FAMILY ALLOWANCES

THE REMUNERATION OF LABOUR
ACCORDING TO NEED

GENEVA
1924
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PREFATORY NOTE

Few social experiments in recent years have attracted wider attention than the adoption and extension in various countries during and since the war of the practice of supplementing the wages of the worker by special allowances in respect of his dependants. So numerous were the requests from all quarters to the International Labour Office for information as to the extent to which family allowances had been introduced in various countries, the precise methods adopted, and the results achieved, that it was decided to undertake a detailed investigation into the subject, and this was accordingly begun early in 1923.

Shortly afterwards the University of Chicago approached the Office with a view to cooperation in the investigation, and agreed to make a grant from its funds in order to enable the Office to extend the range of its enquiries. Opportunity may be taken here to acknowledge the great value of the assistance thus given by the University to the scientific work of the Office, and the cordial cooperation of Professor Douglas, acting on behalf of the University.

The information used for the present report has been obtained mainly from official publications, from studies by private organisations or individuals, and from the regulations or collective agreements governing the payment of family allowances. These data have been supplemented by information obtained by correspondence with government departments in a number of countries and by special reports from external collaborators. For the supply of original documents, the collecting of information, and the grant of facilities for examining at first hand the working of the system, the Office is greatly indebted to a large number of organisations and individuals in various countries.

The present study is purely objective in character. It presents the main facts of the situation, so far as these are available, together with opinions, more especially those of employers' and workers' organisations, on the system itself and on the methods of applying it. A general introduction outlines the essential features of the system and the main problems involved. This is followed by descriptions in some detail of the development in the different countries.
PART I

GENERAL SURVEY

WAGES AND THE WORKER’S NEEDS

In the determination of wages two somewhat conflicting principles may be detected: “equal pay for equal work”, and “to each according to his needs”. The application of the former principle is evident from an examination of methods of remuneration. Under the existing industrial system the usual practice is for the worker to receive payment for service rendered. Two bases of payment are commonly adopted, either time or output. A worker may be paid in accordance with the time spent on the work, at so much per hour, per day, per week, etc., or in accordance with the work done, at so much per piece. Evidently, under such systems of payment, which were almost universal before the war and still predominate in nearly all countries, no direct account is taken of the needs of the worker, and the same wage-rates are fixed for all workers of a given grade in a given establishment or district, irrespective of size of family or other special circumstances of individual workers. Such wages may be adequate for a family of average size, or even for a family larger than the average, but, on the other hand, they may be insufficient even for an average-sized family.

The second principle, that payment should be made to the workers according to their needs, implies that the wage should provide an adequate standard of living for the workers and their families; the wage necessary to do this would naturally vary according to the size of the family. The principle “to each according to his needs” is sometimes known as the doctrine of the living wage. In practice, however, the doctrine of the living wage as applied in collective agreements is usually considered in regard to a family of average size, and the wage is determined on the assumption that the male adult worker should receive a wage adequate to maintain himself,
his wife, and a family of average size. The conception of the standard family appears to have been very generally accepted by employers and workers in fixing wages. When a wage is paid adequate for such a family it is clear that those workers whose families are smaller than the average may have a surplus above the needs of their families, while those with families larger than the average will not be receiving an adequate wage. As was pointed out by Mr. E. Romanet of Grenoble, "to give the same wage to an unmarried man and to a married man with a large family is the same thing as putting on the table the same quantity of food for the one as for the other. The unmarried man will have a surplus, while the married man will not be able to supply his actual needs." The unsatisfactory results of taking account of the average family were emphasised by Mrs. Sidney Webb in her Minority Report to the War Cabinet Committee on Women in Industry.

The community must face the necessity of seeing that adequate provision is made for children, not by statistical averages, but case by case. The "average" family is, of course, merely a convenient figment of the statisticians, and does not, in fact, exist. If provision is made in one way or another for three children, this is very far from securing enough food and adequate conditions of nurture for those households in which there are for years in succession four, five, or more children dependent. The nation cannot be satisfied, any more than the children can, with a family or household "average" of rations for the rising generation.

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1 The existence of such a surplus for bachelors has been approved by some who consider that they should have an opportunity of saving for the time of their marriage. Others condemn it as leading to extravagant habits and less attention to and regularity in their work. As to the proportion of bachelors and married workers with families of various sizes to total male wage earners, figures for England and Australia may be quoted. According to figures published by Miss Eleanor Rathbone in a pamphlet, What is a Living Wage? or Wages plus Family Allowances, and based on data compiled for other purposes by the London School of Economics, there were in England before the war, of men workers over 20 years of age, 27 per cent. bachelors or widowers without dependent children; 24.7 per cent. married workers without dependent children; 16.6 per cent. with one dependent child; 13 per cent. with two dependent children; 8.8 per cent. with three dependent children; and 9.9 per cent. with more than three dependent children. In Australia, according to figures published by Mr. Piddington in The Next Step (p. 18), of the total number of male workers, 45 per cent. are unmarried; 16.4 per cent. are married but have no dependent children; 8 per cent. are married and have one dependent child; 8 per cent. have two dependent children; and 22.6 per cent. have three or more dependent children. In other countries, for example, France the proportions are very different. In Belgium the proportion of families of different sizes in 1910 is given as follows (Revue du Travail, Dec. 1923, p. 2499): 19.08 per cent. with no children; 20.7 per cent. with one child; 18.55 per cent. with two; 13.03 per cent. with three; 27.52 per cent. with from four to nine; and 1.12 per cent. with ten or more.

2 Chronique sociale de France, May 1922, p. 317.

3 Cmd. 133, 1919, p. 306.
Considerable conflict arises on account of the attempt of those entering into wage agreements to apply the principles indicated above, of equal pay for equal work, and of payment according to need. The employer considers the wage mainly as remuneration for work done. The work done is evidently determined by the efficiency of the worker himself, and not by his needs or the size of his family. The worker, on the other hand, considers primarily his own needs and uses them as an argument when engaging in a wage agreement.

In practice, wage-rates are usually fixed in accordance with the inter-relation between the demand for and the supply of labour. The greater the demand for labour, the higher — other things being equal — will be the wage-rate fixed. Conversely, with a given demand for labour, the greater the supply the lower the wage-rate. Unless the demand for labour, based on the productiveness of industry, is adequate to employ the whole supply of labour at a level of wages high enough to maintain a satisfactory standard of living, then either the wage-level of all workers will be lowered or some of the workers will be unemployed.

Where wages are fixed by individual agreement, if there are a number of applicants for a given post, then, other things being equal, the employer will engage the worker who is willing to accept the lowest wage; if among the applicants some workers are married and have families to maintain, and others are unmarried, it is evident that the latter have an advantage in competing for employment. In consequence of this competition the married worker with a family to maintain may be faced with unemployment unless he reduces his demand. Thus, for all workers of given skill, free competition tends to the fixing of equal wage-rates on the basis of the work done and not directly in accordance with the needs of the worker. Where, however, the demand of an employer is such that he engages some workers without families and others with families of varying size, it is conceivable that he might by separate agreement with each worker fix rates differing according to the needs of each worker.

1 The influence of custom is important in some cases.
2 The importance, as a determining factor in remuneration, of the demand for labour in relation to supply was emphasised in the Report of the Committee on Pay, etc. of State Servants (Great Britain), 1923. The Committee stated that "there is only one principle in which all the factors of responsibility, cost of living, marriage, children, social position, etc. are included — the employer should pay what is necessary to recruit and retain an efficient staff".
The situation is somewhat modified where rates of wages are determined by collective bargaining. The workers that have combined in order to strengthen their bargaining position probably include both unmarried workers and married workers with families of various sizes. In framing the wage policy of the trade union it appears likely that the average composition of the group of workers from the point of view of their needs will tend to be the determining factor. Other things being equal, the competition of unmarried workers for employment tends to lead to the acceptance of a wage level lower than if married workers only were involved. Evidently in such agreements it is because the employer cannot do without workers with families that he gives some indirect consideration to family needs.

Special conditions may lead one or both parties to a collective agreement to demand the fixing of wages in relation to family needs. Thus, for example, in Germany during the post-war period the total amount distributed in wages during various periods has been inadequate to maintain the real wages of the workers at the old level, and in collective agreements in many industries the principle of payment according to need has been adopted as a means of mitigating the effects of the fall in the standard of living which, if the principle of equal pay for equal work had been maintained, would have been especially severe for workers with families.

Various modifications may render the position of the married worker under a system of equal pay for equal work less unsatisfactory than would at first sight appear. Thus a certain differentiation between the wages of unmarried and married workers may arise from the fact that often the unmarried worker is young and has not reached a specialised job for which higher wages are paid. In some occupations wages may increase with age or length of service, and thus in some relation to increasing family needs. Again, in large families the elder children may contribute to the family income. The fact that a worker has family responsibilities may stimulate him to greater activity and regularity in order to increase his wage, and in this way he may be more efficient and his wage higher than if he had no family to maintain. These modifications do not, however, affect more than a limited number of cases, and for the great majority of workers it is evident that the wage is not differentiated according to need.

To avoid the difficulties which result from the payment of wages without direct reference to the needs of individual workers, a system has been advocated whereby all workers of a given grade should
receive a wage determined in accordance with the law of demand and supply, but allowances should be paid adequate for the maintenance of the wife and the children of those workers who were married 1. As a variant of this system it has been proposed that in fixing wages the rate should be determined in relation to the needs of a worker with a family of average size, and that to those workers whose families are larger than the average an allowance should be paid for each dependent child in excess of the average number. These systems — or variations of them — were adopted in a number of countries during the war and have since been maintained, or even developed, in certain countries.

The chief cause of the adoption of a system of family allowances in various countries during the war was the increase in the cost of living, which led to a reduction of real wages in a number of industries; this caused considerable hardship, especially to workers with large families. Employers were in many cases faced with the necessity of increasing money wages, but as they regarded the special price conditions of the war as being of a temporary character they endeavoured to maintain basic wages at the pre-war rates, in the hope that with the return to normal conditions those rates might be restored. In this way the practice arose of retaining the basic wage unchanged and adding to it a cost-of-living bonus. The basic or pre-war wage had been fixed largely by the action of demand and supply, and generally on the principle of equal pay for equal work 2. Where the cost-of-living bonus was determined by a sliding scale based on changes in the level of prices, no new principle was introduced, and equal increments were accorded to unmarried and married workers. In a number of countries, however, in determining the cost-of-living bonuses account was taken of the size of the family which the worker had to maintain, and thus the principle of considering the needs of the individual worker was adopted 3.

This principle had been applied to some extent even before the war, for example, in the case of state employees in various administrative departments in France. The special conditions of the war,

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1 The question whether such allowances are part of the wage system or independent of it is discussed later.
2 This did not necessarily apply as between the sexes.
3 The same system was adopted in many cases in the system of rationing, especially with regard to food control. In Equal Pay and the Family, a study published by the National Union of Societies for Equal Citizenship (London, 1920), it is stated in support of the system of family allowances that “no food controller would dream of distributing an equal ration of bread to each household without taking into account the number of mouths that had to be fed”.

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however, led to its rapid extension. With the return of more normal conditions after the war, the system of paying family allowances was largely discarded in a number of countries, particularly in the Scandinavian countries, Italy, and Switzerland. In these countries recent agreements between employers and workers very rarely, if at all, contain provisions for the payment of family allowances, and the system appears to be little applied to industrial workers, although in several of these countries it has been retained for state and other public administrative officials and workers.

In some countries, however, the system of family allowances has developed rapidly since the war. In France a very considerable extension began in the year 1920, while in the autumn of 1922 a development on similar lines began in Belgium. In the Netherlands, although the development has been less rapid, the number of workers covered by family allowance schemes has increased during the post-war years. In Germany, Czechoslovakia, Poland, and Austria, where the depreciation of the currency during the post-war period led to a continued rise in the level of prices, the system of paying family allowances has been widely adopted, largely by collective agreement, as a means of mitigating the severity of the pressure of the high cost of living on those with large families. In Czechoslovakia the practice of paying family allowances has declined considerably since 1921. In Australia, during the post-war period, proposals for the general adoption of the principle of family allowances, resulting partly from the living-wage principle which had been generally applied in fixing wages, did not meet with success, although the system was adopted for Commonwealth employees. The development of the system in individual countries both during and after the war is described in detail later.

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1 The practice which was generally adopted of paying allowances to the families of those serving with the Forces had an important effect on the development of similar practices in the case of industrial workers.

The abnormal conditions of food supply, etc. during the war gave added force to the general social argument that a large family cannot be allowed to starve because the wage earned by the breadwinner is inadequate to support it.

2 In France the system was advocated partly as a means of increasing the birth rate; see below.

3 In France and Belgium especially, married workers are protected from discrimination in employment by the equalisation fund system (see below) under which the employer's contribution towards the cost of allowances is calculated on some basis independent of the number of children dependent on his own employees.
RELATION BETWEEN THE WAGE AND THE ALLOWANCE

There has been much discussion in certain countries as to the relation between the wage and the allowance. In France particularly the controversy has been very keen, some regarding the allowance (sursalaire familial) as part of the wage, others making a clear distinction between the wage and the family allowance (allocation familiale). On this point it may be of interest to quote from an article by Mary T. Waggaman on the expansion of the "family wage" system in France and Belgium 1.

The striking progress abroad of the system of family allowances challenges attention, not only because the new movement is apparently another turn in the evolution of social and industrial insurance, but because of the very close correlation of these grants with wages, for, despite the multiplied declarations that family allowances must be clearly differentiated from the workers' compensation for his labour, the new practice seems to point to potential changes in the manner of making wage adjustments and to suggest, though as yet obscurely, a solution to some of the most impenetrable wage problems.

In the early stages the family allowances often took the form of special cost-of-living bonuses added to the wages of the workers, and they were in many cases paid by the employer directly to the worker along with his ordinary wage. It was only later that a distinction between the wage and the allowance was drawn, especially in France and Belgium, by the employers' organisations interested in the payment of allowances 2.

In those countries the allowances are rarely based on collective agreements, but are paid on the initiative and under the control of the employers. Many of the regulations governing the payment of family allowances are such that the differences between the wage and the allowance are emphasised 3. Thus the allowance is often paid not to the wage earner but to the mother, and frequently by

2 The first resolution of the first National Congress of Equalisation Funds, held in Paris on July 4th 1921, was to the effect that the term sursalaire should not be used. The reason given was that such a term for the special indemnities paid to the workers on account of their families is inconvenient, particularly as it appears to establish a link which does not exist and which it is not desirable to make between the wage and the allowance. Arguments on these lines were given by Mr. Bonvoisin in his report to the Congress (Compte-rendu, p. 20).
3 See below, Regulations governing the Payment of Family Allowances, pp. 22 et seg.
persons other than the employer. In Germany and in certain other countries, however, the "family wage" (Familienlohn) is generally paid directly to the worker along with his ordinary wage and is based on agreements between the employers' and workers' organisations.

Among the arguments advanced for regarding the family allowance as part of the wage is that which shows the close association between the payment of the allowance and the employment of the worker. The allowances, although not often variable with the work done¹, are rarely paid apart from such work. Thus they are seldom paid to workers who are unemployed. They are, however, often paid to workers during periods of sickness, while some funds have adopted the practice of continuing payment even after the death of the worker.

Some regard the wage strictly as payment for work done (whether time-work or piece-work) and consider the allowances, which are based on the size of the family of the worker, as quite independent of the wage. Mr. Roger Picard, however, points out² that other allowances, such as cost-of-living bonuses, do not always vary with the work done³, and yet are regarded as part of the wage.

Again, some regard all regular payments by the employers to the workers as part of wages. In France certain tribunals or courts have decided that bonuses of an exceptional character, though connected with work done, are not part of the wage, but that family allowances are a regular addition to the wage and an integral part of it. Other tribunals have taken the view that, since the family allowances are of a temporary character and are variable in accordance with the number and age of the children, they should not be regarded as part of the wage⁴.

¹ In some countries allowances are made for each child in the form of given percentage additions to the wage.
² Les Documents du Travail, Oct. 1923, p. 16. Other arguments in support of the close relation between the wage and the allowance are given in this article. Already in the June-July 1923 number of the Documents du Travail Mr. Picard had expressed the same opinion. The opposite arguments were given in the Bulletin quotidien de la Société des Études et d'Informations économiques, 19 Sept. 1923, Supplement.
³ Thus cost-of-living bonuses of equal amount are often paid to all workers, whether skilled or unskilled.
⁴ The cases brought before the tribunals have usually involved the question whether, in fixing the amount of compensation to victims of accidents for which the wage is basis, the family allowances should be included as part of the wage. In this connection it is argued that a partially disabled worker would still when employed receive family allowances in full. Evidently in these circum-
Some regard the allowances as a matter of social justice, others as an expression of liberality on the part of the employers. Mr. P. Richemond points out that economic factors are only part of the problem and that it is necessary to add moral and social considerations. In paying family allowances the employer is undertaking a social duty, and such payment introduces into the relation between capital and labour an element of justice which the ordinary economic laws do not supply. Apparently he would distinguish clearly the wage paid for work done from the allowance paid on social grounds.

With a view to reaching a decision as to whether or not the allowance should be regarded as part of the wage, certain theoretical considerations may be examined. Both the wage and the allowance can be regarded from different points of view, namely, as part of the worker's income or as part of the employer's cost of production. The worker is likely to regard the allowances as part of his wage if they are paid to him with his wage by the employer, as is usual in Germany and certain other countries. This conclusion is strengthened if the allowances cease as soon as the worker becomes unemployed. If, however, the allowances are paid out of state funds by state officials, the recipient will tend to regard the allowances as a form of state aid and will hold this view whether the allowances are paid out of the proceeds of a special tax on the employers or out of the ordinary revenues of the state. The position is somewhat intermediate where, as in France and Belgium, the allowances, which are provided by contributions from the employers, are sometimes paid directly by the employer to the worker, but are often paid independently of the wage, not to the worker but to the mother, by the officials of equalisation funds. In the former


2 The workers claim that if the allowance is a matter of social justice the payment should be made not by the employer but by the whole community, in a similar manner to unemployment, sickness, and accident benefits or indemnities.
case, where the allowances are paid directly to the worker, little distinction is likely to be drawn between the wage and the allowance, while in the latter the allowances have the appearance of social assistance provided by the employers and may be distinguished from the wage.

