

# INDUSTRIAL RELATIONS

## The Trade Union Movement

### THE INTERNATIONAL MOVEMENT



THE Amsterdam International Federation of Trade Unions has continued its inquiry into conditions in the devastated areas of France and Belgium, with a view to preparing reconstruction plans suitable for submission to the national movements and governments interested in such restoration. A special conference at Amsterdam on 31 March and 1 April, at which all the countries concerned with the question of reparations were represented, examined reports from various delegations. The final resolution of the conference proposed the setting up of a Reparations Office, which should include representatives of trade unions, of the International Federation of Trade Unions, of employers, and of experts, as well as official Government representatives; departments of this Office would deal with finance, materials, labour supply, and technical questions; the Office would issue international loans guaranteed by the League of Nations, to be paid off in annuities by Germany, who would also supply necessary material and labour. It was suggested that the trade union movements in each country should press for the adoption of this scheme by their respective Governments<sup>(1)</sup>. Similar resolutions were adopted by special conferences of the political Internationals, the so-called Second or Brussels, and the Vienna Socialist, Internationals, meeting at Amsterdam at the same date.

In February the International Federation of Trade Unions began the publication of a new bi-monthly review, *The International Trade Union Movement*. The aim of this periodical is to strengthen connections between the various national trade union movements; it proposes to publish the official documents of the Federation, also articles by prominent trade union leaders on the views and policy of the national movements, and on the best methods for carrying out the aims of the Federation.

The American Federation of Labor has now seceded from the Amsterdam International, to which it had been affiliated since 1910. At the London congress<sup>(2)</sup> it had already been stated that official communication with the American Federation of Labor had completely ceased. This silence

(1) See p. 23.

(2) *International Labour Review*, Vol. I, No. 1, pp. 69 sqq.

was broken on 5 March by a letter sent to Mr. Oudegeest by Mr. Samuel Gompers, formally withdrawing the American Federation of Labor from affiliation to the Amsterdam International. Mr. Gompers gave the following reasons for the withdrawal :—

(1) that the new constitution completely abrogates the principle of complete autonomy for each national trade union federation <sup>(3)</sup>;

(2) that through the issuance of appeals and proclamations the executive body of the International Federation has committed the Federation to a revolutionary principle to which the American Federation of Labor is, and always has been, uncompromisingly opposed, and to which no labour movement guided by democratic ideals could give approval;

(3) that a system of dues has been adopted which would place upon the American Federation of Labor a heavy and unbearable expense.

By a ballot of its members the Confederation of Trade Unions in Finland has also withdrawn its affiliation to the Amsterdam International. Nevertheless, only about one quarter of the members voted, and three of the largest unions showed a majority in favour of affiliation.

A reply to the open letter of Zinovieff <sup>(4)</sup> was issued by the Bureau of the International Federation of Trade Unions on March 23. The reply showed the material impossibility of accepting Zinovieff's invitation to a public debate on 1 February, and drew attention to the change in Zinovieff's attitude; he now appeared to be willing to make use of the League of Nations, an organisation of which he is a bitter opponent. The Bureau insists that the leaders of the Moscow International answer their attitude to the Western trade union organisations. In answer to the accusation that the Federation represents only "a small group of union bureaucracy supporting the bourgeoisie against the workers", the reply proceeds to point out that the attitude of their respective governments towards the unions affiliated to Amsterdam is in itself sufficient proof that these unions are not "yellow". The reply then notes the persistent confusion of political and industrial organisations in the communications of the Moscow leaders. The present position of the Russian trade unions themselves is mentioned as an instance of this confusion of political and economic ends. The Bureau first quotes an appeal of Losovsky for the independence of the trade unions, in which Losovsky maintained that the battle for socialism would have to be carried on for years and decades, and that for this end the independence of the trade unions was an unconditional necessity. In contrast with this the letter then quotes a statement of Zinovieff, in which he declares the Communist International to

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(3) Referring to the fact that any policy agreed on by a majority at a congress is binding on all affiliated organisations.

(4) Cf. *International Labour Review*, Vol. I, No. 2, pp. 47 and 48.

be an organisation which must simultaneously unite both the workers' political parties and also their industrial and trade union organisations. The Bureau comments: "Three years lie between Losovsky's appeal and the words of Zinovieff — three years which you have used to destroy with fire and sword the freedom of the trade union movement". Finally, the letter points out that the Amsterdam International is independent of the International Labour Office, and in its relations with that body advocates only a general policy of encouraging social legislation.

Zinovieff's letter spoke of increasing defections from the ranks of the Amsterdam International and the growing strength of that of Moscow. The Amsterdam Bureau replies that the only withdrawal has been that of the American Federation of Labor, and that this was owing to the "revolutionary" character of the Amsterdam organisation. Even without the American Federation the International has twenty-four million members, as against the eight million members claimed by Moscow, seven million of which are in Russia. The Amsterdam Bureau states that it is prepared to enter on a discussion with the leaders of the Third International, provided that each side gives the other credit for good faith<sup>(5)</sup>.

### *Craft Internationals*

There has been considerable activity during the past month among the craft internationals. The committee of the International Federation of Textile Workers' met in Berlin on 14 March. Plans were made for a forthcoming congress

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(5) In this connection it is interesting to note the present constitution of the Moscow Trade Union International, which is as follows:—

#### *I. Title*

The temporary international association of representatives of trade unions of different countries shall bear the name of the "Provisional International Council" of Trade Unions.

#### *II. Objects*

The objects of the Provisional International Council shall be as follows:—

(1) to conduct widespread propaganda and agitation for the ideas of revolutionary class warfare, social revolution, the dictatorship of the proletariat, and revolutionary mass action, with a view to the overthrow of the capitalist system and bourgeois government;

(2) to wage fierce warfare on the plagues which are ruining the trade union movement of the world—co-operation of the workers with the bourgeoisie, and the hope of a peaceful transition from capitalism to socialism;

(3) to unite the revolutionary element in the trade union movement, and to carry on a determined struggle against the League of Nations, including the International Labour Office, as well as against the policy and tactics of the Amsterdam International Federation of Trade Unions;

(4) to initiate international campaigns for carrying on the more

to be held in Austria in September and suggestions for the establishment of a permanent secretariat were discussed. It was decided that periodical reports on the progress of the national textile workers' associations should be published by the international secretary.

The Committee of the International Federation of Metal Workers, which represents over three million workers, met in Berne from 15 to 18 March. It passed resolutions protesting against the present tendency to reduce wages and lengthen working hours. While sympathising with the Russian Revolution and with the struggles of the Russian metal workers' unions, the Committee decided to exclude from the Federation unions adhering to Moscow, as the Federation itself is affiliated to the Amsterdam International.

On 1 and 2 March the workers in inland water transport of Germany, Holland, and Belgium met at Duisburg. Resolutions were passed in favour of rest on Sundays and public holidays with pay, an 8-hour working day, and a 12-hour rest period. Suggested regulations were also drawn up regarding manning, wages, etc., to be adopted by all three countries.

The glass workers' International met at Amsterdam on 30 March, 1921. The international federation was re-established with headquarters at Paris.

important aspects of the class war; to start collections in support of strikes during great social conflicts;

(5) to collect all data, such as statistics and documents, which throw light upon the international trade union movement, and to supply information to all organisations affiliated to the International Council as to the position of the labour movement in various countries.

### III. Composition

The Council shall include one representative from each of the following: Russia, Italy, Spain, South America, Bulgaria, Georgia, and any other organisations which may affiliate to the International Association of Trade Unions. A representative of the Executive Committee of the Third (Communist) International shall also have a seat on the Council. The Council shall elect an Executive Committee of three persons, of whom one shall be the General Secretary of the Council, and another a representative of the Executive Committee of the Third (Communist) International. (In the case of revolutionary trade union organisations which have not yet clearly expressed their views on the question of the dictatorship of the proletariat,.... the Council instructs the Executive Committee to appeal to such organisations to lay proposals regarding these questions before all their members for discussion and to invite them to take part in the international conference).

### IV. Journal

The Executive Committee shall issue a journal in four languages: *Journal of the Provisional International Council of the Trade Unions of the Left.*

### V. Conference

Only such trade unions and minority trade unions as are carrying on revolutionary class war in their own countries and have adopted the principle of the dictatorship of the proletariat shall be invited to take part in the international conference. National trade union centres, single trade union

At the present time, out of 29 international federations, 10 have their headquarters in Germany, 8 in Holland, 5 in Switzerland, 2 in Belgium, 2 in Great Britain, 1 in France, and 1 in Austria.

There also exist a certain number of craft federations affiliated to the International Federation of Christian Trade Unions, whose offices are at Utrecht (Holland), with a total membership of about four millions. Some of these Christian federations have held international congresses during the last month.

From 7 to 10 March the first international congress of Christian textile workers was held at Düsseldorf, and attended by representatives of Alsace, Belgium, Czecho-Slovakia, Germany, Holland, Luxemburg, and Switzerland. It was decided to form an International Federation of Christian Textile Workers with headquarters in Holland; a committee was elected to draw up a constitution and, if necessary, appoint a permanent secretary.

On 30 and 31 March a conference was held at the Hague of delegates of the Christian glass workers' union affiliated to the International Federation of Christian Unions of Factory, Transport, and Food Produce Workers. After discussing conditions in the glass industry in various countries and the need for standardising them, the conference instructed the Executive Committee to agitate for the abolition of night-work, and of the employment of women and children in the industry.

### NATIONAL MOVEMENTS

The problems confronting the national federations of trade unions are increasing in number and in importance. The movement for concentration or amalgamation of unions within the same industry is making further headway in most countries. A number of trade unions of Denmark, Norway, and Sweden have formed Scandinavian federations, while important amalgamations have taken place or are in progress in Finland (general, factory, sawmill, and transport workers), United States (American Ocean Officers Conference,

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federations, and international federations may be represented at the conference on the conditions enumerated below.

Representation at the international conference shall be on the following system. National trade union centres, single federations, or minority federations with not less than 500,000 members shall send two delegates; those which have more than 500,000 members shall send one additional delegate for each additional 500,000 organised members. International secretariats of trade unions shall be represented by a delegate in a consultative capacity. Isolated trade unions shall only be admitted to the conference in cases where the trade union centre of their country is not represented at the international conference.

including wireless telegraphists, engineers, nautical officers), Great Britain (three unions of the distributive trades with a combined membership of over 420,000), Germany (wood engravers, xylographers, and lithographic trades, with a view to forming a union of all the graphic trades ; brewery workers, bakers, and butchers, with a view to forming a union of all workers in the foodstuff trades).

The congress of Swedish farm workers, held at Easter, decided to amalgamate the three existing agricultural trade unions and, as soon as possible, to join the Swedish Confederation of Trade Unions.

The campaign inaugurated by the Amsterdam International against the Communist "cells" within the trade union movement is being followed up by national action in many countries. In France the progress of the struggle between those unions adhering to Moscow and those adhering to the General Confederation of Labour <sup>(6)</sup> is carried a stage further by the action of the Teachers' Trade Union, when on 25 March its Federal Council decided to adhere to the Moscow International; the Council proposes to summon an international congress of teachers for August, but refuses to amalgamate with the other teachers' trade unions in France, as requested by the General Confederation. Again, the Congress of the Federation of Non-manual Workers, held at Limoges on 26 March, considered the appeal of the unions adhering to revolutionary trade union committees, in which they protested against their exclusion from the Federation. The Congress, however, confirmed the exclusion, and re-affirmed its adherence to the General Confederation of Labour and the Amsterdam International. The Seine Federation of Trade Unions refused to recognise this decision, and the trade unions excluded stated that they will appeal again to the General Confederation Congress at Lille.

In Germany most of the big unions had to submit to the holding of special conferences of the followers of the Moscow International within their own ranks, such as conferences by the transport workers <sup>(7)</sup>, building workers, metal workers, textile workers, wood workers, and others. Those taking part in these attempts to organise a separate Communist movement were, in most cases, excluded from their union. In several instances (building workers at Chemnitz <sup>(8)</sup>, metal workers at Halle etc.) important local branches siding with these excluded leaders were dissolved or new officers provisionally appointed by the national executives of the unions. Some of the Communists have started trade unions of their own, not so far with any great success.

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(6) See the *International Labour Review*, Vol. I, No. 3, p. 48.

(7) *Der Courier*, 2 April 1921.

(8) *Der Grundstein*, 26 March 1921.

In Czecho-Slovakia a German Communist party was started on 12 March, and a special campaign within the trade unions was decided upon. The speakers complained bitterly of the attitude of the leaders of the unions, who were only too ready to expel Communists. It was resolved to organise a centre for Communist action within the unions.

The American Federation of Labor has issued its convention call for 1921. The Convention will be held on 13 June and following days at Denver. The official notice emphasizes the fact "that every effort must be made to broaden the field and means for the organisation of the unorganised workers; ... to defend and maintain by every honorable means in our power the right to organise for our common defence and advancement; . . . to assert at any risk the equal rights before the law of all workers with all other citizens; to aid our fellow-workers against the effort to entangle the workers in the meshes of litigation before the courts in the several States; to restore and make effective in our everyday lives the principle declared in the law of our Republic (the Clayton law), 'that the labor of a human being is not a commodity or article of commerce', to arouse our fellow-workers and fellow-citizens to the danger which threatens to curb and take away their guaranteed rights and freedom, to meet and help solve the vexatious problems of peace and reconstruction; to emphasize the dominating and determining economic character of our movement and to carry on such political action as the interests of labor will warrant and the trade union movement has directed; to withstand and overcome the bitter antagonism now so rampant to undermine and to destroy the greatest constructive force in our Republic, the American labor movement".

The Dutch Federation of Trade Unions has started a new weekly journal: *De Strijd (The Fight)*. The first issue is dated 3 March, and was circulated in 200,000 copies.

The trade union commission of Austria has just created a special journal for members of works councils<sup>(9)</sup> and for its numerous trade union officers: *Der Betriebsrat*. The first issue, which appeared 29 March, deals with the history of the Works Councils Act, relations between works councils and trade unions, the new chambers of labour, organisation of women workers, control of industry, guild socialism, works councils in the co-operative societies, and apprenticeship. *Der Betriebsrat* will be issued fortnightly.

At the National Congress of Belgian Miners, held in

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(9) International Labour Office *Studies and Reports*, Series B, No. 6; *Works Councils in Austria*, Appendix to *Works Councils in Germany*.

Brussels from 12 to 14 March, the strengthening of central headquarters by the suppression of certain local privileges was decided upon; the question of miners' old age pensions was discussed at great length, and demands were formulated for larger pensions paid at an earlier date than at present. Improvements of a similar kind were demanded in the industrial accident law. Following on the resolution of the Committee of the International Federation of Miners on nationalisation<sup>(10)</sup>, the Congress requested the Belgian Government to open the coal mines of Wandre, and to use the unemployed on the preliminary work. It also demanded a share in the management of the mines for the workers and the establishment of a compensation fund out of mining profits, with a view to the eventual taking over of the mines by the State. With regard to the present crisis in employment and production, the Congress asked for the establishment of an Economic Council to supervise the management of the mines and the sale of coal, the re-engagement of unemployed miners, and a reduction in output by the shortening of the working day.

The problems connected with the devastated areas and reparations were the subject of a conference held in Paris on 21 March and convened by the General Confederation of Labour. It was attended by the representatives of 95 communes and 71 co-operative societies in the devastated areas of France. The officials of the Confederation laid before the meeting their proposals for the reconstruction of these areas. They suggested that a High Commission should be established, to co-ordinate the efforts of the war victims, especially the efforts of the co-operative societies, and to undertake general operations such as transport and communications; District Sub-Commissions should be established to supervise details; the entire organisation to be independent of the state. It was agreed that Germany should contribute by supplying material and labour. These proposals met with general approval; it was agreed to elect a representative committee and to call a larger meeting a month later, in order to draw up the suggested programme in detail.

The Executive Committee of the German General Federation of Trade Unions (*Allgemeiner Deutscher Gewerkschaftsbund*), at its meeting on 22 March, after considering the annual report, the unemployment situation, and the "Communist" strikes in central Germany, dealt with the question of co-operation between the General Federation and the Federation of Free Unions of Salaried Employees

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(10) *International Labour Review*, Vol. I, No. 2, p. 50.



(*Arbeitsgemeinschaft Freier Angestelltenverbände*). The two organisations agreed to work together and to ensure co-ordination of their efforts by mutual representation on their executive committees, at the same time maintaining their independence. The General Federation also agreed to the affiliation of the Federation of Salaried Employees to the International Federation of Trade Unions; this will probably be carried out by means of a joint representation. The possibility of similar co-operation with the *Deutscher Beamtenbund* was also discussed.



# CONTROL OF INDUSTRY



## Works Councils and Arbitration Tribunals in the Czecho-Slovakian Mining Industry



THE laws <sup>(1)</sup> governing the mining industry in Czecho-Slovakia constitute the most important part of the social legislation of the country, with the exception of the Act establishing the Eight Hour Day in Industry, Commerce, and Agriculture <sup>(2)</sup>. These laws appear to have democratised the mining industry, one of the largest industries in the country, to a considerable extent. They have, however, only been in operation for a short time, and it is impossible as yet to estimate their effect upon the economic and social life of the nation.

In order to understand the reasons which led to the enactment of this mining legislation, we must remember that

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- (1) The following is a list of mining laws and decrees in Czecho-Slovakia:  
(2) International Labour Office *Legislative Series*, 1919, Cz. 1; price 3d.  
(1) Act of 25 February 1920 (No. 143) respecting the participation by miners in the management of mines and the allocation to them of a share in the net profits; (translation in the International Labour Office *Legislative Series*, 1920, Cz. 6; price 1½d.)  
(2) Act of 25 February 1920 (No. 144) respecting works and district councils in the mining industry; (translation in the Int. Lab. Off. *Legislative Series*, Cz. 3; price, with Nos. 4 and 5, 4d.)  
(3) Act of 25 February 1920 (No. 145) establishing mining arbitration courts; (translation in the Int. Lab. Off. *Legislative Series*, Cz. 7; price 1½d.)  
(4) Decree of 18 May 1920 (No. 358) concerning electoral regulations for works and district councils in the mining industry.  
(5) Decree of 24 June 1920 (No. 396) establishing mining districts and district councils offices in the mining industry.  
(6) Decree of 13 July 1920 (No. 434) under the Act of 25 February 1920 (No. 144) respecting works and district councils in the mining industry; (translation in the Int. Lab. Off. *Legislative Series*, 1920, Cz. 4; price, with Nos. 3 and 5, 4d.)  
(7) Decree of 3 August 1920 (No. 472) concerning the coming into operation of the Act of 25 February 1920 (No. 144) and of the Order respecting works and district councils in the mining industry (No. 434); (translation in the Int. Lab. Off. *Legislative Series*, 1920, Cz. 5; price, with Nos. 3 and 4, 4d.)  
(8) Decree of 28 September 1920 (No. 554) establishing a model constitution for works councils in mining districts.  
(9) Decree of 12 October 1920 (No. 569) applying the Act of 25 February 1920 (No. 145) establishing mining arbitration.  
(10) Decree of 30 October 1920 (No. 598) providing for the coming into force of the Act establishing mining arbitration courts (No. 145).  
(11) Decree of 23 March 1921 (No. 114) applying the Act of 25 February 1920 (No. 143) respecting the participation by miners in the management of mines and the allocation to them of a share in the net profits.

according to the last census, taken in 1910<sup>(3)</sup>, there were about 150,000 workers employed in the mines. In consequence of the war the economic and psychological condition of the old Empire of Austria-Hungary had become such as to give rise to fears about the influence of the Bolshevik ideas spread by her neighbour, Russia. These fears probably stimulated the idea of allowing the workers to collaborate, and even of giving them a strong interest, in the management of the mines. Further, as most of the mines belonged to German capitalists, while the majority of the miners were Czecho-Slovaks, the democratisation of mines management was also expedient as a means of reconciling races hitherto enemy.

The drafting of these laws was preceded by inquiries and investigations and by numerous conferences between the parties concerned. We may therefore consider the laws in question to be representative of moderate views and the result of compromise.

*Act of 25 February 1920 (No. 143)*

The Act of 25 February 1920 (No. 143) introduced a system of joint management in mining enterprises, which regularly employ more than a hundred workers. The joint councils established by the Act are constituted of seven members, including two wage-earners and one salaried employee. The other members are nominated by the management. The representative of the salaried employees and the two representatives of the wage-earners are elected separately by the works council in each works, (see Act No. 144 below), in both cases by direct and secret vote. In order to be eligible for election on the joint council, candidates must have worked for two years in establishments belonging to the undertaking, and for four years in the mining district in question; they must be over thirty years of age and must not have forfeited their municipal vote, or their vote in the election of the joint councils, for non-observance of the rule of secrecy. Foreigners are eligible if the legislation of their country grants reciprocity of treatment. Members are elected for a period of two years. The office of member of a joint council is purely honorary. Members of a council are entitled only to re-imbursement of actual expenses, and of loss of wages, the amount being fixed by the council and paid by the management.

The Act provides that 10% of the net profits accruing to owners of mining undertakings shall be deducted for the benefit of the workers, and allocated to schemes of general interest to the workers. The council is required to calculate the amount of this deduction.

Further, the management is bound to submit to the joint council :—

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(3) The results of the census of 15 February 1921 are not yet known.

- (1) a quarterly report on the commercial progress of the undertaking ;
- (2) an annual report for the preceding commercial year;
- (3) a balance-sheet showing assets and liabilities;
- (4) a scheme for the division of the net profits.

All the members of the joint council are bound to strict secrecy as to those communications concerning the situation of their firm, which have been designated to them as confidential. Any person who infringes this regulation is thereby excluded from the joint council, and is also liable to the penalties provided by the Civil Code.

The Decree of 23 March 1921 (No. 114) completed the provisions contained in this Act. The date of coming into operation of the Act has not yet been fixed.

*Act of 25 February 1920 (No. 144)*

The Act of 25 February 1920 (No. 144) establishes a system of works councils in the mining industry. A works council is established for every independent mining undertaking, which employs at least twenty workers and has been in existence for at least six months. Membership of a works council varies from three to seven, according to the number of persons employed, one representative out of every five on the council being allotted to the salaried employees. The members of the council are elected by direct and secret vote, and a system of proportional representation is adopted where more than a hundred workers are employed. The election of the representatives of the wage-earners and that of the representatives of the salaried employees takes place separately. All persons over eighteen years of age, who have worked in the undertaking for at least three months, are entitled to vote. In order to be eligible for election candidates must have been employed for at least six months in the undertaking and for three years in the mining district in question; they must be over twenty-four years of age and must not have forfeited their municipal vote. Foreigners are eligible if reciprocity of treatment is granted in their country. The works council is elected for two years, but it may be dissolved on the written demand of two-thirds of the electors; the district mining authorities are bound to order the dissolution to take place within a fortnight, and to fix the date of a new election. Office on the works council is purely honorary; members are only entitled to re-imbursement for loss of wages. Wage-earners and salaried employees, who are members of these councils, cannot be discharged except with the consent of the arbitration court. The management of the mining undertaking sends one technical

and one commercial employee to sit on the works council as advisers.

Works councils have the following functions :—

(1) to supervise the application of labour regulations and labour legislation for the protection of the worker;

(2) to submit proposals for the improvement of working methods;

(3) to supervise the enforcement of collective agreements;

(4) to intervene in matters relating to the maintenance of order and discipline;

(5) to intervene in case of disputes;

(6) to control dismissals of workers;

(7) to administer welfare schemes established for the employees;

(8) to examine the annual balance sheet.

The works councils in each mining district elect a district council. The district councils consist of from 10 to 35 members elected for two years on a system of proportional representation. Their functions are :—

(1) to lay down general principles regulating the work of the works councils of their district;

(2) to settle disputes between a management and a works council;

(3) to collaborate in introducing uniform regulations for a whole district; these regulations not to be altered without the approval of the district council concerned;

(4) to take part in concluding collective agreements;

(5) to deal with labour distribution;

(6) to intervene in questions relating to the fixing of coal prices and to the distribution of coal;

(7) to determine methods of utilising that proportion of the net profits which by law is to be allocated to the employees.

In addition to the district councils, special bodies are instituted called councils of salaried employees; these are constituted of from three to six members and with the following functions :—

(1) to receive the complaints of salaried employees and act in their interests;

(2) to control dismissals of salaried employees;

(3) to co-operate in the administration of welfare schemes established for the employees;

(4) to take part in concluding salaried employees' collective agreements.

The expenses of the works councils and district councils are covered by a levy on wages and salaries. The duty of supervising these councils is entrusted to the district mining authorities.

The Decree of 18 May 1920 (No. 358) fixed the electoral regulations for works councils in mines and mining districts. These regulations are as follows :—

The mine-owner submits to the election committee a register of all workers and employees, with an indication of their age and of the period during which they have been employed. The electoral Committee draws up a list of voters of all persons over eighteen years of age on the date of the election, who have been employed in the mine for at least three months and are in full possession of their civic rights. The election committee publishes the register and issues regulations for the elections. The elections take place by ballot; the lists of candidates are prepared by the trade unions or are merely accompanied by a certain number of electors' signatures. Twenty signatures at least are required where there are less than a hundred employees, and twenty-five where there are over that number.

The Act (No. 144) was further defined and completed by the Decree of 13 July 1920 (No. 434), while its coming into force was fixed for 1 August 1920 by the Decree of 3 August 1920. Finally, the Decree of 20 September 1920 (No. 554) drew up a model constitution for the district councils.

*Act of 25 February 1920 (No. 145)*

The Act of 25 February 1920 (No. 145) establishes mining arbitration courts at the seat of the various district councils. Their functions are as follows :—

(1) to act as a court of appeal from decisions of works councils concerning wages, disciplinary measures, and dismissals;

(2) to act as a court of appeal from decisions of district councils concerning disputes between a management and a works council.

These arbitration courts are constituted of three representatives of the management, three representatives of the salaried employees, three representatives of the wage-earning employees, and a chairman. A representative of the district mining authority is permanently attached to the court as adviser. The members of the court are nominated on the proposal of the organisations concerned, and their nomination is subject to the approval of the Minister of Public Works. The chairman, who is always a judge of the district in which the arbitration court is situated, is elected by the members.

The office of member of the arbitration court is purely honorary. The members are only entitled to re-imbursement of their actual expenses; these are repaid to the representatives.

of the employees by their district councils, to the representatives of the management by their organisations, and to state officials by the state.

Certain details were added to this Act by the Decree of 12 October 1920 (No. 569), and its coming into force was fixed for 10 November 1920 by a Decree of 30 October (No. 598).

### SOURCES

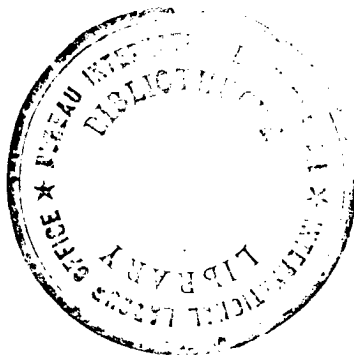
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# PRODUCTION, PRICES, AND COST OF LIVING

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## Retail Price Fluctuations

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IN this article, as in those which have already appeared in the *International Labour Review* (1), a résumé is given of the most important information which it has been possible to collect on this subject. Table I on p. 33 gives the index numbers of the retail prices of food in various countries. This table is similar to tables which have appeared in preceding articles (1), but has been modified, completed, and brought up to date. Table II gives the cost of living index numbers for various countries. These numbers generally include food, clothing, heating, lighting, and miscellaneous items. Notes in capitals at the head of each column show which of these groups are included in the index number for each country. Other relevant notes are shown by small letters. In both tables the index numbers have been brought to a common base, July 1914 = 100, for convenience of interpretation and are mostly derived from official sources; those for Germany (Kuczynski), however, and those for Switzerland (co-operative societies), came from private sources. At the end of the article a list of the sources used for all the figures quoted is set out in full.

