

NATIONAL HEALTH INSURANCE.

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To the majority of people interest in Social Insurance begins and ends in stamping cards for their employees, and that interest does not appear to be sufficiently enterprising or inquisitive to examine into the objects for which the cards are stamped or into the causes which make the stamping a necessity.

I am aware that the members of the Statistical Society give consideration to such important questions, and I am also aware that many of the members may be considered experts on the subject before us this evening, namely, Social Insurance. Still it appears to me that a short discussion on the question cannot but be beneficial if it would attract the attention of the public and stimulate an interest in Social and Industrial Welfare questions.

In a short paper like the present one I cannot hope to do more than touch the fringe of this problem, simply stating the causes which make Social Insurance a necessity, and referring briefly to the remedies so far attempted and to the further remedies suggested.

The primary cause was the acquiescence of the political economists of the early nineteenth century in the principle of self-interest that is their belief that, provided selfishness be enlightened, it is essentially a benevolent economic force which must ultimately always make for the public good. On this fundamental assumption was based their entire creed as to the general beneficence of free competition, of unrestricted liberty of contract whether in the price of goods, the remuneration of labour, the rent of land, or the rate of interest. In fact, they introduced the principles of *laissez faire*.

Free competition where the competitors were not really equal meant the tyranny of the strong over the weak. On the one side were a multitude of unorganised labourers for whom the choice was to starve or to work for what remuneration they could get and under whatever conditions were offered to them; on the other side was a small number of capitalists whose inducement was maximum profit. The hours of labour

were extremely long, the wages often extremely low, and women and children were employed in tasks for which they were utterly unfit.

Fortunately the public at large did not continue submissively to acquiesce in the conclusions of the economists, and though at first the advocates of ameliorative legislation always felt bound to put forward some excuse or pretext for State interference which professed to leave the sacred doctrines of free contract and free competition untouched, the long series of Factory Acts determining the condition of labour gradually extended their range and increased in force until, by the end of the century, they admittedly constituted one of the most valuable economic chapters in the British Statute Book, as well as the most admirable embodiment of the principles of equity. To promote, therefore, the stability of society the welfare and content of the worker is the main, in fact, the sole object of Social Insurance, and how this can best be achieved is a question worthy of our serious consideration.

In an address to French workmen on October 30th, 1889, Pope Leo XIII., whose great interest in the social question is universally acknowledged, said :

“ By means of wise and equitable regulations and measures the interests of the labouring classes are guaranteed. Youth, the weakness of woman and her wholly domestic mission, the right and duty of Sunday rest are protected, and thus are promoted, both in the family and in the individual, purity of manners and the habits of an orderly and Christian life. Public welfare, no less than justice and national right, demand that so this should be.”

We have in that wise pronouncement the fundamental basis of the system of Social Insurance; and when I speak of Social Insurance I do not confine myself to what has now come to be known as compulsory or contributory insurance. In Social Insurance I embrace such measures of amelioration as old age pension, workmen's compensation and pensions for the blind, because although contributions are not collected directly for these specific schemes of reform the ultimate cost must be found as a charge on industry.

Let us now briefly consider what are the causes which make the provision of Social Insurance necessary. They are sickness, invalidity, accident, unemployment, old age and death. I do not intend to dwell on the incidence of frequency, intensity or duration of these causes, that would be a matter for a competent statistician, which I cannot presume to be, nor do I imagine it would help our discussions. We recognise, however, that the incidences are of sufficient gravity to make it necessary that some special provision is forthcoming.

From the rates and taxes considerable provision is apportioned, but in the year 1911 a system of compulsory or contributory insurance was introduced to meet in part the economic loss. When the National Health Insurance and Unemployment Act was placed on the Statute Book it was intended that this Act should also deal with the prevention and cure of disease, and while the expectations have not entirely been realised a considerable amount has been accomplished in the fight against tuberculosis by the sanatoria built and hospitals established for the treatment of this dreadful disease. Much more remains to be achieved, and it is a source of anxiety that the funds provided by the Health Insurance Acts are not sufficient to deal with the problem as it at present exists.