From the point of view of the employer, the wage and the family allowance which he pays are parts of his cost of production. It may be desirable, however, in certain cases, to consider his payments in respect of labour (labour costs) as consisting of various parts and to distinguish the wage, which for this purpose may be defined as payment for work done, from other labour costs, such as contributions to accident, sickness, and unemployment insurance funds. In this case the family allowance, which varies with the size of the worker's family and not with the work done, would be distinct from the wage, although both would constitute elements in labour costs. Such a distinction is clear where the employer pays the allowances through the intermediary of an equalisation fund, in which case the contributions of the employers to these funds are in the nature of insurance premiums. On the other hand, where the employers adopt the policy of paying family allowances as a means of reducing their total wage-bill, the general effect is merely a reduction in the wages of unmarried workers and those with small families, while the wages of those with large families are kept at the higher level.

**Objects of Family Allowances**

From the general theoretical standpoint, the main object of family allowances (though this is frequently not consciously recognised by those who introduce them) is to secure a better distribution of that portion of the national dividend which is paid to the wage earners. The adequacy of the total wages paid in the community is not considered, nor is there any question as to the proportion of the total produce of industry which should go to labour. The problem is how to distribute the amount actually being paid in wages so as to secure the best social results. It may be agreed that, given this amount, greater total satisfaction is

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1 The "risk" to individual employers of having to maintain a high proportion of workers with large families is shared.
obtained by distributing it in accordance with family needs rather than by distributing it equally to all workers within given grades. A system of family allowances could be adopted which would involve no increase in the total wage-bill of a country, but merely a redistribution by means of which unmarried workers, or those with families below the average, would receive less than before the adoption of the system, and those with families larger than the average would receive more. The total amount which can be paid in wages in a given country may be insufficient, if distributed equally among different grades of workers, to provide “adequately” even for families of average size, without taking account of the larger families, but it may be adequate if it is distributed according to the needs of the worker.

The system, however, may be such that the total wage-bill, instead of being equal to that paid before the adoption of the practice of paying family allowances, may be either increased or diminished. Thus the family allowances might be paid as an addition to a scale of wage-rates which remained unchanged, in which case, apart from various possible consequences, such as an increase in unemployment, the total remuneration of labour would be increased. Conversely, when, as appeared to be the case in many industries during the war or in the post-war period of rising prices, real wages had fallen and those with large families were badly hit, a general rise in the money wages of all workers would be necessary to give the same total real wages as before. If, however, the system of family allowances were adopted, those with large families might recover their previous level of real wages, while unmarried workers or those with small families might remain worse off. In this case the total real wage-bill would be lower than before.

1 Such a redistribution among particular groups of workers could be effected by the workers themselves. Thus Prof. Edgeworth, in an article in the Economic Journal, Dec. 1922, says (p. 457): “It is open to any association of men — a trades union, for example — to resolve that each member of the association should contribute a quota of his earnings towards the formation of a fund which is to be distributed among the wives of members in accordance with the size of families”. The Belgian Confederation of Christian Trade Unions established a family allowance fund in April 1924; see below, pp. 83-84.

2 Certain workers’ organisations, for example, are opposed to the payment of family allowances by the employers as they believe them to be a means of forcing down the general level of wages.

3 Workers’ organisations, particularly in Belgium and the Netherlands, wish to combine the minimum wage with the family allowance system, demanding a minimum wage adequate for the needs of an average family, and the payment of family allowances when the number of children exceeds the average.
In Germany at the present time the situation is even more extreme, and while the real wages, including allowances for wife and children of married workers, are generally well below the pre-war level, those of unmarried workers are relatively lower still. Evidently in such a case the total real wage-bill has suffered serious decline. In certain countries, indeed, some advocates of the system of family allowances put it forward as a means of lightening the burden on industry, and economising on the wage-bill, while avoiding distress.

Among the consequences claimed for a system of distributing the national dividend in which adequate consideration is given to family needs, are a reduction in infant mortality, an improvement in the health of the children, and the development of the physical and intellectual qualities of future workers. By increasing the resources of those with large families there is less need for the mother to go out to work, and thus she has more time to give proper care to her children. Further, the children are able to remain at school longer, and a decrease in juvenile employment may result from the payment of adequate family allowances.

A second object of family allowances, which has received full consideration in countries desiring to increase their population, particularly France, is that of increasing the birth-rate. In other countries, however, such an increase is regarded as a disadvantage of family allowances, especially by supporters of Malthusian doctrines. Evidently, if the payment of family allowances leads to an increase in population, this, in countries which are over-populated or in danger of becoming so, would constitute a disadvantage which might well outweigh the advantages. As yet the period of operation of the system is too short, and experience too inadequate, to show the effect of the payment of family allowances on the birth-rate, but evidently the size of the allowances is a determining factor.

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1 Prof. Taussig (Principles of Economics, Vol. II, p. 146) says that "the employment of married women or widows having minor children is almost always bad. What it adds to social income is much more than offset by the social loss from unkempt homes and from lack of care for the young. It must be regarded, where necessary, as one of the harsh necessities of an individualistic society".

2 Mr. Bonvoisin, Director of the Family Allowance Committee in France, in his Report to the third National Congress on Family Allowances, at Nantes, 4 to 6 June 1923, said it was not yet possible to furnish data as to the effect of family allowances on the birth-rate or on infant mortality.

3 In France and Belgium the allowances paid by a number of funds appear to constitute an addition to the wage of about 5 per cent for one child and of
The payment of allowances would tend to remove the “economic restriction on parenthood”. Some argue that as the importance of the allowance is greatest for the poorest families, it is among these classes that the greatest increases in the birth-rate would take place. It is generally believed, however, that the lowest birth-rate coincides with the highest standard of living. Thus, the National Birth-Rate Commission in Great Britain gave as a general conclusion that “the birth-rate falls as the income rises”. The Family Endowment Committee, using as evidence figures compiled by the National Birth-Rate Commissioners, considered that there would be a tendency for family allowances to cause an increase in the birth-rate of families with intermediate incomes. With regard to the families with the lowest incomes (generally those of unskilled workers) it was believed that “the hopelessness of a proper discharge of parental obligations breeds a recklessness in incurring them”. This danger might be removed, at least in part, by a system of family allowances.

Not only would the children actually born have a better chance, but the improvement in the economic condition of such families should lead to greater foresight, and the raised status of women, following on a special recognition of their value to the community as mothers, might tend to lead to a reduction of the birth-rate among unskilled workers. Professor Edgeworth appears to incline to a somewhat different view; he regards the conclusions of the Endowment Committee as being of a very precarious character, based on a calculation of motives, and he sees in its proposals “no security for the improvement of the race”.

A further feature of family allowances is that they may contribute to the practical adoption of the principle of equal pay to men and women for equal work. The advantage claimed in this respect

about 9 per cent. for two children. In Germany the addition in respect of the wife and children varies considerably according to industry. For wife and two children, the addition in the printing and chemical industries is about 4 per cent., in the metal industry about 7 per cent. and in the coal-mining industry about 12 per cent. Higher percentage additions are made for state workers.

1 Cf., for example, the report of the Family Endowment Committee in Great Britain.


3 The endowment of motherhood as a step towards the adoption of equal pay to men and women for equal work was advocated by Miss Rathbone in her article, “The Remuneration of Women’s Services”, in the Economic Journal, March 1917. Mrs. Sidney Webb, in her Minority Report already mentioned, advocated state provision for children apart from wages, and showed the connection between such action and the question of equal pay for men
may be indicated in the words of the report of the Family Endowment Committee formed in Great Britain in October 1917 to discuss the establishment of a national scheme of family endowment on the lines of the separation allowances paid to the wives and children of the men serving in the war. "When the national endowment of mothers and children becomes an accomplished fact, this excuse for the underpayment of women (i.e. that men have families to maintain) will no longer hold good, and women will be free to claim — and men to concede to them — whatever position in industry their faculties fit them for at a wage based on the work they do and not on their supposed necessities."

It is claimed that the system has a tendency to stabilise the personnel of establishments in which allowances are paid. This tendency operates if allowances are paid by certain employers only; in this case workers with large families will prefer to remain with those employers, as they would never be certain, in the event of a change, of securing employment in another establishment where allowances were paid. Similarly, the recruiting of new workers may be facilitated. Workers with families to maintain are believed by many employers to be the most regular and conscientious, and the payment of allowances by certain employers may have the effect of enabling them to secure a staff which includes a greater number of such workers. In some cases family allowances serve partly as a special bonus for attention to duty, and may diminish malingering where they cease to be paid in case of sickness. It should be added, however, that workers' organisations are as a rule strongly opposed to systems of family allowances initiated and controlled by the employers, considering that such systems are designed to divide the workers and to increase the bargaining power of the employers.

Methods of Providing Family Allowances

Among the methods proposed or adopted for providing family allowances, a distinction may be drawn between schemes in which

and women. The essential features of the problem are outlined in Equal Pay and the Family: a Proposal for the National Endowment of Motherhood, and The Meaning of Family Endowment (see list of sources). Interesting arguments in this connection are discussed by Prof. Edgeworth in the article mentioned above.
the cost of the allowances is borne by the state out of ordinary taxation and those where it is borne by industry generally in the form of contributions by the employers. In actual practice the adoption of the latter system has been the more common and will be considered first.

**PROVISION BY INDUSTRY**

Where the allowances are provided from the proceeds of industry again two systems may be considered: voluntary schemes and schemes established by law. Of the voluntary schemes there are those established on the initiative of the employers alone and those based on collective agreements between employers and workers. In France and Belgium especially, the system of family allowances has developed largely on the initiative of the employers, and one of the main objections of the workers to the present systems in those countries is that they have been established without reference to the workers' organisations and that the workers are not represented on their managements. In Germany, Austria, Czechoslovakia, Poland, and the Netherlands the system has developed largely on the basis of collective agreements between employers and workers. In practically all cases, however, the cost has been made by the employers, and the workers have not made contributions from their wages.

**Equalisation Funds.**

A great danger arising from the provision of family allowances by the employers has already been indicated, namely, that married workers with large families will find it more difficult to obtain employment and that the establishment of the system may injure the very people whom it was intended to benefit. To remove this danger the practice has been adopted, particularly in France and Belgium, and in a few cases in the Netherlands, Germany, and other countries, of groups of employers contributing to a common fund from which the family allowances are paid to the workers. The employer's contributions to the fund may be calculated on some such basis as the number of workers employed in his establishment,

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1 Such funds may be formed by the initiative of the employers, as a result of collective agreement, or by law. See Appendix II for extracts from the regulations of typical equalisation funds.
or his total wage-bill during a given period\textsuperscript{1}. Such contributions
do not vary according to the number of children dependent on the
workers employed in a given establishment, and consequently the
employer has no inducement when engaging workers to prefer those
with few or no dependants.

It is nevertheless still to the advantage of the whole group of
employers to engage unmarried workers or married workers with
few children. The larger the group which has combined for the
payment of family allowances from an equalisation fund, the less
likely is the adoption of such a policy. In some cases a very large
undertaking, such as a railway company, may decide to pay family
allowances to its workers, and in a sense “equalisation” is effected
within the undertaking on account of its size. Here, however, the
married worker with a large family might still be insecure in a period
of severe unemployment. In the case of state servants family
allowances may be paid without the intermediary of a pool, as the
allowances are paid out of revenue, and are not regarded as an
element in cost of production, to be reduced as much as possible in
order to increase profits.

In addition to removing the danger that the payment of family
allowances will cause unemployment among married workers
with large families, it may be noted that equalisation funds serve to
encourage employers whose workers have a large number of depen­
tent children, and who would be faced with relatively heavy expenses
if they attempted to pay family allowances themselves, to join
a fund which will “equalise” those expenses. Again, the funds give
greater security to the workers of continuity of payment than
there would be if individual employers paid the allowances directly
and could at any time decide to abolish them.

Two kinds of equalisation funds may be formed: those open to
all employers in a given district, without distinction of the industry
in which they are engaged, and those open to employers in a single
industry only. The latter type has the advantage that the regula­
tions may be adapted to suit the special needs of given industries,
which differ very much from one another\textsuperscript{2}. On the other hand,

\textsuperscript{1} Or some other factor not related to the number of children dependent on
the workers. In some funds the number of worker-hours or worker-days is
taken as basis, and in a few agricultural funds in France the area of land
cultivated is the factor chosen.

\textsuperscript{2} Thus, in mining and other industries where the large majority of the
workers are men, who in many cases have families to maintain, very different
contributions may be necessary from those for an industry, such as the textile
industry, where many women and young persons are employed, and the
number of children per worker is probably much smaller.
it is pointed out among the advantages of the district fund that, as one of the consequences of family allowances may be an improvement in the supply of labour in the coming generation, and as that improvement benefits all industries in a given district, all industries should share at a uniform rate in providing the allowances which lead to this improvement. Sometimes an attempt is made to combine the advantages of the district and of the industrial fund by forming a fund on a district basis with special regulations for industries where conditions are exceptional.

Compulsory Provision.

As already indicated, family allowances may be provided out of contributions from the employers, but under legal regulation. Such laws may apply to particular industries, or even to parts of an industry. For example, the French Act with regard to building contractors engaged on public works lays down that firms tendering for public contracts may be required to pay family allowances to persons employed on such work. The law may, on the other hand, provide for a general scheme applicable to all industries in the state, as in the case of the Austrian Act of 21 December 1921.

State regulation of this kind was proposed in France in 1920 by Mr. Bokanowski, who introduced a Bill to make the payment of family allowances and membership of an industrial or district equalisation fund compulsory. Even more sweeping was the proposal of the Nationalist Government in New South Wales in 1919 and that for the whole of Australia made by Mr. Piddington in 1920. These schemes had as object the payment of family allowances from state equalisation funds to which employers would make contributions according to the number of their workers.

In certain countries, particularly in France, very strong opposition has been raised by the employers to any form of legal compulsion or regulation as to the payment of family allowances. They believe that one of the chief merits of the present system in that country is its voluntary character, and that as the allowances are an expression of the liberality of the employers they are valuable means of improving the relations between the employers and the workers. The workers in France and certain other countries, on the other hand, advocate state regulation and the representation of the workers in the administration of the system. In many cases they urge that the allowances should be paid not from contributions of the employers, but from the ordinary revenues of the state.
PROVISION BY THE STATE

The payment of family allowances out of ordinary state revenues places the cost on the general taxpayer and not on the employers, as in the systems already discussed. There are many who hold that it is the duty of the state to provide family allowances on similar lines to its provision of indemnities for sickness, accidents, unemployment, and old age. They urge that it is not the function of the employer to make such provision, that the children constitute the real potential wealth of the nation as a whole and should be provided for by it. If this is done, the cost is distributed among the different classes of taxpayers according to the general principles of taxation. Others oppose this method of providing family allowances, pointing out that it is in the interest of the employers to ensure an efficient supply of labour for the future, and in consequence they should bear the necessary cost.

Opposition to the provision of family allowances by the state is sometimes made on the ground that it is a “foretaste of communism”, and that it may undermine the workers’ sense of responsibility for their families—an argument which is used against family allowances however provided. Thus Professor Edgeworth expresses the opinion that “it does not require much knowledge of human nature to justify the apprehension that in relieving the average house-father from the necessity of providing necessaries for his family, you would remove a great part of his incentive to work”.

He also advances the objection, which may be raised against any system administered by the state, whether the funds are supplied from ordinary revenue or other sources, that a multiplication of officials would result which would involve “an increase of that bureaucratic routine which tends to deaden individual initiative”.

The principle of providing allowances according to size of family in the form of direct money payments from ordinary state revenues may be applied generally throughout a community. This was the basis of the proposal made by the Labour Government in New

1 The expression is taken from The Meaning of Family Endowment, by Mrs. M. D. Stocks. She says: “To some the principle [of family endowment] appears as a foretaste of communism, to others as a measure of wage economy; to some as the next step of advanced feminism, to others as a brake upon the industrialisation of home life. To many it appears above all else as a sweeping measure of child welfare.”

South Wales in 1921 and of the French Act of 22 July 1923. Such payments may, however, be made, not in a general way, but to special groups of workers. Thus state servants in a number of countries receive money allowances in respect of dependent children, while the separation allowances paid for the wives and children of married soldiers, etc., are based on the same principle.

Again, in the systems of unemployment insurance of various countries the payments to unemployed workers vary according to the number of dependent children, while the family is taken into consideration in a number of other forms of public assistance or social insurance (e.g. accident insurance).

The principle of family allowances has been applied in a number of countries in other ways than in the form of money payments. In a negative sense it is adopted in the income tax regulations of certain countries, which allow deductions from the assessed income on account of wife and children, only the amount so reduced being subject to taxation. In some countries, however, these reductions are of little importance to the wage earners, whose incomes are very often below the minimum for such taxation.

Reference may be made here to a practice which in a limited sense constitutes an application of the family allowance principle, namely, the payment of pensions to widows. These have been introduced by legislative enactment in a number of countries, for example, in some States in the United States and in certain of the Canadian Provinces. They are generally granted to destitute widows with children to maintain, and vary in amount according to the number of dependent children. The system is, however, one which demands separate treatment and is not discussed in this study.