Index numbers are generally based on averages which give the different quantities of each article consumed in a given period by what is called a normal working-class family. This normal family consists as a rule of five persons, the father, mother, and three children, whose supposed age varies in different countries. Kuczynski's index number for Berlin and the index numbers for Paris and Sweden are, however, based on a budget for four persons; in the United States the number of persons included in a "normal" family is variable. The quantities allowed for in the typical budget are fixed according to observations made on a certain number of working-class families, or else according to theoretical calculations based, as regards foodstuffs in particular, on the number of calories which are necessary to life. The prices recorded at various periods are then weighted according to these different quantities, on the assumption that the typical amounts consumed by the normal family have not changed since the beginning of the war. The total expenditure thus obtained is then converted into an index number.

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(1) *Retail Price Fluctuations in various Countries*, *International Labour Review*, No. 1, page 91, and No. 2, page 53.



TABLE I. INDEX NUMBERS OF RETAIL PRICES OF FOOD IN VARIOUS COUNTRIES  
BASE: JULY 1914 = 100

	Australia	Austria	Belgium (c)	Canada (b)	Denmark (f)	Finland	France (i)	Germany (e)	India	Italy	Netherlands (m)	New Zealand (c)	Norway	South Africa	Spain (g)	Sweden (d) (n)	Switzerland (d) (j)	United Kingdom (d)	U. S. A. (e)		
No. of towns or localities	30	Vienna	1,028 budgets	60	100	20	Paris	320	200	Calcutta	Rome	Milan	Ams-terdam	25	30	9	Chief towns	40	23 (k)	630	51
No. of items	46	12	22	29	—	37	13	13	15	46	9	38	27	59	—	18	12	50	37	20	43 (h)
Base period	1911	July 1914	Apr. 1914	July 1914	July 1914	July 1914	1910	1910	1910	July 1914	1914	1st half 1914	1913	1909-1913	July 1914	1910	Apr. 1909 Mar. 1914	July 1914	June 1914	July 1911	1913
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
1914 July	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1915 "	131	181	—	105	128	—	120	123	155	108	95	—	114	112	—	107	107	—	119	132	98
1916 "	130	386	—	114	146	—	129	142	210	110	111	—	117	119	160	116	113	152	141	161	109
1917 "	126	622	—	157	166	—	183	184	221	116	137	—	146	127	214	128	127	180	179	204	143
1918 "	131	1788	—	175	187	—	206	244	249	121	203	325	175	129	279	134	151	258	222	210	164
1919 "	147	3037	—	186	212	—	261	289	433	155	206	310	196	144	289	139	168	318	250	209	186
1920 Jan.	160	4620	381	206	251	398	290	—	520	153	275	412	197	158	295	177	180	—	238	235	197
" Feb.	162	—	400	212	—	909	297	—	588	154	299	418	199	160	294	187	—	—	231	233	196
" Mar.	163	—	450	215	—	915	339	319	667	151	300	406	199	162	298	183	—	287	234	235	196
" Apr.	173	5454	458	215	—	920	358	—	756	151	310	423	200	162	305	183	—	—	231	246	207
" May	177	—	444	224	—	914	378	—	894	159	325	445	202	163	311	188	—	—	228	255	211
" June	187	—	451	228	—	926	369	379	924	164	315	458	204	163	311	194	—	287	235	258	215
" July	194	5570	454	227	253	982	373	—	1005	170	318	445	210	167	319	197	189	—	239	262	215
" Aug.	194	5777	492	221	—	1089	373	—	1041	167	322	454	212	171	333	196	—	—	239	267	203
" Sept.	197	6206	500	215	—	1134	407	388	1091	166	324	468	217	173	336	195	—	293	248	270	199
" Oct.	192	6184	517	213	—	1172	420	—	1323	165	341	480	219	177	339	197	—	—	246	291	194
" Nov.	186	7131	505	206	—	1206	426	—	1421	161	361	515	214	176	342	196	—	—	236	282	189
" Dec.	184	8918	506	200	—	1233	424	450	1472	—	375	535	202	179	342	198	—	286	230	278	175
1921 Jan.	—	—	493	190	276	1174	410	—	1520	—	367	573	193	178	334	172	—	—	224	263	169
" Feb.	—	—	484	—	—	1107	382	—	1431	—	376	564	193	175	308	165	—	—	221	249	155
" Mar.	—	—	—	—	—	—	358	429	1418	—	386	582	—	169	—	—	—	247	218	238	154
" Apr.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
" May	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
" June	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

(a) Monthly figures relate to average of month.

(b) Monthly figures relate to end of month.

(c) Monthly figures relate to the 15th of the month.

(d) Monthly figures relate to the 1st of the following month.

(e) From 1915 to 1919 figures relate to November.

(f) Average of selected weeks in the half year.

(g) Figures give the average for the periods: April-September and October-March.

(h) Until December 1920, 22 items.

(i) Quarterly index. From 1914 to 1919, index for the third quarter of each year.

(j) From 1914 to 1919 figures relate to 1 June.

(k) From 1914 to 1919, figures relate to the whole country.

(l) Until December 1920 figures relate to 15th of month; after January 1921, to the 1st of the following month.

(m) From 1914 to 1919 figures relate to average for year.

(n) For 1916 index relates to December, for 1917 to September.

TABLE II. INDEX NUMBERS OF THE COST OF LIVING IN VARIOUS COUNTRIES  
BASE: JULY 1914 = 100

	Australia (f)	Belgium (c) (g)	Canada (h)	Denmark	Finland	France (i)	Germany		Italy	New Zealand (c)	Norway (j)	Sweden (k) (d)	Switzerland (d) (j)	United Kingdom (d)	U. S. A.
No. of towns or localities	30	59	60	100	20	Paris	39	Berlin (e)	Rome	25	30	40	23 (l)	630	12
Groups of items (see notes)	A. E.	A. B. C. D. G.	A. C. D. E. G. H.	A. B. C. D. E. F. I.	A. B. C. E. J. K.	A. B. C. D. E. F.	A. C. D. E.	A. B. C. D. E. F.	A. B. C. D. E. F.	A. C. D. E.	A. B. C. D. E. F. I.	A. B. C. D. E. F. I.	A. C. D.	A. B. C. D. E.	A. B. C. D. E. F. G. H.
Base period	1911	Apr. 1914	July 1914	July 1914	1914	1914	Oct. 1913 Jan. Apr. June 1914	Aug. 1913- July 1914	1st half 1914	1909-13	July 1914	July 1914	June 1914	July 1914	1913
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1914 July	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1915 "	119	—	97	116	—	—	—	—	99	107	117	—	119	125	102
1916 "	115	—	102	136	—	—	—	—	116	113	146	139	140	148	109
1917 "	116	—	130	155	—	—	—	—	146	119	190	166	180	180	128
1918 "	118	—	146	182	—	—	—	—	197	128	253	219	229	203	156
1919 "	132	—	155	211	—	238	—	—	205	133	275	257	261	208	175
1920 Jan.	—	396	170	242	819	—	—	764	263	139	—	—	245	230	—
" Feb.	—	420	174	—	832	—	623	882	293	141	—	—	238	230	—
" Mar.	143	445	176	—	840	295	741	1118	296	143	288	265	243	232	—
" Apr.	—	461	179	—	850	—	836	1302	306	144	—	—	240	241	—
" May	—	471	187	—	854	—	876	1267	318	146	—	—	239	250	—
" June.	154	462	183	—	868	341	842	1056	311	147	302	270	245	252	214
" July	—	453	190	262	911	—	842	1125	313	149	—	—	253	255	—
" Aug.	—	463	188	—	991	—	795	1069	316	150	—	—	253	261	—
" Sept.	165	471	186	—	1030	363	777	1038	325	152	335	281	262	264	—
" Oct.	—	477	187	—	1063	—	827	1104	348	154	—	—	258	276	—
" Nov.	—	476	185	—	1085	—	872	1097	369	155	—	—	249	269	—
" Dec.	162	468	181	—	1103	370	916	1146	378	157	335	271	243	265	198
1921 Jan.	—	450	175	264	1065	—	924	1122	374	—	—	—	237	251	—
" Feb.	—	434	—	—	1013	—	893	1090	379	—	—	—	234	241	—
" Mar.	—	—	—	—	—	—	901	1035	384	—	—	—	231	233	—
" Apr.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
" May	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
" June	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Groups of items included in the budget:

A. Food B. Clothing C. Fuel D. Light E. Rent F. Miscellaneous  
G. Household utensils H. Furnishing I. Taxes J. Newspapers K. Tobacco

(a) Monthly figures relate to average of month.

(b) Monthly figures relate to end of month.

(c) Monthly figures relate to the 15th of the month.

(d) Monthly figures relate to the 1st of the following month.

(e) Kuczynski's index-numbers: cost of minimum of subsistence.

(f) Figures relate to quarterly average.

(g) The index is a simple arithmetic average.

(h) Until December 1920 figures relate to the 15th of month; after January 1921, to the 1st of the following month.

(i) For 1914 and 1919, figures relate to first half of year.

(j) From 1914 to 1919, figures relate to June in each year.

(k) For 1916, the December figure; for 1917, the September figure.

(l) From 1914 to 1920, figures relate to the whole country.

It is clear that these figures do not measure exactly the cost of living. In the first place they cannot include the whole expenditure of a family, and in the second place the family budgets on which they are based have been considerably modified in the course of the war, owing both to Government restrictions and to changes in the cost of living itself ; in other words, a change, let us say a rise, in the cost of living will itself modify the family budget, inasmuch as it induces *ipso facto* natural economies of quantities consumed. Index numbers calculated in accordance with post-war conditions of living show that the figures based on normal budgets assume too high an average consumption.

Great caution is necessary in comparing the index numbers for different countries. The methods on which they are drawn up, the number and importance of the markets under observation, the number and nature of articles taken into account, and the base period, all vary from one country to another. The results are therefore not strictly comparable <sup>(2)</sup>.

#### GENERAL SURVEY

In making international comparisons between index numbers of the cost of living, the only thing that can be said by way of general statement is that in most countries articles of clothing generally reached their highest prices in 1920, and frequently attained their maximum at a very early date ; the subsequent fall in prices was generally rapid. The price of fuel followed a similar course, but with less well-defined variations. Rents, on the other hand, did not as a rule rise nearly as much as the other groups. This is probably due to the special legal protection granted to small tenants in nearly all countries.

The retail prices of foodstuffs form one only of the groups taken into account in calculating cost of living index numbers, but in all countries they have been studied much more thoroughly and completely than other commodities. In the case of foodstuffs, therefore, owing to the special care with which the figures have been calculated, it is possible to go further in making international comparisons.

The following table shows the maximum index number of food prices reached in each country and the date on which it was reached, compared with the index number for February 1921 (all percentages being calculated on the base July 1914 = 100). It was not possible to give the index numbers for March, as information

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(2) In Denmark, Norway, and Sweden cost of living index numbers are calculated quarterly or half-yearly, and it is consequently impossible to give more recent information than that which appeared in the preceding numbers of the *Review*; a short note only is given on those changes in retail prices of foodstuffs, as to which additional information is available.

was not available for a sufficient number of countries. Figures for Austria, Denmark, and Spain had also to be omitted, as the information available was too incomplete for comparison with other countries. A calculation has been made of the average percentage decrease per month between the date when the maximum was reached and February 1921. This figure was obtained by dividing the percentage decrease between the February index number and the maximum by the number of months of this period. It gives some indication of the rapidity of the fall in prices.

TABLE III  
(Base : July 1914 = 100)

	Date of maximum price	Maximum index number	Index number for Feb. 1921	Average percentage decrease per month
(1)	(2)	(3)	(4)	(5)
NON-EUROPEAN COUNTRIES				
United States	June 1920	215	155	3.61
Canada	June 1920	228	190	2.09
India	July 1920	170	—	—
Australia	Sept. 1920	197	—	—
S. Africa	Oct. 1920	197	165	2.33
New Zealand	Jan. 1921	178	175	1.71
EUROPEAN EX-NEUTRAL COUNTRIES				
Sweden	Sept. 1920	298	247 <sup>(1)</sup>	2.85
Netherlands	Oct. 1920	248	224	1.92
Switzerland	Sept. 1920	219	193	2.97
Norway	Nov. 1920	342	308	3.68
EUROPEAN EX-BELLIGERENT COUNTRIES				
United Kingdom	Oct. 1920	291	249	3.81
Belgium	Nov. 1920	517	484	2.13
France	Dec. 1920	450	429 <sup>(1)</sup>	2.33
Finland	Dec. 1920	1233	1107	5.11
Germany	Jan. 1921	1520	1431	5.81
Italy	} Rome } Milan	Feb. 1921	376	0
		Feb. 1921	564	0

(1) Figure for March.

A comparison of the date when the maximum was reached in the different countries shows that this occurred first in the non-European countries ; New Zealand is the only country which is considerably behind the others. The European ex-neutral countries come next (September and after) ; Norway is the last of the ex-neutral countries ; it reached the maximum in November. Of the ex-belligerent countries, the United Kingdom reached its maximum in October ; then come Belgium in November, France and Finland in December, and Germany in January. Italy is the only country included in the table in which prices are continuing to rise.

As regards the extent to which prices increased, a similar classification may be made. In non-European countries the rise does not generally exceed 100 per cent.; prices were lowest in India, New Zealand, Australia, and South Africa. In the United States and Canada, where prices began to fall earliest, rather higher maxima were reached (an increase of 115 and 128 % respectively). The increase in the European ex-neutral countries varies between 119 and 242 per cent., while a higher maximum was reached in all the European ex-belligerent countries except the United Kingdom, where the increase was only 191 per cent.

In short, both from the point of view of the date at which retail prices reached their maximum and of the height of the maximum itself, we may divide the countries concerning which we have information into three principal groups. Although these overlap slightly, it is quite possible to distinguish between overseas countries, European ex-neutral countries, and European ex-belligerent countries. This corresponds to a classification based on approximately similar political and economic conditions.

The significance of the figures in column 4 is very different from that of those in column 3. The latter represent an identical phase (the maximum) in the movement of prices in each country, but at different dates. The index numbers of column 4, however, give the prices in the different countries at a certain date (Feb. 1921), and consequently in very different phases of their evolution. The grouping of countries as non-European, European ex-neutral, and European ex-belligerent therefore has no great significance in column 4. As a matter of fact it may be observed that no great change had yet taken place, as the month of February was not very far removed from the date of the maximum. In a few months' time, however, the situation may be completely altered, as it depends on the rapidity with which prices may change in each country.

More interest attaches to the figures in column 5, the average percentage decrease per month, which shows the speed with which prices fell. The countries in which the fall was most rapid, i.e. those for which the average percentage decrease per month was the greatest, are Germany, Finland, the United Kingdom, Norway, and the United States. With the exception of the United Kingdom, which is peculiarly situated, it will be observed that these are the countries which attained the highest maxima in their respective groups.

## AUSTRALIA

A slight fall is noticeable at the end of 1920 in the index numbers of retail food prices and rents, as published by the Commonwealth Bureau of Census and Statistics (see tables I and II). Prices have not, however, risen very greatly in Australia, if compared with their rise in European countries ;

the index number for foodstuffs, which shows the greatest increase, only reached a maximum of 97 % above the pre-war figure.

## AUSTRIA

The only figures of any value which it has been possible to obtain concerning the cost of living in Austria are those published by the Central Statistical Commission. They are based on the retail prices of twelve foodstuffs in Vienna (see table I). It will be observed that these figures indicate an extremely large increase, the index number for December 1920 being 8918 (base: July 1914=100). According to a more complete set of figures which include sixteen foodstuffs and are based on a theoretical budget, representing the minimum cost of living for a family of four (parents and two children), there was a further rise of 14 % between January and February 1921. The *Oesterreichische Volkswirtschaften* now mentions a considerable fresh increase in rents and in the price of clothing.

## BELGIUM

The Ministry of Industry, Labour, and Food publishes index numbers every month based on the retail prices of 56 articles in common use and calculated per town and per province. As regards towns of over 100,000 inhabitants (Brussels, Antwerp, Liège, and Ghent) these articles may be classified as follows :—

TABLE IV  
(Base : April 1914 = 100)

	1920				1921	
	15 Mar.	15 June	15 Sept.	15 Dec.	15 Jan.	15 Feb.
Necessary foodstuffs	471	479	483	496	471	447
Other foodstuffs and household articles	400	415	406	402	398	407
Clothing, heating, lighting	429	460	470	467	455	433
Average for the four towns	447	463	467	476	456	437
Average for whole country	445	462	471	468	450	434

Generally speaking, prices began to fall from the second half of 1920 onwards; in spite of this, the average figure for retail prices in February 1921 is still more than four times what it was before the war.

“ Other foodstuffs and household articles ”, which began to fall earlier than the other two groups, are the only items which show a slight increase in February 1921.

# CANADA

The cost of living index numbers published by the Department of Labour show a steady fall from August 1920. This is, however, entirely due to foodstuffs, which have been falling in price since July. Rents, on the other hand, continued to go up till November, after which they remained stationary. The cost of heating and lighting increased until January 1921, and fell slightly in February.

TABLE V  
(Base: July 1914=100)

	1920				1921	
	15 Mar.	15 June	15 Sept.	15 Dec.	1 Jan.	2 Feb.
Food	215	228	215	200	195	190
Rent	118	130	134	137	137	137
Heating and lighting	175	188	207	220	221	218
General average	176	189	186	181	179	175

It must be pointed out that the inquiry takes no account of clothing, which almost everywhere increased very greatly in price. Foodstuffs showed greater variations than any others among the articles observed. Rents increased considerably and to a greater extent than in most other countries.

# DENMARK

The index numbers of the retail prices of foodstuffs published in the *Statistiske Efterretninger* show a steady increase till January 1921. On the latter date the index number was 176 above the pre-war level (see table I).

# FINLAND

The Ministry for Social Welfare has recently begun to publish monthly cost of living index numbers. The general index number, which refers to about twenty towns, shows a very considerable increase. Prices have risen more than tenfold since 1914.

TABLE VI  
(Base: July 1914=100)

	1920				1921	
	May	June	Sept.	Dec.	Jan.	Feb.
Food	915	926	1134	1233	1074	1107
Clothing	958	1022	1099	1126	1089	1059
Heating	1014	1188	1374	1443	1414	1292
Rents	308	325	374	389	407	414
Tobacco	1278	1344	1370	1384	1394	1388
Newspapers	401	401	401	401	818	818
General average	840	868	1030	1103	1065	1013

There appears to be a considerable decrease in the first two months of 1921 as regards food, clothing, and heating. Rents and newspapers, however, continue to rise, and tobacco was only just beginning to show a slight decrease in February.

## FRANCE

Prices were still rising at the end of 1920, according to the cost of living index numbers for a working-class family of four persons in Paris, which are calculated from the figures of the District Committee for the investigation of the cost of living.

TABLE VII  
(Base : first half of 1914 = 100)

1920	1st quarter	2nd quarter	3rd quarter	4th quarter
Food	306	344	358	389
Clothing	405	485	518	445
Heating and lighting	200	296	349	349
Rent	100	100	100	100
Various	356	444	510	510
General average	295	341	363	370

Clothing, which had shown the greatest rise in price (five times the pre-war level) was the only group in which prices began to decrease in the last months of the year.

The fact that rents remained at exactly the same figure as before the war is explained by the special legislative measures which were applied to them.

It is probable that the next cost of living index numbers will show a certain decrease, for the index numbers for foodstuffs published by the *Statistique Générale de France* for Paris and for the whole of France show a slight fall in the first months of 1921 (see table I).

## GERMANY

The cost of living index number published by the *Statistisches Reichsamt* shows a slight decrease in the first three months of 1921. In spite of this, the cost of living is still nine times what it was before the war. The February and March figures are, however, not absolutely comparable with those for the preceding months, for in the two last months the figures refer to 47 towns instead of to 39.

The index numbers published by the *Statistisches Reichsamt* do not include clothing, which has risen in price even more than other articles. They thus give a more favourable picture of the situation than is warranted by reality. This is clearly shown by some special inquiries made by the municipal statistical offices in certain German towns. We give as an example the results obtained for Berlin-Schöneberg.



TABLE VIII  
(Base : February 1914 = 100)

	1920				1921		
	Mar.	June	Sept.	Dec.	Jan.	Feb.	Mar.
Food	1255	1235	1235	1490	1439	1357	1316
Rent	145	164	164	164	164	164	164
Lighting and heating	1053	1158	1158	1211	1211	1263	1211
Average of above three groups	875	884	884	1035	1006	965	936
Clothing	1795	1436	1197	1197	1197	1197	1077
General average	1111	1024	963	1076	1054	1024	972

It will be seen that the difference between the two averages (including and excluding clothing) is especially great in 1920, and becomes less in 1921, because the price of clothing had begun to fall from the beginning of 1920.

#### HUNGARY

Index numbers showing the cost of living in Hungary have recently been published in the organ of the Magyar Confederation of Trade Unions. They are based on the weekly expenditure of a family of five persons (father, mother, and three children). The budget seems to be a complete one. For the expenditure on food, the index number is based on the researches made by the Statistical Office of Hanover, which fixed the minimum daily ration of calories necessary for life.

TABLE IX  
(Base : July 1914 = 100)

	No. of articles	31 Dec. 1919	31 Dec. 1920	31 Jan. 1921
Food	14	3,136.7	5,519.7	5,738.5
Lighting and heating	4	1,529.0	5,192.0	5,308.0
Other household expenses (soap, bath, etc.)	5	2,805.6	6,388.9	7,388.9
Clothing	1	3,250.0	7,714.3	9,719.7
Rent	3	102.9	167.3	167.3
Various	7	1,202.5	2,176.6	2,176.6
All	34	2,116.5	4,279.9	4,744.6

The general index number shows that the cost of living in January 1920 was 47 times as great as in July 1914. This is a very great increase, far exceeding that in any other

country for which we have reliable information. The largest increase is in clothing, for which prices have centupled since 1914 ; it must, however, be noted that this figure is based on a single article only. On the other hand, rent remained almost stationary in the midst of this extraordinary increase. From 1914 to 1921 it only increased by 67 %.

### ITALY

The only index numbers for the whole country are those published in the *Bolletino del Lavoro e della Previdenza Sociale*, which include 20 foodstuffs and fuel. Unfortunately, they lose much of their interest, as they are rather late in appearing. The Bulletins of the municipal labour offices of the principal Italian towns, however, publish monthly cost of living index numbers which are comparable one with another, as they are calculated on a uniform base and method. We reproduce the most important below.

TABLE X  
(Base : July 1920 = 100)

	1920		1921		
	Sept.	Dec.	Jan.	Feb.	Mar.
Rome.	106	123	122	124	126
Turin	103	118	119	119	122
Milan	106	118	124	126	128
Florence	103	120	121	121	127
Genoa	105	117	120	119	121
Venice	105	115	119	117	117

Prices thus continued to rise from month to month, except in Venice, where there was a slight fall in February. A comparison of the various groups of articles in Turin and Milan, for example, shows that foodstuffs continued to rise in both towns, while clothing began to fall in March, and rent remained stationary. In Turin, however, heating and lighting fell from January onwards, while the "various" group continued to rise ; in Milan, the two latter groups remained stationary.

TABLE XI  
(Base : July 1920 = 100)

1921	Turin			Milan		
	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.
Food	121	123	130	121	122	129
Clothing	114	114	104	120	120	107
Heating and lighting	127	108	103	170	172	172
Rent	110	110	110	129	129	129
Various	113	113	119	124	124	124
General average	119	119	122	124	126	127

# NETHERLANDS

Of the two index numbers of retail prices published in the *Maandschrift van het Centraal Bureau voor de Statistiek*, one includes 27 foodstuffs for Amsterdam only, and the other gives the averages of the principal co-operative societies for 27 foodstuffs and five household articles (lamp-oil, soda, starch, washing crystals, and soap). The first series rises gradually until October 1920 ; the second shows some variation before that date ; afterwards they both fall, as the following table shows :—

TABLE XII  
(Base : 1914 = 100)

	Amsterdam	Co operative societies
1920 Mar.	199	225
June	204	238
Sept.	217	232
Oct.	219	233
Nov.	214	227
Dec.	202	218
1921 Jan.	193	203
Feb.	193	184

The co-operative societies' index number falls rather more rapidly than the Amsterdam number. This is due to the inclusion of household articles, which showed a particularly marked fall in price in the last few months.

# NEW ZEALAND

The cost of living index numbers published by the New Zealand Government give the following results :—

TABLE XIII  
(Base : 1914 = 100)

	1920				1921
	Mar.	June	Sept.	Dec.	Jan.
Food	156	161	167	174	176
Food and rent	140	144	148	154	155
Food, rent, heating and lighting	143	147	152	157	158

There was a general rise in prices which continued into January 1921; but this was relatively slight, as the general index number only registered an increase of 58 % over the pre-war figure. The greatest increase appears to have taken place in foodstuffs; these, however, have fallen steadily since February 1921 (see table I).

#### NORWAY

The index number for retail prices of foodstuffs shows that prices began to fall in January 1921, and that this movement accelerated in February. In the latter month there was a fall of 26 points as compared with a fall of 8 points in the former month.

#### SOUTH AFRICA

The retail prices of foodstuffs have fallen steadily since October 1920, and the index number for February is only 65 % above the pre-war figure. The rise in prices was thus much less acute in South Africa than in European countries. Figures published by the Statistical Department of the Union of South Africa show that the increase in the cost of living (food, heat, light, and rent) was 41 % in February 1921, as compared with 1914, for the average of the nine principal towns.

#### SPAIN

The *Instituto del Reformas Sociales* has published index numbers based on the average prices for six months. These were observed in the principal towns of the provinces and the towns and districts of a certain importance. The figures refer to 12 foodstuffs in common use. There was a gradual increase from 1914; in April-September 1920, which is the date of the most recent figures, prices were more than double what they had been before the war. The increase seems to have been greater in small towns than in large ones.

#### SWEDEN

The index number for Sweden, which includes foodstuffs (44 articles), and heating and lighting (7 articles), shows a steady fall from September 1920 to March 1921. On the latter date, the index number was 153 % above the figure for July 1914.

1914	July	100	1920	Dec.	294
1920	Mar.	291	1921	Jan.	283
"	June	294	"	Feb.	262
"	Sept.	307	"	Mar.	253

The figures given in table I on p.33 refer to foodstuffs only; they follow a similar course, but remain some points below the above series.

## SWITZERLAND

The cost of living index numbers published by the Swiss consumers' co-operative societies include 37 foodstuffs, fuel, soap, and petrol. They show that prices have fallen from month to month since November 1920, and that the present cost of living index number is 131 % above the pre-war figure (see table I). Foodstuffs taken separately follow the course of the general index number with striking regularity. They have remained 13 points below it, since the maximum was reached in October.

## UNITED KINGDOM

Owing to the difficulty of determining index numbers for housing, heating, lighting, and clothing, and their liability to vary greatly with the quality of the goods, the British Ministry of Labour only publishes these figures as approximate.

TABLE XIV  
(Base : July 1914 = 100)

	1920				1921		
	Mar.	June	Sept.	Dec.	Jan.	Feb.	Mar.
Food	235	258	270	278	263	249	238
Housing (approx.)	110	118	139	142	142	144	144
Fuel and light (approx.)	183	230	240	240	240	240	240
Clothing (approx.)	415	430	430	390	355	340	325
General average	232	252	264	265	251	241	233

The general index reached a maximum in October, since when it has steadily declined month by month. In March it was still 133 % above the pre-war level. The various groups follow a similar course, except rents, which continue to rise very slowly, chiefly owing to increased rates. Clothing, on the other hand, which had reached a very high maximum (more than four times the pre-war prices) is falling rapidly.