The 1911 Act provides certain money payments for twenty-six weeks during illness, and when the illness is prolonged over that period a lesser amount which is called disablement or invalidity benefit. There is also a maternity benefit the statutory amount of which is £2. We have then provided for the employed, either in manual or mental occupation, some provisions whilst incapacitated. In the Workmen's Compensation Acts we have provision made for accidents occurring in the course of or arising out of employment. This insurance is effected through insurance companies, and the entire cost of the premiums is borne by the employer.

To meet the loss caused by unemployment the Unemployment Acts have been passed, of which the Act of 1911 was the first and was intended as an experiment only, specified trades being included. All trades, with the exception of agricultural and domestic service, are now included in the Acts, which are also of the contributory and compulsory kind. For old age the Old Age Pensions Act of 1908 provide some provision to the support of those who reach the age of 70; this is not a contribution scheme, the money required coming from the taxes.

The worker must in the Free State make his own provision for the expenses arising out of his decease. This he generally does through burial or tontine societies or through an insurance company. The consequential risks of his death he is rarely able to provide for, such as the financial loss of the breadwinner to the widow and children.

These briefly are some of the causes requiring schemes of Social Insurance and some of the remedies so far attempted.

May I now point out a few discrepancies in our policy in the Free State and that of Great Britain and Northern Ireland; the discrepancies with some other countries are far more pronounced. The Act of 1911, that is the National Health Insur-

ance Act, provides for Great Britain a scheme of medical benefit under which the insured population, roughly 15,000,000, receive medical attention and medicines free of charge. No such system exists in the Free State. The dispensary system, however, does in part meet the situation, but it is not availed of by a considerable portion of the insured persons in the Free State.

In Great Britain and Northern Ireland a scheme of widows' and orphans' pension has been introduced, which also provides that old age pensions become payable at 65 years of age instead of 70. This Act, called the Widows', Orphans' and Old Age Pensions Act of 1925, solved in part the question of the consequential loss caused by the death of the breadwinner. The recent Committee of Inquiry into the Working of the Poor Law recommend the adoption of widows' pensions to be paid from State and local funds.

Statisticians now find in the records of these schemes of social amelioration statistics of very great importance, such as the number of days lost to production by unemployment, accident and illness; the incidence of sickness in the various diseases and the locality most frequently affected with the object of cure and prevention. Many other ways will suggest themselves to the statisticians who would seriously think of examining the records of the approved societies. The mention of approved societies reminds me that I should like to explain the method of administration in the various schemes I have mentioned. All the schemes, with the exception of the National Health Insurance Acts of 1911 and the Workmen's Compensation Acts, are administered through a State Department.

In the case of the National Health Insurance Acts, societies or associations of the insured population set up with the approval of the Irish Insurance Commission and the corresponding Department in Great Britain and Northern Ireland, administer the scheme under the entire control of the members of the society or association, with the Irish Insurance Commission as a supervising body. In this connection I should like to read for you a resolution passed at the Tenth International Labour Conference at Geneva, May and June, 1927, Article 6:

"Sickness insurance shall be administered by self-governing institutions, which shall be under the administrative and financial supervision of the competent public authority, and shall not be carried on with a view to profit. Institutions founded by private initiative must be specially approved by the competent public authority.

"The insured persons shall participate in the management

of the self-governing insurance institution on such conditions as may be prescribed by national laws or regulations.

“The administration of sickness insurance may, nevertheless, be undertaken directly by the State where and as long as its administration is rendered difficult or impossible or inappropriate by reasons of national conditions, and particularly by the insufficient development of the employers' and workers' organisations.”

It will be understood, therefore, that the delegates of all nations, representative of employer, worker and State, are agreed that self-governing institutions of the approved society type are those recommended for administering sickness and invalidity insurance.

In the Free State there are about 80 societies approved by the Irish Commission and above 450,000 insured persons. The actual cash receipts made in 1925-1926 amounted to £959,000, which included the employers' and workers' contributions. The actual payment in benefits to the insured was £990,000, to which must be added the cost of sanatorium benefit.