A positive way of helping those with large families is the practice which has been adopted in many countries of providing certain public services free or at a reduced rate, in other words, of making payments in kind. As examples may be mentioned free elementary education, free medical and dental advice or treatment, the provision of free meals and even articles of clothing for schoolchildren, and the supply of free or cheap milk to mothers.

Certain advocates of family allowances recognise the value of such public services, but consider that they alone are not adequate, and object to a system of family endowment on a basis of payments.

1 See Appendix I.
in kind only. The question is asked: "Why should the service of motherhood be the one socially necessary service to be dealt with on this basis in a society where consumption in general is determined by the recognition of the individual's right to expend his own resources at his own discretion and his own way?"\(^1\) Professor Edgeworth, dealing with this question of provision of public services, calls attention to Mill's principle that what the government may provide with most propriety are the commodities which people would not have spontaneously demanded\(^2\).

The question whether family allowances should be provided by the employers as part of the costs of production (either voluntarily or in the form of payments made under state regulation or even of a tax on employers), or whether they should be provided out of the ordinary revenues of the state, involves a consideration of the whole basis of public assistance and of the principles of taxation (e.g. equity, economy, etc.), which is outside the scope of this study. If the allowances are paid by the employers, either through a fund organised by themselves or as taxes to the state, the contributions of the employers may be considered as a form of insurance premium.

**Regulations for the Payment of Family Allowances**\(^3\)

The practices adopted or proposed in different schemes for the payment of family allowances show wide variations, and a few of the main features may now be indicated.

The allowances may be paid at a uniform rate in respect of all children, or may increase or decrease progressively with the number of children. The progressive increase may be justified on the grounds that the more dependent children there are in the family the less opportunity there is for the mother to earn anything. Such a plan, moreover, may be less costly on account of the comparatively small number of families with more than two or three children. On the other hand the degressive scale is supported by some on the grounds that the cost of maintaining an extra child in a large

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\(^1\) Mrs. D. Stocks: *The Meaning of Family Endowment*, p. 19.


\(^3\) In this section attention is called to the main features only of the regulations. Variations of these features and special cases are given in the account of schemes adopted or proposed in different countries; see especially the section on France.
family is smaller than the cost of maintaining each child in a small family.

A variation is to pay the allowances only to those with large families, workers with one or two children receiving nothing. This was proposed in the New South Wales Endowment of Motherhood Bill of 1921, is advocated by workers' organisations, particularly in Belgium, and is generally supported in the Netherlands. In such schemes it is assumed that the wage paid to the worker is adequate for the maintenance of a family of average size and that allowances are needed only for children in excess of the average number. One reason for the advocacy of this system by workers' organisations is that it is more likely to secure the support of unmarried workers than a scheme of paying allowances for all children and even for the wife. Evidently, however, where conditions are such that the wage paid is inadequate for the maintenance of families even of average size, the payment of family allowances becomes more urgent, and more workers are interested in the adoption of a system where allowances are paid in respect of all children.

In many cases allowances are paid only in respect of dependent children and an age limit is fixed, usually at 14 years of age. Some systems, however, provide for the continuation of payments in respect of older children who are continuing their education or are undergoing industrial training as apprentices. Often, too, allowances are paid in respect of invalid children over the usual age limit, while in some cases they are also paid for aged dependants.

In some countries — for example, Germany — the allowances are paid with the wage by the employer directly to the worker, no practical distinction being made between the two amounts. In France and Belgium, on the other hand, by the regulations of many equalisation funds a careful distinction is drawn between the wage and the allowance. Thus, instead of the allowances being paid to the worker, they may be paid to the mother by means of post office orders or in other ways. It is believed that if the mother receives the allowances herself there will be greater certainty that they will be spent for the maintenance of the children, while some approve of this practice because they regard the allowances as a payment to the mother for her social value to the community. Again, the allowances may be paid not by the employer but by an official of the equalisation fund.

Many family allowance schemes include provisions for cessation of payment if the wage of the worker exceeds a given amount.
In certain cases this maximum wage is higher for those with large families. Sometimes the allowances are decreased as the wage increases, and this course appears preferable to that of paying the allowances in full to all workers below a given wage and not paying them at all to those above it. The latter system is open to the objection that certain workers just below the maximum wage for which allowances are paid may be better off by remaining at this wage and continuing to draw the allowances than by advancing to a higher wage.

Often, to become entitled to the allowances the worker must have been with the same employer for not less than a given period. This period is often from one to three months, although in some cases longer periods are fixed. Where equalisation funds are formed, employment for the given period at any of the establishments affiliated to the fund may be recognised. Provisions of this kind tend to have the effect of stabilising the personnel of the establishments, as workers who have become entitled to allowances will hesitate to seek employment elsewhere, for by doing so they would lose the allowances, for a period at least. In certain industries, for example, building, in which by the nature of the work and the organisation workers often change from one employer to another, special arrangements are necessary and it would appear desirable to shorten the period of service with a given employer which entitles the worker to allowances.

There are often special regulations for the payment of allowances to workers who are sick, disabled by accidents, on strike, absent from work without sufficient cause, or unemployed. For workers who are sick the usual practice is to continue the payment of family allowances, though frequently for a limited period only, for example, one to three months. Sometimes the allowances are paid in full for a certain period and then at a reduced rate for a further period, after which they are stopped. In some cases the regulations restrict such payments to a given number of days per annum. For victims of accidents a distinction is drawn between those suffering from permanent and total disablement and those whose disability is of a temporary character. In the case of permanent total disability not only is the worker usually provided with a pension, but he ceases to be a member of the staff of the establishment, and the allowances are not generally continued. In cases of temporary disability the allowances are usually paid, sometimes, however, at a reduced rate or for a limited period only.
During strikes the payment of the allowances is often stopped. This practice has been strongly opposed by some workers' organisations, who point out that it provides the employers with a means of dividing the workers. Greater pressure can be brought to bear on those with large families, who are less likely to support a strike or to wish to sustain a long-continued struggle. This is one of the reasons why many workers urge that the payment of family allowances should not be solely under the control of the employers.

Under some regulations allowances are not paid to those absent from work without sufficient reason; in this case the allowances serve as a premium on regularity. A similar purpose is served to some extent where allowances cease to be paid after a short period to workers who are sick.

Where workers are unemployed they are not on the staff of any establishment and do not usually receive allowances under systems in which the allowances are paid directly or indirectly by the employers. The workers argue that if the allowances were provided out of the revenues of the state they would be continued during periods of unemployment. The payment would be in respect of the social service to the community of those with families, and not related to the employment of the worker.

In the event of the death of the worker the payment of allowances usually ceases, sometimes after a short period. Occasionally the payments are continued in respect of the families of workers who have been in a given establishment for a long period, say ten years. Evidently the need for allowances is greater when the family is deprived of the wage of the worker, but where a close connection is maintained between the payment of the allowances and the employment of the worker, and where the amounts paid are provided and controlled by the employer, it appears unlikely that such families will be provided for. Where necessity arises, the provision of assistance for these families is a matter for the state.

In addition to providing family allowances, a number of employers' organisations, particularly in France, have undertaken social welfare work for the benefit of the families of the workers. It was felt not only that money payments should be made but that advice and guidance were necessary so that the best results might be obtained. For this purpose welfare workers have been appointed, for example, by a number of equalisation funds in France, to visit the homes of the workers and give advice on the care of the children in health and also as to care and treatment when they are sick.
In the following sections an account is given of the system of paying family allowances in different countries. In general only those systems are treated in which the payment of allowances involves a differentiation between the income of the married worker with children and that of the unmarried worker. No special mention is made of the provision of public services (i.e. payments in kind), of the application of the principle by means of income tax remission, of separation allowances for soldiers, etc., or of family allowance regulations in systems of unemployment or other forms of social insurance.

With regard to the order of countries, France and Belgium, where the equalisation fund method has been most widely adopted, largely on the initiative of the employers, are given first. Then follow the central European countries — Germany, Austria, Czechoslovakia, and Poland — where the system has been based mainly on collective agreements between employers and workers. The Netherlands may be included in this group, as collective agreements have played a considerable part in the development of the system in that country. Of the other European countries the Scandinavian states — Denmark, Norway, and Sweden — with Finland and Switzerland, may be grouped together, a common feature in these countries being the development of the system during the war years, and its abolition, except in some cases for state servants, when more normal conditions were restored after the war. Italy, where the course of development and decline somewhat resembles that of the countries just mentioned, may be added to this group. In Great Britain, which follows, the principle has been very little applied either during the war or since. The review concludes with Australia, to which special interest attaches on account of the serious consideration which has been given to proposals for a wide application of the system by law.

In practically every country a detailed investigation would probably reveal in individual establishments the application in some form of the system of family allowances. Such cases, how-

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1 In Appendix I indications are given as to the application of the family allowance principle in various social insurance schemes, special reference being made to the case of unemployment benefits, as these correspond more closely with the wage of the worker than do most other forms of insurance benefits.

2 Thus, in Spain, a few employers in the textile industry in Catalonia pay family allowances in such a way as to serve as bonuses on regularity and attention to duty ("prix à la vertu"). In this connection it may be added that at Vigo in June 1921 the question of family allowances was discussed
ever, are of a purely exceptional character, apply to small groups of workers only, and have no important effect on the social or industrial life of the community. For one group of workers, namely, agricultural workers, the family allowance principle appears to be applied to some extent in almost all countries, especially by means of payments in kind. These are highly developed in Germany, and in the section on that country the practices adopted are examined in some detail. Many of the features described are found in modified form in a number of other countries. Adequate treatment on international lines of family allowances in agriculture, however, would necessitate a separate study reviewing the whole system of wages and allowances of agricultural workers.

at a meeting of Spanish employers, and a pronouncement made in favour of the equalisation fund system. No action, however, appears to have been taken to establish such funds.

In the United States family allowances have been introduced in certain undertakings. The system is applied, for example, in the Ford works (see Henry Ford: My Life and Work, pp. 127 and 129).
PART II

FAMILY ALLOWANCES
IN THE VARIOUS COUNTRIES

FRANCE

For a number of years before the war certain public administrative authorities, railway companies, and important financial, industrial, and commercial organisations had adopted the practice of paying special allowances to those of their salaried and wage-earning employees who had families to maintain. The view taken was that in order to favour the establishment of families and to contribute to the bringing up of children there should be taken into consideration, not merely the value of the work done, but the social value of the worker who was head of a family. Further, it was recognised that the payment of family allowances would be an inducement to the workers to remain with the same organisation, that it would assure greater facilities for obtaining apprentices, and would generally tend to stabilise employment.

During the war the rapid rise in prices led to the payment to the workers in industrial undertakings of special cost-of-living bonuses, and in making these payments account was often taken of the size of family. The differences in the requirements of workers with large families as compared with those having few or no dependants was taken into account, first by individual employers and then by groups of employers in the same industry or district. In some cases, on their own initiative, they made higher payments to workers with large families, while in other cases such action was
based on collective agreements concluded between employers’ and workers’ organisations. In order to equalise competitive conditions between different employers, arrangements were made whereby all employers in a given industry should pay family allowances at a uniform rate. In practice it was found that certain employers endeavoured to reduce their expenses by employing unmarried workers or married workers without children, and the danger arose of injuring the very persons whom the system of family allowances had been instituted to benefit. To avoid this difficulty the practice was adopted, and rapidly extended, of forming special funds from which frequently the whole of the family allowances would be paid, the fund being maintained by payments from the different employers varying according to the number of workers or total wage-bill. As the payments to the equalisation fund (caisse de compensation) did not vary with the number of dependants of the workers in the various undertakings, the inducement to engage unmarried workers or those with small families was removed.

In the following sections an outline is given of the schemes adopted by public administrative authorities; railway companies; industrial and commercial organisations. An account is also given of a proposal to extend by law the system of equalisation funds.

FAMILY ALLOWANCES IN PUBLIC SERVICES

Central Government.

Before the Act of 7 April 1917 established the system of family allowances in all government departments, various Ministries had made payments of this kind to certain classes of their workers.

The Ministry of Marine appears to have been the first to take the initiative in paying family allowances. By an Imperial Decision of 26 December 1862 certain grades of seamen were paid an allowance of 10 centimes per day for each child under 10 years of age. A Decree of 11 July 1908 transformed that payment into a house allowance for married seamen, but took no account of the size of family. The Act of 30 July 1913 gave to the Ministries of War, Marine, and the Colonies additional credits of more than three million francs for the purpose of paying to officers of certain grades and non-commissioned officers and men in the military, naval, and police forces a yearly bonus of 200 francs per child under 16 years of age after the second. A Ministerial Decree
of 28 December 1911 had allowed to certain officials and workers in the Central Colonial Department 150 francs at the birth of each child, 20 francs per year for each of the first two children, and 60 francs from the third onwards, the sums being paid respecting children up to the age of 17 years. In the colonies various family allowances were established by different governors following the Decree of 16 October 1914.

Certain classes of workers or officials in the Departments of Finance, Public Education, Commerce, Post and Telegraphs, and Labour were also paid family allowances.

The allowances referred to above were paid to certain classes of officials only in a small number of public services, while the rates of allowances varied even within the same Ministry. In 1917 Parliament decided to pay family allowances to all officials receiving less than a certain salary; these were to be independent of cost-of-living bonuses, residence allowances, etc. The maximum salary beyond which no family allowances might be received was withdrawn by the Act of 14 November 1918. The allowances per child were increased by various laws from the uniform rate of 100 francs per annum for each child under 16 years of age (or if an invalid without limit of age), until by the Act of 13 October 1919 they were raised to 330 francs per annum for each of the first two children and 480 francs for each child after the second.

From the beginning of 1924 the allowances have been 495 francs per annum for each of the first two children, and 840 francs for other children. In the case of children undergoing apprenticeship the allowances are paid to the age of 19, and for those continuing their education to 21 years.

Other Public Authorities.

Various public authorities have for a number of years paid family allowances to their workers. Thus, from the end of 1910 the Seine Prefecture has made special allowances to officials with families, the system of payment having been modified by different decisions, until in July 1917 it was made uniform with that for state officials. Family allowances have also been paid for various periods to officials of the Police Prefecture and of the Senate and Chamber of Deputies.

In 1920 the Minister of Labour published the results of an

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enquiry made with a view to ascertain the extent to which family allowances are paid to manual and non-manual workers in the employment of the Departments and of towns with more than 10,000 inhabitants. The replies to the questionnaire which was sent out showed that the system was in operation to a considerable extent and that development, especially since 1917, had been rapid. Before July 1917 — i.e. before the institution of a uniform system in state services — 13 Departments had introduced the system for some or all of their employees at various dates between 1900 and 1916, the first to institute the system being the Rhône Department. In the autumn of 1920, 80 French Departments, 3 Algerian Departments, and 206 towns with more than 10,000 inhabitants supplied information showing that they followed the practice of paying family allowances under one form or another to their workers. Of the Departments about three-fourths had adopted the same system as that established by the state either for the benefit of all their staff or for certain classes only.

**FAMILY ALLOWANCES IN THE RAILWAY SERVICES**

The Nord and Orléans lines appear to have been the first to pay family allowances to their workers, the system being introduced in 1890. It was adopted by the P.L.M. in 1892, and in 1907 was brought into operation on the State Railways. For a number of years there were considerable differences in the systems of payment, and these were modified from time to time. On 10 November 1916, however, agreements were concluded with the state under which the different practices gave place to uniformity. By these agreements the following rules were established: (a) family allowances to be limited to workers receiving less than a given wage per annum (the agreement of 1916 fixed 6,000 francs as the maximum wage entitling workers to family allowances, but this amount was subsequently raised); (b) higher allowances to be paid in respect of the third and subsequent children than for the first two.

In addition, certain companies pay to the wives of workers or to women workers special allowances at the birth of each child. In some cases the number of children respecting whom these

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1 Questionnaires were sent to 310 towns.
allowances are made is limited, while frequently there is a limitation on the wage entitling the family to such payments.

**Family Allowances in Private Undertakings**

*Payment without Equalisation Funds.*

Certain private employers or groups of employers in various districts and industries pay family allowances to their employees without recourse to equalisation funds, each employer paying the total amount received as allowances by his own workpeople. In some cases the system is instituted by the employers acting on their own initiative, in others it is based on collective agreements with the workers' organisations. The practice suffers from the disadvantage that employers may reduce their expenses by employing greater proportions of unmarried workers or married workers with small families. This danger appears to be less serious in organisations producing on a large scale, such as the big mining companies, than in small undertakings. Where the system is adopted by an employers' federation, it has the advantage of making uniform the rate of allowances paid to workers in all the establishments covered, and thus ensures similar conditions to a large number of workpeople.

**Mining.**

Of the industries where family allowances are paid without recourse to equalisation funds the system is in most extensive operation in the mining industry. Originating in a small way before the war, in the form of exceptional or regular bonuses or allowances paid by certain employers, the movement developed rapidly during the war. On 31 December 1917 an agreement was signed by representatives of the French Central Mining Committee on the one hand and the National Federation of Workers in Mines and Quarries and the Federation of Mine Workers in the Pas-de-Calais, on the other, by which an allowance of 3 francs per month per child was to be paid to workers in that district.

Other agreements of a similar character followed, the movement being facilitated by the action of joint committees of employers and workers, the constitution of which was provided for by a Circular of the Ministries of Labour and of Munitions of 5 February 1918. By the Circular of 4 March 1918 these committees were
asked to distinguish the wage and the allowances, and to maintain in full the allowances previously granted for large families. A further Circular on 3 March 1920 expressed the view that it was desirable to grant to workers with heavy family expenses an allowance for each child not old enough to work. In certain cases also where the Government has been called upon to make arbitration awards in settlement of disputes, the terms of award have included clauses regarding family allowances.