## UNITED STATES

According to investigations into the cost of living in the United States, made by the Bureau of Labor Statistics for 32 cities, the general cost of living index number had fallen since June 1920, and in December was exactly double the pre-war figure. Housing, fuel and light, as well as the "miscellaneous" group, however, continued to rise, though not rapidly. The fall in the

general figure was thus entirely due to foods, clothing, furniture and furnishings. As the investigations are only made every six months, the information given below is the most recent available.

TABLE XV  
(Base: 1913=100)

	Dec. 1919	June 1920	Dec. 1920
Food	197.0	<b>219.0</b>	178.0
Clothing	263.4	<b>287.0</b>	258.5
Housing	125.3	134.9	<b>151.1</b>
Fuel and light	156.8	171.9	<b>194.9</b>
Furniture and furnishings	263.5	<b>292.7</b>	285.4
Miscellaneous	190.2	201.4	208.2
General average	199.4	<b>216.5</b>	200.4

It is interesting to note that of the three groups in which prices are now falling, two (clothing and furniture) are those which reached the highest maximum, and that of the three groups in which prices are still rising, there are again two (housing and fuel and light), which reached the lowest maximum.

For more recent information recourse must be had either to the monthly index number of retail prices of foods only, which is given in table I, or to the figures published by the statistical offices of certain States.

The index number of retail prices of foodstuffs published by the Bureau of Labor Statistics shows that there was a steady fall from July 1920 to March 1921. On the latter date the index number was the same as in October 1917, i.e. 54 % above the 1914 figure.

The following table gives the cost of living index numbers for the State of Massachusetts.

TABLE XVI  
(Base: 1913=100)

	1920				1921	
	Mar.	June	Sept.	Dec.	Jan.	Feb.
Food	199	208	203	180	172	159
Clothing	<b>300</b>	288	286	226	220	214
Heating	162	172	189	<b>190</b>	189	<b>188</b>
Rents	131	139	148	152	152	152
Various	176	185	188	<b>192</b>	192	190
General average	193	200	200	184	180	176

Up to December 1920 the movement of prices was, generally speaking, the same as that shown by the index number for 32 places in the United States; after January, however, heating and the "miscellaneous" group began to fall slightly, and rents remained stationary. The price of clothing in March 1920 was three times what it was before the war, but since that date has fallen rapidly. The general index number in February was 76 % above the 1913 figure.

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# EMPLOYMENT AND UNEMPLOYMENT

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## Employment in the British Building Trade

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Of the problems left by the war in Great Britain, one of the more difficult has been to determine whether the amount of skilled labour in the building trade shall be increased by the admission of apprentices or the "up-grading" of unskilled labour to a greater extent than the ordinary rules and customs of the unions allow. This proposed increase is commonly described as "dilution", but in the present connection the word does not bear quite its original meaning. As applied during the war to the munitions industry, it described the increase in the proportion of unskilled to skilled labour, which resulted from bringing in large numbers of unskilled workers to perform mechanical tasks under the direction of a small number of skilled workers. Here it is a question of increasing skilled labour only.

The question is one of vital interest to several groups: to the workers, who see in the increase of the labour supply a diminution of the amount of work available for each individual; to the unemployed, ex-Service men and others, who, under a scheme of dilution, might hope to find employment in the building trade, or acquire the professional training which they lost owing to the war; and to that large section of the general public, who cannot find the housing accommodation they need and are exasperated at the slow progress of the housing programme. The problem for the Government is to satisfy the demands of the two latter sections, without prejudicing the legitimate interests of the first. They have in fact three objects: to accelerate the solution of the housing problem, to train and provide employment for ex-Service men, to lessen unemployment generally.

The interests of the employers are also to be considered, since their co-operation is necessary for the success of any scheme that is adopted.

The controversy about dilution has been going on since 1919. That there is, or at any rate has been, a shortage is generally admitted, although the National Federation of Building Trades' Operatives claim, as will be seen below, that this deficiency is rapidly being made good in the ordinary course of industrial development. It is also recognised that the shortage is confined to certain branches of the industry; but these branches (notably bricklaying) are "key" industries to the whole. The Minister of Labour, speaking in the House of Commons on 16 February 1921, stated that of 64,000 building operatives unemployed on February 3 one half were labourers and 25,000 of the remainder were painters. There



were only 238 bricklayers unemployed, as against 5,576 registered vacancies. Bricklaying and plastering alone of all trades showed an excess of vacancies over applicants. Many reports illustrate the difficulty of obtaining bricklayers and the effects of this on housing schemes during 1919 and 1920; one of these may be quoted as typical. The Housing Committee of the London County Council reported in October 1920 <sup>(1)</sup> that progress was being seriously delayed owing to shortage of labour, especially of bricklayers; only 165 houses had been completed in eighteen months; until thousands of men could be put on to this work, there was no prospect of satisfactory progress.

The cause of the shortage in this and other skilled branches of the trade is easily found. In the years before the war the number of workers had already greatly decreased, because building was regarded as one of the worst trades from the standpoint of irregularity of employment. During the war many skilled workers were killed, and apprentices were not forthcoming in the usual numbers, because munition work gave the young worker an opportunity of earning much higher wages than he could obtain as an apprentice to a craft. The unions have agreed for the most part to the training of disabled ex-Service men, but have been very unwilling to consider any further dilution. Replying in December 1919 to a suggestion by the Government that the shortage of labour might be made up by relaxation of the apprenticeship rules, the operatives' representatives on the Building Trade Re-settlement and Housing Committee stated that they were convinced that augmentation was neither desirable, practicable, nor necessary. A meeting of the National Federation of Building Trades Operatives at Manchester on 6 February 1920 passed a resolution that the conference intended to abide loyally by the agreement for the training of disabled soldiers, but regarded any further extension of dilution as being unnecessary and economically unsound. Similar resolutions have been passed at subsequent conferences.

#### PROPOSALS MADE BY THE BUILDING TRADE

It is unnecessary to trace the whole course of the negotiations, but the agreement reached in September 1920 between the Housing Committee of the Cabinet and the Re-settlement Committee of the Joint Industrial Council of the Building Trades marks an important step in the discussion. The Memorandum of Agreement was published in the press on 13 September 1920, and the Cabinet gave their assent. Earlier in the summer, the Government had made definite proposals for dilution, including a request for the adoption of

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(1) *The Times*, 13 October 1920.

payment by results. The Memorandum represents the result of further negotiations; and the reasons given by the Re-settlement Committee for their recommendations illustrate the chief points at issue, and the attitude of the trade.

The chief difficulties come under the following heads :—

*Increase in the number of skilled workers.* This involves questions of how far that increase should go, adult apprenticeship, privileges to be granted to ex-Service men, and duration of apprenticeship. The rules or practice of trade unions with regard to recruitment of skilled labour relate to training methods, the age when it shall begin, its duration, and the proportion of men under training to journeymen. Thus, for example, bricklayers usually (but not invariably) recruit by apprenticeship. The age of commencement is from 16 to 18 ; the period of apprenticeship from three to five years ; and the proportion, one apprentice to three, four, five, or even more journeymen.

The Re-settlement Committee agreed that certain trades called for an increased number of skilled workers. They rejected, however, the original proposal of the Government that the number of apprentices admitted should be, for one year, double the usual number. Such a rigid numerical requirement would excite the apprehension of the men, and in certain trades, where the number admissible was not definitely fixed, would be impracticable. They recommended that the employers and unions be left to settle the number of apprentices by negotiation. They accepted the principles of adult apprenticeship and preference for ex-Service men, but they did not think that the latter should be a hard and fast condition, as greater immediate efficiency could often be obtained by "up-grading", that is, by drawing candidates for training from the ranks of the builders' labourers, who already had some familiarity with the trade. The reduction of the term of apprenticeship for ex-Service men and for civilians over 23 years of age to three years received the Committee's approval.

*Payment of apprentices.* The problem was to fix a rate sufficient to attract adult apprentices, yet not so high as to be too great a burden upon the employers. It was considered that nothing less than an initial rate equal to 50% of journeymen's wages would act as a sufficient inducement. To enable employers to guarantee this rate, it was recommended that the state should assure them continuity of housing work by a scheme of distribution of contracts.

*Payment by results.* This was definitely rejected on the ground that the operatives would under no circumstances agree to a system so entirely opposed to the practice of the trade.

(4) *Payment for "wet time"*. It was agreed that some payment should be allowed for time lost on account of wet weather, and that this payment should be a charge upon the housing schemes.

The Re-settlement Committee received notification during the same month of the acceptance of their Memorandum by the Government Housing Committee; but, unfortunately, difficulties arose as to interpretation. There was also a difference between the employers and the operatives on the question of "wet time". The latter stated that their members would not accept less than 75% of payment for wages lost, while employers refused to recommend anything over 50%.

### THE GOVERNMENT AND THE WORKERS

Meantime, one factor in the situation had acquired a greatly increased importance. Unemployment, which until the summer had steadily decreased, was now continuously increasing. The Government began to consider further steps. On 24 September Dr. Macnamara, dealing with the claims of unemployed ex-Service men, stated that there were 160,000 such men unemployed. The most obvious field of all for absorbing them was the building trades, in which skilled labour was most seriously short; in the bricklaying trade alone there were 20,000 fewer workers than in 1914, while there were half a million houses or more urgently required. He then referred to the scheme put forward by the Re-settlement Committee. This scheme, he said, was alternative to, and less than, what the Government proposed; but it would go part of the way if put into effect immediately; these fit ex-Service men could not be kept waiting any longer; there were indications that the winter might bring depression in certain industries; the question of unemployment was being thrashed out by the Government Committee. On 19 October Mr. Lloyd George spoke to the same effect when announcing the Government's general proposals for dealing with unemployment. He said that the Government were considering new proposals for the employment of "further large numbers of ex-Service men on the housing programme". On 26 October the Government scheme was communicated by Dr. Addison to a conference of the Building Trades Operatives at Manchester. The Government proposed to select housing schemes now held up for lack of labour, and set them aside as schemes to be carried through by ex-Service men. With the exception of those who instructed or superintended, only ex-Service men would be employed. The Government considered that 50,000 men should be taken on. The conference received the announcement with

concern, and passed a resolution asking the Government for guarantees against unemployment if the proposals were accepted. The proposals must necessarily mean intensified insecurity in an industry "which had been in the past chief among the casual trades". The proposals meant the suspension of those rules "which it had taken years of effort, pain, and destitution to build up". The Government were asked to state without delay what guarantees they would give in return for the suspension of these rules, before the Federation could give further consideration to the proposals. The result of this resolution was to set on foot a new series of negotiations between the Emergency Committee of the Operatives' Federation and the Government (in addition to those already proceeding between the Government and the Joint Industrial Council), with the object of devising some scheme of additional unemployment insurance which might afford an acceptable guarantee.

In December the Government put forward their proposals in a new form, adhering to the dilution figure of 50,000 already demanded, but coupling with their demand an offer of a training grant to the unions of £5 per man. These proposals were announced in the House of Commons on 21 December. The officers of the National Federation of Building Trades Operatives had been invited to meet the Government on 21 December to discuss the proposals, but had declined. They considered that no useful purpose would be served by a conference, as the proposals would have to be referred to the full joint executives.

The proposals were as follows :—

- (1) the admission of 50,000 ex-Service men into the industry;
- (2) in return for an undertaking to admit and train ex-Service men, a promise by the Government of a training grant of £5 per man, payable to the unions as to two-fifths when training begins, and as to three-fifths when training is completed;
- (3) payment of "wet-time" (i.e. time lost through stress of weather) to the extent of 50 % of the wage rate for the first 22 hours and 75 % for time lost in excess of 22 hours;
- (4) the provision by the industry itself of a special or supplementary scheme of insurance under the new Unemployment Insurance Act, in order to secure a larger amount of benefit than the state scheme allows; the training grants might form a nucleus fund for such a supplementary scheme <sup>(2)</sup>;
- (5) the scheme to apply only to house building.

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(2) It will be noticed that this proposal bears on the question already under discussion of guarantees against unemployment.

The Building Trades Federation immediately summoned a meeting of their Emergency Committee, and this was followed by a conference of the executives of all the unions on 30 December. As a result of this meeting, the Federation sent a letter to the Ministry of Labour, expressing regret that the proposals contained no guarantee against the consequences of unemployment, and that only those sections of the industry which might be diluted would be entitled to any "wet-time" allowances. The Federation claimed that all its members were entitled to equal treatment, and it informed the Minister of its decision to consult its members on the proposals of the Government.

Mr. George Hicks, president of the Federation of Building Trades Operatives, stated that the conference took a serious view of the distinction which the Government made between the various sections of the industry on the subject of the grant of "wet-time" allowances. The conference considered that this was tantamount to an attempt to divide their movement. He pointed out particularly that the painters, who had at present over 10,000 unemployed members, would not accept dilution, and would therefore not be entitled to the "wet-time" allowances. The same would apply to other sections of the industry which would not agree to dilution. Mr. Hicks stated that, owing to the necessary delay involved in referring the matter to the individual unions, the decision of the Federation could not be published before the end of January.

A meeting of the full executives of the building unions was called on 3 February to consider the result of the ballot. The figures shewed a decisive rejection of the proposals. The votes were:—

For the proposals . . . . .	2,500
Against . . . . .	310,000

The conference sent a letter to the Minister of Health, pointing out that 25,000 skilled bricklayers left the trade during the war and would be prepared to return as soon as the industry demonstrated the possibility of providing a livelihood. Further, the demand for bricklayers had resulted in the return of over 9,000 in 1920, and hundreds were now returning every week; the Federation therefore maintained that it was justified in anticipating the return of a further 5,000 to 6,000 in the next few months; these numbers did not include walling masons. Again, during the last few months, the bricklayers had accepted roughly 2,000 juveniles and apprentices, and the industry generally had absorbed hundreds of disabled ex-Service men. It was also pointed out that the vote which had been cast on the proposals of the Government was composed, as to at least 50%, of ex-Service men, and reliable and trustworthy evidence had been obtained by various sections of the industry that the labour available was capable of meeting the demands of the market; in fact, at the present

time, there were in round figures 50,000 unemployed in the industry. It was further stated that building work and repairs to factories and industrial establishments, which had fallen into arrears during the war period, had now been completed, leaving quite a large volume of labour available for housing. The Federation considered that the Registrar-General's estimate that housing requirements would be met by the construction of 140,000 houses was ridiculously inadequate, and it urged on the Government the importance of carrying through their full housing programme<sup>(3)</sup>. The letter ends as follows: "In conclusion, we wish to state that the figures which were proposed for absorption would be impossible of application. We have already proved the present alarming position of unemployment in industry. We yield to none in our desire to see every able-bodied person provided with employment or sustenance, but no solution of the present problem can be found by putting one of the present unemployed in a job and discharging a person already there".

#### THE GOVERNMENT AND THE EMPLOYERS

After the rejection of dilution by the employees, the Government had no option but to undertake building operations themselves or turn to the employers. The first alternative would probably have met with opposition from both sides. The second plan had in its favour that the employers had no objection to dilution in itself, and it was therefore simply a question of modifying the conditions of the scheme. The new proposals were submitted to the employers' committee in February. On 22 March the Minister of Labour announced in the House of Commons that the employers had accepted them. The proposals are given below.

(1) The scheme is intended to apply mainly to young ex-Service men who have been for some time out of employment and have no regular occupation. In addition, however, ex-Service men now employed in the industry as builders' labourers will be eligible. The training will be provided in those crafts which require additional skilled labour; these are, at present, bricklaying, plastering, slating and tiling. The number of men to be admitted is 50,000.

(2) The scheme will be worked through local committees, composed of representatives of the associations of master

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(3) The Ministry of Health explained in the House of Commons on 23 February that the Report of the Registrar-General did not suggest that 140,000 houses would satisfy the requirements. This number would be necessitated simply by the increase of population; it did not include either the replacement of 178,000 houses unfit for habitation, or the houses needed to afford proper accommodation for 2,000,000 people living in 1911 under over-crowded conditions.

builders, and, it is hoped, of representatives of the trade unions. If it is found that the trade unions do not co-operate in the formation of a joint committee, the National Federation of Building Trades' Employers will arrange for their local affiliated associations to appoint committees in each district, which will be responsible for the selection of the men and the general supervision of the scheme in the area. The district committee will select the men from the register of unemployed ex-Service men kept by the employment exchange or from other sources.

(3) A contract of service will extend over a period of two years. Provision will be made for assignment of the contract from one employer to another, with the consent of the employee if necessary in order to secure continuous work. The employee will have the right at any time to apply to his employer for a certificate of proficiency, entitling him to a higher rate of wages, on the ground of his qualifications, than he would otherwise receive under (4).

(4) The wages paid will start at 50% of the district skilled men's rate, rising by six-monthly increments to the full rate. In addition, the Government will contribute 10s. per week for the first 26 weeks, and 5s. per week for the second 26 weeks, provided this does not make the total wage more than 65% of the full district rate. The state contribution will be paid for a full week, even though the firm by whom the man is employed may be working short time, provided that the man attends for duty on the days on which the firm requires him; but will not be paid for any week in which a man does not work at all.

(5) The National Federation of Building Trades Employers has accepted general responsibility to the Government for bringing about the absorption of the desired numbers of ex-Service men and for their adequate training.

The present position therefore is that, after long and difficult negotiations between the three parties concerned, the Government, the workers, and the employers, a definite scheme for an increase of the skilled labour supply in certain branches of the trade has been agreed upon by two of these parties. In view of the fact that the problem of the labour supply in the building trade is now becoming acute in other countries besides England, it will be interesting to note the way in which the above proposals work, and the results eventually obtained.

# LABOUR CONDITIONS

## Industrial Arbitration and Conciliation in Italy <sup>(1)</sup>

**B**EFORE the war considerable attention was being devoted in Italy to the problem of direct state intervention in collective disputes of an industrial character between employers and employees, and to the problem of setting up special machinery for applying such intervention; there was, however, very little legislation on the subject.

Nevertheless, certain bodies are in existence and deserve special mention. Article 8 of the Act of 15 June 1893 No. 295 gave to the Conciliation Boards of the *Collegi dei Probiviri* <sup>(2)</sup> power to mediate in the settlement of disputes, including collective disputes, relating to pending agreements; in practice, however, the Boards have proved a failure as far as their conciliation and arbitration functions are concerned. The reasons for this failure are various, many of them arising from the defective organisation of the Boards themselves. There is also a Permanent Committee for securing uniformity of treatment for workers employed in the public transport services. This Committee can act as an arbitration tribunal in collective disputes, on request of the parties concerned. Its powers are the same as those of arbitrators having authority to affect an amicable settlement, except where the parties request that a formal decision be issued <sup>(3)</sup>.

Finally, there exist the Conciliation Committees for disputes relating to the labour contracts of rice workers. These committees are competent to decide individual or collective disputes between those who engage, and those who hire out, labour, provided that such disputes relate to the interpretation, application, and execution of agreements concluded or customary practices <sup>(4)</sup>. The jurisdiction of the committees is, however, limited to disputes of a juridical nature; it does not cover industrial conflicts about the alteration of agreements in force. The committees have the powers of arbitrators endowed with authority to effect an amicable settlement, and their decisions have the force of an arbitration award. If one of the parties refuses to submit the dispute to the committee, the same dispute can be brought before the ordinary courts. In such cases there is an analogy with compromise proceedings in the law courts.

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(1) Based on information communicated by the Italian Ministry of Labour.

(2) An institution similar to the French *Conseil de Prud'hommes*, a court constituted of elected justices, dealing exclusively with industrial cases.

(3) Act of 14 July 1912 (No. 835), Article 9; and Regulations approved by Decree of 8 January 1920 (No. 37), paragraph 1.

(4) Act of 17 July 1910, No. 487.



The abnormal conditions prevailing during the war, the need for avoiding any sudden interruption of production or serious labour agitation, such as might weaken the national power of resistance, showed how deficient was existing legislation in regard to the settlement of labour disputes. The Government were compelled to intervene more directly and more effectively in order to prevent disputes between workers and employers or to settle them quickly. This intervention was above all necessary, where it became a question of ensuring the normal working of private industries engaged in manufacturing munitions, industries which had been declared to be munition industries and had been placed under a special system of inspection and supervision by the military authorities. Under Article 6 of the Regulations for Industrial Munition Works, approved by Decree<sup>(5)</sup> of 22 August 1915 (No. 1277), the District Committees for the Munitions Industries were empowered to decide all industrial disputes, both individual<sup>(6)</sup> and collective, between employers and workers in auxiliary munitions establishments. In the first place, these committees were to attempt to settle the dispute amicably by informal proceedings, based exclusively on principles of equity. Should they fail to effect an amicable settlement, they were to settle the dispute by an Order to be executed provisionally, against which an appeal might be made to the Central Committee for the Munitions Industries. The decision of the Central Committee had to be immediate and was final, unless annulled by the Minister of War on the ground that the decision was contrary to existing laws and regulations or prejudicial to public order. Thanks to their simplicity and decentralisation, to the provision made for representation of both parties, to their constant contact with workers and employers alike, and to the simple nature and rapidity of their procedure, these conciliation committees admirably answered the purpose for which they were constituted, and rendered very valuable services. The district munitions committees constantly intervened in the relations between workers and employers, preventing and adjusting many disputes, and their work of conciliation contributed in no small degree to the normal working of the munitions industries.

As time went on, the continued duration of the war brought a clearer realisation of the need for preventing any disturbances which might weaken the national power of resistance or destroy the national unity. The Government were soon forced to pass further legislation, with a view to the prevention

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(5) Decree submitted for the approval of the Italian Chamber and having the force of law in virtue of an Act of 22 May 1915 (No 671). The same applies to all the Decrees mentioned in this article, except where the contrary is indicated.

(6) Individual disputes, by Decree of 13 October 1918 (No. 1672), again came within the jurisdiction of the *Collegi dei Probiviri*; see pp. 59-60 for this Decree.

or peaceful settlement of industrial disputes in those industries which were of the most vital importance to the economic life of the nation. Existing regulations on labour disputes in munitions industries were supplemented by a Decree of 6 January 1918 (No. 46), establishing in connection with every district munitions committee, whose jurisdiction extended to territories within the war zone, a conciliation committee for adjusting collective disputes and disagreements between employers and workers in non-munitions establishments also situated in the war zone. By the Decree of 20 January 1918 (No. 103) similar additional committees were attached to the district committees, to act as conciliation courts in collective disputes and disagreements between employers and workers in establishments situated outside the war zone, not being munitions establishments, but being part of the public utility services or carrying on industries essential to the economic life of the nation. As already mentioned, these committees, which are still in operation, are empowered, at the request of the political authorities (Prefect or Minister of Labour), or of both parties to the dispute, to begin conciliation proceedings in collective disputes, whether in those of a juridical nature relating to the interpretation of current contracts, or in those of an industrial nature relating to suggested alterations in such contracts and to the introduction of new conditions.

If the dispute is settled amicably, the conciliation settlement has the force of an agreement between the parties ; otherwise the committee embodies its own conclusions as to the terms upon which it considers the parties should agree in the form of a " judgment ". Appeal may be made against this judgment, and, by Article 5 of the Decree of 18 March 1919 (No. 468), the decision on such appeal now rests with the Permanent Committee of the Supreme Council of Labour instead of with the Central Munitions Committee, which has ceased to exist. The value and importance of these conciliation settlements or, in cases where the dispute is not settled amicably, of the judgments issued by the committees are increased by the provision contained in Article 7 of the Decree of 20 January. Under the terms of this Article the management of industrial establishments in which a dispute has arisen may not introduce labour conditions inferior to those fixed in the conciliation settlement, or suggested in the judgment ; contracts made contrary to these provisions are declared null and void.

A penalty had been imposed upon workers who did not conform to the conciliation settlement or accept the conditions of the judgment. After the war this penalty lost its force, for it had stipulated that such workers could not obtain exemption from military service by quoting the essential nature of their work, and that for a period of three months they could not be employed in auxiliary munitions factories.

Under both the above mentioned Decrees, disputes

affecting individuals, as provided for in the Decrees themselves, were left to the jurisdiction of the *Collegi dei Probiviri*. Further, it should be noted that the committees instituted under the Decree of 20 January may be invited, by voluntary agreement between the parties, to act as arbitration tribunals for the settlement of collective disputes and disagreements arising in establishments which do not come within the scope of the Decree. In this case the award is subject to the provisions of the Civil Code.

In spite of the abolition of the district munitions committees, the conciliation committees continue to exist, and are to continue until six months after the cessation of the state of war has been declared ; their constitution was altered by a Decree (7) of 11 April 1919, a judge appointed by the President of the Tribunal being substituted for the President of the district munitions committee, while the places of the consultative members of the committee were taken by members appointed by the Presidents of the Permanent Committee of Labour. As has already been pointed out, the Permanent Committee of Labour is competent to decide appeals against the decisions of the conciliation committees.

During the war these conciliation committees undoubtedly performed very valuable work in promoting the peaceful settlement of labour disputes. As in the case of the munitions committees, their success was due largely to the simplicity and the rapidity of their procedure, to the absence of unnecessary rules and regulations, and to the equality of the classes involved in the dispute. The fact that their powers were limited, so that they could not go outside an offer of conciliation, undoubtedly restricted their jurisdiction and lessened their practical importance ; but even within such modest limits the conciliation committees rendered useful service and helped to ensure the normal working of industry during the war, thus proving how necessary and advisable was the creation of suitable state machinery for the peaceful settlement of disputes between employers and workers.

The fact that the war has come to an end and that the very *raison d'être* of these committees has ceased to exist has caused a great diminution in their activity, especially in view of the growing strength of the trade union movement.

The legislation relating to labour disputes, which we have briefly described as in force in 1918, could not be called complete. It did not touch the problem of conciliation in non-munitions industries outside the scope of the Decrees of

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(7) Not a Decree acquiring the force of law.

6 and 20 January 1918. The Decree of 13 October 1918 (No. 1672) filled the gap by authorising the *Collegi dei Probiviri* to settle collective disputes and disagreements between employers and workers, subject to certain guarantees and for certain purposes, but without limiting the amount in dispute. The provisions of the Decrees of 6 and 20 January 1918 continued to cover all conciliation settlements and, where no such amicable settlement could be reached, all court rulings, and these Decrees in fact continued in force in all disputes which came within their scope. Where conciliation failed the Permanent Committee of Labour was empowered to decide appeals against judgments issued by the Probiviral Court. The above mentioned Decree also contained provisions applicable to munitions industries, which were intended to relieve the district munitions committees, and to place at the disposal of the parties bodies more likely to pronounce judgments with the promptness requisite in individual disputes. Such disputes were therefore placed within the jurisdiction of the Probiviral Courts; and, where these did not exist or were not in operation, special conciliation committees were established and attached to the district munitions committees, on lines similar to those laid down by the Decrees of 6 and 20 January 1918.

As already stated, the principle of state intervention for the amicable solution of labour conflicts had not, before the outbreak of the war, been applied to agriculture, except in isolated cases. The state of public opinion, and the peculiar industrial conditions which arose during the war, made these *lacunae* in existing legislation still more obvious, and led the Government to enact measures similar to those adopted in industry. The Decrees of 6 May 1917 (No. 871), which codified several Decrees, including these of 30 May 1916 (No. 645) and 2 November 1916 (No. 1480), established in every judicial district a district arbitration committee. These committees, presided over by the district magistrate (*Pretore*), were constituted of four members nominated by the magistrate after consultation with the principal organisations, two being employers of agricultural labour, and two agricultural workers. They were empowered to intervene in disputes relating to the prolongation of agrarian contracts, and to the supply of horses, cattle, etc.; further, at the request of one or both of the parties or of the Prefect, in disputes relating to labour and wage agreements and general collective disputes concerning agricultural work in any way. Each party was entitled to be represented before the court by not more than five persons nominated by himself, or, failing such nomination, by persons nominated *ex-officio* by the district magistrate (*Pretore*). The conciliation settlement had the force of an agreement between the parties, who might also authorise the committee to decide the dispute, acting as arbitrators with power to effect an amicable settlement. The rules for procedure

before the committee were the same as before the *Collegi dei Probiviri*.

