all the Federal Governments, and we confidently rely on the support of the Reichstag, without distinction of parties. In order to realize these views a bill for the insurance of workmen against industrial accidents will first be laid before you, after which a supplementary measure will be submitted, providing for a general organization of industrial sickness insurance, but likewise those who are disabled in consequence of old age or invalidity possess a well founded claim to a more

ample relief on the part of the State than they have hitherto enjoyed. To find the proper ways and means for making such provision is a difficult task, yet is one of the highest obligations of every community, based on the ethical foundations of a Christian national life. The closer union of the practical forces of this national life and their combination in the form of corporate associations, with State patronage and help, will, we hope, render possible the discharge of tasks to which the Executive alone might prove unequal."

Bill Was Much Amended.

A second insurance bill followed the message in a few months, and it is unnecessary to devote any more time to the history of the various battles between the Reichstag and Bismarck on the subject of this proposed amendments. It was not until 1884 that the accident insurance bill was passed to become effective in the latter part of 1885. From that time amendments have been introduced chiefly in the direction of increasing the benefits and increasing the number of workmen who are brought within the scope of the act. My object in thus outlining the origin of the bill was to bring to your mind a clear picture of the conditions which confronted the German Empire during its first years, conditions which were responsible for the introduction of many of the features which we find in many of the workmen's compensation acts of recent years, conditions which, in my opinion, are not duplicated at this day in the Province of Ontario, conditions which are inapplicable to the solution of the problems which we have before us. Not only are the industrial conditions in the two countries entirely different, but there is a temperamental difference which should be taken into account. The German's respect for law and order, his blind obedience to anything which bears the stamp of the Government, his reverence for all who wear the slightest shred of the uniform of the Emperor, stamp him as differing in a marked degree from the people of Canada and the United States.

Bismarck, for political reasons, deemed it expedient to allow the German workman to consider that the accident benefits which he received had no other source but the Government. In other words, he felt it incumbent upon him to create in the minds of the people the idea that the relief was the result of the operations of a beneficent Government, that it was a political benefit rather than an industrial benefit, that it was given to them by a Government to soften the effects of repressive legislation which had been introduced, rather than the result of requiring each industry to bear the just cost of the expenses of production.

Employers Were Grouped.

The German Government, therefore, provided that most of the employers of the Empire should be divided into groups (now numbering between 60 and 70), and that each year after the claims had been paid to the injured workmen and their dependents through the Postoffice Department, each of the groups should be assessed for the cost of the payments which had been made during the year to the workmen engaged in their particular industry, together with a small amount to provide for future insolvencies. With a keen realization of the fact that to require the employers to pay out large sums would cause great opposition, the German authorities employed the current cost system, a fallacy which I am happy to say has not crept into your proposed act. Germany is the only large country which has attempted to fool itself by this method, and, in consequence, the German employers are beginning to groan under the increasing burdens year by year. When we speak of the current cost system we refer to a plan whereby the employers refrain from setting aside the present value of the amounts which will become due in the future an account of the accidents which have happened. You can readily appreciate the importance of the present value of future payments, when you stop to consider the nature of the workmen's compensation act, which seeks to substitute for a man's weekly or monthly wages payments made in a similar way to the disabled workman or his dependents. If, for instance, a man were to receive \$10 a week as long as he lives, the current cost of his accident would be only \$520 each year, but the true measure of the cost of that accident would be the present value of each weekly payment for such a period