Up to 1920 the payment of family allowances to mine workers was limited to a comparatively few districts and in some of these was adopted by certain companies only. In 1921 and 1922 the system became much more general, and in the latter year was operative in 25 out of 31 Departments in which the mining industry was important, being generally based on agreements between employers' and workers' organisations. The rates of allowance paid in 1921 and 1922 do not appear to have varied much from those paid in 1920 by the companies which had already adopted the system. The scales adopted differed very considerably, however, according to district. The allowances for the wife paid in a number of localities in 1921 and 1922 ranged from 4 to 10 francs per month. Those for children varied according to locality from 5.50 francs per child per month to 1 franc or even 1.50 francs per child per day. The allowances were generally higher for the third and succeeding children than for the first two.

According to data published by the French Coal Mines Committee (Comité des Houillères de France), the total amount paid in family allowances by mining companies during 1923 was about 80 million francs, this being about 5 to 6 per cent. of the wage-bill.

Information is given below as to the amounts paid as family allowances in various districts in the mining industry in 1921; it is based on the results of an enquiry under the direction of the Ministry of Labour into the wages of French mine workers. The data were generally supplied by the chief mining engineers, and cover the principal coal mines in each arrondissement where mining is important and for which comparable statistics were available. Information as to family allowances was not supplied by all the mines covered by the enquiry, while the information supplied was not of the same form. Thus for certain mines indications are given as to the methods by which the allowances are calculated, while

1 Details for a large number of districts were given in the Bulletin du ministère du Travail, Oct.-Nov.-Dec. 1923.
for others the average addition to the daily wage resulting from the amounts actually paid in family allowances is given. The age limit for children respecting whom allowances might be claimed was 13 years in each district which gave information on this point, except in the Pas-de-Calais, where the limit was 16 years.

The following summary, which indicates the nature and amount of the allowances paid in various districts, refers generally to the end of 1921.

<table>
<thead>
<tr>
<th>District</th>
<th>Family allowances paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pas de Calais</td>
<td>1 franc per day per child.</td>
</tr>
<tr>
<td>Arras:</td>
<td></td>
</tr>
<tr>
<td>Bruay</td>
<td>1 franc per day per child.</td>
</tr>
<tr>
<td>Toulouse:</td>
<td></td>
</tr>
<tr>
<td>Decazeville</td>
<td>50 centimes per day per child.</td>
</tr>
<tr>
<td>Aubin</td>
<td></td>
</tr>
<tr>
<td>Carmaux</td>
<td></td>
</tr>
<tr>
<td>Lyon</td>
<td>50 centimes per day for the first child, 60 for the second, 75 for the third and each succeeding child.</td>
</tr>
<tr>
<td>Grenoble *</td>
<td>1 franc per day per child.</td>
</tr>
<tr>
<td>St. Etienne</td>
<td>Average per worker per day: 35 to 67 centimes.</td>
</tr>
<tr>
<td>Clermont-Ferrand:</td>
<td></td>
</tr>
<tr>
<td>Messeix</td>
<td>5.50 francs per month per child.</td>
</tr>
<tr>
<td>Brassac</td>
<td>3 francs per month per child, plus 60 centimes per day attended per child.</td>
</tr>
<tr>
<td>Champagnac</td>
<td>3 francs per month per child, plus 40 centimes per day attended per child.</td>
</tr>
<tr>
<td>Haute-Loire</td>
<td>1.50 francs per fortnight per child, plus 35 centimes per day attended for each of the first two 45 centimes for the third, and 55 centimes for the fourth and succeeding children.</td>
</tr>
<tr>
<td>Decize</td>
<td>10 francs per month for the household; 15 francs per month for the first child, and 10 francs per month for other children.</td>
</tr>
<tr>
<td>Bouble</td>
<td>Average per worker per working day: hewers, 40 centimes; underground workers, 29 centimes; surface workers, 26 centimes; all workers, 27 centimes.</td>
</tr>
<tr>
<td>Marseille:</td>
<td></td>
</tr>
<tr>
<td>Valdonne</td>
<td>1 franc per day per child for first two; 1.50 francs for the third and succeeding children.</td>
</tr>
<tr>
<td>Trêts</td>
<td>As at Valdonne, plus 15 francs per month for the wife.</td>
</tr>
</tbody>
</table>

1Bulletin du ministère du Travail, Jan.-Feb.-Mar. 1922, pp. 33 and 34.
2A bonus of 50 francs is paid at the birth of each child.
Family allowances paid

8 francs per month for wife,
8 francs per month for each of the first two children,
11 francs for the third child, and
13 francs for the fourth.
5 francs per month for aged dependants, plus
50 centimes per working day per child.

Average per worker per working day: hewers, 37 centimes; underground workers, 37 centimes; surface workers, 24 centimes; all workers, 31 centimes.

Average per worker per day: hewers, 83 centimes; underground workers, 83 centimes; surface workers, 65 centimes; all workers, 79 centimes.

Payment by means of Equalisation Funds.

The payment of family allowances to workers generally in private undertakings, as distinct from those employed by the state or such organisations as the great railway companies, dates from 1916. In that year the Régis-Joya works at Grenoble, on the initiative of their director, Mr. Romanet, decided to pay allowances of 7.50 francs per month to workers with one child under a given age, 18 francs for two children, 31.50 for three, and 48 francs for four children, with an addition of 12 francs for each child beyond the fourth. The allowance was increased with the number of children because the larger the family the less opportunity the mother had of earning a wage. The system of paying family allowances was soon adopted in connection with a number of other metal works in the district. In May 1918 the Metal Trades Association in the Grenoble area decided to pay, in addition to the allowances for children on the scale given above, 12.50 francs per month to workers whose wives were not employed, 25 francs per month if the wife was an invalid, and 25 francs per month to a woman worker whose husband was unable to work. Also, to remove the temptation to prefer unmarried workers or those with small families, an equalisation fund was formed under the management of the Association of Engineering Constructors, Boiler Makers and Founders of the Isère, the fund being maintained by contributions paid by each associated firm in proportion to the total of wages paid. All family allowances were to be paid from the fund.

1 The system of family allowances operated in 1854 for workers in the factory at Valdes-Bois, but the experiment was of an isolated character and the example was not followed.
The example thus set was widely and rapidly followed throughout France. In 1918 the Lorient Fund was formed, actually before that of Grenoble. On 25 March 1919 the Metal and Mining Industries Association sent circulars to its district associations giving information as to the system and urging that the example of Grenoble should be followed. During 1919 four funds were formed, namely those of Saint Dizier, Epernay, Rouen, and Nantes. The year 1920 saw many new funds established; during the course of the year the number grew from 6 to 56, and the amount of allowances paid increased from a rate of 5 million to one of 65 million francs per annum. At the time of the first National Congress held in Paris on 4 July 1921, 72 funds were in operation. When the second Congress was held on 22 May 1922 at Grenoble the greater part of the funds in operation at the time of the first Congress had made progress, 20 new funds had been created, and 25 others were in course of formation. At that date the funds covered over 5,500 establishments with a staff of about 700,000 salaried and wage-earning employees. Of these there were about 160,000 heads of families with a total of about 270,000 children. The bonuses and allowances paid in respect of these dependants were estimated, on the basis of data for the first quarter of 1922, at a total of about 80 million francs per annum.

On 16 November 1922 the Committee on Family Allowances (Comité des Allocations familiales) gave a dinner at the Palais d'Orsay to celebrate the formation of the hundredth equalisation fund. Mr. Mathon, the President of the Committee, stated that 107 equalisation funds existed at that date, and that almost 90 million francs per annum were being paid in family allowances. When the third National Congress on Family Allowances met at Nantes from 4 to 6 June 1923, the number of equalisation funds was 120, covering 7,600 establishments with 800,000 workers, and the rate of distribution of allowances was 92 million francs per annum.

During the following year the equalisation fund system continued to make progress, and Mr. Bonvoisin, Director of the Family Allowance Committee, in his report to the fourth National Congress, held at Mulhouse at the end of May 1924, announced that there were then 151 funds covering 9,300 establishments with over a million workers, and that the allowances paid exceeded 128 million francs per annum.

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1 La Journée industrielle, 17 Nov. 1922; Temps, 18 Nov. 1922, Paris.
francs\(^1\). Although the increase in the number of funds from the middle of 1923 to the middle of 1924 was about equal to that during the previous year, the increase in the total amount paid in allowances was greater, this being due partly to a rise in the rates of allowances paid\(^2\).

To the foregoing figures may be added data respecting the payment of family allowances by 61 equalisation funds collected about the middle of November 1921 by the Ministry of Labour\(^3\). Of these funds 52 were formed prior to 31 December 1920, and 9 were founded in 1921.

The establishments covered by 32 of these funds employed 526,000 workpeople, including 123,000 heads of families with 213,000 dependants. This gives the approximate relation of heads of families to the total number of workers as 24 to 100. In different districts there is considerable variation in this relation, which was 40 per cent. at Strasbourg, 60 per cent. at Lorient, and only 5.6 per cent. at Thizy, 13.6 per cent. in the Lyons fund (dyeing), and 16 per cent. at Rennes. The relation of the number of dependants to heads of families for the 32 funds was 1.73 : 1. The number of dependants per head of family was 2.6 at Rennes and Strasbourg, 2.5 at Thizy, 2.3 at Amiens, 2.2 at Lille, 2 at Lorient, and as low as 1.3 at Limoges (metal) and Vienne, and 1.4 at Armentières. The relation of the number of dependants to the total number of workpeople without distinction of age or sex was only 0.4 : 1.

**Organisation of Equalisation Funds\(^4\)**

*Types of Fund.*

Two main kinds of equalisation funds in France may be distinguished: (1) those organised on a district basis and open to all

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\(^1\) If to the sums paid by the equalisation funds are added the amounts of family allowances paid directly to their workers by various employers, including the railway and mining companies, the annual total was about 300 million francs. In addition account should be taken of the amounts paid by the public administrations. Altogether about 2,700,000 workers are covered by the system of family allowances.

\(^2\) *La Journée industrielle,* 27 May 1924.

\(^3\) For more detailed information on the results of this enquiry, presented in tabular form, see pp. 68-69.

\(^4\) This section is based on information published by the Committee on Family Allowances in a report describing the organisation and working of equalisation funds in 1921-1922. The descriptions given are based on a study of the regulations of 74 different funds.
employers irrespective of the industry to which they belong; (2) those organised on an industrial basis, and open only to employers in a given industry or group of allied industries.

Of the 74 funds respecting which detailed information was published for the year 1921-1922, 39 were organised on a district basis, while 35 were industrial in character. One of the latter had separate sections for wage-earning and salaried employees with different rates of subscription. Industrial funds are more likely to develop where an industry is localised and a considerable number of establishments in one district can join together to establish such a fund.

Two kinds of district funds are in operation, namely, those with uniform subscriptions paid by all associated employers, and those with rates varying according to the industry. This system of varying rates was in operation in 1921-1922 in about one-fifth only of the funds organised on a district basis.

The system of family allowances originated on an industrial basis, but many people regard this as a stage in development and consider that the final form of organisation is the district fund with a single and uniform rate of subscription for all industries, distributing allowances at a uniform rate. An intermediate stage is the district fund with sections for different industries and with differences in the rates of subscriptions or in the allowances paid.

Organisation on the industrial plan is especially open to the danger arising from the fact that it is to the financial interest of the whole industrial group to employ unmarried workers or workers with few dependants rather than those with large families. Again, it is argued that certain industries largely employ women or unmarried men without dependants, and that therefore these industries should not be called upon to pay for the maintenance of large families. It is pointed out, however, that the employment of such workers is rendered possible only by the employment of heads of families in other industries in the district. This interrelation of the different kinds of workers available for different industries tends to support the establishment of district rather than industrial funds for the payment of family allowances. Otherwise certain industries, such as mining, chemical, metal, and building industries, would be called upon to bear almost the whole burden of maintenance of families for the benefit of such industries as textiles, which employ large

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1 Report on the industrial or district form of organisation, by Mr. Fernand Rey, to the National Congress at Paris, 4 July 1921.
numbers of women workers. Further, as one object of family allowances is to help in the maintenance of an adequate supply of labour for industry in general, the district organisation is more suitable. Attention should be directed not so much to the attempts to establish the greatest degree of equality between the subscriptions paid by a given employer to the fund and the amounts paid in allowances in respect of the dependants of his workpeople, but rather to the fact that the future occupation of the children maintained is largely uncertain and that the cost of maintaining them should therefore be shared between the different industries.

A danger arises from the organisation of industrial funds owing to the possibility that sectional action opposed to general interests may be taken. In practice, however, there has been a danger of certain employers or groups of employers not joining a fund at all, or resigning from a fund which they had already joined, if due allowance were not given to the special situation of their industry and attempts made to determine a basis for subscriptions to the fund which, while not varying directly with the number of dependants of their workpeople, would ensure approximate equality between the subscriptions paid to the fund by a given employer and the amounts paid in allowances for the dependants of his workpeople.

The general attitude of representatives of the different funds on the question of the district or industrial form or organisation may be gathered from the resolution on this question passed unanimously at the first National Congress of Equalisation Funds at Paris on 4 July 1921. This resolution, which was expressed in terms strongly in favour of the district type of organisation, was based largely on the idea that the system of family allowances is in principle of a social and general character, and that the methods of its application are determined by local rather than industrial conditions. The resolution expressed the hope that, whenever circumstances allow, the district type of organisation should be adopted, and that although in certain cases, to be regarded as exceptional, where the adoption of a different rate of payment to the fund appears provisionally necessary in order to secure the adhesion of a new industrial group to a district fund, this differentiation should not be regarded as doing away with the principle of uniform regulations and rates of allowances for all members.

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1 See report of the National Congress, Paris, 4 July 1921.
Basis of Subscription.

Various methods are adopted to determine the amounts due to the equalisation fund from the different employers, the essential principle being that the amount should be fixed in relation to some factor which does not vary with the number of dependants maintained by the workers in each establishment. In this way the danger of certain employers preferring unmarried workers or workers with small families is avoided.

The factors most frequently used for this purpose are: (a) the wages paid; (b) the number of workers; (c) the number of worker-hours or worker-days; (d) the area of land (for certain agricultural funds). In addition to using one of the above factors, the amount paid in allowances is directly or indirectly taken into account in fixing the rate of subscription. Thus, some funds fix the rate of subscription to the fund for a year or other period, for example, at so many francs per worker or as a given percentage of the wages. Others determine the total allowances paid in a given period and then distribute the cost amongst the member employers in the proportions determined by one of the above factors.

In one fund, where a distinction is made between wage-earning and salaried employees, the wage is taken as basis for the rates of subscription for the former and the number of workers for the latter.

Wages.

This basis is the one most generally used, being adopted by 52 out of 74 funds for which detailed information was published for the year 1921-1922; it is followed by many of the larger funds. In some cases the rate of subscription is fixed in advance for a year or other period at so much per cent. of the total wages, while in others it is based on the total wages paid in the preceding month or other period. The first of these plans is only applied in a few cases where a fund has been formed for an industry in which the separate undertakings are similar, for example, building, and even then it is often necessary to change the rate frequently. With the second plan the method of calculation is that after given periods the fund totals the wages paid by the different establishments and also finds the total paid in allowances. The second is then

1 See report on the different bases of calculation of rates of subscription by Mr. Pierre Fauver, to the National Congress, Paris, 4 July 1921.
divided by the first and the result, multiplied by the wages paid by each employer, gives the subscription of each.

Some believe the wage to be the simplest and most satisfactory unit on which to base the equalisation. Others object that it makes necessary the declaration to the fund by each employer of the wages he pays, and some do not wish to do this. To this objection it may be replied that the fund may be trusted to keep secret the information conveyed. Again, by taking the total wages as base further calculations are avoided, as employers must submit the same figures in connection with the fixing of accident indemnities. It is further claimed that the wage base is satisfactory in the sense that the wage-bill represents in a general way the financial strength of an undertaking, and that few or no difficulties arise in cases where a period of slackness with short time or total unemployment is experienced by some of the establishments associated with the fund. But the wage-bill may represent the financial strength of an undertaking only in industries approximately similar in character, in which the total wage-bills represent roughly corresponding proportions of the total costs of production. It is evidently less satisfactory from this point of view if in some industries the wage-bill plays a much larger part than in others. It is partly for this reason that funds of an industrial rather than a district character have been formed in some localities.

The wage base system has therefore been modified in certain districts in various ways to meet local or industrial circumstances. Thus one fund has fixed lower rates for big establishments paying more than one million francs per quarter in wages, on the ground that they employ a higher proportion of youths and girls, and that this increases their wage-bill and consequently their relative contribution to the fund. On the other hand the amount received in allowances by their workers is proportionately small, and without a reduction of rates of contribution it was feared that some of the big undertakings might withdraw from the fund.

For similar reasons certain district funds have established separate sections, each dealing with similar industries or groups of workers. Again, certain industries, such as textiles, have relatively small amounts to pay in allowances on account of their employing a large proportion of women and young persons with few dependants, while in others, for example, engineering, there is a high proportion of adult male workers, and consequently to fix an equal rate of contribution to the fund for such different groups of occupations would impose a burden relatively too heavy on
the former group. For this reason some funds have fixed higher rates of contribution in industries such as engineering where the total allowances paid are relatively greater in amount. In this connection, those who support the wage base as the most satisfactory unit on which to calculate the subscription point out that if the total amount of allowances paid to workers in such industries as the textile industry is relatively small, the wages paid are also lower than in industries where adult male workers are generally employed, and that there is less inequality in taking the wages paid as basis than appears at first sight. In periods of reduction of wages a further difficulty arises as, if of two establishments having equal wage-bills, and each paying similar sums to the fund, one only effects reductions in wages, then the result would be that after the change this establishment would be called upon to pay a smaller total to the fund than the firm which had maintained its wages.

Number of Workers.