The system inaugurated by this Decree was considerably altered by the Decree of 14 September 1919 (No. 1726)<sup>(8)</sup>, which provided for the appointment of a special committee within the jurisdiction of each provincial agricultural committee. These committees are presided over by a member of the tribunal and are constituted of four members, two landowners or large tenant farmers and two workers, appointed by their respective organisations, or, failing this, by the provincial agricultural committees. They may intervene with a view to settlement by conciliation, at the request of the parties, or of the Prefect, or on their own initiative, in collective disputes relating to agricultural work. If conciliation is successful the settlement has the force of an agreement between the parties, but if conciliation fails, the committee embodies its own views in the form of a "judgment" and suggests a possible solution of the dispute.

Both the district arbitration committees and the committees attached to the provincial agricultural committees have met fairly regularly, and still continue to meet. They have helped to solve a large number of disputes, to the satisfaction of the disputants.

The above Decrees are certainly far from providing a complete and organic solution of the complex problems of collective disputes in agriculture. But within the somewhat restricted sphere open to institutions intended to prevent rather than to settle such disputes, they represent a most remarkable experiment of great value in drafting more complete and practical regulations, such as are demanded in many quarters, for the institution of Courts of *Probiviri* in agriculture and in general for arbitration in disputes and conflicts relating to agriculture.

One remarkable instance of the application during the war of the principle of state intervention for the solution of labour disputes was the promulgation of the Decree of 14 March 1918 (No. 350), concerning the engagement and placing of the labour required for work in the rice fields in the provinces of Novara and Pavia in 1918. Article 4 of that Decree provides that disputes which arise between agricultural employers' and workers' organisations, concerning agreements regulating labour conditions in the rice fields, are to be referred to special joint arbitration committees, constituted of an equal number of representatives of employers' and workers' organisations, and with the president of the Permanent Committee of Labour as chairman. These committees have power to decide as arbitrators with authority to effect an amicable settlement; there is no appeal against their decisions.

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(8) Not a Decree acquiring the force of law.

The practical effect of these decisions arises from the provisions contained in Articles 5 and 6. According to Article 5 agreements which infringe the judgment of the arbitration committees, or violate the terms accepted by collective labour agreements, are null and void. According to Article 6, not only is such an agreement null and void, but a fine varying from 10 to 100 lire is imposed upon heads of agricultural establishments and workers guilty of such contravention. The fine may be deducted from wages at the discretion of the competent judicial authority, and at a rate not exceeding 25 per cent. of the wage.

Its sphere of application is certainly limited, but this Decree is the first serious attempt to settle collective labour disputes through the intervention of permanent bodies, to which the parties are bound to refer the dispute.



Two other groups of measures deserve mention; first, those passed by the Government to promote an increase in agricultural production, with a view to improving the economic conditions of the country and to making good the shortage in foodstuffs, particularly in cereals, which was becoming more and more serious; secondly, those passed in order to regulate the great movement for the occupation of private estates by the peasants, which began after the cessation of hostilities. In neither case was it a question of disputes arising out of a labour contract, or as to the revision of a contract. Nevertheless, these measures deserve mention here, for they were intended to settle serious collective disputes of an obviously industrial character.

Under the Decrees of 22 April 1920 (No. 515) and 8 October 1920 (No. 1465) the Prefect deals with applications for temporary occupation of land and decides, in agreement with a provincial committee, nominated by himself and constituted of the Controller of Finance (*Intendente di finanza*), who acts as chairman, the director of the *Cattedra ambulante di agricoltura* (Itinerary Lectureship in Agriculture), a surveyor or civil engineer, two landowners or tenant farmers, and two agricultural workers. The committee not only express their views on applications received, but also fix the compensation to be paid to the owner and the method of payment, and the date when the applicant is to take possession. Appeals against decisions of the Prefects and applications for permanent occupation of land are referred to the Minister of Agriculture, who decides in agreement with a Central Committee, presided over by a councillor of state, and constituted of two directors-general and one director being chief of a department in the Ministry of Agriculture, one councillor of the Court of Appeal, and two agrarian experts chosen from among the officials of the Ministry. A special district committee with similar functions has been instituted for Sicily.

It is obvious from these provisions that Prefects exercise essentially administrative functions in deciding the occupation and allotment of land, while the provincial committees and Central Committee exercise consultative functions.

The above brief review of war legislation makes it evident that in Italy, as elsewhere, the special conditions due to the war compelled the Government to intervene with a view to regulating and solving labour disputes by means of special machinery.

A distinction used to be made between juridical disputes and industrial conflicts, with a view to differentiating the nature of the functions to be exercised by the state in the two kinds of disputes—juridical functions in the one case and police functions in the other; but this distinction has lost much of its importance, for experience in recent years has proved that it is the duty of the state, not merely to intervene, but to exercise sovereign powers, whenever disputes exceed their proper limits and imperil public interests and the economic life of the nation. This was the governing principle in war legislation, though in practice it was not always embodied in measures appropriate for the purpose, nor always made obvious to the masses. It was embodied in exceptional measures of an arbitrary character; these were proper at a time when the supreme requirements of national defence made it right for the Government to consider the interests and rights of the nation as a whole, rather than those of individual citizens; but were less suited to form a system which should contribute towards social harmony and establish an equitable balance between rival interests, by prescribing for either party a chance of legal and legitimate representation.

The machinery for the settlement of labour conflicts is not only increasing, but is gradually tending to assume the form of real labour tribunals.

A short account of legislation already passed or under discussion in the Chamber will show the truth of the above statement. The Decree of February 1919 (No. 112), on agreements in private employment, provided for the institution of special joint committees constituted of an equal number of representatives of managements and employees. These committees are competent to draw up draft agreements for particular firms, and to intervene in individual and collective disputes and in disagreements about the interpretation of employment contracts or work hours and work conditions. In cases of collective disputes, the functions of these committees are limited to attempting conciliation. In individual disputes they may decide, without appeal, cases involving a sum not exceeding 300 lire. Other cases are referred to special arbitration tribunals, constituted of five members, two nominated by the plaintiff, two by the defendant,

and the fifth by agreement between the members, or, should they fail to agree, by the president of the tribunal. Moreover, so long as the provincial and central committees instituted by the Decree of May 1916 (No. 490) <sup>(9)</sup> continue to operate, these also are provisionally to exercise juridical functions similar to those conferred upon these joint tribunals. The importance of the tribunals as regards collective disputes appears to consist less in their function of attempting to effect amicable settlements, than in their power to prevent disputes by drawing up draft agreements. Such agreements, though they have no compulsory force, can be interpreted as guiding principles for the conclusion of contracts; they thus prevent that unequal treatment, which so often leads to disagreement and dispute. Both provincial committees, and later the joint tribunals, have in practice rendered very valuable service by providing peaceful solutions of a large number of disputes between employers and employees.

Another noteworthy attempt to solve the problem of state intervention in labour conflicts is embodied in the Bill introduced in the Chamber of Deputies on 3 February 1920, on agrarian representation and agrarian arbitration. This Bill has been lately modified by an amending Bill introduced by the present Minister of Agriculture. This scheme provides for setting up district chambers of agriculture in the principal agricultural centres; their functions will be to study economic and social problems connected with agriculture, to promote improvements in the conditions of the agricultural worker and to enforce laws which concern them. Attached to every chamber is to be a district arbitration committee, for the purpose of settling collective disputes and disagreements relating in any way to agricultural contracts and work. The committee is to be constituted of two members, with two substitutes, for each of the following classes :—

- (a) landowners of large-scale and medium estates;
- (b) tenant farmers of large-scale and medium farms;
- (c) small landowners;
- (d) small tenant farmers;
- (e) produce-sharing tenants;
- (f) farm hands.

These members are nominated by the members of the corresponding group in the district chamber, or, should they fail to nominate, by the president of the chamber. The members nominate a chairman and vice-chairman from persons not belonging to the committee. Should they fail to agree, the president of the Court of Appeal nominates the chairman and the vice-chairman. In examining a dispute, the committee is to consist of two members for each of the

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(9) Not a Decree acquiring the force of law.



classes concerned. Should more than two classes be involved, the members are selected by the chairman at his discretion, subject to the proviso that each group of interests involved in the dispute must be equally represented. A dispute is submitted to the committee at the request of one or more registered associations and, if no such associations exist, at the request of the committee of the chamber concerned or the Prefect. The president of an association, who must have been authorised by a decision of the general meeting of such association, approved by a majority of the members present, the chairman of the committee of the chamber, and the Prefect must submit, along with the petition, a list of the associations and individuals whom they intend to summon. Further, all persons who may be affected by the dispute have the right to appear in the case.

The committee has ample powers to examine evidence; it bases its ruling on principles of equity. In its ruling the committee names the parties to whom such ruling applies, states the period over which it shall be valid, and may also determine the penalties to be inflicted for non-observance. This is a particularly noticeable provision, because it is a step towards solving the serious problem of the penalties needed to secure observance of rulings issued by a body specially instituted for the solution of labour disputes.

Individual disputes do not come within the province of the arbitration committees, and are referred to district and inter-district arbitration committees, instituted by the Decree of 6 May 1917 (No. 871), to which reference has already been made; the Bill provides for the necessary modification of these committees. The committees are competent to decide in all disputes regarding non-observance or infringement of rulings issued by district arbitration committees.

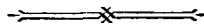
The Bill on the institution of a National Council of Labour, which was introduced in the Chamber of Deputies by the Minister of Labour on 10 November 1920, contains some very important clauses on arbitration.

Article 1 (d) of the Bill provides that the Council shall arbitrate in industrial disputes at the request of the parties. For this purpose the Council at its first sitting appoints a conciliation and arbitration committee, constituted of twelve members, six elected by the representatives of employers and six by the representatives of the workers, and with the president of the Council as chairman. The committee, or a sub-committee appointed by it from time to time, may intervene at the request of the Minister of Labour or of the parties, for the purpose of settling by conciliation such disputes and disagreements between employers and workers, as concern whole industries or large districts or a very large number of workers. If conciliation fails, the Minister of Labour, with the consent of the parties, may refer such disputes for

arbitration to special arbitration tribunals, chosen as the need arises by the parties themselves, or, should they fail to agree, by the Minister. These tribunals are to be chosen from the members of the committee and are to consist of an equal number of representatives of employers and workers. The chairman shall be nominated by the members themselves, or, if they fail to agree, by the Minister of Labour. Rules of procedure for the committee and the arbitration tribunals are to be fixed by regulations to be issued later. The ordinary machinery for conciliation and arbitration was unsuitable for dealing with the special type of industrial conflict covered by this Bill ; it was impossible to treat such disputes in the same way as disputes restricted to a particular district or to a particular class of workers.

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The above brief account shows how much has been accomplished in recent years, under the stimulus of new war conditions, in the way of instituting machinery for conciliation and arbitration in collective industrial disputes. The functions which the state is called upon to fulfil are gradually becoming more practical and better defined, and the bodies through which these functions are exercised are gradually being perfected. But one criticism must be made. The measures already enacted and those which are on the point of being enacted undoubtedly represent a remarkable and, from many points of view, most laudable endeavour to solve the vast problem of state intervention in labour conflicts, but they are not a complete and organic solution of the problem. Those who drafted these laws realised this clearly ; the most important laws on the subject, such as those on private employment and on agrarian representation and agrarian arbitration, to which reference has been made above, state explicitly that the organs instituted under these laws are to continue in operation only until the system of *Proibiviri* courts has been extended from industry to commerce and agriculture. A reform of the *Proibiviri* system is, therefore, expected, to enable the courts of *Proibiviri* to intervene effectively in disputes and disagreements. The Supreme Council of Labour has assumed this task and is investigating the complex problem of the courts of *Proibiviri* in Italy. It will shortly submit to the Minister of Labour a scheme embodying the fundamental lines of the proposed reform.



# SOCIAL INSURANCE

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## Old Age Pensions Legislation in France

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THE enactment on 5 April 1910 of workers' and peasants' pensions in France was the result of a struggle lasting many years. Since the Act was put into force, on 3 July 1911, it has been more than once amended, especially by the Acts of 27 February 1912, 27 December 1912, 17 August 1915, and 20 December 1918. On 14 February 1921, the *Journal officiel* published a Report (1) on the working of the Act in 1917 and 1918. In addition, a Bill on social insurance is now under consideration in the Ministry of Labour; this Bill will deal primarily with sickness and invalidity insurance, but will probably also amend the provisions as to old age insurance by bringing the Act of 5 April 1910 up to date. The last Report on the laws regulating workers' and peasants' old age pensions is thus particularly interesting. It offers an opportunity for sketching the history of the Act, which is surrounded with many difficulties.

### COMPULSORY INSURANCE

The Act is in two sections, compulsory insurance and voluntary insurance.

Compulsory insurance applies to all wage earners of both sexes engaged in industry, commerce, agriculture, or the liberal professions; also to home workers, casual workers, and hired servants. In spite of its very wide scope, the Act nevertheless does not include state employees, when these are covered by the civil or military pension schemes or those of other provident institutions. The same applies to railway workers, miners, registered seamen, and employees of the Departments and of most of the Communes.

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(1) The authorities for the present article are as follows: (a) the *Journal officiel*, 14 Feb. 1921, appendix: *Rapport sur l'application pendant les années 1917 et 1918 de la loi des retraites ouvrières et paysannes*; pp. 125-148; this was a general report summing up the operation of the Act of 5 April 1910 and of subsequent legislation since 1911; (b) the yearly reports published under the title: *Rapports sur l'application de la loi sur les retraites ouvrières et paysannes*, Paris, imprimerie nationale. In the course of this article reference is made to (a) as *J. O. loc. cit.*; and to (b) as *Report* for the year 1911, 1912, etc.

Originally, workers whose annual earnings exceeded 3,000 francs were not liable to compulsory insurance. An amendment of 20 December 1918 raised this limit to 5,000 francs for compulsory and 6,000 francs for voluntary insurance.

The application of the Act is based on the co-operation of the insured person, the state, and the employer.

Every insured person has to pay an annual contribution, which is fixed at 9 francs for men, 6 francs for women, 4.50 francs for minors under 18. The employer has to contribute an equal amount. An insured person's contribution is deducted from his earnings by the employer, who affixes to the insurance card pension stamps to the value of the employee's contribution, as well as of his own contribution. Insurance cards are renewed every year, and the accounts opened in the name of each insured person are credited with the total amount of contributions recorded. The sums credited to each account are capitalised and thus form a pensions reserve fund.

As a rule, pensions take the form of annuities terminable at death ; but, at the request of the insured person (if of age), contributions may be in part treated as a deferred capital value ; the value repayable must, however, never exceed the capitalised value of the beneficiary's own contributions.

When first put into force, the Act fixed the normal pensionable age at 65. Contrary to the accepted principle in such cases, it did not make a fixed grant to persons who at that date had already reached the pensionable age. On the other hand, it extended the benefits of the Act of 14 July 1905, concerning compulsory assistance for the aged and infirm and those suffering from incurable diseases, to persons from 65 to 70 years of age, in so far as they were in need of these benefits and belonged to the categories liable to compulsory or voluntary insurance. In this case these aged persons only received one half of the state grant, which might not exceed 100 francs. The amendment of 27 February 1912, lowering the pension age to 60, took effect on the following 1 August. The insured person who has attained this age and fulfilled his obligations under the Act can thus obtain payment of the annuity provided by his own savings together with the employers' contributions. The annual pension is increased by the state grant of 100 francs. If, at the time when payment begins, the insured person has brought up at least three children to the age of 16, the grant is increased by one-tenth. This state grant is only made on condition that the insured person can prove that he has made at least thirty annual payments of 15 francs in the case of a man, or 10 francs in the case of a woman (7.50 francs for such payments as were made before attaining the age of 18). If the number of annual payments has been less than thirty, but exceeded fifteen, the state makes an annuity grant of 3.33 francs for each year of payment. Insured

persons who were thirty years of age or over at the time the Act came into force, and who had been wage earners for three years, are also entitled to the state annuity grant of 100 francs, provided that they made regular payment of their annual contributions of 15 francs (10 francs for women). For men each year of compulsory military service, and for women the birth of each child, counts as one year in the calculation of the total amount of the annuity grant.

Insured persons not covered by the Act of 9 April 1898 regulating accident insurance, who are totally or permanently incapacitated for work through serious injury or premature infirmity, are entitled to anticipated payment of their pension. In these cases the amount of the state subsidy and the amount of the pension are determined by special rules. The subsidy may not exceed 100 francs, and the total annual payment, including this sum; may not be more than 360 francs. The Act further allows insured persons to anticipate the payment of their pension when they have attained 55 years of age. In this case the state annuity grant is reduced. During the transitional period, before the full effects of the Act are in force, insured persons may only claim this anticipated payment if they can prove that for the five preceding years they have been wage earners and have made regular payment of their contributions of 15 francs (10 francs for women). On the other hand, payment may be postponed from 60 to 65 years of age. In this case the insured person receives the state grant each year, but may pay it into one of the institutions authorised to effect insurance.

The survivors of a deceased insured person, who paid his contributions regularly and whose average contribution was at least 9 francs (men), 6 francs (women), or 4.50 francs (minors), receive the following compensation :—

- (a) children under 16 years of age : where there are three or more children, 50 francs a month for six months ; where there are two children, 50 francs a month for five months ; where there is one child only, 50 francs a month for four months ;
- (b) widow without children under 16 : 50 francs a month for three months.

The administration of insurance is entrusted to the National Old Age Pensions Fund, which has set up a special department for this purpose. The Legislature wished, however, to facilitate the administration of the Act by invoking the co-operation of insured persons. Funds established by private enterprise are therefore recognised. These institutions, as enumerated below, are allowed to effect direct insurance of their members with a view to obtaining for them the pensions provided by the Act:—

mutual aid societies, or federations of mutual aid societies;  
employers' funds;  
funds of employers' mutual liability associations;  
trade union funds;

the Act further provides for the establishment of Department or district funds, administered by executive committees consisting of representatives of the Government, the insured, and the employers in equal proportions. All these funds are subject to strict control. Their rates are calculated on the basis of tables and conditions fixed by the Government. Their finance is in the hands of the Deposit Fund (*Caisse des Dépôts et Consignations*), which invests their funds without charge.

These institutions undertake the administration of pensions and receive the state grants.

As regards the collection of subscriptions, two rules may be applied. When authorised by the Ministries of Labour and Finance, mutual aid societies may collect the subscriptions of their members, if the latter so request. Since 1916 they also been allowed to receive employers' contributions. They make these collections on behalf of insurance companies. Mutual aid societies receive a grant of 5 % of the workers' subscriptions and 1 % of the employers' contributions to meet their administrative expenses; also the sum of one franc for each account which they undertake to manage.

These bodies are thus allowed to effect compulsory insurance for their members. For this purpose they receive a state grant of 1.50 francs (0.75 francs for minors under 18 years of age), to be devoted to reducing the insured person's sickness insurance contribution, provided that this does not fall below 6 francs (3 francs for a minor). In order to obtain permission to include compulsory insurance in their operations, mutual aid societies must present a petition signed by at least 2,000 members, requesting that their insurance accounts be taken over by the society.

### VOLUNTARY INSURANCE

While compulsory insurance applies to all persons liable to insurance of any kind, with the exception of certain groups, voluntary insurance is especially intended to bring within the scope of the Act groups which are economically independent, but who live under conditions similar to those under which the workers live. The following classes are therefore admitted to the benefits of the Act if they so desire :—

- (a) tenant farmers;
- (b) *métayers*;
- (c) independent farmers;
- (d) artisans;

- (e) small employers who usually work alone, or with a single workman, or with members of their family living with them, whether paid or not.

Further, the following groups may also insure voluntarily :

- (f) persons whose annual earnings total over 5,000 but under 6,000 francs;
- (g) members of the family of compulsorily or voluntarily insured persons who work and live with them;
- (h) wives, not themselves earning, of compulsorily or voluntarily insured persons;
- (i) widows, not themselves earning, who were insured at the date of their husband's death;
- (j) wives and widows, not themselves earning, whose husbands belong or belonged to groups (a) to (f) and were not insured;
- (k) wives and widows, not themselves earning, whose husbands are or were in enjoyment of a service pension;
- (l) wives and widows of officials and employees of the state, the Departments, etc., when the total amount of their earnings and service pension does not exceed 5,000 francs.

The Act gives the same rights, as far as possible, to voluntarily insured persons as to compulsorily insured persons. They, too, are left free to choose between the societies authorised to effect insurances, and, if they join a mutual aid society, the state pays on their behalf the grant of 1.50 francs for the reduction of their sickness insurance contribution. Like other compulsorily insured persons, they may postpone the receipt of their pension until the age of 65.

The minimum annual contribution for a *métayer* is 6 francs. This requires the contribution of an equal sum by the proprietor, up to a maximum of 9 francs. For the other groups, the minimum annual contribution is 9 francs and the maximum 18 francs. The state makes an annual grant equal to one half of the amount of the contributions. For each year of compulsory military service, the state makes a supplementary grant corresponding to 9 francs in terminable annuities. The same holds good for insured women on the birth of each child. The annual income resulting from these grants at 60 years of age may not exceed 100 francs. This is increased by one-tenth for an insured person who has brought up three children to the age of 16.

During the transitional period, the rights and duties of insured persons are subject to special provisions. Tenant farmers whose rent exceeds 600 francs, independent farmers, artisans, and small employers, who, being over 35 years of age on 3 July 1911, began paying contributions on that date, and who had belonged for three years at least to one of these classes, receive (in addition to the supplementary grant equal

to one half of their contributions) a further subsidy; such further subsidy is equal to the pension which would have been produced by annual contributions of 12 francs, had these been paid from the age of 35 up to their actual age on 4 July 1911. *Métayers* and tenant farmers paying an annual rent not exceeding 600 francs receive the grant and supplement paid to compulsorily insured persons <sup>(2)</sup>, if they have paid annual contributions of 9 francs (6 francs for women) under the same conditions as obtain for such persons. For insured persons of group (b), a preparatory period of five years is laid down, should they only have insured after the age of 30.

### THE WORKING OF THE ACT

Since it was put into operation on 3 July 1911, the Act has suffered many vicissitudes; this has caused the number of insured persons to fluctuate considerably. Its normal working was abruptly interrupted by the outbreak of hostilities. While the Act completely ceased to run in some Departments owing to invasion, mobilisation produced confusion, not only among the insured, but in the prefectures and mayoral bureaux which were and remain valuable agencies in pensions administration. In addition, the working of the Act was affected by legal measures taken to protect mobilised insured persons and by administrative provisions intended to give the Act the widest possible scope. Particular stress must be laid on these facts.

In the administration of the Act the special committee in each commune, composed of the mayor, one employer, and one wage earner, appointed by the municipal council, is an important organisation. These committees, which work under the auspices of the mayoral authorities, have to draw up the register of compulsorily and voluntarily insured persons. They must include on the register of compulsorily insured persons all inhabitants of the commune who come under the operation of the Act, and on that of voluntarily insured persons, all those who claim its benefits. The prefects have to supervise the work of the municipal committees and check the registers. Claims come before the bench of magistrates, all disputes arising out of the administration of the Act being dealt with in common law.

On 3 July 1911, the total number of insured persons was 5,876,695, of which 5,633,630 were compulsorily and 243,065 voluntarily insured. This number increased, until at the end of the first quarter of 1913 there were 7,084,111 compulsorily and 802,112 voluntarily insured persons.

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(2) Annuity grant of 100 francs if the number of annual contributions equals the number of years during which the Act has been in force. When the number of contributions is less than this, the grant is proportionately reduced. A supplement of one-tenth if three children have been brought up.



The difficulties connected with the first enforcement of the Act can be readily explained; when the Act was first promulgated, the municipal registers could not be at once brought to a state of perfection. After the registers had been revised and brought up to date, there was a considerable increase in the number of insured persons. A further increase resulted from the Decree of 27 February 1912, allowing persons within the scope of the Act, but not yet registered, to enter their names before 1 January 1913. Improvements in the administration and working of the Act also encouraged more persons to register themselves. The first official Report for 1911 and 1912 mentions "the suspicion aroused in the minds of some of the insured by hostile propaganda". It adds, however, that the payment of the first grants had removed many prejudices and caused a fresh movement in favour of claiming the benefits of the Act <sup>(3)</sup>.

So far, only those factors have been mentioned which would tend to produce a normal increase in the number of persons registered. The Act of 27 February 1912, which lowered the pension age from 65 to 60, notably increased the number of voluntarily insured persons. It was partly the reason why a large number of tenant farmers, *métayers*, small employers, etc., registered for insurance. The number of persons who insured themselves voluntarily now rose much more rapidly than the number of those compulsorily insured during 1911 and 1912; the number of those compulsorily insured only rose in the proportion of 5 to 6, while the number of those voluntarily insured rose in the proportion of 5 to 8. Generalisation on the point is dangerous, for in certain districts the authorities must have been opposed to too great an influx not merely of voluntarily, but even of compulsorily insured persons. According to the report in the *Journal officiel*, the authorities frequently met a state of confusion in certain *arrondissements*, thanks to the ease with which those concerned could obtain certificates from their employers, and the readiness of these employers to grant them. It is interesting to note how often the following type of case occurred. Persons who, on account of their age, wished to obtain the benefits of compulsory insurance, produced certificates that they were in receipt of wages from their children, when in reality they only received board and lodging <sup>(4)</sup>. In the case of voluntary insurance, mention may be made of an order of the Court of Appeal (*Cour de Cassation*), dated 13 November 1912; this Order refused to recognise a minister of religion, whose principal means of support was his ecclesiastical office, as tenant farmer, on the ground that his agricultural work was only pursued for the sake of pleasure and health <sup>(5)</sup>.

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(3) *Report* for the years 1911 and 1912, p. 9.

(4) *Report* for 1913, p. 18.

(5) *Ibid.*, p. 21.

There were thus two opposing influences affecting the working of the Act during these first years. On the one hand, the adverse propaganda referred to in the Report; this reference was an allusion to the opposition to the application of the Act, which was carried on by a section within the labour movement (this section had unsuccessfully resisted the passage of the Bill); on the other hand, there was the anxiety shown on the part of persons of a certain age to benefit by the state grants. This appears in the average age of insured contributors. It is remarkable that 46 % of the total number of beneficiaries were persons between 50 and 65 years of age; this percentage is quite out of proportion to any normal average. The statistics supplied by insurance societies do not distinguish between compulsory and voluntary insurance; but an inquiry was made during 1912 into one of the local funds, and it was ascertained that, while the number of compulsorily insured persons between 60 and 65 years of age was only 5.47 % of the total in this class, the number of voluntarily insured persons over 60 years of age was 34.41 % of the total number registered <sup>(6)</sup>. It may be inferred that practically all wage earners between 60 and 65 years of age applied for registration. As regards the disproportion between the number of voluntarily and compulsorily insured persons over 60, there is only one conclusion possible, namely, that among the classes admitted to voluntary insurance and likely to benefit immediately under the Act, the majority applied for registration, while the younger workers did not insure.

The Report for 1914 states that registration in that year also was unequally representative of the different age groups of insurable persons; again it chiefly covered older persons, and more especially those entitled to payment of their pension within a short period <sup>(7)</sup>. The Report for 1917 and 1918 again states that the great majority of contributing insured persons belong to the older sections of the population <sup>(8)</sup>.

The number of pensions claimed during the first three years was distributed as follows :—

TABLE I

	Compulsorily insured persons	Voluntarily insured persons, excluding <i>métayers</i> and small tenant farmers	Small tenant farmers and <i>métayers</i>
1911-12	145,097	39,749	1,246
1913	464,251	224,516	17,947
Total	609,348	264,265	19,193
		283,458	

(6) *Ibid.*, p. 40.