The working of the system of subscriptions based on the number of workers, which was adopted by 12 of the 74 funds for which information was published for the year 1921-1922, may be explained by describing the system in operation at Grenoble. At the end of each month each employer fills in a return giving the number of workers and the amount paid in allowances. The committee of the fund totals the figures supplied by the different employers and fixes the rate of subscription per worker per month, the rate fixed at the beginning of the quarter remaining in force throughout the quarter ¹. The account for each employer is kept by the fund as follows:

An employer has, for example, 100 workers, and pays 850 francs in allowances. If now the subscription is fixed at 10 francs, he owes the fund 100 x 10, or 1,000 francs, less the 850 francs paid to the workers, i.e. 150 francs. If, on the other hand, an employer with 100 workers has paid 1,125 francs in allowances, the fund pays to the employer 125 francs, i.e. 1,125 francs less 1,000 francs (100 x 10). The unnecessary transference of money is avoided by each employer paying the allowances directly to his workpeople.

One advantage of this method over that based on wages is that the sums paid in allowances are independent of the wages and that

¹ For apprentices the rate paid is half that for adult workers.
firms with equal numbers of workers pay equal amounts to the fund, even if by differences in rates of wage they pay more or less in wages. Certain difficulties, however, arise. There are at times considerable variations in the numbers of workers employed, and this involves frequent calculations of the rate of subscription. Again, where firms employ both men and women, as women workers draw much less in allowances relatively than men, it is necessary to find a means of avoiding the difficulty of employers with large numbers of women workers and few heads of families being called upon to pay to the fund sums quite out of proportion to those received by their workers. This has led in some funds to the system of double equalisation, in which the subscription is calculated separately for men and women. Other funds count women and young persons at half the rate, while others again count them at other percentages of the adult male rate, varying according to the proportion of adult males to women and young persons employed.

One fund has adopted the system of multiple sub-funds, in which are grouped the different establishments according to the percentage of dependent children to workers. Five sub-funds are constituted, based on the following percentages of children to adult workers: (a) above 70 per cent.; (b) between 51 and 70 per cent.; (c) between 36 and 50 per cent.; (d) between 21 and 35 per cent.; (e) under 21 per cent. The subscriptions for these groups are respectively 15, 12, 8, 5, and 3 francs per worker per month. Thus, if in a given establishment there are 80 workers with a total of 32 dependants, i.e. 40 per cent. of dependants to workers, then this establishment would fall into group (e) and would pay 3 francs per worker per month to the fund.

Worker-Hours or Worker-Days.

The system based on the number of hours or days actually worked was in operation in 5 funds out of 74 in the year 1921-1922. The method may be explained by describing the practice adopted by the district fund at Nantes. Suppose the allowances paid are at the rate of 50 centimes per dependant per day worked by the worker, and that there are 100 workers with 238 dependants. If each of these workers has worked 25 days in the month the total paid in allowances will be $0.50 \times 25 \times 238 = 2,975$ francs, and adding 25 francs for expenses of management a total of 3,000 francs for the month is obtained. On the other hand, if the total number of
worker-hours is 120,000, then the unit of subscription is 3,000 divided by 120,000, or 0.025 francs per worker-hour. This unit multiplied by the number of worker-hours in any establishment gives the amount owed by that establishment to the fund. The amount actually paid to or received from the fund by a given establishment depends on the amount which it has paid in allowances. This system does not allow the rate of subscription to be fixed in advance, but with experience an idea may be formed of what the relatively constant rate is likely to be.

Area of Land.

The fourth system, adopted by two agricultural funds (Paris and Tours), is that of fixing the rate of subscription at so much per hectare or other area of land. It was found difficult in agriculture to take the total wages paid as basis on account of the payment of a considerable and variable part of the wage in kind. Again, the number of workers varies from season to season, the season itself varying with the nature of the crop, while the number of worker-days was also unsatisfactory. The area was therefore selected as unit. In one agricultural district (Bordeaux), however, it would have been unsatisfactory to take the area as basis on account of the fact that in the district are found side by side land used for the cultivation of vines, necessitating a large number of workers on a small area of ground, and areas of landes and woodland where relatively few workers are employed. In this district the number of permanent workers was taken as the unit.

Even in the Tours fund, where the hectare is taken as basis, it was necessary to make allowance for differences in the use made of the land, the rates paid being 2 francs per hectare per annum for ordinary cultivated farm-land or land under vines, and 0.10 francs per hectare per annum for woodland. In this fund a minimum subscription of 50 francs per half-year is fixed.

The difficulty regarding the payment of allowances which arises on account of the number of temporary workers in agriculture is solved by fixing a minimum period of attendance (6 or 12 months), entitling workers to claim payments, which are thus restricted to permanent workers.

Method of Paying Allowances.

Equalisation funds may be distinguished according as the allowances are paid (a) by the fund to workers in the various member
establishments, or \( (b) \) by each employer to his own workers. The former method makes the distinction between the wage and the allowance clearer than if both are paid by the employer. The amounts may be paid through the post, directly by the fund, or through banks. Payment by each employer avoids the unnecessary transference of money, and is the more common practice.

**Entrance Fees and Reserves.**

In addition to the ordinary contributions, a certain number of the funds impose an entrance fee, while some maintain reserve funds from which deficiencies may be made up in case of failure of any of the members. Thus the Paris Building Fund maintains a reserve fund by means of contributions of 5 per cent. of the ordinary subscriptions; the unused balance is divided each year between the different members in proportion to their contributions, and placed to their credit during a given period. At Thirzy-Cours the reserve fund is constituted by payments of 2 per cent. of the wages paid during the half-year preceding admission to the fund.

**Allowances Paid**

Three main kinds of allowances are paid: monthly allowances; birth allowances; nursing allowances.

**Monthly Allowances.**

Various systems of payment are adopted by different funds, among these the following may be mentioned:

(a) uniform allowances per child;

(b) allowances per child increasing progressively with the number of children;

(c) no allowance for the first child or other number of children, and uniform or progressively increasing allowances for other children.

1 In a number of cases the regular allowances are paid per working day. The monthly allowance is calculated by multiplying the daily allowance by 25.

2 At the third National Congress on Family Allowances Dr. Perret, Director of the Hygiene Service for Children of the Lyon Funds, read a report in which he stated that the heads of families constituted 24.7 per cent. only of the total
(d) lower allowances for the first child or other number of children, with uniform allowances for other children;
(e) allowances in respect of the first six or other number of children only;
(f) allowances at a uniform rate per child, but the rate varying with the total number of children.

The figures below give a general indication of the average allowances paid in respect of various children. The amounts given are arithmetic averages calculated from the rates paid by 72 different funds, the figures being given in the survey of the organisation and working of the funds for 1921-1922, published by the Committee on Family Allowances. The average allowances per month were as follows:

<table>
<thead>
<tr>
<th></th>
<th>francs</th>
<th></th>
<th>francs</th>
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</thead>
<tbody>
<tr>
<td>1st child</td>
<td>17.20</td>
<td>5th child</td>
<td>30.15</td>
</tr>
<tr>
<td>2nd child</td>
<td>22.95</td>
<td>6th child</td>
<td>31.00</td>
</tr>
<tr>
<td>3rd child</td>
<td>27.33</td>
<td>7th child</td>
<td>30.16</td>
</tr>
<tr>
<td>4th child</td>
<td>29.30</td>
<td>Subsequent children</td>
<td>30.13</td>
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The rates of allowances do not appear to have been changed to any considerable extent until after the middle of 1923, but by the end of May 1924 appreciable increases had taken place, and the average monthly allowances at that time were announced at the Mulhouse Congress to be for one child about 19 francs, for two children 46 francs, for three children 81 francs, and for four children 124 francs.

In most cases allowances are paid only in respect of children. Generally an age limit — most frequently 13 or 14 — is fixed, and when the children pass that limit the allowance which has been paid is stopped. Some equalisation funds cease to pay allowances when the children start to work, in others the period of payment is extended for one or more years if the child is continuing its education or is an unpaid apprentice, while some funds pay allowances beyond the age normally fixed in respect of invalid children.

number of workers, that the average number of children per worker was only 0.4, and that large families are extremely rare amongst the workers, those with more than 4 children representing only 2.2 per cent. of the total of workers' families. It appeared that less value in proportion was obtained from allowances paid for the first child, and the question was raised as to the desirability of the funds devoting themselves more especially to families with at least two children. The Congress instructed the Committee to continue the investigation of this problem.

1 The corresponding figures at the end of May 1923 were about 17.73 francs, 86.75 francs, 63.96 francs, and 92.85 francs respectively.
not victims of accidents. In some funds it is stipulated that the children respecting whom allowances are paid shall not have started working. Some specify that the children must be legitimate, legitimised, acknowledged or adopted. Some funds pay allowances in respect of grandchildren and brothers or sisters under the given age.

In addition to paying allowances for children, some funds pay allowances for an invalid wife not the victim of an accident, or for aged dependants over a given age or incapable of work. In the case of aged dependants it is sometimes specified that they must be without resources, or have incomes not exceeding a given sum per annum.

The persons to whom the allowances are paid vary in different districts, being generally one of the following: (a) the head of the family, or other person in charge; (b) the mother or the father; (c) in the case of orphans, the eldest.

**Conditions entitling to Allowances.**

A number of funds include in their regulations provisions limiting the payment of allowances to workers receiving a wage not exceeding some specified amount. The maxima vary from 401 francs per month to 24,000 francs per annum. In one case the allowances paid are reduced by 50 per cent. for workers receiving between 9,600 francs and 12,000 francs per annum, while beyond the latter sum the allowances are entirely suppressed. In another fund a maximum of 6,000 francs per annum is fixed in respect of a family of three children, while the maximum is increased by 4,000 francs per child after the third; the maximum is based on the total wage in case both the father and mother are employed. A third fund fixes 7,200 francs per annum as the maximum entitling the workers to full allowances, while reduced allowances are paid if the wage exceeds that figure. About half the funds make no provision regarding the maximum wage entitling workers to allowances.

The question was considered at the Mulhouse Congress, and a resolution was adopted in favour of the application of the system to all grades of workers, whether salaried or wage-earning employees, without distinction as to either the nature of employment or the rate of remuneration. The resolution recommended that those equalisation funds which still restrict the payment of family allowances to wage earners should examine the possibility of extending the benefits of the system to all workers.
A number of funds fix minimum periods of attendance entitling workers to claim allowances. The period is frequently 1 to 3 months, although longer periods — in some cases as much as 12 months — are fixed. In some funds attendance for the given period at any establishment attached to the fund is recognised. In certain cases a longer period of attendance is fixed before workers become entitled to bonuses on the birth of a child than that entitling them to claim monthly allowances. Such periods vary in different funds from 3 to 12 months.

Various funds have provided for the admission or non-admission to benefits of foreign workers, a similar number granting allowances to that refusing them. Some funds pay allowances to foreigners providing the children reside with the worker or live in France. In some cases foreigners belonging to nations that have not been at war with France are entitled to claim the payment of allowances. One fund pays allowances to foreigners who have worked for two years in the same establishment, while another pays them if the family has resided in France for ten years.

Action in Case of Accident, Sickness, or Death.

Accidents. — Separate provisions for the payment of allowances are made by a large number of funds in cases of accident to a worker according as the accident involves permanent and total incapacity or temporary incapacity only. In the former case the allowances generally cease, but a few funds continue to pay them. One fund continues them for a period of three months, while in another fund they are reduced in proportion to the pension drawn. Where the accident causes temporary incapacity only, the general practice is for the payment of the allowances to be continued, subject in certain funds to various modifications. Thus some funds continue the payment for a limited period only, say for two or three months or till the employer ceases to regard the worker as a member of his staff, or to the end of the month in which the accident indemnity is fixed. In one fund the payment is continued provided the worker has been on the staff of the same establishment for ten years, while another reduces the allowances by 50 per cent. In a few cases arrangements are made for the payments to be continued but the expense to be borne equally by the equalisation fund and the accident insurance fund. In about a quarter of the funds the payment of the allowances is suspended during the period of temporary incapacity.
Sickness. — The majority of funds pay allowances during the worker's periods of sickness. Some of them, however, limit the period during which the allowances will be continued to one, two, or three months or a longer period. In some funds payment is continued for a given consecutive period, but a further limitation is also imposed restricting the payment during sickness to a given number of days per annum. In several cases allowances are paid in full for two months, and then reduced, for example, by 50 per cent. for the third and fourth months, after which they are suppressed. In one fund the decision as to the continuation or cessation of the allowances rests with the employer, while in another fund allowances are paid during such period as the worker is regarded as remaining on the staff of the establishment. In about a quarter of the funds the payment of allowances is suspended during the illness of the worker.

Death. — In the majority of funds the payment of allowances ceases with the death of the worker, but a few funds continue it. Some continue to make the payments during the current month or for a longer time, three months being the predominant period. One fund continues payments in full for the first two months; they are reduced by 50 per cent. in the third and fourth months, after which they are stopped. One fund continues the payment provided the worker has been on the staff of the establishment for ten years; another fund pays them for six months if the worker had been on the staff for one year, otherwise payment is stopped at the end of three months.

In most cases payments cease on the death of the child or other dependent in respect of whom the allowance was made. A considerable number of funds continue the payment during the current month or during the current and the succeeding month, after which the allowances cease to be paid.

Birth Allowances.

Most funds pay special birth allowances. Thus, in the year 1921-1922, out of 71 funds 32 paid equal bonuses at the birth of each child; 4 paid the bonus in respect of the first child only, while 13 funds paid higher bonuses in the case of the first child than for succeeding children. Twenty-two funds do not appear to have paid such bonuses. For the funds which paid bonuses the arithmetic average of the bonuses paid in respect of the first child was 151.02 francs and for succeeding children 128.88 francs.
Nursing Allowances.

Various allowances are paid by a number of funds (13 in 1921-1922) during the nursing period (breast feeding). These may be: a single payment (e.g. 50 francs), or a fixed allowance per month for a given number of months. Generally the allowance is 10 to 30 francs per month for a period of 9 or 10 months.

Social Welfare Activities of Equalisation Funds *

In addition to paying allowances as described above, whether regular allowances for children and in certain cases other dependants, or allowances at confinement and during the nursing period, a number of equalisation funds have taken action in various ways with a view to improving the health of the children. The basis of such action is that, as the allowances belong, not to the one receiving, but to the children for whose needs they are paid, it is the duty of those organising the payment of the allowances to take all reasonable measures to ensure that the sums paid are being rightly used and not diverted from their proper purpose 2. Often, moreover, mistakes are made through ignorance and inexperience by those in charge of children, and it has been felt necessary to supplement the allowances with advice and guidance, it being generally considered that “the manner of giving may be more important than the gift itself”.

Certain funds have established centres in various parts of the towns, to which parents may take their children periodically and obtain medical advice. Some funds have organised a system of home visitors (women) who give advice to the mothers as to the normal care of children, including feeding, and also as to care and treatment when the children are suffering from ailments. The Mulhouse fund has published a small book for mothers on the care of children. Other funds which do not engage directly in activities of this character have representatives on different local welfare organisations, as, for example, societies which engage in pre-natal care, maternity societies, societies which organise crèches or are concerned with the housing of the working classes, workers’ gardens, etc., and these representatives arrange for the families of

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1 See report by Mr. Gay to the second National Congress of Equalisation Funds, Grenoble, 22 May 1922.
2 See Regulations of the Angers and Bas-Rhin Funds.
workers covered by funds to benefit from their activities. Again, where necessary, the equalisation fund, through its visitors or other agents, may bring members of various families into touch with anti-tuberculosis dispensaries, sanatorium organisations, holiday home societies, dental services, and similar welfare institutions.

The second Congress of Equalisation Funds, held at Grenoble on 22 May 1922, expressed satisfaction at the social welfare activities for improving the health of children which a number of funds had undertaken by private initiative, and wished to encourage all funds to continue and extend their social and moral functions. The third Congress, held at Nantes from 4 to 6 June 1923, also dealt with the question of the social hygiene and welfare work being done by equalisation funds; Mr. Dupont, Director of the Lille District Fund, gave a review of the measures taken for safeguarding the health of the mother before and after confinement, the encouragement of breast feeding, the care of the child during the first months, when infantile mortality is particularly high, and similar measures. He emphasised the value of the work of visiting nurses. The Congress was of opinion that the payment of nursing allowances which would enable the mother to remain at home for at least three months after the birth of her child is desirable.

At the fourth Congress, held at Mulhouse, from 26 to 28 May 1924, the social welfare activities of equalisation funds again occupied a prominent place in the discussions, and important developments in different districts were indicated. A resolution was adopted indicating, in matters of social relief and domestic hygiene, the similarity of the objects of the equalisation funds and of the public authorities, and suggesting that, while allowing free scope for private initiative, the public authorities should continue to welcome the expressions of opinion of the Family Allowance Committee on these questions.

**Joint Action of Equalisation Funds**

As the number of equalisation funds grew, the employers felt more and more the need for co-ordinating their efforts. The idea of forming a national organisation was brought forward on 4 June 1920, at the Congress of Industrial Companies at Mulhouse, and a resolution was passed with the object of founding such an association. The Lyons Equalisation Fund was given the work of centralising information with this object, and its power of action
was confirmed by the Birth-Rate Congress at Rouen on 24 September 1920.

Finally, representatives of various funds met at Lille from 3 to 5 December 1920, when the question of the creation of a National Union of Funds was considered. Three proposals were discussed: (a) to safeguard the autonomy of the funds, which would remain quite independent; (b) to form a highly centralised organisation; (c) to establish between the different funds permanent links, which, while leaving to each its liberty of action, would facilitate the exchange of ideas and thus enable each to benefit from the experience of others. The last plan was adopted, and the Committee on Family Allowances (Comité des allocations familiales) was formed as a central organisation for study and propaganda, with a National Congress.

**The National Congress.**

The National Congress meets at least once a year in some town chosen by the preceding Congress where the system of family allowances is well developed. It consists of full members and advisory members. The full members include members of the permanent Committee and delegates of the funds. The advisory members are chosen by the permanent Committee from among persons representative of institutions formed for the assistance of large families.

Each fund may be represented by as many members as it may desire. Voting power is only accorded to those funds which have approved the regulations of the Committee and have paid their subscriptions for the previous year. Each fund which has satisfied these conditions has one vote. Additional votes depend on the amounts paid in family allowances during the previous year. Thus, if the amount was between 250,000 francs and 1 million francs, such fund has one extra vote; if between 1 million and 10 million francs, two extra votes may be cast; while a fund paying more than 10 million francs may cast three extra votes.

**The Committee on Family Allowances.**

This body, which has its headquarters in Paris (7 Rue de Madrid) and is subject to the general control of the National Congress, acts as a permanent link between the separate funds. Within the limits laid down by the National Congress the Committee has full power to collect information and to undertake such researches, enquiries, etc., as it considers of value in connection with the system
of family allowances and the working of the institutions, and to organise propaganda in favour of the system. It may help in the solution of difficulties encountered by existing funds and give advice in connection with the formation of new ones. It also convenes the National Congress.

The Committee, which meets at least once every three months, consists of representatives of a certain number of equalisation funds chosen each year by the National Congress and of honorary members. Each fund chosen is represented by its president or by a member of its governing body, and by a special delegate elected by that body. The honorary members are elected by the representative members, generally from among representatives of employers' organisations, their election being, however, subject to the approval of the next National Congress.

The Committee acts through a permanent secretariat. Its expenses are met by a levy on all associated funds, whether represented on the Committee or not, the amount being fixed by the National Congress.

LEGAL OBLIGATION TO PAY FAMILY ALLOWANCES

Mr. Bokanowski's Bill.

On 24 February 1920 Mr. Bokanowski and a number of his colleagues introduced in the Chamber of Deputies a Bill the object of which was to make compulsory the payment of family allowances and membership of an industrial or district equalisation fund. It was proposed that the measure should apply to all employers, whether in industry, commerce, agriculture, or domestic occupations, who employed one or more workers during at least 150 days per annum and 5 hours per working day. Clause 3 provided for the payment of allowances during pregnancy, at the birth of each child, and during the nursing period; and monthly allowances for all children under 14 years of age.

The payment to women workers of their wages in full for the month preceding and that succeeding confinement was provided for. The birth bonus for the first child was to be at least two-thirds of the monthly wage, and for the second and succeeding children

1 The Committee generally meets every month.
at least one-third. An allowance of at least 10 per cent. of the monthly wage was to be paid for ten months from the date of the birth of the child, provided the mother herself nursed the child.

The monthly allowance for the first child was to be a minimum of 5 per cent. of the monthly wage, and of $7\frac{1}{2}$ per cent. for other children. These allowances were to be paid to the mother.

The amounts necessary to provide these allowances would be provided by the employers, who would pay to the equalisation funds sums equal to a minimum of 5 per cent. of the wages paid. The equalisation funds were to be managed and administered by the member employers. They would be subject to no administrative control except that their accounts would be liable to examination by general inspectors and auditors.

The law would be applied by administrative regulations formulated on the general lines laid down.

In the explanatory memorandum of the Bill reasons are indicated for giving general application to the practice of paying family allowances which had grown up on the free initiative of employers. The chief reasons were as follows: (a) the urgent necessity of increasing the birth-rate in France; (b) to prevent those paying allowances from suffering from the unequal competition of those not paying them.

The Bill has not been passed, but was referred to the Committee on Insurance and Social Welfare. On 5 March 1921 that Committee declared itself in favour of the application of the principle of the family allowance in contracts for public administrative authorities and in industry, but of postponing its application in commerce and agriculture. The methods of institution of the reform were to be studied. Actually the principle adopted has been applied only in the permissive manner described below in the case of workers in the employment of contractors undertaking work for public authorities.

Opinions on Compulsory Family Allowances.

The proposal to make the payment of family allowances compulsory aroused widespread discussion of the question, and among employers' organisations of various kinds there was general opposition to any such scheme. Resolutions dealing with the subject were passed at different congresses, and the general attitude towards proposals to introduce any element of compulsion may be gathered from the summaries given below.
The first National Congress of Equalisation Funds, held at Paris on 4 July 1921, considered the Bill proposed by Mr. Bokanowski. There was general opposition to the idea of making the system compulsory, this opposition being based, among other things, on the belief that the cost of the necessary administrative machinery, and of the system of allowances proposed, would impose an un­duly heavy burden on industry, and that such a law would be rigid and uniform for the whole country, while experience had shown the necessity of taking careful account of local customs and of allowing a considerable degree of elasticity. Considering also the results obtained in less than two years by the free initiative of the employers, the Congress condemned the intrusion of the public authorities, and passed a resolution expressing the hope (a) that Parliament would reject the Bill introduced by Mr. Bokanowski, or similar measures tending to enforce the legal obligation on some or all employers to pay family allowances; (b) that in any case discussion should be postponed in order to allow further experience to indicate the general principles necessary for the successful working of the system.

The same attitude was maintained at the second National Congress of Equalisation Funds held at Grenoble on May 1922, and at the third National Congress held at Nantes from 4 to 6 June 1923, resolutions being adopted to the effect that equalisation funds should be allowed to develop freely and without admini­strative interference.

Chambers of Commerce

The general attitude of chambers of commerce appears to have been very similar to that of employers already members of voluntary equalisation funds.

On 8 March 1922 the Assembly of presidents of chambers of commerce met in Paris, 125 chambers being represented. The meeting was opposed to the enforcement by law of the payment of family allowances by all employers, and condemned the Bill introduced by Mr. Bokanowski as being both premature in principle and dangerous in details. A resolution was passed in similar terms to that adopted by the first National Congress of Equalisation Funds, urging "that all suitable propaganda methods be adopted

1 Report of the National Congress of Equalisation Funds, Paris, 4 July 1921.
in order to enlighten employers who do not yet belong to equalisation funds as to their object and method of operation, and to induce such employers to take their proper share in this social duty by becoming members of such funds".

A resolution similar to the above was passed by the Rouen Chamber of Commerce at its session in July 1922. Resolutions on the same lines have been passed by the chambers of commerce in other towns. The Paris Chamber of Commerce at its sitting of 23 November 1921 introduced a qualification into its resolution to the effect that "the Bill would be desirable only if the equalisation funds did not develop on the lines on which they are at present organised, and if experience proved, contrary to all expectation, that they gave rise to abuses requiring control ".

At its sitting of 28 April 1921 the Lyons Chamber of Commerce received a report by Mr. Celle in which it was indicated that many equalisation funds had had to alter their methods in the light of experience, and that the system, being still in an experimental stage, was not ready for general and compulsory application; that the Bill diverged in some respects from existing practice, for example, in proposing to pay allowances proportional to the monthly wage; that the proposed subscription of 5 per cent. of the total wage-bill was much higher than the average actually paid, which it was claimed did not exceed 1.6 per cent. After the report had been presented a resolution was passed on lines similar to that passed by the National Congress of Equalisation Funds.

Opposition to the principle of legal compulsion has also been expressed by the Congress of Industrial Companies at Mulhouse in June 1920; by the Birth-Rate Congress at Rouen in September 1920; by the plenary assembly of the Congress of French Agriculturists on 12 March 1921; by the Union of Economic Interests on 31 March 1921; and by numerous other organisations.

Favourable Opinions.

On the other hand, the opinions of employers in the building industry and of those engaged on public contracts appears to have been strongly in favour of establishing by law the payment of

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1 Temps, 9 Mar. 1922. A similar resolution expressing opposition to the introduction of compulsion had been passed by the Assembly of presidents of chambers of commerce on 8 November 1920.
2 Journée industrielle, 19 July 1922.
3 Ibid., 28 Nov. 1920.
4 Report of Mr. Bonvoisin to the first National Congress of Equalisation Funds at Paris, 4 July 1921.
family allowances. As an example of such opinion the main points of the resolution adopted by the Congress of Building Employers of Eastern and Northern France, held at Rheims from 11 to 13 July 1921, may be given. The resolution included the following points:

(a) The adhesion of employers to equalisation funds should be made obligatory.
(b) The different Ministries should accept for public contracts the tenders of those employers only who are members of equalisation funds.
(c) The Ministry for the Liberated Areas should include the payment of family allowances in all departmental or Ministerial estimates made by the departments of the Ministry or the technical committees.
(d) All estimates or accounts drawn up whether by the architects alone or with the approval of the employers should include in the general expenses two-thirds of the amount of the payments made to equalisation funds.
(e) All accounts submitted for payment by employers not affiliated to an equalisation fund should be reduced by at least 1.5 per cent. of their total amount.

In 1922 the development of the system of family allowances appears to have been less rapid than during the two previous years, and this has led certain employers, who had regarded the extension of the system throughout French industry as probable without legal compulsion, to be more favourably disposed to the idea of establishing it by law. This view, along with others, was expressed by certain employers at a conference on social questions held at Strasbourg during the summer of 1922. Among the arguments used the following may be cited:

1. The problem of the birth rate requires the adoption of an immediate and vigorous policy, from both the national and the industrial points of view.
2. The rapid development of equalisation funds appears to have met with a check; legal obligation would generalise the practice and would protect those now paying allowances from the effects of the unfair competition of those not paying them.
3. Certain employers pay allowances without becoming members of equalisation funds, but the danger arises that in the interests of economy these may prefer to employ workers who have few or no dependants; compulsory membership of an equalisation fund would avoid this danger.
4. Many employers claim that the allowances are paid by the liberality of the employers; others believe the payments to be necessary on the grounds of social justice. Without legal compulsion the worker has no guarantee of the continuance of the payments, which may be varied or suppressed entirely by the employer. If the payments are really due on the grounds of social

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1 Information sociale, 31 July 1921.
2 Journée industrielle, 18 Aug. 1922.
justice, and if the development of the workers’ families is to be encouraged, it appears necessary to give a guarantee of security.

(5) It is unjust that in the same district some workers should and others should not receive family allowances. Legal compulsion would remove this injustice.

**Payment of Allowances by Public Contractors.**

Although the general application of the principle of the payment of family allowances to workers in industry has not been put into effect and appears to have met with widespread opposition on the part of many employers, those engaged in building and similar work for public authorities have been, as indicated above, generally more favourable to the reform, and equalisation funds have developed rapidly among these groups. As, however, some employers refused to become members of such funds, it was claimed that they were able to tender for public contracts at a lower rate than those paying family allowances to their workers. The paradox arose that the state, which pays family allowances to its workers, appears, when it gives the work to private contractors instead of doing it itself, to favour those employers who refuse to pay such allowances.

To put an end to this anomaly, which also involved the risk of preventing the development or even causing the breakdown of existing equalisation funds, the employers’ organisations in the building industry and for public works asked the Government to introduce into the regulations regarding contracts for the state, the Departments, the municipalities, and other public authorities, a clause making membership of an equalisation fund, and payment to the workers of family allowances, obligatory on every employer undertaking or tendering for public contracts. It was found that such a reform could not be made by administrative Decree and that a special Act would be necessary. On 30 June 1922 Mr. Victor Jean and a number of his colleagues introduced into the Chamber of Deputies a Bill by which “the conditions of tenders for public works executed on behalf of the state, the Departments, the municipalities, and public institutions may include a clause requiring contractors to pay family allowances to the persons they employ on such work”.

This Bill passed the Chamber of Deputies without debate on 24 October 1922 and became law on 19 December 1922.

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Act was to be put into operation by Decree in the form of administrative regulations. In accordance with the Act three Decrees were issued on 13 July 1923. The first provides that in the case of state contracts the payment of allowances to workers in respect of their family responsibilities shall be compulsory in all but exceptional cases, when the Minister must state his reasons for allowing the exemption. The contractor must affiliate to an equalisation fund or other similar institution approved by the Minister of Labour which has been set up by the heads of undertakings with a view to dividing among themselves the costs of family allowances. Such affiliation is unnecessary if the contractor employs at least 2,000 workers and has introduced in his undertaking a family allowance scheme which conforms with the conditions laid down for the approved organisations. The two other Decrees, which deal with contracts entered into with the Departments, municipalities, or public benevolent institutions, do not impose an obligation on the contractor to pay family allowances, but merely authorise the inclusion in the contract of clauses to this effect.

On 25 August 1923 an Order was issued by the Minister of Labour laying down the regulations with which approved equalisation funds must comply.

(1) They must possess legal personality or participate in the legal personality of the body to which their members belong.

(2) They must be confined to the building and contracting industry or must have a separate section for these industries with separate accounts.

(3) They must include at least ten building undertakings employing in all not less than 2,000 wage earners or salaried employees.

(4) They must guarantee allowances at the following minimum rates to every wage earner or salaried employee in the affiliated undertakings, in proportion to the number of days' work done during the month:
   (a) for one child, 20 francs a month;
   (b) for two children, 50 francs a month;
   (c) for three children, 90 francs a month;
   (d) for every child above three, 40 francs extra a month.

Allowances will be paid in principle for every child under 13 years of age.

(5) They must possess a reserve fund or working capital amounting to not less than a minimum sum fixed by the Minister, which must, however, not exceed a sum equal to the total cost of the family allowances for one quarter.

Approved equalisation funds must also transmit to the Minister of Labour every year a copy of their balance sheet and furnish

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1 Journal Officiel, 16 July 1923.
2 Ibid., 30 Aug. 1923.
evidence showing that their members have agreed to raise the rates of contribution should the original rate prove insufficient to cover the cost of the allowances. They must also notify the Minister of any change in their rules.

Payment of Allowances by the State.

On 22 July 1923 an Act was passed by which national assistance is given to those with large families. The Act provides that in the case of families in which there are more than three children under 13 years of age an annual allowance shall be paid by the state in respect of each child under 13 years of age beyond the third. Where children are undergoing apprenticeship, continuing their education, or are invalid or suffering from an incurable illness, the age limit shall be 16 years. The allowances are normally to be paid to the father.

The amount of the allowance is fixed for the present at 90 francs per annum for each eligible child. The Departments and municipalities may increase the amount by payments from their own funds.

Relation of Family Allowance to Wage

At first family allowances, for example at Grenoble, were regarded simply as special varieties of cost-of-living bonuses, and in a number of cases entered into the terms of collective agreements. They were treated as an item in the labour contract and as a method of wage payment. Later, the employers generally drew a logical distinction between the wage which each worker received irrespective of the number of his dependants and the allowance, which varied according to the size of the family. The basis of this distinction is that the allowance is independent of the quantity or quality of the work done, is paid independently of the wage and often to other people than the wage earner, frequently by an outside organisation and not by the employer, and is continued in certain cases during periods of unemployment or sickness of the worker.

1 Mention may be made of the Act of 14 July 1913, the essential feature of which was the payment of a monthly allowance to heads of large families who were without resources. For a description of this and various other laws in which discrimination is made in favour of those with large families, see G. Dequidt: *Le Statut des familles nombreuses*.

It was claimed that such a payment should not be regarded as entering into the remuneration of labour.

For reasons such as the above many employers considered that the term "family wage" (sursalaire) should not be used in connection with allowances paid to the workers in respect of their families, and a resolution was passed at the first National Congress of Equalisation Funds at Paris on 4 July 1921, by which the employers who were members of equalisation funds decided that the term "family wage" should no longer be employed, and that the expression "family allowance" (allocation familiale) should be used in its place. It was stated in the resolution that the term "family wage" appeared to establish between the wage and the allowance a bond which did not exist.

The workers' organisations, on the other hand, have generally continued to use the term "family wage", and to regard any payment which is made to the worker by the employer directly or through the medium of an equalisation fund as part of the wage. They point out that if the payment is regarded as part of the wage the inclusion of clauses by which it is not paid until a given number of days of attendance at the works has been completed is unjust. Thus, for example, certain funds do not pay amounts in respect of the dependants of workers until these have been in the district or in attendance at a given works for a period of say 3 or 6 months, such a practice being for the purpose of making the staff more stable in character and to prevent the drawing of workers with large families from districts where allowances are not paid to those where equalisation funds have been constituted. The workers argue, on the other hand, that if, as the employers claim, the family allowance is in no way connected with the wage but is a matter of social justice, then it should be paid not by the employer but by the community as a whole.

The question whether these payments should be regarded as part of the wage or as entirely distinct therefrom has certain aspects of practical importance, and a number of legal decisions or pronouncements by public authorities have been made on it. Thus, a member of the Equalisation Fund for Building and Public Works was brought before the probiviral court (conseil de prud'hommes) of Paris for non-payment to one of his workers of the sum of 100 francs, representing the amount of family allowances disputed.

1 Information sociale, 15 Mar. 1923.
The point of interest was that if the allowances constituted an integral part of the wage the court was competent to deal with the case. If, on the other hand, these payments were outside the labour contract the court would be incompetent to examine the worker's claim. It was decided that the allowances did not constitute part of the wage, and did not enter into the labour contract, this decision being based on the arguments that a wage is remuneration for work done, while the family allowance is a contribution to families for the purpose of helping them to bear the higher cost of living, whatever may be the product of the worker's labour; that the allowances are paid to the mother of the children; that the system had been instituted in view of social and economic considerations, quite apart from either the wage or the work done; and that the Advisory Committee on Accident Insurance had adopted the view that family allowances were not part of the wage and should not be taken into account in calculating the indemnity or pension to be paid to victims of accidents.

Family Allowances and Accident Indemnities.