(7) See pp. 71-72 of this article.

(8) *J. O.*, *loc. cit.*, p. 148.

These figures may be compared with the number of insured persons registered in the two classes. On 1 April 1913 there were in round figures 7,000,000 compulsorily and 800,000 voluntarily insured persons. From this comparison it appears that, while the proportion between compulsorily and voluntarily insured persons was 9 to 1, the proportion in claims for pension was only 2 to 1.

#### DEFECTS IN THE WORKING OF THE ACT

From the first quarter of 1913 onwards, the number of insured persons in the two classes slowly decreased. On 1 April 1913, the number of persons registered was 7,886,223 : in December 1913 this figure fell to 7,710,380, and declined continually in 1914 until the outbreak of the European war. This decline might be attributed to normal causes; the marked increase in the numbers registered in 1912 was due to the reduction of the pension age from 65 to 60 and to the concession made up to 31 December 1912 to those failing to register; when the immediate effects of this had disappeared, a decrease in numbers would have been natural. The decrease observed, however, is something more than this. There is another factor which must be taken into account, a factor which has had a serious effect on the working of the Act. Up to this point the only figures given have been the number of insured persons on the official registers. Inquiry should be made as to the extent to which these persons have fulfilled their obligations under the Act. A comparison of the figures of registration with those of the sale of pension stamps suggests certain conclusions.

Before proceeding to these, a brief summary must be made of the provisions of the Act on this point. The worker keeps the card to which the pension stamps are affixed. When he draws his pay, he has to hand the card to his employer to have the stamps affixed, the employer deducting the worker's contribution from his wages. The employer may obtain permission from the Prefect to affix stamps once a quarter only; but this in no way affects the principle. Failure to affix stamps renders either the insured person, or the employer, whichever is responsible, liable to a fine equal to the amount of the unpaid contributions; in addition, the missing contributions may have to be made good. If the worker fails to carry out the provisions of the Act, the employer who is thus prevented from affixing the stamps may discharge his liability by paying his contribution at the end of each month either to the magistrate's office or to the society of which the worker is a member.

These provisions were inadequate to enforce the full working of the Act. In 1913, for 7,800,000 insured persons registered,

the sale of stamps only produced 45 ½ million francs. Since the average annual contribution per insured person is calculated by actuaries as 15 francs, it follows that, if workers and employers had paid their contributions regularly, the sale of stamps in 1913 would have produced, not 45 ½ million, but 117 million francs. These figures lead to the inference that the Act has been very incompletely applied, an inference confirmed by the fact that a large number of insured persons between 60 and 65 years of age must, in the course of this year, have handed in stamped cards on applying for payment of their pension.

These stamp sale figures indicate pretty clearly the difficulties which confront any legislation on old age insurance in France. The conclusions drawn are also confirmed by the following. An insured person should take his card every year to the mayoral office of the district in which he lives, so that he may be credited with the payments marked by the stamps. The used card is sent to the society of which he is a member, and he receives a fresh card. The number of cards exchanged annually is thus an accurate measure of the extent to which the duties of insurance are fulfilled. For the year 1913 the number of cards received by insurance societies was 3,437,384, of which 2,700,646 were for compulsory, and 736,738 for voluntary, insurance. These figures show that, for a total of about seven million persons liable to compulsory insurance, only 2,700,000 had complied with its regulations; even when the Act was most effective only 40 % of compulsorily insured persons were complying with it. Moreover, even this comparison gives a too favourable impression, since, in calculating the percentage, no allowance has been made for cards which, although exchanged, were unstamped or insufficiently stamped.

TABLE II

	Insured persons registered			Cards exchanged			Percent. of the total no. of cards to the total numbers reg'd
	compuls-ory	volunt-ary	Total	volunt-ary	compuls-ory	Total	
1912	7,077,350	776,782	7,854,132	316,667	1,964,506	2,281,173	29.00
1913	7,013,459	696,921	7,710,380	736,738	2,700,646	3,437,384	44.58
1914	6,127,821	594,511	6,722,332	400,892	1,597,772	1,998,664	29.57
1915 <sup>(1)</sup>	6,074,573	546,245	6,620,818	310,798	1,139,885	1,450,683	21.91
1916 <sup>(2)</sup>	6,567,992	510,734	7,078,726	288,936	1,184,433	1,473,369	20.81
1917 <sup>(2)</sup>	6,887,499	477,283	7,364,782	240,433	1,393,789	1,634,222	22.19
1918 <sup>(2)</sup>	7,655,307	463,222	8,118,529	201,405	1,446,343	1,647,748	20.29

<sup>(1)</sup> Excluding the Departments of Aisne, Ardennes, and Nord.

<sup>(2)</sup> Excluding the Departments of Aisne and Ardennes.

TABLE III

	Proceeds of the sale of stamps	Approximate corresponding number of insured persons
3rd & 4th Qrs. 1911	frances 12,554,552.73	1,674,000
Whole year		
1912	43,957,201.24	2,980,000
1913	45,525,540.43	3,035,000
1914	27,279,576.15	2,535,000 1st half-year 1,105,000 2nd "
1915	19,192,411.36	1,280,000
1916	23,892,733.62	1,592,000
1917	26,185,248.84	1,745,000
1918	24,325,548.02	1,622,000

Neither of these tables gives an absolutely accurate idea of the working of the Act. It has already been pointed out that the exchange of cards by no means proves compliance with the provisions of the Act. Further, the division of the proceeds of the sale of stamps by 15 only gives an approximate figure for the number of insured persons. However, the error is not so great as to render the statistics valueless. It is possible from the Reports to analyse the round figures as to the working of the Act according to districts. No account is taken of the Departments of Aisne, Ardennes, and Nord, where insurance was suspended for practically the entire duration of the war. The Reports give the following number of cards exchanged in Departments wholly or partially invaded :—

TABLE IV

	1913	1914	1915	1916	1917	1918
Pas-de-Calais . . . . .	65,352	31,022	12,177	16,545	18,281	16,548
Somme . . . . .	68,158	44,910	30,548	26,000	26,528	18,901
Oise . . . . .	53,101	24,511	17,958	20,764	23,734	15,825
Marne . . . . .	60,790	34,717	10,756	17,331	15,468	13,401
Seine-et-Marne . . . . .	40,253	24,658	21,962	18,174	15,738	14,793
Meuse . . . . .	42,719	22,285	10,593	10,248	11,236	11,604
Meurthe-et-Moselle . . . . .	92,004	56,351	34,309	30,875	40,890	35,545
Vosges . . . . .	92,650	43,645	16,061	25,010	43,435	44,678

These figures prove the fatal effects of the war. But the upheaval of Europe was not the only thing which obstructed the progress of the pensions Acts. A comparison of the figures for the eastern industrial Departments, which were especially affected by the war, with the western agricultural Departments shows that the Act has been far more generally complied with in the East than in the West. It would be rash, however, to conclude on that account that industry has complied with the Act while the rural population is

opposed to it. The returns for the agricultural Departments of the Centre, especially those of the central plateau, give figures as high as those of the eastern industrial districts.

The percentage of cards exchanged by insured persons is given below per district, according to the figures of the Reports :—

TABLE V

<i>Agricultural Departments of the Centre Central plateau</i>				
	1914	1915	1916	1918
Aveyron	40.57	37.52	34.76	28.17
Lozère	49.67	48.74	46.80	37.50
Lot	50.81	51.02	53.68	53.81
Haute-Loire	37.26	33.09	33.18	—
Tarn	51.61	37.46	34.45	30.84
Puy-de-Dôme	37.61	33.32	29.03	30.04
Corrèze	37.73	35.28	34.79	32.67
<i>Eastern industrial district</i>				
	1914	1915	1916	1918
Haute-Saône	49.25	46.56	44.37	37.54
Haute-Marne	54.06	47.28	41.05	56.31
Côte-d'Or	45.79	35.33	30.34	31.32
Doubs	38.71	45.55	38.84	34.92
Saône-et-Loire	39.58	36.01	31.85	31.52
<i>Western district</i>				
	1915	1916	1918	
Calvados	9.18	10.08	12.25	
Mayenne	10.07	10.94	9.20	
Ille-et-Vilaine	10.54	10.54	18.68	
Côtes du Nord	13.08	10.85	9.59	
Morbihan	13.73	14.04	12.73	
Manche	13.49	12.58	10.97	
Eure	13.59	13.82	14.09	
Maine-et-Loire	16.52	15.92	14.63	
Sarthe	16.62	17.60	18.36	
Loire-Inférieure	17.92	17.48	—	
Orne	19.32	14.27	13.39	

The Report for 1917 to 1918 comments as follows : " Apart from the invaded Departments, it appears from these figures that the Act is less fully complied with in the western

agricultural districts. On the other hand, the working of the Act is, in the circumstances, relatively satisfactory in the eastern industrial districts, where social education is more advanced, and in the agricultural districts of the central plateau, where contributions for voluntary insurance have been made continuously and in large numbers".

To complete these statistics, a table is appended showing the general position in the Departments <sup>(9)</sup>.

TABLE VI

Percent. of registered insured persons paying contributions	Number of Departments					
	1913	1914	1915	1916	1917	1918
under 30%	10	51	59	62	63	67
30-40%	23	20	17	18	20	15
40-50%	24	12	6	4	2	1
50% and over	30	4	2	1	—	2
Total No. of Departments	87	87	84	85	85	85

There is a tendency to attribute these unsatisfactory results entirely to the effects of the war, but this argument overlooks the fact that even in 1913 the number of compulsorily insured contributors was only 40 % of the number of registered persons. During the first quarter of 1914, too, the sale of stamps continued to decrease; while it produced 24 million francs in the first quarter of 1913, during the first quarter of 1914 it only yielded 19 million francs, an amount corresponding to about 2,535,000 insured persons, taking compulsory and voluntary insurance together. While allowing for the disturbance caused by war conditions, inquiry should be made into other factors which may have contributed to hamper the working of the Act.

In August 1914 the confusion produced by the war involved many of the mayoral offices. The Ministry of Labour exerted itself, as far as was possible, to cope with the difficulties caused by the general upheaval and by the extensive mobilisation of civil servants. In the invaded Departments of the Aisne, Ardennes, and Nord, the working of the Act was entirely suspended <sup>(10)</sup>. The Pensions Office showed considerable activity in ensuring satisfactory administration in the other Departments. But it was not merely the new situation which was at fault; the Report for 1917 and 1918, comparing the number of insured persons in different years, as estimated

(9) *J. O.*, *loc. cit.*, p. 128.

(10) The number of insured persons in the Departments of the Aisne, Ardennes, and Nord on 31 December 1913 was 837,284 compulsorily, and 33,235 voluntarily, insured persons, making a total of 870,519.

on the stamp sale figures, remarks: "These figures do not represent the true state of affairs at all. On a rough estimate war conditions prevented about one million insured persons from continuing their contributions. This includes those who were mobilised, those who remained in the invaded districts, and in addition, those who failed to pay their contributions during the war, either because they were not at work, or because they thought that the Act was suspended during hostilities" (11).

But even if the million, suggested in the 1911 Report as the number of those unable to pay their contribution during the war, be added to the number of contributing insured persons in 1918, the total is by no means covered. In 1918, there were over eight million insured persons on the registers. War conditions cannot account for the other two-thirds who did not comply with the requirements of the Act. Mention has already been made of the "suspicion aroused in the minds of some of the insured by hostile propaganda", alluded to in the Report for 1911 and 1912. These words may be taken as a reference to the opposition evinced in Parliament to the passage of the Act, and later to its application, by one group of labour organisations. The same Report mentions certain classes of wage earners who often failed to comply with the Act, namely, domestic servants (especially women servants), and agricultural workers (especially farm servants). It notes, moreover, that the working of the Act is particularly difficult in the case of casual workers, who frequently change their employment and address, and who belong to the least provident section of the working classes (12). There has also been great difficulty in applying the Act in the case of home workers (13).

While one of the causes of the defective working of the Act has been indifference and hostility in certain working class circles, another has been indifference and even hostility among certain employers.

This again is an important factor. The official Report, in its analysis of the information collected by the Prefects, quotes one statement that many workers wait until the last moment to pay their compulsory contributions in a lump sum, fearing the annoyance caused by presenting their cards to their employers. They thus prefer to make a double payment, thinking, in their ignorance of the Act, that this is necessary (14). Another Prefect writes: "A large number of workers do not pay their contributions, simply because they know their employers' opposition to workers' old age pensions, and, in their fear of being dismissed, dare not insist on the affixing of the necessary stamps. There are even

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(11) *J. O.*, *loc. cit.*, p. 127.

(12) *Report for 1911 and 1912*, p. 36.

(13) *Ibid.*, p. 18.

(14) *Ibid.*, p. 9.



men who not only pay their own, but also the employer's contribution, in order to avoid difficulties " (15). A third states : " I consider that the covert hostility of certain employers, who dismiss their workers if they demand payment of the employer's contribution, is one of the principal causes of the incomplete application of the Act. The fear of loss of their employment makes the workers hesitate to claim their rights " (16). These instances refer to industrial employers, but the Report goes on to say : " It must be noted that the working of the Act has been especially difficult in agricultural districts. Small farmers very frequently refuse to pay the employer's contribution on behalf of their employees. This refusal to fulfil the employer's obligations is especially frequent among the *métayers*, whose economic condition is often very similar to that of the workers they employ. As a result, wage earners in agricultural districts, who carry out the provisions of the Act, do not present their cards to their employers and often pay the double contribution " (17).

It would be unjust to suggest that the whole of the employing class is hostile to the Act. On the contrary, the Report states that the working of the Act in the eastern industrial Departments is facilitated by the active assistance of the employers. In urban districts the workers in large-scale industry and commerce are almost invariably insured, because they are generally encouraged in this by their employers. Those in small-scale industries and commerce are not so frequently insured, owing to the fact that small employers, being poorer, try to avoid fresh expenses and are opposed to the Act. One Prefect in the East points out that in his Department the Act is universally applied in large-scale industries.

The Report says that " the favourable attitude of many managers in large-scale industry is shown by the fact that in their factories no workers are engaged unless they have their pension card, and that the deduction from wages is looked on as compulsory " (18).

#### THE ACT AND THE LAW COURTS

The question has been raised as to the steps to be taken by an employer when his workers refuse, through distrust of the Act, to present their cards. Some employers saw fit to deduct the workers' contributions from their wages in spite of this. The question of the legality of this step was brought before the Committee of Counsel (*Conseil de Prud'hommes*) at Paris and Marseilles, which ordered the

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(15) *Ibid.*, p. 34.

(16) *Ibid.*, p. 35.

(17) *Ibid.*, pp. 35, 36.

(18) *Ibid.*, p. 32.

employers to repay the amounts deducted. The Court of Civil Appeal (*Cour de Cassation, Chambre Civile*) confirmed these decisions in an Order dated 11 December 1911. Another Order of the Court of Criminal Appeal (*Cour de Cassation, Chambre Criminelle*), dated 22 June 1912, went even further. Section 23, Paragraph 2, of the Act reads: "An employer who is totally unable to affix stamps as prescribed may discharge his liability by paying his contribution at the end of each month, either to the magistrate's office or to the organisation of which the insured person is a member". The Court decided that failure to present the pension card constitutes an offence on the part of the employee which, by making it impossible for the employer to discharge the duties incumbent upon him, exempts him from any penal consequences. "This ruling", says the Report for 1911 and 1912, "has had the most disastrous effect on the observance of the Act" <sup>(19)</sup>. A number of employers, who, by deducting contributions from their employees' wages, had succeeded in making them comply with the provisions of the Act, now doubted the legality of their action, and their zeal slackened considerably. Other employers, who were most anxious to maintain the system of old age insurance in their factories, sought to compel their workers to comply with the Act by inserting in contracts and in factory rules conditions requiring the presentation of the card on engagement and on drawing pay. But a certain number of employers, obsessed by the fact that the Act was not observed in its entirety in establishments similar to their own, ceased to supervise its application in their own works. According to the statement of one Prefect, "employers no longer know exactly what their liabilities are, and it is only in large-scale industry and under public authorities that payments are made to the magistrate's office" <sup>(20)</sup>. It is also stated that a large number of insured persons, who had at first obtained their cards and paid contributions, later on ceased to do so <sup>(21)</sup>.

The Report for 1914 summarises the effects of these rulings as follows: "The result of these judicial rulings is that the employer can no longer decide on the legitimacy of the worker's opposition, or make deductions if the card is not presented to him, while, on the other hand, he is not compelled to pay his own contributions to the magistrate's office for those employees who do not present their cards" <sup>(22)</sup>.

By an Order dated 6 February 1913, the Court of Appeal (*Cour de Cassation*) ruled that the employer was still liable to the payment of his contribution even after the wage question had been settled, and that he could discharge his liability by

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(19) *Ibid.*, p. 33.

(20) *Ibid.*, p. 34.

(21) *Ibid.*, p. 34.

(22) *Report for 1914*, p. 29.

paying his contribution into the magistrate's office <sup>(23)</sup>. This Order, confirming the pecuniary, though not the penal, liability of the employer, could not obliterate the effects of the earlier Orders. The Report for 1913 states that "in view of the interpretation placed by the courts on Section 23 of the Act, the authorities have been obliged to go step by step and to use persuasion in inducing all concerned to take advantage of the new legislation" <sup>(24)</sup>.

It is almost impossible to prosecute the hostile employer effectively. It is often impossible to prove, as required by the courts, that the employee has presented his card at a proper time and that the employer has refused to affix the stamps. In practice, when an employer will not apply the Act in his works, the employee refrains from presenting his card through fear of dismissal. "In the majority of cases", writes a Prefect, "it is impossible to establish proof of the offence" <sup>(25)</sup>. Moreover, the methods of compelling workers to comply with the provisions of the Act are not effective. It is too obvious that the reason for the workers' failure to comply with the provisions of the Act is not always hostility. The Report for 1915 and 1916 draws the following conclusion from the experience recorded: "Unless the Pensions Act is so modified as to render its compulsory character effective, it will be necessary to rely on propaganda and on the activity of mutual aid societies to maintain the number of insured persons" <sup>(26)</sup>.

It may be added that the fact that the great majority of insured persons belong to the older elements of the population has not escaped the notice of the Government. In order to remedy this state of affairs, they have laid before Parliament a Bill to enforce the compulsory nature of insurance under the Act <sup>(27)</sup>.

### THE GOVERNMENT ATTITUDE

The Government used all the means at their disposal to secure the application of the Act in its entirety. In a Circular addressed to the Prefects, dated 12 April 1913, the Minister of Labour referred to "the propaganda carried on for the last two years by the Ministry". The Minister undoubtedly neglected no opportunity of encouraging the Prefectures and mayoral offices by continual propaganda. In addition he endeavoured to secure the application of the Act to all state, Departmental, and communal establishments. He suggested

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(23) *Report for 1913*, p. 20.

(24) *Ibid.*, p. 21.

(25) *Report for 1911 and 1912*, p. 35.

(26) *Report for 1915 and 1916*, p. 25.

(27) *J. O., loc. cit.*, p. 148. Bill introduced in the Chamber of Deputies 18 Oct. 1918 (*Documents parlementaires*, N° 5092, *Journal officiel*, p. 1649).

to his colleagues the insertion in the conditions of all contracts of a clause requiring contractors to employ only workers who had complied with the provisions of the Pensions Act, this provision to be observed on penalty of the forfeiture of the contract. Following on the Order of the Court of Appeal (*Cour de Cassation*) of 11 December 1911, previously mentioned, the Minister laid the question before the Cabinet. It was decided that in future all employees of public authorities should be required to comply with the provisions of the Act of 5 April 1910. The provisions of the Pensions Act have therefore been applied to the staff of the different Government Departments, and the employer's stamps have been affixed to the worker's card if he has presented it, or if not, the amount has been paid into the Reserve Fund ("").

It is clear from the foregoing that the Act was inadequately applied, even in Government Departments. Owing to war conditions the various Departments had to employ a large number of temporary workers. Private employers also considerably increased the size of their staffs in order to execute orders for supplies needed for the war. The Minister then reminded his colleagues of the decision of the Cabinet. He asked that the Act be rigidly applied by the War Office, the Admiralty, the Under-Secretaries of State for Artillery, Munitions, Supplies, and Public Health. To effect this, the Ministers and Under-Secretaries concerned not only appointed special officials to supervise the administration of the Act, but inserted in the conditions of all contracts passed by their Departments a clause requiring contractors to apply the provisions of the Pensions Act to their employees. "These steps resulted in a very considerable increase in the number of insured persons", according to the Report. Later the Minister of Labour notified all Departments that the employer's contribution should be continued in every case in which pay was being continued to state employees during military service. This is only one phase of the activities of the Pensions Office.

The Report for 1914 includes a chapter entirely devoted to an analysis of war measures. It was first necessary to protect the Act from the confusion caused by the outbreak of the war, and later to extend its scope. Many people, among them secretaries of mayoral offices, imagined that mobilisation suspended the working of the Act. It was necessary, therefore, to convince insured persons not mobilised of the value to themselves of continuing contributions. Steps had also to be taken to see that insured persons called to the colours were not without the necessary means to pay their contributions. Above all the continued payment of current pensions had to be secured. At the Ministry of Labour, of the total staff

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(28) *J. O.*, *loc. cit.*, p. 32.

of 54 in the Office of Workers' and Peasants' Old Age Pensions, 34 of the 44 male workers were called up. There were only four geographical Departments in which the whole staff of the Prefecture was able to continue its work at the time of mobilisation. In the other Departments as many as 270 men were mobilised. An enormous amount of work was involved in replacing staff called to the colours, in training temporary workers, and in seeing that payments were maintained. To this work the Pensions Office devoted its utmost energies. In order to secure the benefits of the Act for mobilised men, the Decree of 14 November 1914 provided that the period of mobilisation of compulsorily insured persons would be taken into account in calculating the annuity grant. These men were therefore released from the necessity of contributing. After ratification by Parliament, this Decree took effect on 31 December 1915.

While these measures tended to maintain the number of insured persons, other steps were taken to extend the scope of the Act. The Decree of 31 December 1915 further provided that for compulsorily insured persons benefiting under the transitional provisions of the Act, the period of mobilisation should be taken into account in calculating the grant to tenant farmers, *métayers*, independent farmers, artisans, and small employers. It granted similar privileges to those who, before their mobilisation, were in one of the classes of beneficiaries under the Pensions Act, but who for any reason had not applied during 1914 to be entered on the official registers. It allowed such persons to claim registration, and also allowed persons already registered to complete their contributions on the regular scale, in order to entitle the survivors of men who had been mobilised to the grant made in case of death; insurance against this risk as provided by the Act was a valuable safeguard for mobilised soldæirs. There is no doubt that the provisions of the Decree of 31 December 1915 led to a considerable increase in the number of insured contributors, and to the active participation of many persons who had previously not thought it worth while to take advantage of the Act <sup>(29)</sup>.

In this connection the figures for contributions and registrations may be recalled, which were given in the Reports for 1917 and 1918.

*Proceeds of the sale of stamps*

1913	. . . . .	45,500,000	francs
1914	. . . . .	27,300,000	»
1915	. . . . .	19,200,000	»
1916	. . . . .	23,900,000	»
1917	. . . . .	26,200,000	»
1918	. . . . .	24,300,000	»

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(29) Report for 1913, p. 31.

*Estimated number of insured persons*

1913	. . . . .	3,035,000
1914	. . . . .	2,535,000
1915	. . . . .	1,105,000
1916	. . . . .	1,592,000
1917	. . . . .	1,745,000
1918	. . . . .	1,622,000

These figures are a poor result of so much activity and effort. It is open to the authorities to try and induce the public, gradually and without coercion, to take advantage of the law; they should, however, consider whether this method will really lead to the desired goal.

The statistics and evidence quoted make it impossible to draw any other inference than that already suggested, namely, that the Workers' Old Age Pensions Act has been inadequate. The authors of the official Reports for the last few years have hopes of the successful application of an amendment which will make effective the compulsory nature of the Act. With this in view they would confirm the penalisation of the employer who fails to deduct the worker's contribution from wages, even when the latter does not present his card. It may be doubted whether such an amendment will ensure the observation of the Act in the future. There would be greater reason to expect success if the beneficiaries themselves evinced enthusiasm for the 1910 Act, and if the difficulties arose entirely from the opposition of the employer. Facts do not support this supposition. The Legislature, wishing to secure the co-operation of those affected by the Act, accorded special privileges both to employers' associations and to mutual aid societies which were prepared to undertake insurance; but while the employers organised mutual liability associations, no similar workers' association has been established. The provisions of the Act intended to encourage the formation of these institutions have thus been ineffective. Besides the National Fund, nine District Funds have been established, and the number of mutual aid societies or federations of such societies effecting insurance rose from an initial 27 to 35 in 1915; after that no new societies were formed. With the addition of six employers' funds, these are small enough results from the co-operation of private enterprise. The Reports give no particulars of the distribution of the insured among the various institutions, so that it is not possible to estimate exactly the extent of the activity and influence exercised by the insured themselves in administering insurance. The co-operation of insured persons is best measured in another way, namely, in returns of workers' contributions collected by mutual aid societies. These societies have since 1916 been authorised to collect, not only the subscriptions of their members, but also those of

members' families, as well as employers' contributions. The following table illustrates the extent to which they have made use of the privilege.

TABLE VII

	Societies authorised to receive contributions	Societies actually receiving contributions	Number of cards exchanged annually	Total contributions	Employers' contributions
				francs	francs
1912	3,140	1,360	77,284	526,351	
1913	3,198	2,188	110,899	1,020,932	
1914	3,212	2,151	69,403	646,255	
1915	3,212	1,749	51,320	436,204	
1916	3,215	1,631	44,617	419,674	11,825
1917	3,216	1,471	38,581	385,549	41,165
1918	3,216	1,352	41,856	396,926	81,626

On 31 December 1910 the number of mutual aid societies was 23,275, with a total adult membership of about 3,700,000. It is difficult to ascertain what proportion of these 3,700,000 members were affected by the Workers' and Peasants' Old Age Pensions Acts. But the difference between the number of members (3,700,000) and that of the cards exchanged annually is so great as to suggest that a large number of societies applied for authorisation to receive contributions without making use of it when granted. The Report for 1917 and 1918 states that only 50 mutual aid societies during these years received more than 1,000 francs in contributions. Other facts confirm the obvious inactivity of these societies and the regular decrease in the number of voluntarily insured persons. Although the legislative and administrative provisions to which reference has previously been made produced a slight increase in the number of compulsorily insured persons during 1916 and 1918, the number of voluntarily insured persons steadily decreased, and during 1918 was only 200,000. The number of pensions paid also declined, as is shown by the following table.

TABLE VIII

	Total pensions	Compuls. insur.	Small employers, tenant farmers, independent farmers, etc.	Métayers and small-holders
1912	186,092	145,097	39,749	1,246
1913	706,714	464,251	224,516	17,947
1914	220,925	129,627	84,710	6,588
1915	115,026	72,835	39,498	2,693
1916	97,842	64,534	31,495	1,813
1917	87,017	58,457	26,992	1,568
1918	74,390	51,371	21,813	1,206

The lowering of the pension age from 65 to 60 accounted for a very large number of payments in 1913 and 1914. In the following years, however, the number decreased steadily, a fact only to be accounted for by an explanation already frequently noted in this article. When the Act was first enforced, and especially when the advantages it afforded to older persons first began to be felt, the great majority of those, who, in return for trivial sacrifices, could obtain the payment of an annuity and of the state grant, hastened to comply with the requirements of the Act. The rest of the population, which was equally included in the scope of the Act, held aloof. Working class suspicion combined with the hostility of the employer to form a very formidable opposition to the normal development of insurance. The advantages of insurance were not sufficiently great to popularise it, and the decrease in the value of money diminished the attraction of state grants. It would seem essential considerably to raise the amounts of the benefits and to require much larger contributions on the part of the beneficiaries, the employers, and the state itself. The Legislature has been wise to attempt a transformation of the Workers' and Peasants' Old Age Pensions Act into a new system, calculated to be really popular with the working classes, both by reason of its methods and its concrete advantages.