The question whether family allowances distributed by equalisation funds should enter into the calculations of the indemnity to be paid in case of accident to the worker was discussed at the first Congress of Equalisation Funds in Paris on 4 July 1921. It was pointed out in a report to the Congress by Mr. Abel Durand that this was a matter which could be determined in application of the law establishing accident indemnities by the appropriate tribunals only, but that to indicate the real nature of the allowances would assist the tribunals in making their decisions. Under Section 10 of the Act of 9 April 1898, the wage taken as base for fixing the accident indemnity is the actual remuneration of the worker whether paid in money or in kind. This Section has been taken by the Court of Appeal to cover all additional allowances which are part of the wage, i.e., which are payments for work done. Certain tribunals have decided that gifts and bonuses of an exceptional character, though connected with work done, do not form part of the wage, but that on the other hand the wage includes all earnings specified in the wage contract, or arising from regular custom, which the worker can count on continuously in estimating

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1 Report by Mr. Abel Durand; see also resolution of the Congress.
his income. For a considerable period the tribunals decided, in the case of family allowances paid by the railway companies, that on account of the temporary and variable character of the allowances, which depend on the number and age of the children, they should not be taken into account in fixing accident indemnities. This uniformity has, however, been disturbed by several recent decisions. Thus, the court of Chambéry on 15 June 1920\(^1\), taking account of the compulsory character of the allowances paid by the P.L.M. Company, declared that they constituted a real addition to the wage and should be taken into account in fixing the wage taken as base for accident indemnities. Again, the court of Limoges on 17 January 1921\(^2\) decided that as the allowances are not paid apart from the work done they should be taken as an integral part of the wage. A legal decision regarding family allowances paid by equalisation funds may be quoted, namely, that of the Wassy Tribunal of 11 May 1921\(^3\), when judgment was pronounced against the inclusion of family allowances in the wage taken as base for fixing accident indemnities.

The Advisory Committee on Accident Insurance for Workers, when consulted by the Minister of Health on the question raised by the Lyons Equalisation Fund as to the inclusion of family allowances in the wage taken as base for fixing accident indemnities, declared that in this particular case allowances paid in this way do not form part of the wage to be taken into consideration in fixing accident indemnities. This declaration, however, has no legal authority, applies only to special cases as outlined in the terms of the declaration, and gives no absolute security.

The attitude of employers who are members of equalisation funds was expressed in a resolution of the first National Congress of Equalisation Funds, and was to the effect that the amount of the wage only should be stated to the tribunals responsible for fixing accident indemnities. To avoid the injury which such a course would cause to the victims of accidents who receive indemnities varying according to the wage, the funds, during the period in which the dependants would otherwise have been maintained and while the victim of the accident is unable to work, should continue to pay the allowances in full.

Certain arguments have been used to support this view. Thus,

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\(^1\) *Le Droit ouvrier*, Jan. 1921, p. 12.


\(^3\) *Journée industrielle*, 12-13 June 1921.
the indemnity for accidents is to assure compensation to the worker for the suspension, reduction, or total loss of wage, whether due to temporary disability or to partial or total permanent disablement. If, for example, a worker is partially disabled and has 25 per cent. only of his former capacity he would still, when employed, receive family allowances in full. In such a case it is evident that the family allowance should not be taken into account in fixing the partial disablement indemnity. Again, the accident indemnity or compensation for permanent disablement is a permanent payment extending through life, while family allowances are essentially temporary. Hence, if the worker, the victim of an accident, lives after the children have passed the age at which allowances are paid, and his accident pension was fixed on the basis of wage plus allowances, he would be drawing more during this period when he had no dependants than a worker who was without dependants at the time of his accident. Similar situations might arise in the case of prolonged temporary incapacity.

**Family Allowances and Taxation.**

The Finance Minister was asked in December 1922 if family allowances would be taken into account as part of the wage on which taxes would be levied. In reply the Minister stated that sums paid by employers or groups of employers in the form of family allowances to their workers would not be included among the items on which the wage or salary tax, or the income tax, would be based. A committee of the Senate has expressed a similar view.

**Opinions on Family Allowances.**

**Employers' Organisations.**

The opinion of employers with regard to family allowances is somewhat divided. In some industries the system has been adopted to a very small extent only, and here the employers appear to be

1 *Journal officiel*, 29 Dec. 1922.
2 Various opinions were given in replies to an enquiry undertaken by the Social Union of Catholic Engineers (*Union sociale d'Ingénieurs catholiques*), the results of which were published in the *Echo de l'U.S.I.C.*, July 1923. The results include data as to the relation between the cost of the family budget in various districts, the average wage, and the importance of family allowances as means of improving the standard of living of those with families.
rather unfavourable to making these payments, regarding them as an extra cost to the producers. As far as can be ascertained, however, a large number of employers appear to favour the principle of payment of family allowances. The general attitude of these employers, certain aspects of which have been given in the section on the proposal to establish the system by law, are summarised below:

(1) The principle of payment of family allowances is generally accepted on the grounds (a) of the necessity of increasing the birth-rate in France from the point of view of the nation as a whole, and in order to ensure an adequate supply of labour in the future; (b) of the necessity of increasing the welfare of the children.

(2) The principle should be applied by the employers un­fettered in any way by compulsion or interference from the state. This view is not generally accepted by the employers in the building trade in large towns, by contractors for public authorities, or by certain groups of employers in the textile trades.

Workers' Organisations.

The attitude of a large number of workers' organisations to the system of family allowances may be defined by quoting the terms of the resolution which was submitted to the Congress of the General Confederation of Labour in January 1923.

The congress considers that assistance for large families and maternity and nursing allowances constitute a form of social protection which should be organised by the community in the same way as protection against unemployment, sickness, disability, and old age. These questions cannot be adequately dealt with by systematic resort to private charity or philanthropy, and such a system is liable to encourage extremely dangerous forms of dependence.

The congress warns the workers against the practice of granting additional wages for workers with families. This measure was invented by the employers in the course of their contest with the trade unions and constitutes a danger to the latter. It has the effect of lowering wages, and it is liable to lead to conflict between the claims of workers with families and those of other workers.

If the measure is applied by individual employers only it may encourage them to dismiss workers with families in order to decrease the costs of their undertaking. If it is applied with the assistance of equalisation funds, it means that the employer is in possession of files giving particulars regarding his workers. He is thus enabled to interfere in the private life of the workers in an unjustifiable way, and an undesirable system of regulation is set up,

by means of which the workers are kept in subjection, and all their efforts towards emancipation frustrated. In whatever way it is organised, the system in fact results in increasing the influence and means of domination at the disposal of capitalism.

Instead of such false and dangerous philanthropic measures, the burden of which is, in the last resort, borne by the workers, the congress demands the establishment of minimum wages at rates fixed by the trade unions.

The congress demands that an effective system of assistance for large families, in the form of family allowances and maternity and nursing benefits, should be organised by the community as a whole. The expenses should be covered by compulsory contributions from the employers and contributions from the state. The management of the funds and the distribution of allowances should be entrusted to officially appointed committees, including representatives elected by the various interests concerned.

The right to family allowances is of a social character, and should be completely independent of employment. They should not be affected by the fluctuations of employment, and the families which are entitled to them should not lose them owing to sickness or to unemployment in any of its forms.

During December 1922 and January 1923 a series of articles was published in the Peuple of Paris, giving the views of the secretaries of important workers' federations on the question of family allowances. The views given included those of the assistant secretary of the General Confederation of Labour and of the secretaries of the national federations of trade unions in the mining, metal, building, textile, leather and skins, and printing industries, together with those of the secretary of the Federation of Salaried Employees. The general attitude may be summarised as follows:

(1) The principle of the payment of family allowances should be adopted. Some of the secretaries did not state whether they accepted the principle or not, but expressed the opinion that the question of principle did not arise as the number of workers benefitting was so large that it would be both inconvenient and difficult to destroy the system.

(2) The existing system should be radically changed. The main reason given for this was that the system is at present under the control of the employers, but being a social duty it should be controlled by the community as a whole. It is denied that the employer has any special obligation towards the children; the duty and the responsibility in this respect lies, it is claimed, with the community. Control by the employers gives them power to bring pressure on the workers' families in case of trade disputes by threatening to suppress the allowances of those who take action hostile to the employers. It is believed by some to be a means of lowering wages, or at any rate of enabling the employers to pose as philanthropists when actually the amounts paid in allowances to workers with large
families may have been counterbalanced by reductions borne by those with few or no dependants. As a check to this, the securing of minimum wage-rates is advocated. Objection is also raised to the interference of employers in the affairs of the household through the women visitors appointed by a number of equalisation funds.

(3) In the interests of the workers' children the practice should be made general by law. Membership of an equalisation fund should be made compulsory on all employers, as it is evidently unsatisfactory that in one Department or town differences should exist between the family incomes of different groups of workers on account of their working for different employers or in different industries.

(4) The system should be such as to assure to the workers the payment of family allowances during periods of sickness, unemployment, strikes, and lock-outs.

Certain points not covered by the above summary may be mentioned. Thus, the assistant secretary of the General Confederation of Labour did not accept the view that the allowances are completely separate from the wage. He also advocated that the amounts necessary to pay the allowances should be contributed by the employers, and the funds managed by the administrative system to be set up in connection with the proposed social insurance law. He characterised the existing system as pseudo-philanthropic and a menace to the liberty and independence of the workers.

The secretary of the National Federation of Metal Workers expressed the opinion that the employers were in no way qualified to be charged by the nation with providing for the needs of the children. In the building trade a special evil was pointed out by the general secretary of the Federation of Building Workers, arising from the fact that the workers rarely remain for long periods in the service of the same employer on account of the unstable character of employment in this industry. As family allowances are paid only to those workers who have been with a given employer generally for at least a month, many workers lose allowances for considerable periods in the year.

The secretary of the Federation of Printing Workers pointed out that the system of paying family allowances was little developed in this industry, being almost unknown outside certain Paris firms and a number of centres in the provinces. This was partly due to the fact than when employers had proposed to introduce the system the general attitude of the workers' organisations was against any discrimination between married and unmarried workers in the
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<th>Age limit of children (years)</th>
<th>Rates of allowance (francs)</th>
<th>Birth bonus</th>
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</tr>
<tr>
<td>Rennes</td>
<td>66</td>
</tr>
<tr>
<td>Roulez</td>
<td>100</td>
</tr>
<tr>
<td>Roubaix (textiles)</td>
<td>512</td>
</tr>
<tr>
<td>Rouen (textiles)</td>
<td>68,000</td>
</tr>
<tr>
<td>Saint-Brice</td>
<td>112</td>
</tr>
<tr>
<td>Saint-Dizier (metal)</td>
<td>49</td>
</tr>
<tr>
<td>St. Nicolas d'Allermont (precision instruments)</td>
<td>6</td>
</tr>
<tr>
<td>Strasbourg</td>
<td>19,000</td>
</tr>
<tr>
<td>Thizy (textiles)</td>
<td>48</td>
</tr>
<tr>
<td>Tours</td>
<td>100</td>
</tr>
<tr>
<td>Troyes</td>
<td>150</td>
</tr>
<tr>
<td>Vienne</td>
<td>150</td>
</tr>
<tr>
<td>Vierzon</td>
<td>100</td>
</tr>
<tr>
<td>Bourges</td>
<td>150</td>
</tr>
<tr>
<td>Bordeaux (agriculture)</td>
<td>1,845,700</td>
</tr>
<tr>
<td>Ile de France (agriculture)</td>
<td>540 heads of family</td>
</tr>
<tr>
<td>Havre (harbour office)</td>
<td>3,750</td>
</tr>
<tr>
<td>Le Mans</td>
<td>150</td>
</tr>
<tr>
<td>Lille (building)</td>
<td>200</td>
</tr>
<tr>
<td>Pau</td>
<td>20</td>
</tr>
<tr>
<td>Rouen (building)</td>
<td>6</td>
</tr>
<tr>
<td>Rouen (harbour)</td>
<td>1,399</td>
</tr>
</tbody>
</table>


1 At 1 Jan. 1921: 72 establishments employing 7,500 workers, including 540 heads of families, with 1,350 children; amount paid during the first quarter of 1921: 135,000 francs.
2 The rate is increased by 5 francs for each subsequent child.
3 The rate is increased by 10 francs for each subsequent child.
4 Allowances for the first quarter of 1921: 1,815,700 francs.
5 Before 1 Jan. 1921: 1st child, 10 francs; 2nd child, 20 francs; 3rd and subsequent children, 30 francs.
6 At 31 Mar. 1921 15,000 dependents had been paid: 2,400,000 francs monthly allowances, 326,000 francs birth bonuses, 1,560 francs milk bonuses; total: 1,865,700 francs.
7 75 francs for each succeeding child. Before 1 Mar 1921, 75 francs per child. Before 1 Oct. 1920: 25 francs per child.
8 Before 1 Jan. 1921: 18 establishments employing 1,407 workers, including 238 heads of households with 358 children. Allowances for first quarter of 1921: 5,550 francs.
wage paid by the employer, and that the workers’ organisations would negotiate only for the fixing of a reasonable living wage based on work done and without discrimination. He was not, however, opposed to the principle of helping those with large families; he held that this was a duty of the community as a whole, but that it was inadmissible for a worker to receive, perhaps for inferior work, a higher wage than that received by another worker on the grounds that the number of his dependants was greater.

The Secretary of the National Federation of Leather and Skin Workers said that the system was little favoured by employers in this industry. In the provinces allowances were paid in very few towns. — as far as he knew in five towns only. The view taken by the Federation was expressed in a resolution passed at Strasburg at its eleventh national congress in the autumn of 1922, in which strong opposition to the system was shown, and federated unions were called upon to endeavour to check the introduction of the system. The secretary of the Federation believed that they should aim by trade union action at obtaining a minimum wage, in the fixing of which no account should be taken of the number of dependants supported by the worker. If help was given to those with large families it should be by the state as a whole, and he was not opposed to the principle if applied in this way. If the system of family allowances developed, the funds should be managed by mixed committees and controlled by the state.

The general secretary of the National Federation of Mining Workers pointed out that family allowances were paid in almost all mining areas, but they were paid at the discretion of the mining companies; there were no equalisation funds, and the miners’ unions had never recognised the system. He believed that the state should pay family allowances, and that in wage agreements no distinction should be made between the wages paid to married and to unmarried workers.

It may be added that during 1923 and 1924 the attitude of the worker’s organisations appears to have become more favourable to the payment of family allowances as a means of securing “a fairer distribution of the produce of labour and a higher standard of life for the children”.1 The demand for the recognition of the worker’s right to the payments and for the withdrawal of the system from the control of the employers remains unchanged.

1 Quoted from a letter, dated 5 March 1924, sent by the Secretary of the General Confederation of Labour to the Hon. Secretary of the British Family Endowment Council.
BELGIUM

Before the war there appears to have been no extensive application of the principle of paying family allowances in Belgium. During the war, however, largely owing to the increase in the cost of living, certain private employers, particularly in the coal mining industry, began to pay special bonuses to married workers with families. The National Committee, which during the occupation took over the functions of the central Government, also took account of the composition of the family in determining the amount of relief to be given to those requiring aid.

After the war a number of individual undertakings continued to pay family allowances or introduced the system, while the state and various local administrative authorities also paid allowances to their workers. In 1921 the first equalisation fund was formed, but it was not until the second half of 1922 and during 1923 that there was any considerable development of this system. Then, on the initiative of various groups of employers, a rapid advance was made and equalisation funds were established in a number of industries and districts. The systems adopted were very similar to those in France, and the experience gained in the working of equalisation funds in that country was largely utilised in their development in Belgium. As in France also, collective agreements have played a very minor rôle in the establishment of the system.

The following sections give outlines of the payment of family allowances to employees in the public services and of the development in industrial undertakings, both without and by means of equalisation funds. A summary is added giving the opinions of employers, workers, and others on the family allowance system.

FAMILY ALLOWANCES IN PUBLIC SERVICES

From the time of the readjustment of wages which followed the Armistice the state has paid its staff family allowances of 50

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1 At the meeting of the Senate of 19 December 1923 an Act was passed modifying the legislation dealing with the income tax, and providing that family allowances should not be included in the amounts subject to such taxation.
centimes per day per dependent child under 21 years of age. At the session of 7 May 1923 the Government gave in the Chamber of Representatives the promise that the family allowances of state servants in all Ministries would be doubled in the near future.

The example of the state has been followed in a number of Provinces, the same scale of allowances having been adopted in Brabant, Limburg, Antwerp, Hainault, and Western Flanders. The Province of Luxemburg goes a step further and pays its technical staff annual allowances of 200 francs per child under 18 years of age. In Eastern Flanders a similar payment is made, but the age limit is 21 years, while for defective and infirm children unable to maintain themselves and without private resources no limit of age is fixed. In the province of Liège somewhat higher allowances are paid to officials, based on a sliding scale in which the cost of living as well as the age of the children is taken into account. The monthly allowance for the cost of living is calculated by using the formula $0.30 \times (N - 200)$ where $N$ = the average index number for the preceding month. This allowance is increased by two-thirds for married workers and by one-third for each child under 16 years of age.

The most generous scale is that adopted in the Province of Namur, which applies to practically all workers up to the provincial recorders. Since 1 January 1920 a progressive scale has been in operation, payments being 30 francs per month for the first child, 45 francs for the second, and 60 francs for each other child. The allowances are paid to wage earners in respect of children up to the age of 15 years, with extension to 18 years for children continuing their studies, and to salaried employees in respect of children up to 18 years of age.

Information with regard to the communes is less easy to obtain, but in general the practice adopted by the state and the Provinces appears to be followed by a number of municipalities. In Louvain, for example, from the beginning of 1923 allowances have been paid at the rate of 50 centimes per day per child under 16 years of age. In Brussels a resolution was passed on 19 March 1923 under which family allowances of 75 centimes per day or 273.75 francs

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1 Provincial employees attached to the central administration of the province, however, receive only 50 centimes per child per day, as in the case of those in the Ministry for Home Affairs.