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# CO-OPERATION

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## Consumers' Co-operative Societies in Poland

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CONSUMERS' co-operative societies have made great progress in recent years in almost every country, but have more especially advanced in those which have suffered most from the war and its economic consequences. In newly established states, such as Poland, the progress of the co-operative movement has not consisted merely in what may be called an increase in dimension: membership, number of branches and shops, turn-over, etc.; it has also appeared in the rapid development of higher forms of organisation: district societies with branches, federal organisations for education and propaganda, for wholesale purchase and production. Thus within about ten years the history of the co-operative movement in Poland has passed through successive stages, stages which those countries, in which the movement dates back to the XIX<sup>th</sup> century, were much slower in reaching. In fact, the co-operative movement is developing most rapidly and most constructively in those European countries which are being forced to recast their whole political, administrative, and social life. The union of the various parts of Poland which had previously been separated necessarily involved an immense effort towards legislative unification. It is interesting to note that one of the first Acts passed by the Polish Diet, which is applicable to the whole of Poland as now constituted, was the Act of 29 October 1920 on co-operation.

### MEMBERSHIP: ATTEMPTS AT CONCENTRATION

On 1 January 1913 the number of members of consumers' co-operatives in former Russian Poland was 95,700; on 1 January 1914 it had risen to about 110,000, while a return of 1 June 1920 showed a membership of about 1,100,000.

In what was formerly Austrian Poland (Galicia and Austrian Silesia), the number of co-operative societies existing in 1914 was estimated to be 22,000; they now number about 200,000. In what was formerly German Poland (Posnania, Upper Silesia, and Pomerania), where consumers' co-operatives were almost non-existent before the war, there are now about 36 societies,

with a total membership of 68,000. The following table shows the growth since 1914 in the membership and number of co-operative societies throughout Poland as now constituted<sup>(1)</sup>.

TABLE I

	No. of societies	No. of members	Average membership per society
1904	100	10,000	100
1914	1350	132,000	98
1917	2200	250,000	114
1920	4000	1,300,000	325

If we calculate that each member represents on an average a family of four, the 1,300,000 members of Polish consumers' co-operative societies represent a population of 5,000,000 persons obtaining their supplies from co-operative societies, i.e. 20 per cent. of the total population.

The above table shows that the increase in the number of co-operative members was particularly marked between 1917 and 1920. The growth of the movement during this period is shown both by an increase in the number of societies and by an increase in the average membership per society. The average membership was approximately stationary until 1917, but increased from 100 to 300 between 1917 and 1920. The forces of the movement are, however, very much dispersed. Thus of the total number of societies, one quarter have less than 100 members, and another quarter 100 to 200 members.

The reason why the forces of co-operation are so dispersed lies firstly in the rural character of part of the movement, and secondly in the bad state of Polish communications. The leaders of the movement are making every effort to remove this source of weakness by oral and written propaganda, by fusing together small neighbouring societies, and by forming large societies with branches. There are already in existence a certain number of societies with branches; these have shown a remarkable development. In what was formerly Russian Poland the society known as *Jednosc* (Unity) of Czenstochowie, which was formed in 1914 by the fusion of seven smaller societies, has 8,500 members and employs 180 persons. It has at present 34 shops (including a drapers' shop, a shoe and a china shop), as well as a butchery, a bakery, restaurants, shoe-making establishments, and so on. In Austrian Silesia,

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(1) The 1920 figures were supplied by the Polish Federation of Consumers' Co-operative Societies, in consequence of an inquiry addressed to the district unions and the member societies. This inquiry was supplemented by an examination of reports published in the press. The figures are, however, only approximate; they are certainly an under-estimate, as the figures supplied by the Polish Federation only include regularly constituted societies.

the central society known as *Lazy*, which has been formed by successive fusions in the course of the last ten years, has 12,000 members, 170 employees, and 30 shops. In Posnania the society called *Zgoda* (Concord) in Posen has 11,000 members and 20 shops. In the eastern frontier district the society known as *Bielske* has 11,000 members and 44 shops. There exist in addition 22 other societies with over 3,000 members and more than five shops.

The work of co-ordinating the co-operative movement is begun by forming local and district federations. There are at present thirty such federations, each including about sixty societies. Great efforts have also been made to restore or to strengthen the financial situation of co-operative societies by means of an increase in their share capital and reserve funds. A considerable number of societies have instituted savings-banks for their members. The national federations are also considering financial action with a view to obtaining the capital now required in consequence of the depreciation of the currency, and in order to develop the whole movement.

#### NATIONAL AND PROVINCIAL FEDERATIONS

The federalisation of the Polish consumers' co-operative societies had begun before the war in each of the separate parts of Poland, especially in what was formerly Russian Poland. After the war, this federalising tendency continued within the new frontiers. Various reasons had already led to the formation of a large number of federations; but the need for unifying and consolidating the movement has now brought about *rapprochements* and agreements with a view to common action. There are four federations of co-operative societies operating over the whole country. They are:—

(1) The Polish Federation of Distributive Co-operative Societies (*Zwiazek Polskich Stowarzyszen Spozywcow, Z.P.S.S.*), founded in 1911 under the name of the Warsaw Federation of Consumers' Co-operative Societies;

(2) The Labour Federation of Distributive Co-operative Societies (*Zwiazek Robotniczych Stowarzyszen Spoldzielczych, Z. R. S. S.*), founded in 1919;

(3) The Central Federation of Christian Workers' Co-operative Societies (*Centrala Stowarzyszen Spozywcow Robotnikow Shrzescjanskich*), founded in 1919;

(4) The Central Federation of Railway Workers' Co-operative Societies (*Zwiazek Centralny Stowarzyszen Wspoldzielczo-Spozywczych Pracownikow Polskich Kolei Panstwowych*), founded in 1919. The membership of the four federations in June 1920 is shown by the following table.

TABLE II

	No. of societies	No. of members	Average membership per society	Turnover for first half of 1920 in millions of marks
Polish Federation . . (Z. P. S. S.)	709	280,000	395	257
Labour Federation . . (Z. R. S. S.)	67	101,000	1507	33
Federation of Christian Workers' Co-operatives . . . . .	72	21,000	292	—
Federation of Railway Worker's Co-operatives . . . . .	189	113,000	598	128

The Polish Federation and the Labour Federation only admit societies with a certain minimum number of members, (200 for the Polish Federation and 300 for the Labour Federation). The affiliated societies must also be in a sufficiently satisfactory position to carry on their normal work. Nevertheless, these two Federations maintain business and other relations with a number of societies, which cannot be definitely affiliated owing to their failure to fulfil the two conditions. The Polish Federation maintains relations with 1,800 non-affiliated societies with a total membership of 410,000, and the Labour Federation with 160 non-affiliated societies, with a membership of about 100,000 members. If these figures are added to those of the above table, it will be seen that the influence of the national Federations extends over a total of 3,000 societies with 1,000,000 members, representing about three-quarters of the Polish co-operative movement.

In addition to the four national federations and the thirty local and district federations which were mentioned above, there are a certain number of other federations whose field of action is limited to one province. The four principal provincial federations are:—

(1) The Federation of Distributive Societies of Posen; this Federation works as an autonomous section of the General Federation of Co-operative Societies of Posen; it has about 50,000 members; (2) the Federation of Distributive Societies, *Jednosc* of Lvov, which has about 31,000 members; (3) the Federation of Labour Societies, *Proletariat*, of Kracow; (4) the Federation of Polish Distributive Societies of Kracow.

It is probable that sooner or later the provincial federations will join the national federations. The *Proletariat*, of Kracow, has already decided to adhere to the Labour Federation

(Z. R. S. S.), while there is considerable similarity between the tendency of the Posen federations and the Polish Federation (Z. P. S. S.).

### WORK OF THE FEDERATIONS

*The Polish Federation (Z. P. S. S.).* The Federation of Polish Distributive Societies<sup>(2)</sup> was founded in 1911 at Warsaw. From the time of its origin it stood for the principles of the Rochdale co-operatives, namely, that the movement should be open to all consumers and neutral as regards parties and creeds. These principles were upheld by Mr. Stanislas Wojciechowski<sup>(3)</sup>, its chief founder, and supported by the theoretical propaganda of Edward Abramowski<sup>(4)</sup>.

On 1 January 1915 the Warsaw Federation included 250 societies with a total membership of 34,787. These societies can be divided into three groups :—

- (1) societies exclusively constituted of industrial workers (73 societies with 13,202 members);
- (2) societies constituted of peasants (80 societies with 6,942 members);
- (3) mixed societies (97 societies with 15,643 members).

Approximately the same proportions have been maintained within the Polish Federation, i.e. about one-third of the membership belongs to each of the three groups.

Although its development was rapid, the Warsaw Federation, shortly before the war, included only a quarter of the consumers' societies in Russian Poland. At present, as will be seen from the above tables, the societies, affiliated to and those having relations with, the Polish Federation represent about half the Polish co-operative movement—2,500 societies out of 4,000, with 690,000 members out of 1,300,000.

From the date of its foundation the Polish Federation has published a weekly paper, the *Spolem*, and since 1 January 1921 it has also published a monthly review under the title of *Rzeczpospolita Spoldzielcza* (*The Co-operative Commonwealth*). In 1918 the "Section for Social Education" was formed as a section of the Federation. This Section edits publications, books, and pamphlets on the co-operative movement, and organises lectures and courses. It also supplies the societies with copies of account books, regulations, and technical hand-books, which are required in increasing numbers as the societies realise more and more clearly the need for perfecting

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(2) Originally called the "Warsaw Federation" by order of the Czarist Government.

(3) Minister of Interior in the Paderewski and Skolski Cabinets.

(4) Died 1918.

their organisation and unifying their methods. There is also a very active inspection section. During the first half of 1920 this Section made 723 inspections and drew up 165 balance sheets. In the course of their inspections the staff of the section organise meetings between the members of the boards of management and of supervision of the societies. They take part in general and district meetings. They also help to organise courses for members of the committees and for the employees. The Commercial Section of the Federation undertakes the business of wholesale purchase. It has 15 branches, and founded a soap factory at Kielce on 15 September 1920.

The Polish Federation has remained faithful to the principle of the neutrality and universality of the consumers' co-operative movement, which is open to all consumers without distinction of class or of political or religious opinions.

*The Central Federation of Christian Co-operative Societies.* Although the Central Federation of Christian Co-operative Societies was not founded until 1919, the Catholic co-operative movement was in existence before the war. Among the societies which were affiliated to the Warsaw Federation were a certain number of societies of a confessional character, which placed themselves by their constitutions under the patronage of the Catholic clergy. The Central Federation of Christian Co-operative Societies represents only a very small part of the Polish co-operative movement. It includes 72 societies with 21,000 members. It has not joined the Co-ordinating Committee between the National Co-operative Federations which will be described below.

*The Labour Federation (Z.R.S.S.).* The Labour Co-operative Societies had not greatly developed before the war, except in the Dombrova-Sosnovice mining district, where they were influenced by the example of the big co-operative organisations in the neighbouring Silesian coal-fields. The great industrial cities, Warsaw and its suburbs, with its million inhabitants, Lodz with its half-million, had remained untouched by the co-operative movement. Some co-operative societies had, however, been established at Pabianice, an industrial town in the Lodz district, under the influence of a group of intellectuals, professors at the School of Commerce, who had founded a society for the study of co-operation. During the war, and more especially after 1915, when Poland had been evacuated by the Russian military authorities, a co-operative movement of a definitely working-class character rapidly developed in the industrial centres. In November 1918, during the last days of the German occupation, there was a conference of workers' co-operatives at Warsaw, which resulted in the creation of a "Provisional Secretariat of Labour Co-operative Societies". In January 1919 five Warsaw societies, which were in close touch with the Socialist parties, formed a

federation called the "Food Supply Office of the Labour Co-operative Societies". At a meeting on 10/11 May 1919 it was decided to transform this office into a "Labour Federation of Distributive Societies". This congress, at which 69 societies were represented, adopted a resolution containing the following statement of principles :—

The Labour Distributive Societies must henceforward prepare to take the lead in the distribution of wealth in the coming social system and must become advance posts in the economic field for the support of the victorious proletariat. The Labour Distributive Societies, which form part of the general movement for the emancipation of the proletariat, must collaborate in the great struggle of the working classes, and must, while maintaining complete economic autonomy and an independent organisation, co-ordinate their action with that of the Council of Workers' Delegates.

The congress also formulated, as immediate demands, requests for confiscation of agricultural produce and its distribution through the labour co-operative societies, credits for workers' co-operative societies to be granted by the state or by municipal institutions, under Government guarantee, for the purchase of goods in foreign countries.

On 8, 9, and 10 May 1920 the Labour Federation, which had then been organised a year, held its first regular congress. Ideas as to the policy of the co-operative movement differed widely at the congress. On the one side was the majority, composed of members of the Polish Socialist party, and on the other the minority, composed of members of the Communist party and the Jewish Socialist organisation. The congress finally decided to propose to the Polish Federation the establishment of a committee, which would make wholesale purchases abroad such as would be useful to both organisations.

#### THE CO-ORDINATING COMMITTEE

The question of collaboration between the national federations, which had been raised by the proposition of the Labour Federation, was submitted to the eighth congress of the Polish Federation in June 1920. Although the proposal of the Labour Federation only referred to the establishment of a common organisation for purchases abroad, the congress of the Polish Federation pronounced in favour of the fusion of the two organisations, with an offer that the Section for Social Education of the Labour Federation should continue to be maintained, and that the budget of the Propaganda Section of the proposed new federation should allow it a sum in proportion to the number of the members belonging to the Labour Federation. The congress of the Polish Federation also declared in favour of an agreement with the Central Federation of Railway Employees' Co-operative Societies.

No agreement could be reached, as the Labour Federation interpreted the proposal of the Polish Federation to be a rejection of its own proposal. Negotiations were, however, resumed later and resulted in November 1920 in the constitution of the "Co-ordinating Committee of the National Co-operative Federations". This Committee includes representatives of the Polish Federation (Z.P.S.S.), of the Labour Federation (Z.R.S.S.), and of the Central Federation of Railway Employees. It also includes representatives of the Central Federation of Agricultural Co-operative Societies (*Centrala Spółdzielczych Stowarzyszeń Rolniczo-Handlowych*); this organisation, which has 85 affiliated societies and 106,873 members, supplies small farms with agricultural machinery and tools, seeds, artificial manure, and other material.

The aims of the Co-ordinating Committee are defined in the agreement as follows :—

- (1) to undertake the legal defence of co-operative societies;
- (2) to send delegates to the official economic departments, such as the Import and Export Department;
- (3) to make joint purchases in Poland and abroad;
- (4) to take common action with a view to improving the methods and organisation of the Polish co-operative movement.

The Co-ordinating Committee satisfies, in a way suitable to present circumstances, the need for a common understanding and common action between the national federations. It marks an important stage in the unification of the Polish co-operative movement.

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# AGRICULTURE

## Agricultural Conditions and Labour Agreements in Denmark and Sweden

### Distribution of landed property

#### DENMARK

**B**OOTH Denmark and Sweden are countries of small holdings. The prevalence in Denmark of farms of the smallest size appears from the following table, which refers to 1910 :—

	Holdings of						total
	1 ½ acres or less	1 ½ to 12 acres	12 to 40 acres	40 to 150 acres	150 to 600 acres	over 600 acres	
No. of proper- ties	68,380	65,222	46,615	60,872	8,072	822	249,983
Total area in acres	23,508	412,073	1,058,392	4,469,293	1,902,287	1,051,581	8,917,142

These figures show that about 16 per cent. of the total area of Denmark is occupied by holdings up to 40 acres in extent, which accounts for 72 per cent. of the total number of properties. The farms of medium size, having an area of from 40 to 150 acres, form 25 per cent. of the total number of estates and cover about half the whole farmed area. Those having an area of more than 150 acres form only about 3 per cent. of the total number, and occupy less than a third of the total area. Very small holdings, those under 12 acres in extent, are much more common in the Islands than in Jutland ; farms between 12 and 150 acres, and more especially those between 150 and 600 acres in area, are, on the contrary, relatively most numerous in Jutland ; while the very large properties, over 600 acres in extent, are more or less evenly distributed.

Over 90 per cent. of the Danish farmers own the land they farm, but, on the other hand, the average farm is mortgaged up to about half its value, so that while the farmer enjoys the freedom and secure tenure of a freeholder, a part of his produce goes to pay not rent, but interest on mortgages. The Danish Government has granted very considerable sums

in credits to enable agricultural labourers and others to acquire and stock small holdings. Under an Act passed in 1899 and amended in 1909, loans amounting to 48,524,797 crowns<sup>(1)</sup> were made between 1900 and 1919. These loans financed 9,114 small farms, and the average area of those formed between 1909 and 1912 was nine acres.

The integrity of Danish small holdings is safeguarded by a series of laws, of which the first, passed in 1769, forbade the absorption of peasants' farms into large properties, and the last, which dates from 1906, provided for a new distribution of the parcels constituting peasants' holdings, with the object of making each holding continuous. The extent to which these holdings may be dismembered and combined is also limited by law. Of the larger properties, about two-thirds are protected by the fact that they are entailed under settlements made before 1849, when subsequent entails were forbidden; and the remainder may not be dismembered unless they exceed a certain area or are of comparatively recent origin. Altogether, large accumulations of property in a few hands have been made very difficult in Denmark.

## SWEDEN

The farming land of Sweden was distributed in 1919 among 359,871 estates. Of these about 28 per cent. contained no more than 5 acres of cultivated land, about 63 per cent. from 5 to 50 acres, about 8 per cent. from 50 to 250 acres, and less than 1 per cent. more than 250 acres. Assuming that holdings up to 25 acres in extent are worked mainly by the labour of the holder and of the members of his family, it would appear that 75 per cent. of the total number of farms and about one third of the total farmed area are so cultivated. More than a sixth of the total area is taken up by holdings extending over more than 125 acres, and nearly half by the medium-sized farms, i.e. by those including from 25 to 125 acres of arable land.

Large and small holdings prevail, respectively, in different districts. The large farms are found principally in the central and southern plains, where clay soil predominates and heavy labour and thorough drainage, necessitating much capital outlay, are needed. Over the greater part of North Sweden, on the other hand, the soil is sandy; the farms are therefore worked with less expenditure of labour and capital and tend to be small in size. Many small farms have also grown up, especially in recent years, in the neighbourhood of towns, which supply subsidiary employment to their owners.

Until twenty or thirty years ago the number of small holdings was decreasing, because they were more and more

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(1) £2,668,864 or \$12,810,546 at par.

being absorbed into the large farms. Recently they have become more numerous. Legal obstacles in the way of cutting up peasant farms into holdings incapable of supporting a family or paying taxes have been removed, and the dismemberment of estates has been rendered easier. In addition, Crown domains have been sold and divided ; small holdings have been formed out of Crown forests ; and credit has been generously provided for small holders (<sup>2</sup>).

### Comparative Importance of Agriculture

Agriculture is of sovereign importance to Denmark. In 1913 agricultural produce formed 80 per cent. of her total exports and only 8 per cent. of her imports, so that she was almost entirely self-supporting, and was at the same time producing a large quantity of supplies which she did not consume. Of European countries, only Russia, France, Italy, Belgium, and Germany were larger exporters of agricultural produce, and France, Belgium, Germany, and Italy were in a different position, for they imported even more than they exported. Specialised and skilled farming, especially dairy, poultry, and pig farming, and a great development of co-operation, account for Denmark's leadership.

Swedish agriculture is less important. Agricultural produce formed, in 1913, 38.6 per cent. of Sweden's total exports and 30 per cent. of her total imports. The value of these exports was about two-fifths of that of Denmark's similar exports ; the imports were about five times as valuable as the small quantity of agricultural produce imported by Denmark. This inferiority of Sweden is largely due to geographical, geological, and meteorological conditions, which combine to concentrate farming in the southern part of the country. The six northern administrative divisions extend altogether over considerably more than half the whole area of the kingdom ; but they include only 1,228,800 acres out of the total arable area of 9,472,000 acres. Only 0.4 per cent. of the northernmost division, the great tract of Norrbotten, which comprises the larger part of Lapland, is cultivated. In the less extreme north, there is 1.7 per cent. of arable land in Västerbotten, 1.2 per cent. in Jämtland, 3.5 per cent. in Västernorrland, 5.6 per cent. in Gävleborg, and 3.7 per cent. in Kopparberg. In all these six divisions cultivation takes place rather in the eastern districts, towards the Baltic coast,

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(2) Under an Act of 1904, 18,925 loans were made between 1905 and 1918, amounting to 50,642,717 crowns (= £2,785,349 or \$13,369,678 at par), to finance small holdings and the building of rural dwelling-houses. Between 1917 and 1919 20,200,000 crowns (= £1,111,000 or \$5,332,800 at par) were expended on these objects, and in 1920, under the amended Act of 1919, 10,700,000 crowns (= £588,500 or \$2,824,800 at par).

than in the more mountainous lands which verge on the Norwegian frontier. In southern Sweden, where altitudes are less, and where there is not so much difference between the length of the days in summer and in winter, the percentage of the land which is cultivated ranges from 10.4 in the county of Kronoberg to 74.1 in that of Malmöhus. The great forest area, amounting to more than half the total area of the kingdom, is distributed over the whole surface of the country. The forest tracts are more continuous in the north.

### Agricultural Populations

In Denmark and Sweden, owing to the prevalence of small holdings, the man who owns no land, but earns wages by tilling the soil, is a less important element of the agricultural population than he is in some other countries.

#### DENMARK

Of the total population of Denmark, 34 per cent. were supported by agriculture in 1911, that is 935,292 persons out of 2,757,076. There were 171,910 independent farmers (160,049 men and 11,861 women), and their dependents numbered 363,848 persons (105,482 men and boys, and 258,366 women and girls). There were, in addition, 315,350 employed labourers (218,173 men and boys and 97,177 women and girls), with a total of 84,184 persons dependent on them (26,985 men and boys and 57,199 women and girls).

#### *Employment of Children*

Of the 487,260 persons, who in 1911 thus formed the total active agricultural population of Denmark, 106,990 were under 15 years of age. This total includes four children who were working on the holdings of strangers as day labourers; 88,072 were employed on the parental farms; and 18,676 were farm hands boarded and lodged by their employers. Attendance at country schools is compulsory for children between the ages of 7 and 14 for 41 weeks in the year and for a number of hours averaging 18 in the week <sup>(3)</sup>; but the 41 weeks are interpreted to mean 41 times 18 hours, and much latitude is allowed in the distribution of these 738 hours. The younger children usually are at school for longer hours during the summer, the elder during the winter. At one

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(3) Under Act No. LXI of 29 March, 1904. See *Imperial Education Conference Papers II: Memorandum on Compulsory Education at School in certain European Countries and American States*, London, H. M. Stationery Office, 1913.

rural school, as to which we have information, the three lowest classes attend only for half-days in the winter; while during the summer the highest class attends for four half-days and one whole day each week, the next highest for three half-days and three whole days (4). The general opinion seems to be that the children do not suffer by these concessions to the needs of a community of small holders, but are well developed physically and well educated.

### *The Adult Agricultural Labourers*

The active agricultural population over 15 years of age includes 53,608 sons and daughters of farmers working on the family land, together with 91,761 farm servants boarded and lodged by their employers, and 92 other labourers. Of the whole active population over 15 years of age, maintained by agriculture, forestry, and fishing, 13.5 per cent. are sons and daughters of independent farmers or other employers and work for their parents, 23 per cent. are stranger workers boarded and lodged by their employers, and 0.3 per cent. are other workers. But these figures do not by themselves give an accurate picture of the rural population, for they exclude from the class of wage-earners all the small holders, many of whom are obliged to eke out a livelihood for themselves and their dependents by work outside their own holdings. It is calculated that in the Islands a man who farms 12 acres without employing paid labour can support himself comfortably; but 80,188 holdings in the Islands are between 1 and 12 acres in extent. In the parts of Jutland which have a lighter soil the farm which can support a family must have an area of 20 or 30 acres; yet the area of 53,414 Jutland holdings does not exceed 12 acres, while that of 15,861 is between 12 and 40 acres. Certain holdings of some half-dozen acres, especially those formed by state aid, are exceptions, an extraordinary development of co-operation enabling their owners to maintain a family on their produce. But many Danish small holders are forced to add to the income they derive from their land; they cut and sell peat, they work in the woods, they keep shops in villages and country towns, they do carting, and they earn wages as agricultural day labourers.

Particulars as to the staffs employed on farms of various sizes in 1911 are supplied by an English writer. An exceptionally large estate, extending over 7,000 acres entirely farmed by its owner, on which a dairy herd of 1,100 cows was kept, included 170 cottages standing in small lots of land and occupied by workers on the farm. About a hundred Polish girls were imported into this estate annually, their

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(4) H. W. Foght, A. H. Hope, I. L. Kandel, W. Russell, Peter Sandiford : *Comparative Education*, pp. 453-456, London, 1918.

fares being paid by the farmer, and were employed on the beet fields from April to the end of November they were lodged and received a daily allowance of two pounds' weight of skimmed milk and three and a half pounds of potatoes, as well as three shillings in money. A farm of 1,300 acres, which carried 20 horses and 150 head of cattle, including 70 cows, was staffed by twelve men, who were boarded and lodged by the farmer, and by small holders working as day labourers, who received allowances of milk and peat as well as money-wages; from two to six of these day labourers were employed, according to the season. On a farm of 80 acres the paid staff consisted of a bailiff, an ordinary farm hand, a cowman, and casual labourers employed for the harvest and for root cleaning. On a farm of 66 acres of good land and 47 acres of reclaimed land, four unmarried men, all boarded and lodged by the farmer, were paid wages. In 1920 another observer reported that a farm of from 75 to 85 acres employs four men in receipt of wages and boarded and lodged by the farmer, as well as two extra men for the work of singling and lifting the mangolds and beet; as a rule, the bailiff occupies a cottage on a farm of this description and his wife helps with the milking. As to the small family holdings, in 1911 a mixed farm of 24 acres was worked by the farmer his wife, and his parents-in-law. A farm of 18 acres, which carried five milch-cows, a calf, and two horses, as well as pigs and poultry, was worked by the farmer, his wife and daughter, and a hired boy who lived with the family.

## SWEDEN

In Sweden 48 per cent. of the total population was supported by agriculture in 1910. Leaving out of account children under 15 years of age and farmers' wives, an active agricultural population remains of 931,849, of whom 680,603, or about 70 per cent., were men, and 251,246, or 30 per cent., women. Of this active population 302,502, or 33 per cent., were independent farmers, 296,798, or 32 per cent., were members of their families who worked with them, and 332,549; or 35 per cent., were wage-earning labourers.

### *The Torpare*

The significance of these figures is modified by the fact that they include among wage-earning labourers the *torpare*, i. e. certain small holders who render days of labour on the larger properties to which their own holdings are appurtenant. This tenure is a relic of the manorial system, and until recently it could easily be paralleled in other countries of Europe. From the point of view of the modern legislator the *torpare* has a double status; as occupier of a

*torp* he is a small holder; as a worker on a large farm he is an agricultural labourer. Since the middle of the nineteenth century the *torpare* have decreased in numbers, first, because the opinion has gained ground that the large farms are most profitable when they are cultivated as single units, and secondly, because during the last few decades it has been difficult to find labourers willing to pay for their holdings in days of work. *Torp* have therefore been thrown into the mother estates or let for money rents. In 1910 there were still 53,005 *torpare*, but only 33 per cent. of them still rendered work for their holdings; 10 per cent. paid rent in kind, and 57 per cent. rent in money. The *torp* are attached to the large properties, and they therefore add to the labour supply available for these.

### *The Managing Staff and Farm Servants*

The managing staff employed on the large properties—the bailiffs, inspectors, accountants, and foremen—numbered 6,120 in 1910. Of the farm servants lodged and boarded by their employers, about 38,289 men and 51,193 women were on farms of which the area did not exceed 125 acres. Here there was no clear distinction between field work and work done in byres and barns or indoors, nor between the farmer himself and his family and the hands he employed; the same duties were shared by all, and everyone enjoyed much the same living conditions. On the larger properties skilled workers to the number of 4,961 men and 1,211 women were lodged and boarded. These worked among stock, many of the women as milkmaids, or were gardeners. The typical labourer of the large holdings is, however, the *statare*, who is hired by the year and whose wages consist partly of a lodging and an allowance of food and fuel and partly of money. In southern Sweden his lodging has generally consisted of two rooms and a kitchen, in the rest of the country of a single room and a kitchen. In 1910 there were altogether 24,465 *statare*, of whom only a few were women.

### *The Day Labourers*

The day labourers of Sweden are divided into two classes, the *backstugusittare* and *lagenhetsinnehavare*, who own or rent a cottage and plot of land, and the landless men. The former, which is a diminishing group, numbered in 1910 22,658 men and 10,501 women. The number of landless labourers, on the other hand, is increasing; in 1910 they included 94,344 men and 13,022 women. The demand for day labourers, who include both men and women hired for several months and casual seasonal labourers, tends to increase

with the use of machinery. Before the war the seasonal work connected with the rootcrops grown in southern Sweden was to some extent done by immigrants, who came mainly from Poland and Galicia; it was estimated that, from 1911 to 1913, 1,500 Poles and Galicians entered the country every year. But this immigration has now almost ceased.

### Legal Position of the Employed

The position of these several classes of labourers has been variously regulated. About 75 per cent. of those hired by the year, both the *statare* and the men and women lodged and boarded on farms, have generally been engaged by word of mouth, but have been subject to the provisions of an Act of 1833. According to the terms of this Act their engagement lasts for a year, from any 24th day of October; and by a clause, which was not repealed until 1919<sup>(5)</sup>, they were subject to prosecution, if they left their place of work within the year. Their masters are obliged to provide them with suitable food and lodging and to look after them if they are ill; and, after 30 years of uninterrupted service, to provide for them in their old age. Another clause, repealed in 1919<sup>(5)</sup>, exempted employers from any obligation to pay wages until the end of the year; and in certain districts advantage was taken of it to retain a portion of wages until the end of the year, as a guarantee of faithfulness. This proceeding is now illegal. The skilled labourers who are lodged and boarded on the larger properties have usually been hired by special written contracts, which sometimes enumerate their rights and duties in detail. The *torpare* come under the tenant law of 1907. They generally have a written contract specifying the amount and the nature of their rent, whether it consist of money, produce, or services. The term of the contract is the life of the tenant, or a period of years not above 50, and the outgoing tenant has, as a rule, no right to compensation for his improvements. The day labourers are neither protected nor bound by any special laws. When wanted for quite short periods, they have generally been engaged by word of mouth, if for a longer time, by written contract. For immigrants written contracts have been the rule.

### *Employment of Women and Children*

Women's work is very considerable in southern Sweden, where they are chiefly employed in the beet fields. In the east and in the west of the country they are of less importance

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(5) *Sociala Meddelanden*, No. 5, 1919, p. 483.



to agriculture. In 1911, of the total number of agricultural labourers permanently employed on 238 farms, only 6 per cent. were under 18 years of age, but a large number of children do seasonal work, paid by the day.

### *Labour Supply*

An inquiry made in 1919 into the agricultural labour supply in 2,229 of the 2,400 rural communes of Sweden, elicited the fact that this supply was ample in 139, or in about 6 per cent., of these communes, sufficient in 1,301, or in 58 per cent., insufficient in 714, or in 32 per cent., and of uncertain dimensions in 4 per cent. It was ascertained that the supply had become more adequate, in particular between the years 1917 and 1918, and the change was attributed to the lessened needs of industry and to the lack of housing accommodation and scarcity of foodstuffs which obtained in towns and industrial districts. On the other hand, agriculture as an employing industry had in many places to face new competitors in 1918—the turf industry, and the timber-felling temporarily instituted by the Fuel Commission, and there was still an appreciable shortage of agricultural labour, especially in the northern and wooded districts. As in some other countries, this shortage is a modern phenomenon, which first appeared some sixty years ago, when emigration became important.

### *Customary Working Hours*

The working hours of labourers employed in fields and barns, of drivers, whose duties generally include the care of the horses they drive, and of stockmen, also came within the scope of the inquiry.

Day labourers and those employed by the year are classed together in the first of these three groups. They usually had, during the three summer months of 1919, a gross working day of twelve hours, broken by an interval of two hours, i.e. a net working day of ten hours. In the remaining part of the year the working day of the same group averaged eight hours and was exclusive of one hour's interval. There were, however, many local deviations from this norm. In the two southern provinces of Scania and Blekinge and in the more eastern district round Lake Mälaren, the day in summer was shorter and the day in winter longer than elsewhere. There is clear proof that hours of work for field labourers have grown shorter in the course of the nine years covered by inquiries of this kind<sup>(6)</sup>. The greatest changes have

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(6) The reduction is estimated to be one of about half an hour a day or three and a half hours a week.

taken place in the districts where the working day used to be longest.

Drivers were on many farms obliged to spend from half an hour to an hour and a half grooming their horses before the beginning of their working day, which was to this extent longer than that of field workers. Their working hours were none the less stated to be the same as those of the field workers; either because the time they gave to the care of their horses was not counted, or because they were allowed to begin their work a little later than the other men.

The men and women employed among stock had a working day which, throughout 1919, lasted for thirteen or fourteen hours. But for part of this day they had nothing to do but to herd or watch animals; and the day was broken by intervals, ample in length, averaging altogether about three hours; so that their net working day was one of ten or eleven hours.

### Collective Labour Agreements

Trade unionism is well developed among the agricultural labourers both of Denmark and of Sweden; and laws and customs determining the relations between farmers and those they employ are increasingly modified or defined by collective bargaining.

#### DENMARK

The Danish Farm Workers' Union was founded in 1911 with a membership of 784, which had increased by the beginning of 1919 to 38,000. Towards the end of 1918 the farmers also organised, forming the Agricultural and Forest Employers' Association of Denmark, which has four sections for the four districts of the country. These two organisations, which are respectively affiliated to the Federation of Danish Trade Unions and to the Danish Employers' and Masters' Association, concluded an agreement on 13 February 1919. It had force for one year from 1 May 1919, and limited the working day and fixed minimum wages for all classes of agricultural workers.

It was succeeded by an elaborate Agreement which has been in force since 7 May last, and of which the main provisions fall under four heads; they concern the lodging and food provided for farm workers, their hours of work and pay, the settlement of disputes between employers and employed, and the right of association.

#### *The Housing of Farm Servants*

As regards the men and women boarded and lodged in farm-houses, the agreement stipulates that they shall always

be unmarried. They are to have light, airy rooms in good repair, which can be lit in the evenings and heated in winter, and which, if they are arranged after the date of this agreement, shall not be directly connected with the stables. If they already form part of the stable buildings, independent entrances must be provided for them, if this is possible and if their inhabitants so desire. Each room must have a wooden floor, a good table, a wash-stand, and at least one chair and one good bed for each worker. A room may never be shared by more than three persons. The workers are to be given clean sheets at least once a month and clean towels at least once a week. The employer is responsible for the cleanliness, good repair, heating, and lighting of the rooms. The food which workers receive as part of their wages is to be good and sufficient in every respect.

A married man with a family, who is employed and lodged on a farm, must be allotted a dwelling which comprises at least two rooms — three in the case of dwellings built after the date of the agreement—as well as a kitchen and larder and such necessary conveniences as a copper or the use of a wash-house, storage for fuel, sanitary accommodation, the use of a properly covered well having a pump or hoisting apparatus, and a hen-house; all these to be in a good state of repair. Two-roomed dwellings must have at least one good stove, three-roomed dwellings two stoves. Every house must have a garden, or, if this be impossible, the worker must receive suitable compensation. If necessary, an allowance for rent may be granted to a worker in lieu of the lodging to which he is entitled. He must be allowed the use of a cart in which to fetch fuel or the doctor from any point within a radius of four miles and a half of his house, or, if necessary, of seven miles and a half. He has the right to buy from his employer, in so far as supplies are available, milk and potatoes for his own consumption, as well as maize for his fowls and pigs, at wholesale prices. If he be granted the use of land and buildings additional to his house and garden, special clauses of the Agreement regulate the taking of an inventory of such property, when he enters on and leaves it; and he must, when he leaves, receive compensation for those of his improvements which his employer has approved. He must pay rent for the land, at the rate of 40 crowns<sup>(7)</sup> an acre, in the form of deductions from his weekly wages during the six summer months, and his employer must allow him the use of the horses and implements necessary to its tillage. The Agreement further provides that every farm must include a comfortable and sufficiently furnished room, which must be lit and heated in the winter, and in which the workers are able to spend their leisure.

These provisions concern the larger farms on which several

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(7) 44s. or \$10.5 at par.

workers are earning wages. Other clauses stipulate that the single dairyman, often employed on small farms in the county of Maribo and in the diocese of Sjælland, who takes charge of from 15 to 30 milch-cows and a corresponding number of bullocks and calves, and who has done similar work under skilled supervision or in a position of responsibility for at least two years, must be allotted a room to himself, free of charge, wherever possible, and without fail in the case of a newly built farm house.

### *The Limited Working Day*

The working day has been fixed on the principle of setting up a standard day, varying in length with the seasons and broken by compulsory pauses, and of providing that, within certain limits, the employer may exact from the workers overtime paid for at an extra rate.

The agreed day is one of nine and a half hours, falling between six in the morning and half-past five in the evening, from 1 March to 15 November; of eight hours, falling between seven in the morning and five in the evening, from 16 November to 15 February; and of nine hours, falling between half-past six and half-past five o'clock, during the second half of February. In the beet districts it may, if necessary, be lengthened by one hour in the second half of November, to allow the roots to be lifted and carted, provided that it be shortened by half an hour from 15 February to 15 March; and during the six weeks of the harvest season it may last for ten hours falling between eight in the morning and eight at night. Men working with horses are entitled to cease work in time to be able to stable and attend to them within twenty minutes of the hour at which the field workers' day ends. The breaks in the working day are fixed at half an hour for breakfast and from one hour to an hour and a half for dinner. The single dairymen employed on the small farms in Maribo and the diocese of Sjælland are exempt from the rules limiting the working day. Other stockmen receive no overtime pay unless they work more than nine hours and a half, and are expected to work on Sundays and holidays for the same pay as on weekdays; but they have one free day a month, for which no deduction is made from their wages. Milkmaids also enjoy this monthly holiday. After four hours of uninterrupted work stockmen are entitled to a break of at least half an hour for a meal. They receive extra pay for every cow they milk beyond eighteen.

### *Wages and Overtime*

Scales of payment for the agreed working day, for overtime up to two hours, for overtime beyond two hours, and for

all time during which work is done on Sundays and holidays are fixed : (1) for men either hired by the year or the half-year, or engaged by a written contract terminable by mutual agreement between the parties or by either of the parties after three months' notice, whether or not these men are lodged by their employer ; (2) for women belonging to the same class ; (3) for men being casual labourers whose engagement can be determined without notice ; (4) for women being casual labourers whose engagement is similarly terminable. The employer decides when overtime is necessary, but may not demand it without cogent reason, or frequently and at regularly recurring intervals when the work needed could be done otherwise, or every day or every week for a period of more than three weeks. He may decide on the amount of overtime necessary in the harvest season. When the root crops are being lifted, in seedtime, and during steam-threshing which takes place before 15 November, he may require one hour's overtime a day. Certain kinds of work may be regularly done outside the agreed day by the men on the permanent staff of a farm, for pay at a less rate than that normal for their overtime work. Milking and the grooming of horses are paid for at special rates, and scales of pay are fixed for several kinds of piece-work. The time-rates are fixed for men over 18 and women over 16 years of age, and it is permissible to pay at lower rates, by agreement, for the labour of the old or infirm or partially disabled. Children less than 14 years of age may not be employed on machinery or to drive horses.

As far as possible, agricultural labourers must belong to a sick club recognised by the state, and farmers must insure them against accidents under the general law on accident insurance.

### *Arbitration*

As regards the settlement of disputes between workers and employers, the two signatory organisations have agreed that no dispute shall occasion a strike, lock-out, other stoppage of work, or boycott until an attempt has been made at amicable settlement. The Agreement provides, first, that a conciliation board of two members must be chosen, one member by the employers' association and one by the workers' union, and that this board must meet, for the purpose of attempting conciliation, on the spot where the dispute has taken place, within eight weekdays of its reception of a complaint from one or other of the two organisations. Should the conciliation board fail to bring about a settlement, the dispute must be referred to a court of arbitration. No stoppage of work may take place before such reference has been made, unless payment of wages has been suspended, or unless urgent considerations

of life, well-being, or honour are at stake and the parties have failed to agree to refer the matter to arbitration. If the parties disagree as to whether or not the matter in dispute concerns the interpretation of an existing agreement, this disagreement of theirs may be referred to arbitration.

The arbitrating body is a court of five members, of whom two are chosen by the employers' and two by the workers' organisation, and the fifth by these four. The fifth member is chairman and has a casting vote. No person, who has interests in the farm on which the dispute which is to be settled has arisen, may be a member of the court. As a rule, it must meet within six days of receiving an appeal from one or other of the organisations.

All these provisions as to arbitration are, however, subject to the two signatory associations binding themselves to join in any stoppage of work ordered by the organisations to which they are respectively affiliated, the Danish Employers' Association and the Federation of Danish Trade Unions.

### *The Right of Association*

A clause in the Agreement safeguards the unrestricted right of association of employers and employed. It declares that each of the signatory organisations unreservedly recognises the right of the other to exist; that neither of them, nor their individual members, may in any circumstances whatever cause annoyance to any member of the other organisation with the intent directly or indirectly to induce him to leave his organisation.

This Agreement was to be in force until one or other of the signatories should ask for its repeal, giving six months' notice to expire on 1 May in any year. It was accordingly denounced last December, as from 1 May 1921, by the Agricultural and Forest Employers' Association of Denmark<sup>(8)</sup>. Presumably, therefore, an effort will be made to modify it in favour of the employers before the next harvest.

## SWEDEN

### *The Organised Workers*

In rural Sweden the system of collective bargaining has a history which goes back some twenty years. In 1898, the workers on some farms obtained a rise in wages by means of a trade union; and although this union was afterwards discontinued, it was revived in 1904 as the Scania Land-workers' Union and enrolled many members during the next

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(8) *Social-Demokraten*, Copenhagen, 29 December 1920.

four years. In 1906 the Mid-Sweden Landworkers' Union, which more especially included men who worked for enterprises at once farms and ironworks, was formed. In 1908 it combined with the Scania Organisation to form the Swedish Landworkers' Union, which with a membership of nearly 10,000, was admitted to the Federation of Swedish Trade Unions. Meanwhile, the agricultural labourers in several districts, where they were contact with industrial workers, began from 1907 onwards, to conclude collective contracts with their employers. Of these contracts 35 were in force in 1909 and regulated the relations between 92 farmers and 2,095 labourers. But the labourers lost interest in their organisation, when once their wages and their living conditions had been improved. In southern Sweden their solidarity seems to have suffered by the influence of the municipal workers' strike at Malmö in August 1909. After the general strike of 1909 there were so many resignations from the Swedish Landworkers' Union, that it found itself faced with a deficit on its accounts and was obliged to withdraw from the Federation of Swedish Trade Unions. It afterwards led an isolated and precarious existence until 1918; in 1915 only five collective contracts for agricultural labour were being observed. In 1918 the Swedish Landworkers' Union was re-organised. In 1919 it was stated to have 10,000 members drawn principally from the five provinces of South and Mid-Sweden, (Scania, Blekinge, Östergötland, Södermanland, and Västmanland-Dalecarlia), but also from certain parts of Västergötland, Värmland, and Halland. The membership is said now to have reached 20,000. A Landworkers' Union of the province of Uppland was also in existence in 1919 and was stated then to have about 4,000 members. There are now other unions of agricultural and forest labourers in Västmanland and Dalecarlia. A committee met in November to consider the amalgamation of these associations, which will almost certainly take place.

### *The Organised Employers*

On their side, the employers also organised. The Scania Agricultural Employers' Association was the first to be founded and was followed by local associations in most counties. In 1908 a central organisation was formed, the Association of Representatives of Swedish Agricultural Employers. In 1919 about ten employers' associations were in existence, having altogether about 1,500 members, some of them owners of ironworks as well as of farms. A stronger central organisation, the Central Federation of Swedish Agricultural Employers, was formed in 1920.

*The 1919 Agreements*

Agitation for collective agreements and a rise in wages to meet the increased cost of living began in 1919, and led in July, first to a local, and then to a more general strike in Uppland. A number of workers in the neighbouring province of Västmanland followed suit, and, to a less extent, others in Södermanland and Scania. The upshot was that the Government on 1 August 1919 appointed a special Commission to mediate between employers and workers, the Swedish Civil Department making the important proviso that employers must accept the principle of collective contracts. As this principle, which had been the chief point at issue, was admitted, work was resumed, and negotiations were opened at Stockholm on 8 August.

The national Agreement subsequently concluded between the employers and the workers was general in its scope, but was completed by several local agreements, one for Uppland and Södermanland, one for Västmanland, one for Scania, and one for Östergötland, of which the last was drawn up without the intervention of the Commission. The national Agreement was declared to have force from 24 October 1919 to 24 October 1922, and subsequently from year to year unless notice of its termination, together with a proposal for a new agreement, were sent by one of the signatory parties to the other, three months before any 24th day of October.

*The Housing of Farm Servants*

The Swedish national Agreement contains no stipulations as to the accommodation provided for workers who are boarded and lodged by the farmers, and the local agreements of 1919 made far less full provision on this point than the Danish Agreement. The local agreements did, however, enact that the dwellings of *statare* must consist of at least a room and a kitchen and have an adjoining garden and potato patch, and that allowances of fuel and litter must be given to these workers in addition to their wages in kind and money. *Statare* and their families were also to receive free medical attendance, were entitled to fetch a doctor or midwife to their house free of charge, and were allowed free transport to their place of employment.

*Holidays and Hours of Work*

The national Agreement provides that all workers are entitled to cease work at noon on the eve of Christmas Day, New Year's Day, Easter Sunday, Whitsunday, and Midsummer's Day; that the first Saturday of June be a general



holiday ; that workers shall be allowed the free time needed to register their municipal votes ; that they be allowed a 'seven days' holiday in each year, this holiday not to fall during harvest or in seedtime and to be capable of being divided, by agreement between employer and worker, into at least two portions; that stockmen must have a whole holiday at least every third Sunday. The national Agreement leaves the length of the normal working day to be fixed locally, but it lays down that an employer or his representative may exact overtime paid for at an extra rate per half-hour, this rate to be determined by local agreements. It also states that work done between nine in the evening and five in the morning must be paid for at a rate 50 per cent. higher than the ordinary rate for overtime. Like the Danish Agreement, the Swedish national Agreement states that stockmen have no right to overtime pay for their work among stock; it declares also that overtime pay is not earned either by the care of horses preceding a normal working day, or by work necessitated by fires, floods, serious illness, or similar causes. By leaving all further limitation of the working day to be made locally, the national Agreement keeps that elasticity which the very varied character of the Swedish soil makes essential, but which is less needed in Denmark. In 1919 the only stipulation made in this connection in the local agreements was that all work in the fields should not begin before seven in the morning, and should cease at six on Saturday evening during the six summer months; which certainly did not amount to any attempt to adapt the 8-hour or 9-hour day to agriculture.

### *Wages and Hiring Contracts*

The national Agreement stipulates that minimum normal wages must be fixed locally for the following categories of workers over 18 years of age : (1) *statare* who are carters ; (2) *statare* who are stockmen, drivers, and stablemen ; (3) farm servants lodged and boarded by their employers; (4) day labourers who receive free lodging and an allowance of fuel ; (5) day labourers who receive only money wages ; (6) milkmaids. The local agreements include scales of pay accordingly. Otherwise the national Agreement regulates wages by a clause which rules that 55 per cent. of the total annual wages must be paid during the summer, and 45 per cent. during the winter, half-year, the intention being to prevent workers from leaving their place of employment in the spring, and by a provision that work may be paid for at piece-rates by a special arrangement with the employer.. As to the workers' legal status, the national Agreement lays down that they must be engaged by personal contract, either for a definitive period or until one of the contracting parties gives notice to the other. But as contracts may be drawn

up according to the Act of 1833 (<sup>9</sup>), the status of workers is not necessarily modified by this new method of engaging them.

Employers must insure their workers against accidents under the terms of the general law on accidents. If they are disabled by an accident, the employers must provide them with free medical attendance and drugs, and with sick-pay, so long as such pay together with the insurance-benefit does not exceed the wages they normally receive when in health.

### *Arbitration*

As regards the settlement of disputes touching the interpretation and execution of agreements, the national Agreement stipulates that no strike, lock-out, other stoppage of work, or boycott can take place until there has been discussion between the parties involved. If they fail to agree, the point in dispute must be referred to the local organisations, and from them, if they too cannot agree, to the national organisations. If the national organisations fail to come to a settlement, each of them must appoint two arbitrators, and these will appoint a fifth, who shall be chairman. If they cannot agree on the choice of this chairman, he shall be appointed under the terms of the Arbitration Act. The award of the Court of Arbitration thus constituted shall be binding in all circumstances. Half the costs of arbitration shall be paid by either disputant.

### *The Right of Association*

The national Agreement formally recognises the right of association of employers and of employed. It places a certain small restriction on this right, by declaring that an employer shall not be considered to have violated it if he prevent certain workers from joining the Agricultural Workers' Union, namely, workers engaged exclusively for his personal service, and the foreman or manager who represents him in his capacity of employer. In particular he may, when engaging a manager of his outlying land, stipulate that such manager do not join the Workers' Union, however active a part he may take in the actual work of tillage.

### *The 1920 Agreements*

In spite of the terms thus secured by the national and local agreements of 1919, the rural labouring class remained unsatisfied, and the continued high prices fostered their discontent.

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<sup>9</sup>) See p. 104.

In 1920 another strike of agricultural labourers led to the appointment of a second Government Conciliation Commission. No new national agreement was obtained and most of the workers have continued to observe that of 1919. Local agreements have, however, been concluded or amended in nearly all provinces. Södermanland and Värmland and Skaraborgslän in the province of Västergötland, where so far it has been possible to conclude agreements only applicable to small districts and unsanctioned by the big organizations, are exceptions. The local agreements were given force for one year from 24 October 1920; they may not be denounced by either party except after four months' notice, and negotiations for a new agreement may not begin until within a month of the last day at which this notice takes effect.

The new Agreements, signed between 30 August and 17 September of last year in the provinces of Uppland, Scania, Halland, Alvsborgslän in Västergötland, Östergötland, Närke, and Västmanland, represent an advance, from the point of view of the workers, on those of 1919. They fix higher rates of wages, make larger provision for the lodging of workers, and definitely limit the working day.

### *Housing of Farm Servants*

They provide that the *statare* must be lodged in a house containing two rooms and a kitchen, or only one room and a kitchen provided that the floor space of the dwelling have an area of at least 375 square feet. On farms where lodging cannot be provided on this scale, the workers have the right to an annual payment, of which the amount varies with the extent to which the accommodation falls short of the agreed standard. It is also stipulated that these dwellings must be healthy and in a good state of repair, and must admit of being heated, that conveniences for storage, washing, and sanitation must be provided, that they must have pigstyes and a potato patch. The workers lodged and boarded by the farmers must have warm and suitably furnished rooms, and each of them must have his own bed and bedclothes. A farmer must provide necessary medical attendance for any man or woman whom he engages for a month or longer.

### *The Limited Working Day*

In Central Sweden the total working year comprises about 2,650 hours, the working day, exclusive of intervals, being limited to seven hours and a half in December, to eight hours in November and January, to eight hours and a half in February, to nine hours from the beginning of March to the middle of April and during October, and to ten hours from

15 April to 30 September. In Scania there are about fifty hours more work in the year, the average number of hours of work in the day being limited to eight from 1 December to the end of February, to nine from 1 October to the end of November, and to ten from 1 March to the end of September. These agreements all stipulate that the working day must not begin before seven in the morning nor end after seven in the evening. On Saturdays it must end at six and may not last more than nine hours. A working day of more than nine hours must be broken by a dinner interval of an hour and a half, one of nine hours or less by an interval of one hour. Except in Scania, work is also interrupted by pauses of a quarter of an hour for coffee drinking, two when the day lasts more than nine hours and one when it is shorter. Apart from these stipulations, the employer may decide how the hours of the working day are to be distributed. He may even, in the cases of certain special kinds of work, disregard these stipulations and arrange working hours according to an established custom. Stockmen and milkmaids are not subjected to the ordinary rules which limit the working day, but the agreements state that a stockman must not work for more than ten hours a day as a general rule, while his regular working day may never exceed eleven hours, and that milkmaids are not bound to milk more than a fixed quantity of milk. The agreements allow the employer, in the written contracts by which he hires his workers, to stipulate for overtime, for which he pays proportionately increased wages. Such overtime may not exceed half an hour a day for four months or one hour for two months, and may never occur in the months during which the normal working day lasts ten hours. It is further stated that no provision of the agreement is intended to prolong the working day previously customary.

### *The Right of Association*

A resolution passed by the two disputant parties, as an addition to these Agreements, aims at securing the right of association which the lingering force of custom and tradition rendered uncertain. It states that this right is violated by the dismissal of a worker on the ground that he is a leader or a member of an organisation, and therefore by an employer's refusal to furnish, through the medium of his organisation, to the worker's organisation, his reasons for the dismissal of this worker.

### *Arbitration*

The clauses in the national Agreement which refer to the settlement of disputes are confirmed by the new provincial agreements.

*A More Advanced Local Agreement*

Evidence that at least some of the land workers are not yet contented, that they still hope for a revision of the national Agreement in their favour, is furnished by an agreement which some hundred workers in the province of Södermanland lately concluded with certain individual employers and which, though not confirmed by any organisation, is intended to remain in force for one year from 24 October 1920. This agreement lays down that all workers lodged on farms may demand that the accommodation provided for them be inspected, the employers paying two-thirds, and the workers' organisation one-third, of the costs of the inspection.

The same agreement limits the working day to seven, eight, or nine hours, according to the season, and specifies the times at which it must begin and end, and at which it must be broken by intervals.

Meanwhile, the Farmers' Parliamentary Group is bringing forward motions for legislation as to labour agreements in agriculture. The intention is to obtain a law which would be consonant with modern needs and therefore lessen the need for strikes and collective bargaining, and which would stipulate for intervals before stoppages of work could take place, and for compulsory arbitration whenever the legal purport of a collective agreement were in dispute <sup>(10)</sup>.

These Scandinavian agreements show the standard of living demanded by Danish and Swedish labourers in common : each man or woman boarded on a farm to be well fed and to sleep in a clean, warm, and healthy room, in a separate bed; married men to be lodged in houses which are in good repair, which contain at least two rooms and a kitchen, and which have a garden and outhouses attached to them.

The number of working hours in the year are fewer in Denmark than in Sweden, since from March or April until the end of September the agreed working day lasts ten hours in Sweden, but in Denmark, except for the six harvest weeks, only nine and a half hours. This difference is not quite counterbalanced by the fact that in Denmark the December day is a little longer than in Sweden, while the long Danish working day of nine hours and a half is in force for six weeks longer than the corresponding Swedish ten hour day. The minimum working day is one of seven hours and a half in Sweden, of eight hours in Denmark. In both countries the agreements allow overtime within certain limits, to be paid for at extra rates.

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(10) *Industria*, Stockholm, 22 February 1921.

In Denmark the right of association is not limited, but in Sweden a probably unimportant reservation in the national Agreement leaves some personal servants and managers without this right.

Finally, the agreements of the two countries contain similar provisions for the amicable settlement of disputes between employers and employed.

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 Memorial on certain labour questions in Swedish agriculture, kindly communicated by Dr. Bertil Nyström, Chief of the Section for Agricultural Statistics in the Swedish Ministry of Labour.
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## Financing of Food Production in the U. S. A. <sup>(1)</sup>

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THE Washington Wheat Growers' Association is a non-profit co-operative association, organised for the purpose of marketing the wheat of its grower-members in the Pacific Northwest, without speculation or manipulation. During the great financial stringency of this winter, this co-operative association found it necessary to provide a method for securing funds for its members. The result of this necessity was the issuance of commodity bonds, under which the actual growers of the country have, for the first time, been able to finance themselves by direct contact with the investing public.

Under the specific contracts of the Association, the growers were obliged to deliver their wheat to public warehouses or elevators. There they received the usual warehouse receipts or grain tickets, specifying the quantity and grade of wheat. Then they drew ordinary drafts against the Association for an agreed amount, ranging between \$1 and \$1.25 per bushel. The Association accepted the draft. The grower then took the draft to his local bank and discounted it, secured by the collateral of the warehouse receipt, at the current discount rates. If the bank were not a member of the Federal Reserve system, it kept the paper or sold it to its city correspondents, and in due course the drafts were paid or renewed. As of old, the drafts were for ninety-day maturity. In some instances they ran for six months, the limit allowed by law for paper re-discountable as agricultural paper through the Federal Reserve system. There the drafts were discounted by members of the Federal Reserve system, the banks re-discounted the paper with the Federal Reserve Bank, and the paper moved into the usual channels of finance.

As a whole, the country banks of the Northwest gave real support to the growers and did everything within their power to help them minimise speculation. But in many counties wheat is practically the only cash crop. All demands for money, therefore, came at one time, and some banks reached their re-discounting limit with the Federal Reserve Bank, and could not get more money to lend to the growers in their districts. Nevertheless, it was vital to secure some money for the grower-members of the Association, to enable them to pay off the costs of producing the wheat and the actual food bills for mere existence.

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(1) Reprinted from the article by Mr. Aaron SAPIRO in the *Survey* New York. 12 March 1921.

Mr. Jewett, the manager of the Washington Wheat Growers' Association, thereupon evolved the wheat gold bond. He arranged for the issuance of \$500,000 in bonds, dated 1 December 1920, and payable 1 June 1921, bearing interest at the rate of 8 per cent. per annum, signed by the Washington Wheat Growers' Association and the Idaho Wheat Growers' Association. These bonds are a direct obligation on the part of these associations. The bonds were handed over to the Lincoln Trust Company at Spokane under an express trust agreement. The Company agreed to deliver back to the wheat growers' associations \$1 in bonds upon delivery to the company of warehouse receipts or grain tickets covering a bushel of wheat. Thus the Trust Company would deliver to the Washington Wheat Growers' Association \$10,000 in bonds running in face value from \$100 to \$1,000, if the Association would deposit with the Company warehouse receipts covering at least 10,000 bushels of wheat.

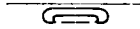
Arrangements were made for protecting the bond-holders in the event of any extraordinary decline in the value of wheat, all as indicated on the face of the bond. As wheat receipts were delivered to the Trust Company, bonds were delivered to the Wheat Growers' Association. The Association then proceeded to sell the bonds, and has sold every single bond delivered to it at par plus accumulated interest. These sales were made to investors in and about Spokane.

These short-time bonds, each secured by a non-perishable commodity, appealed to the investors of Eastern Washington as a safe security, with far better interest than that which savings-banks or other similar institutions could pay. This bond is perhaps the wedge of a new financial system, under which the growers of the country can first exhaust the usual Federal Reserve channels and then tap the great resources of the investing public, directly and without the intervention of speculators, for the orderly merchandising of their crops. Bankers and experts on bonds and commercial paper have given unstinted praise to this new development. Commodity bonds, however, would be dangerous without stabilising forces behind them, such as co-operative marketing associations. They would be unwise with anything except non-perishable products, of universal use and of constant current market value.

The Eastern investor has frequently taken millions and millions of dollars of short-time commercial paper issued by the Chicago packers and other manufacturers, with the general credit of the packers or manufacturers behind them and nothing more. These commodity bonds, each secured by a specific non-perishable product, readily salable and universally valued, should prove far more desirable, on account of better return as well as greater security, than any short-time paper issued in the United States, except United States



treasury certificates. In the opinion of students of co-operative marketing and co-operative financing, and especially in the judgment of H. G. Coykendall, the most important co-operative manager on the Pacific Coast, the issuance of commodity bonds by the Washington Wheat Growers' Association is the most progressive point reached by the co-operative movement in the last three years.



# BOOK NOTES

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## OFFICIAL PUBLICATIONS

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### INDIA

DEPARTMENT OF INDUSTRIES. *Bulletins of Indian Industries and Labour: The International Labour Organisation*. 123 pp. Calcutta. 1921.

The series published under the title of the *Bulletins of Indian Industries and Labour* by the Government of India includes a special bulletin (No. 4) on the International Labour Organisation. An excellent account is given of the history of this body up to, and including, the holding of the Washington Conference; various verbatim documents are added, such as the Report and Resolutions of the Commission on International Labour Legislation, the Washington Conventions and Recommendations and Agenda. A special chapter, called "An Account of the Washington Conference", is set aside for a description of the Indian delegation to that Conference and a discussion of the particular problems affecting India; the writer of this chapter is Sir A. R. Murray, C.B.E., President of the Bengal Chamber of Commerce and employers' representative at Washington. Sir Archibald Murray has also written another exceedingly lucid and interesting chapter on "Steps towards the Constitution of an International Labour Organisation".

### ROUMANIA

MINISTÈRE DE L'INDUSTRIE ET DU COMMERCE: OFFICE DES ÉTUDES ET ENQUÊTES. *La Roumanie économique*. (MINISTRY OF INDUSTRY AND COMMERCE, DEPARTMENT FOR RESEARCH AND INQUIRY. *The Economic Condition of Roumania*). 173 pp. Bucharest, F. Göbl. 1921.

In this book, edited by Dr. Marcel Nitzsescu in collaboration with a number of experts, we have a collection of general and detailed studies of the different branches of the economic activities of Roumania, supported by very complete data. There are interesting articles, illustrated by voluminous statistics, describing the present situation and future prospects of Roumania as regards agriculture, commerce, finance, mining, transport and communications, the press and general publishing. The book is completed by a series of statistical tables giving very exact information on agriculture, forestry, live-stock, fisheries, commerce, finance, co-operation, people's banks, the industrial situation, state monopolies, railways, shipping, posts, telegraphs, and telephones.

### UNITED KINGDOM

REPORTS OF THE INDUSTRIAL FATIGUE RESEARCH BOARD, No. 11. *Preliminary Notes on Atmospheric Conditions in Boot and Shoe Factories*. 69 pp. and diagrams. London, H.M. Stationery Office, 1921. 3s.

The Industrial Fatigue Research Board was appointed early in 1918 by the Department of Scientific and Industrial Research and the Medical Research Committee jointly, with the following terms of reference: "To consider and investigate the relations of the hours of labour and of other

conditions of employment, including methods of work, to the production of fatigue, having regard both to industrial efficiency and to the preservation of health among the workers". The present report is based upon observations made in a number of boot and shoe factories under varying conditions, and also, for purposes of comparison, in an aircraft doping-room. It describes fully the practical use, as an indicator of atmospheric conditions from the physiological aspect, of the "kata-thermometer", which is used to measure the cooling power of the air, in order to correlate it with fatigue and production; the observations made by the Board are the first systematic attempt to investigate this particular aspect of ventilation. The report summarises the conditions existing in different departments, in factories of different types (single and multi-storey), in summer and winter, and gives provisional conclusions and suggestions as to the conditions of temperature, humidity, and air motion which are most suitable for various processes.

## UNITED STATES

WOMEN'S BUREAU, DEPARTMENT OF LABOR. *Bulletin No. 11. Women Street Car Conductors and Ticket Agents.* 90 pp. Washington, Government Printing Office. 1921.

The results of a survey of the hours, wages, and conditions of work of women conductors and ticket agents on street railways in Detroit (Mich.), Kansas City (Mo.), Boston, and Chicago.

## NON-OFFICIAL PUBLICATIONS

AMONN, Dr. Alfred. *Die Hauptprobleme der Sozialisierung (The Chief Problems of Socialisation).* 111 pp. Leipzig, Auelle und Meyer. 1920. 3.50 Mk.

This book deals with the relation between theoretical socialism and practical socialisation. After a discussion of the principle of socialisation, the author describes its basis, conditions, methods, scope, and limits. He suggests transition from theory to practice by expropriating means of production at present in the hands of private interests and handing them over to the control and management of the community. After a brief reference to the distribution of production in a socialised economy and the future prospects of socialisation, the author summarises the attempts hitherto made to effect this reform. An appendix gives the text of the most important laws on socialisation.

ASKWITH, Lord. *Industrial Problems and Disputes.* 494 pp. London, John Murray. 1920.

Lord Askwith has been concerned as arbitrator or conciliator in a very large number of the industrial disputes in Great Britain during the last thirty years. In this volume he gives an account, based mainly on his own experience, of the history of these disputes, from the Dockers' Strike of 1889 to the Railway Strike of 1919. He is strongly opposed to political interference in industrial questions, and uses the events he describes to support his belief in the possibility of preventing industrial war and reducing the causes of industrial strife by better education for the young and better vocational training and selection, by increased contact between employers and employed, creating increased common interests, by a system whereby each industry shall assume responsibility for its own problems, including the problem of unemployment, and by the growth of facilities, and the will to use them, allowing of honourable and straightforward methods of conciliation in all kinds of industrial difficulties and disputes.

BÜLOW, Friedrich. *Die Entwicklung der Hegelschen Sozialphilosophie (The Development of Hegel's Social Philosophy)*. 156 pp. Leipzig, Felix Meiner. 1920.

The author proposes to trace the development of Hegel's social philosophy up to the elaboration of his complete system. This study is followed by a concise summary of the main principles of the complete Hegelian system. Passages particularly worthy of note are those dealing with theological works written by Hegel in his youth, and with the significance of the "phenomenology of the mind" in his system of social philosophy.

COMPÈRE MOREL. *Le Socialisme agraire (Agrarian Socialisation)*. 176 pp. Paris, Rivièrre. 1920. 9 francs.

The author compares the statistics of production in French agriculture with the those in other agricultural countries and points out that the results obtained in France are inadequate. He then considers what conditions are necessary to the development of French agriculture, and reviews in turn the problems connected with the amalgamation of small holdings, the use of motive power in farming, the employment of hydraulic power for the improvement of drainage and irrigation, manures, forestry, agricultural societies, and technical agricultural education. The second chapter describes the socialist programme of agrarian reform: state intervention to restore agriculture by a system of co-operation between public authorities and producers; complete recognition of the agricultural trade unions and extension of their rights; revision of leases in favour of tenant farmers; limitation of distraints; reform of the *métayage* system; also the execution of a programme of general and fiscal reforms.

DELISLE BURNS, C. *International Politics (Library of Social Studies Series, edited by G. D. H. Cole)*. x+181 pp. London, Methuen & Co. 1920. 6s.

A compact statement of the international situation, and the chief problems which arise in international politics, by a well-known writer on political science questions. In Part I an account of the Great Power system is followed by an analysis of the problems arising from the contact of states differing in race, religion, social and economic development, one chapter being devoted to undeveloped countries, and another to international trade. Part II describes the organisation of international relations—diplomacy and official and unofficial international organisations, especially the League of Nations and the International Labour Office, together with a brief chronological sketch of the socialist Internationals and the international trade union movement. The volume contains a bibliography (pp. 184-186), and several useful statistical tables.

FEID, R. C. *Humanising Industry*. 390 pp. New York, E. P. Dutton & Co. 1920.

Cast in the form of a story, this book recounts the difficulties and ultimate success of an attempt to humanise an American factory where industrial relations were thoroughly bad. An employer who can see no good in his employees and a foreman who sees ulterior motives in everything done by this employer come gradually to co-operate, through the arguments and constructive work of a friend of the employer with a thorough knowledge of men and industry. Safety, health measures, education, housing, profit-sharing, and industrial representation are among the questions incidentally dealt with.

FONTEGNE, Julien. *L'orientation professionnelle et la détermination des aptitudes (Employment Classification and Ability Assessment)*. Preface by F. Buisson. 263 pp. Paris and Neuchâtel, Delachaux et Niestlé. 1921. 8 francs.

We have here a minute and detailed study of a problem of to day, namely, the transition from the school to the factory. In order to solve this problem,

the author considers in detail the factors, often almost overlooked, which should determine the choice of a vocation; on one side, the child's physical and mental abilities, his interests and tastes; on the other, a complete knowledge of a vocation and the abilities which it requires, in such a way as to supply "the apprentice with a suitable vocation and the vocation with a suitable apprentice". Following on this theoretical study, the second part of the book deals with practical considerations, describing first the methods employed in France and abroad to assess the abilities on which will depend the quality of the work and the success of the worker; secondly, various attempts at practical application in the transport, tramway, aviation, and automobile industries, and in various industrial and commercial vocations. A minute study is given of the selection and classification of telephone employees, and the educational aspect of the problem is also considered. A number of appendices complete this very detailed work.

FRANÇOIS-PONCET, André. *Une formule nouvelle; le contrôle syndical* (*The new Call for Workers' Control*). 18 pp. Paris, Société d'études et d'informations économiques. 1921.

In view of the refusal of the employers' association in the mining and metallurgical industries in France to concede the demand, submitted to it by the French Federation of Metal Workers, for the establishment of trade union control in the factories, the author considers the scope and the consequences of this new idea, and criticises the proposal put forward by the workers' organisations. He considers that the solution of the problem is to be found in such institutions as workers' delegates.

GODDARD, H. H. *Human Efficiency and Levels of Intelligence*. 128 pp. Princeton, Princeton University Press; Oxford, the Clarendon Press. 1920.

The thesis of this book is that the chief determiner of human conduct is intelligence, which is a natural attribute not greatly affected by later influence. The United States Army Tests of Intelligence are given as an example of the grading of intelligence. The application of such grading to various social problems is discussed.

GOODRICH, Carter L. *The Frontier of Control: A Study in British Workshop Politics*; with a Foreword by R. H. Tawney. xvi+277 pp. London, George Bell; New York, Harcourt, Brace and Howe. 1920. 7s. 6d.

The author, who is an American, set himself the question: "What is the present extent, and what are the boundaries, of the control over industry exercised by British workers and their organisations?" He answers it by an analysis of industrial relationships, of the rules enforced by trade unions and employers' associations, of the varying conditions which together constitute "the custom of the trade" in each particular industry, and of the changes in all of these which took place during the war. The book is a competent and impartial survey of facts, and is based largely on first-hand information obtained from members of Whitley councils and boards of control, trade boards and Royal Commissions, trade unions, and employers' associations. It contains a very large amount of detailed information which has not before been collected; in particular, it summarises the experience of the last five years on the importance for economic progress of the condition of corporate consent on the part of the workers.

HERBELOT, L., and FRANÇOIS, G. *Les monnaies, les changes et les arbitrages* (*Currencies, Foreign Exchanges, and Arbitration of Exchanges*). 237 pp. Paris, Gauthier, Villars et Cie. 1921.

This book is intended to familiarise the reader with foreign exchange operations. One chapter is occupied with a study of the causes affecting the rate of exchange, the effects of these fluctuations, and the various measures suggested for restoring stability to countries with a depreciated currency.

HERBELOT, L., and FRANCOIS, G. *Barèmes pratiques sur les changes, les monnaies et les arbitrages* (*Practical Tables for use in connection with Foreign Exchanges, Currency, and Arbitration of Exchanges*). 180 pp: Paris, Gauthier, Villars et Cie. 1921. 13.50 francs.

This is an appendix to *Currencies, Foreign Exchanges, and Arbitration of Exchanges*. It comprises a general table of the different monetary systems, together with tables of rates of exchange, conversion tables, tables of interest, and several others of value for the rapid solution of problems of foreign exchange.

HILL, David Spence. *Introduction to Vocational Education*. 483 pp. New York, Macmillan. 1920.

The question of vocational education in its various aspects, including its relation to general education, democracy, and social problems, its application to individuals, to society, and to particular forms of human labour is dealt with scientifically. Quotations from a large number of authorities and references to a very full bibliography stress the introductory nature of a book, which is designed to be of service to teachers and students of education, as well as to the general reader.

INDUSTRIAL RELATIONS ASSOCIATION OF AMERICA: *Proceedings of the Annual Convention, 1920*.

Under the auspices of the Industrial Relations Association of America, a convention of employment and personnel managers was held in Chicago during May 1920. The Association includes nearly two thousand members, grouped in local associations throughout the States. In the general sessions of the Convention speeches were made by prominent men and women of all shades of opinion on various general questions of interest to employment managers. In the sectional and subject meetings, questions affecting particular trades were discussed, as well as special subjects, such as apprentice training, mental tests, shop and works committees, wages and wages levels. The resultant exchange of facts, experiences, and ideas not only proved of value to those present in the carrying on of their work, but provides some of the most up-to-date information available on the subject of employment management.

INTERNATIONAL TRANSPORT WORKERS' FEDERATION: *Documents*. (1) *Wages, Working Hours, and Conditions of Employment on Railways in Austria, Holland, Sweden, Spain, Belgium*. 24 pp. (2) *Wages, Working Hours, and Conditions of Employment of Transport Workers in Great Britain, Sweden, Holland*. 21 pp. Amsterdam, International Transport Workers' Federation. 1921.

The voluminous reports which the International Transport Workers' Federation (I. T. F.) issued before 1914 have now been replaced by a series of useful pamphlets, each dealing with some particular side of the movement or of the conditions of labour in various countries.

KAMPPMEYER, Paul. *Die Sozialpolitik im Lichte der Kulturentwicklung; Geschichte, Politik, und Literatur der Sozialdemokratie* (*The Contemporary Development of Socialist Policy: History, Policy, and Literature of the Socialist Movement*). Fifth edition, revised and corrected. 165 pp. Berlin, Buchhandlung Vorwaerts. 1920.

In this book socialism is treated entirely as a working-class movement. The theory and practice of socialism underwent a profound change in the course of the last century; it developed its connections with trade unionism and co-operation; it widened and deepened its outlook on municipal policy; it started an entirely new housing policy, and took up the land problem;

commencement of the Conference, and noting the state of public opinion in the United States at that time, the author outlines the results achieved by the Conference, the resolutions adopted, as well as the formation of the Governing Body of the International Labour Office, and emphasises the incalculable social significance of this new institution.

MELLOR, William. *Direct Action*. 156 pp. London, Leonard Parsons. 1920. 4s. 6d.

The author, who is the Industrial Editor of the *Daily Herald*, gives in this book the philosophic reasons in support of Direct Action. He argues that the salient fact of civilisation to-day is the class struggle, and that this struggle is primarily economic and must be fought out with economic weapons. He examines the practical consequences of this theory, including the general or partial strike, sympathetic action, and sabotage, and issues a challenge not merely to the present system of production, but to the methods and organisation of the constitutional labour movement, on which he urges the necessity for a philosophy, a coherent aim, and some form of General Staff to co-ordinate and carry out its objects.

MYERS, Charles S. *Mind and Work: The Psychological Factors in Industry and Commerce*. 204 pp. London, University of London Press. 1921. 6s.

Dr. Myers is the well-known Director of the Psychological Laboratory at Cambridge, and a member of the Industrial Fatigue Research Board; during the war he was consulting psychologist to the British Expeditionary Force. This book, which contains the substance of various lectures delivered during the past two years, gives a short, but clear and authoritative, account of the relation of psychology to the well-being and efficiency of industrial and commercial workers. The subjects discussed are Movement, Fatigue, and Selection Study; Restriction of Output (restriction both by employers and employees, either deliberate or unconscious; and suggested remedies); Systems of Payment; and Industrial Unrest. The importance of the psychological factor in all of these is emphasised, and examples are given of the most important psychological tests used, and of their value in substituting scientific methods of universal validity for individual, and often capricious and prejudiced, opinions; the objections raised by both employers and workers to their adoption are considered, and suggestions made for meeting these objections. Each chapter is followed by a list of books.

POSTGATE, R. W. *The Workers' International*. 125 pp. London, Swarthmore Press. 1920. 2s. 6d.

A history of labour internationalism, from the second quarter of the sixteenth century to 1920. On the First International the author has consulted the Minute Book and other documentary sources. Appendix with lists of participating societies, congresses, etc., and annotated bibliography.

SAWYER, Dr. *Fundamental Requirements for successful Medical Work in Industry*. From *Modern Medicine*, Chicago, January 1921.

The fundamental conditions for the success of medical work in industry are here precisely defined by Dr. Sawyer, Medical Director of the Eastman Kodak Co. There should be sympathetic co-operation on the part of the executive head of an establishment, an adequate and competent staff, an equipment adapted to the requirements of the works, a consistently progressive programme, and an ideal. The first condition is a complete and detailed physical examination of workers. This should include an initial medical examination with a view to the engagement or non-engagement of the worker and to informing him of his physical disabilities.

finally, the socialist position with regard to commerce, taxation, and colonial policy was precisely defined. The object of this book is to present these problems and their development to the reader in a concise and objective form, up to the date of the German elections of June 1920.

KASKEL, Walter. *Das neue Arbeitsrecht; systematische Einführung (A Systematic Introduction to recent Labour Legislation)*. Second Edition. xvi + 323 pp. Berlin, Julius Springer, 1920.

The author makes a systematic analysis of the new labour laws in Germany, but abstains from any discussion of politics. He points out the juridical principles underlying the different laws, and analyses them as part of a single system. This is an essential preliminary to the strict application or systematic study of labour legislation, also to the establishment of a labour code.

In the introduction the author deals with the origin, principles, and objects of the new labour legislation. He then proceeds to discuss the problem of the supply of labour, and in this connection analyses the function of the state, such as providing improved employment exchanges, bounties to agriculture, relief works for the unemployed; also the duties of the employer, such as making compulsory notification of vacancies, agreeing to the prohibition of the employment of agricultural workers in industry, arranging for the absorption of ex-Service men, and so on. After considering unemployment and sickness insurance, and regulation of hours and wages, as well as labour organisation, the author discusses the serious problem of labour disputes. He deals with legislation affecting particular industries such as agriculture, domestic service, mines, and home work. In an appendix he gives a clear summary of the new international labour legislation, with special reference to the International Labour Organisation. A very detailed index adds to the usefulness of the book.

LEITCH, John. *Man to Man*. 249 pp. London, G. P. Putnam's Sons. 1920.

The theory and practice of what is known as the Leitch Plan of industrial democracy is described in detail. This plan amounts to a system of representation of employees, modelled on the House and Senate of the U. S. A. Any saving in working costs is divided equally between the company and the workers, these "dividends" being paid fortnightly or at some such frequent interval. By thus enlisting the confidence and goodwill of all employed, it is claimed that the introduction of industrial democracy and strict adherence to its spirit has in every case brought at least five changes: increase in production; decrease in the cost of production; decrease in the labour turnover; a reputation throughout the community as a desirable place to work in and consequently a greater ease in hiring men; immunity from strikes and other labour troubles.

MAHAIM, Ernest. *L'Organisation du Travail de la Société des Nations. et la Conférence de Washington (The Labour Organisation of the League of Nations and the Washington Conference)*. (*Extrait de la Revue économique internationale*: reprinted from the *Revue économique internationale*). 65 pp. Brussels, 'Goemaere. 1920.

The author, who was Belgian Government delegate at the Washington Conference, describes the circumstances in which the Permanent International Labour Organisation was created under the terms of the Peace Treaty. This clear historical sketch is in two parts. The first deals with the scope, composition, and work of the International Commission on Labour Legislation attached to the Peace Conference. This Commission had to draft a convention setting up a permanent organisation for the international regulation of labour and in addition to draw up the general principles of a Labour Charter.

The second division of the book contains a report of the Washington Conference. After considering the organisation, composition, and



# I. THE METRIC AND BRITISH SYSTEMS OF WEIGHTS AND MEASURES (')

A. Metric Measures in terms of British.			B. British Measures in terms of Metric.		
UNIT	EXACTLY	ROUGHLY	UNIT	EXACTLY	ROUGHLY
<b>A. Linear Measures</b>					
Millim.	0.0394 inches	one 25th of an inch	Inch	25.399 mm.	4 in. = 10 cm.
Centim.	0.3937 "	10 cm. = about 4 in.	Foot	30.479 cm.	30 cm.
Metre	39.371 "	11 metres = 12 yards	Yard	0.9144 metres	11 yards = 10 metr.
Kilom.	0.6214 miles	5 furlongs	Mile	1.6093 km.	5 miles = 8 km.
<b>B. Square Measures</b>					
Sq. Metre (centiare)	1.196 sq. yds.	1 1/2 sq. yds.	Square Inch	6.451 sq. cm.	
Are	3.954 poles	10 ares = 1/4 acre	Square Yard	0.836 sq. metr.	6 sq. yds = 5 sq. metr.
Hectare	2.471 acres	2 1/2 acres	Acre	0.40467 hect.	1 acre = 2 1/2 hect.
			Sq. Mile	2.5899 sq. km.	100 sq. miles = 260 sq. km.
<b>C. Measures of Capacity</b>					
Litre	1.76 pints	4 1/2 litres = 1 gallon	Pint (liquid)	0.5679 litres	1 litre = 1 1/4 pints
Décalitre	2.201 gallons	5 décalitres = 11 gallons	Quart (liquid)	1.1359 "	—
			Gallon (liquid)	4.5435 "	4 1/2 litres
Hectolitre	22.01 "	22 gallons	Peck (dry)	9.087 "	22 gallons = 1 hectol.
			Bushel	36.34766 "	9 litres
					36 litres
<b>D. Measures of Weight</b>					
Gramme	0.353 oz.	454 grs = 1 lb.	Ounce	28.35 grs.	7 oz. = 200 grs.
			Pound	453.59 "	1/2 kilo
Hectogr.	3.527 "	nearly 1/4 lb.	Hundred-weight	50.802 kilos	22 lbs = 10 kilos
Kilogr.	2.2046 lbs.	5 kilos = 11 lbs.	Short Ton (2000 lbs)	901.6 "	50 kilos
Metric Ton	2204.6 lbs.	1 Long Ton	Long Ton (2240 lbs)	1016.04 "	900 "
					1000 " (1 Met. Ton)

Periodic re-examinations of the rank and file should also be held for the purpose of making sure that the work is non-injurious and that the doctor's advice is being followed. The author points out the great advantages of such a medical service, whether to the individual, to the family, or to society in general.

ZAGORSKY, Simon. *La République des Soviets; Bilan économique (The Soviet Republic: an Economic Balance Sheet)*. Bibliothèque du Bureau économique russe. 350 pp. Paris, Payot. 1921.

In this study the author limits himself exclusively to the economic policy of the soviets. His material is drawn from reports and statistics furnished by the soviet Government. He gives an accurate outline of the economic development of the Soviet Republic, from the phase of the dictatorship of the proletariat through nationalisation and centralisation to bureaucracy. He then considers the effect of this policy on production, the exchange and distribution of goods, the transport system, conditions of labour, and the revenue and financial policy of the Government. In Russia this policy is marked, in the economic sphere, not by the attainment of Communism, but by a revival of capitalism and the principle of private ownership, not by the levelling of social classes, but by the creation of a new and egoistic middle-class and the development of an intense class antagonism.

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