2 Thus, with a cost-of-living index of 400, the indemnity is increased per child per month by $\frac{1}{3} \times 0.30 \times (400 - 200)$, i.e. 20 francs per month or 240 francs per annum.
per annum per child are paid. In Lierre an allowance of 500 francs per annum per child of school age from the fourth is paid.

A number of communes in fixing the cost-of-living bonus take account of the size of the family. Certain authorities have introduced specially interesting systems. Thus at Étterbeek the communal staff receive allowances at the rate of 19 francs per month for married workers and 30 francs per child per month. A maximum limit of total remuneration is fixed for all employees, whether wage-earning or salaried, and the limit varies according as the individual is unmarried, married, or head of a family. For unmarried workers the maximum is 8,000 francs, for married workers 10,000 francs, and for heads of families 10,000 francs plus 1,000 francs per child. Thus, a father with 5 children could reach a maximum wage or salary of 15,000 francs, while an unmarried worker's maximum is 8,000 francs. Again, as family allowances, a father with 5 children receives an annual allowance of 228 francs in respect of his wife, and 1,800 francs for his children.

In Liège the municipal council decided, when selecting contractors for work undertaken for the municipality, to encourage the paying of family allowances by giving preference to those who are members of equalisation funds with regulations awarding a minimum of 10 francs per month per child under 14 years of age; the tenders of contractors not affiliated to such funds are to be increased by 2 per cent. Such contractors must pay their wage-earning and salaried employees a family allowance of at least 50 centimes per day per child under 14 years of age. In all cases the contractor must supply to the communal administration, before beginning the work, a list of the staff engaged on it, together with the family position of each and the date of birth of each child under 14 years of age, this list to be modified when necessary during the course of the work. In cases where family allowances are not paid by equalisation funds or by non-affiliated employers, the payments will be made to those entitled to them and the amount deducted from the sums due to the contractor.

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1 The original scale, applied from 1 Oct. 1920, was respectively 25 francs and 40 francs. It was reduced by 25 per cent. from 1 Mar. 1921 in consequence of a fall in the cost of living.

2 This applies to the total remuneration, including salary or wage and the different allowances. It may be noted also that the Étterbeek Commune does not impose the domestic servants tax on the first servant if the household includes 2 children under 15 years of age, nor on the two first servants if there are more than 5 children in the household.

3 Journal du Travail, 8-9 Apr. 1923.

On 6 July 1923 the Hainault Provincial Council, and on 1 November 1923
As stated above, during the war, and largely owing to the increase in the cost of living, certain private undertakings, particularly coalmining companies, began to pay special bonuses to married workers with families. The system appears to have been first adopted in June 1915 in the coalmining industry in the Charleroi Basin. At that date the managing director of the Tamines mine, Senator Liesens, established the system of family allowances for the workers, and his initiative was almost immediately followed by Mr. Velings, managing director of the Carabinier Mine at Pont-de-Loup. The system does not appear to have spread to other mining companies during the war, but it was adopted from 1 July 1920 for the Roton-Farciennes mine workers, and later for those of the Nord de Gilly, d'Ormon, Marcinelle-Nord, and Noël-Sart-Culpart. These mines in the Charleroi Basin adopted the scale of 25 centimes per day for the first and second children and 60 centimes per child from the third, these allowances being independent of other grants, such as birth bonuses.

In the Liège Basin the Wérister Colliery Company, which introduced the system in 1919, appears to have been the only one to do so. It adopted the practice of paying 40 centimes per day in respect of the wife, and 40 centimes per day for the first, 60 for the second, 80 centimes for the third, and one franc for the fourth and succeeding children.

These applications of the system of family allowances were isolated efforts of individual mining companies, and covered a comparatively small number of workers. In May 1923, however, the question was considered by the National Coalmining Federation (Fédération des Charbonnages de Belgique) and a decision was taken to adopt the system of paying family allowances to workers in all mines throughout the country. No decision was taken as to the desirability of forming equalisation funds whether on a national or district basis. The scale of payment is not uniform throughout the Municipality of Antwerp, adopted somewhat similar systems. On 31 January 1924 a Bill was introduced in the House of Representatives with the object of applying to all employers tendering for state contracts provisions similar to those adopted by the Liège Municipal Council. (Revue du Travail, 31 Mar. 1924, pp. 579, 580, and 582.)

1 On the basis of this scale this company has made payments of allowances totalling 140,000 francs per annum for a staff of 1,200 workers.
the country, variations being found in certain districts, but the usual scale is 10 francs per month for the first child, 20 francs for the second, 30 francs for the third, and 40 francs for the fourth and subsequent children. The system of paying the allowances to the mother by means of postal orders has been generally accepted. Birth bonuses are not provided. The number of workers covered is over 150,000.

In addition to the action taken by mining companies and by the Mining Federation, a considerable number of establishments in quarrying, the metal industry, and electrical installation work in the Charleroi district, and many banks in Antwerp and Brussels have established or are intending to adopt the system of family allowances, without, however, having recourse to equalisation. Similarly the members of the Belgian Federation of Plate Glass Manufacturers have introduced the practice of paying family allowances throughout the industry.

The table on page 76 gives information respecting certain private undertakings in the mining and engineering industries which had adopted the system of family allowances without joining equalisation funds. Particulars are given for May 1923 of the number of workers, scales of allowances, etc.

### Equalisation Funds

As indicated above, the system of payment of family allowances by means of equalisation funds developed in Belgium largely from the second half of 1922 onwards, until 1924 family allowances were paid solely by individual undertakings. The first equalisation fund was formed on 25 March 1921 in the Verviers district. The organisation consisted of a group of 39 establishments, with about 2,000 workers, in the “small” engineering industry. The scale of allowances adopted was 18 francs per month per child under 14 years of age, but payments were made only to workers with at least two children. From 1 June 1923 allowances have been paid from the first child at the scale of 12, 20, 28, and 36 francs per month. The rate of allowance, like that of the wage, varies with the index number of the cost of living.

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1 This scale is to apply, in general, so long as the cost-of-living index number is 360 or over. In certain districts, e.g. Hainault, the payment of allowances begins with the second child only.

2 In addition, birth bonuses were paid.
<table>
<thead>
<tr>
<th>Undertaking</th>
<th>Date of formation</th>
<th>Numbers of workers employed</th>
<th>Scale of allowances</th>
<th>Approximate total allowances per month</th>
<th>Birth bonuses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Heads of families with children under 14 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>No children</td>
<td>One child</td>
<td>2 children</td>
</tr>
<tr>
<td><strong>Mining companies:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taines</td>
<td>1915</td>
<td>1,180</td>
<td>272</td>
<td>260</td>
<td>159</td>
</tr>
<tr>
<td>Carabinier, Pont-de-Loup</td>
<td>1915</td>
<td>1,160</td>
<td>204</td>
<td>135</td>
<td>62</td>
</tr>
<tr>
<td>Roton-Farcienes</td>
<td>1 July 1920</td>
<td>2,291</td>
<td>276</td>
<td>297</td>
<td>224</td>
</tr>
<tr>
<td>Nord de Gilly, Fleurus</td>
<td>1 July 1921</td>
<td>941</td>
<td>108</td>
<td>183</td>
<td>126</td>
</tr>
<tr>
<td>Werister, Beyne-Heusay</td>
<td>1919</td>
<td>1,188</td>
<td>85</td>
<td>188</td>
<td>132</td>
</tr>
<tr>
<td><strong>Engineering workshops:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enghien-St-Eloi</td>
<td>1921</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Boussu</td>
<td>1 Feb. 1922</td>
<td>252</td>
<td>84</td>
<td>33</td>
<td>16</td>
</tr>
</tbody>
</table>

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1 Scales per working day. In addition to these companies family allowances were paid by other companies in the Charleroi basin, e.g. at Ormont, Marchinelle-Nord, Noël-Sart-Culpart, Oignies, etc., the scale generally being 25 centimes per day for the first and second children, and 60 centimes from the third onwards.

2 Sick persons the same as children.

3 Plus 40 centimes for the wife; payment every six months.

4 Scale per month.

5 In addition, special allowances are made to workers with families in case of unemployment or sickness, and progressive reductions in rents are made according to family.
<table>
<thead>
<tr>
<th>Fund</th>
<th>Date of formation</th>
<th>Number of firms</th>
<th>Total workers employed</th>
<th>Scale of allowances per month</th>
<th>Approximate total allowances per month</th>
<th>Birth bonuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verviers</td>
<td>25 Mar. 1921</td>
<td>35</td>
<td>1,965</td>
<td>1st child: 12.00, 2nd child: 0.50, 3rd child: 0.75</td>
<td>11,200, 1st: 160, Others: 120</td>
<td>1st 160</td>
</tr>
<tr>
<td>Tournai</td>
<td>1 Sep. 1922</td>
<td>33</td>
<td>5,075</td>
<td>1st child: 0.50, 2nd child: 0.75</td>
<td>4,400, Others: 120</td>
<td>None</td>
</tr>
<tr>
<td>Renaix</td>
<td>1 Nov. 1922</td>
<td>16</td>
<td>2,195</td>
<td>1st child: 1.00, 2nd child: 0.75</td>
<td>5,000, Others: 120</td>
<td>None</td>
</tr>
<tr>
<td>Liège</td>
<td>18 Dec 1922</td>
<td>124</td>
<td>42,655</td>
<td>1st child: 10.00, 2nd child: 0.00</td>
<td>257,900, Others: 120</td>
<td>1st, 250</td>
</tr>
<tr>
<td>Brabant</td>
<td>13 Feb 1923</td>
<td>63</td>
<td>10,350</td>
<td>1st child: 10.00, 2nd child: 0.00</td>
<td>92,000, Others: 120</td>
<td>Others, 150</td>
</tr>
<tr>
<td>Antwerp</td>
<td>1 Mar 1923</td>
<td>8</td>
<td>3,147</td>
<td>1st child: 10.00, 2nd child: 0.00</td>
<td>28,529, Others: 120</td>
<td>None</td>
</tr>
<tr>
<td>Charleroi and Lower Sambre</td>
<td>1 May 1923</td>
<td>16</td>
<td>5,681</td>
<td>1st child: 10.00, 2nd child: 0.00</td>
<td>28,000, Others: 120</td>
<td>1st, 250</td>
</tr>
<tr>
<td>Building and Public Works</td>
<td>2 Aug 1922</td>
<td>232</td>
<td>12,000</td>
<td>1st child: 10.00, 2nd child: 0.00</td>
<td>70,000, Others: 120</td>
<td>None</td>
</tr>
<tr>
<td>Federation of Zinc, Lead, Silver, Copper and Nickel Foundries</td>
<td>22 Aug. 1922</td>
<td>14</td>
<td>13,167</td>
<td>1st child: 10.00, 2nd child: 0.00</td>
<td>121,500, Others: 120</td>
<td>1st, 200</td>
</tr>
</tbody>
</table>

1 Per day.
2 Chamber of commerce; the firms associated in this fund are mainly in the textile industry.
3 The scale of allowances is variable.
4 National fund; payments are made quarterly.
5 Paid to children under 14 years of age and to infirm dependents over 14 years of age. In certain industrial districts the allowances are not paid in respect of the first child.
The example set in the Verviers district was not followed for a considerable period, but on 2 August 1922 a National Fund was formed of building employers and public works contractors, and from that date the development of the system of paying family allowances by means of equalisation funds was very rapid. The table on page 77 shows the various funds that were paying allowances in October 1923, together with information as to the number of firms included in each, scales of allowances, etc.¹

Two types of equalisation funds have been established: those on a district basis and those on an industrial basis. The district type of organisation is the more usual, and only two industrial funds have been established, although some of the district funds appear to consist mainly of establishments in one industry. The system closely resembles that in France. With one exception all the funds have been instituted by the employers, the workers generally not being represented on the managing committees and neither the workers nor the state contributing to the funds². The allowances are in most cases paid by the employers themselves, and only the "equalisation" is effected by the funds. The amount of the allowances generally varies with the number of children, progressive increases being usual. In certain cases the practice of beginning payment only with the second or third child has been adopted. Generally no allowances are paid for the wife or for aged dependants, but birth bonuses are often paid. Sometimes payments are made beyond the regular age limit — which is generally 14 years — in the case of invalids. In the regulations of various funds a careful distinction is made between the wage and the allowance, and special arrangements, such as the payment of the allowance by postal cheque sent to the mother, are made to break any apparent relation. Allowances are usually paid in full to workers partially employed, while during sickness or disablement they are paid for a fixed period, often three months. Generally a minimum period of attendance is fixed as entitling workers to benefit from the allowance, the object being to encourage stability of labour. Thus the Liège fund has fixed a minimum of one month's attendance at the works. Certain funds pay allowances for each day for which the worker is entitled to a full wage, while the allowances are stopped for incomplete days except where the worker is prevented from working during the whole day for reasons beyond his control.

¹ By the middle of 1924 at least 12 equalisation funds had been established.
² The exception is the fund formed by the Confederation of Christian Unions, a description of which is given below.
The different funds created for the purpose of effecting equalisation between the undertakings paying family allowances have formed a Committee for the Study of Family Allowances (Comité d'études des allocations familiales) to study different questions involved in the working of the system and to supply information to employers' groups wishing to put the system into operation.

**Scope of the System**

In the estimates here given of the number of workers benefiting from the systems of family allowances, wage earners and salaried employees in state, provincial, or communal employment are not included, nor are the staffs of banks and various other commercial undertakings. In the purely industrial sphere, in 1920, only about 5,000 or 6,000 workers — mostly miners in the Charleroi district — were working under family allowance schemes. In 1921 the number grew to about 9,000, owing to the institution of the Verviers fund and the introduction of the system in the Wériste mine. No further increase took place until after the middle of 1922, but at the end of that year the number of workers covered had increased to between 75,000 and 80,000. At the end of March 1923 about 100,000 workers were covered, while in October, owing chiefly to the decision to pay allowances throughout the mining industry, it has been estimated that the total rose to about 250,000 workers. Of these about 35 per cent. may be taken to be heads of families, or in other words about 90,000 families would benefit from the payment of family allowances, which were being paid at a rate estimated at about 18 million francs per annum, or about 200 francs per head of family per annum.

Little information is available on the relation which family allowances bear to the total wage-bill. In October 1921 it was estimated that for those mining companies which paid 25 centimes per child per day the cost of the allowances was about 0.7 per cent. of total wages. At the same date the Carabinier Company was paying 1.05 per cent. of its total wage-bill as family allowances. The secretary of the Miners' Federation calculated (on the basis of the system instituted at Wériste, where about 1 per cent. of the

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1 Or about 18 per cent. of all industrial workers. In addition to the mining industry, where all workers are included, 36 per cent. in the metal industry and 9 per cent. in the quarrying, cement and building industries are covered.
wage-bill was paid in allowances) that to extend the scheme throughout the mining industry would cost annually about 19 million francs, or 0.88 francs per ton of coal produced.

Opinions on Family Allowances

Employers' Organisations.

The attitude of the employers with regard to family allowances may be estimated by considering the recent development of the system on voluntary lines. No general declaration of opinion has been made by employers' federations, although the Committee for the Study of Family Allowances was formed by employers' groups associated with the Central Committee of Manufacturers (Comité central industriel). As in France, the employers generally appear to be opposed to any kind of state interference. On this question Mr. Paul Goldschmidt, secretary of the Family Allowance Committee, in his report to its meeting on 14 November 1923 in Brussels, pointed out that the imposition of a general and uniform system would be practically impossible. To be effective the family allowance system must be free to adapt itself to the special conditions of different industries and districts. State intervention would impose a heavy burden, and would involve the establishment of a complicated system of management and control. The present system of equalisation funds is comparatively inexpensive, the Liège fund, for example, in the third quarter of 1923 distributing 691,381 francs in allowances at a cost of only 4,332.15 francs for general expenses. It is urged that the system should be allowed to develop freely by the voluntary adherence of the employers; in this way it would become general, thus rendering legislative interference superfluous.

Similar views are expressed by the Belgian Building and Public Works Federation (Fédération nationale belge du bâtiment et des travaux publics) which urges that if the development actually proceeding by the free initiative of the employers is replaced by state action the system will lose its chief virtues and the employers will find themselves faced with a new charge without getting any benefit. They state that the only means of preventing public

1 Journal du Travail, 8-9 Apr. 1923.
action is to develop the system voluntarily. The opinion is expressed that the development of equalisation funds in France was instrumental in checking the progress of the Bokanowski Bill. Similarly in Belgium it is a matter of foresight for the employers to join a fund voluntarily and to retain the many advantages thus acquired while avoiding the necessity of paying allowances under compulsion.

Many employers favour the system as a means of improving the relations between themselves and the workers, of helping those with large families, and of facilitating the education and apprenticeship of labour for the future.

Workers' Organisations.

Prior to the year 1922 the question of family allowances received comparatively little attention from the workers' organisations, and many expressions of opinion showed considerable hostility. Christian trade unions, however, from the beginning appear to have been generally in favour of family allowances. The main opposition came from the Socialist unions, but with the rapid development of the system at the end of 1922 and the beginning of 1923 the subject was reconsidered and a more favourable view taken. During the first half of 1923 the subject was discussed by the most important organisations of workers. Reports were presented at the different congresses and resolutions adopted. The main features of these resolutions are given in summary form below. From these summaries it is seen that there was a general demand for a wage adequate for the needs of an average family and for the payment of family allowances to the heads of families with more than an average number of children. This principle was adopted by the Confederation of Christian Unions as early as 1921. There was a general demand that the management of equalisation funds should be in the hands of joint committees of employers and workers. It is also urged, especially among the Socialists, that family allowances should be provided by the state in a similar manner to other forms of social insurance. The views of the various workers' organisations may now be examined in more detail.

1 Following the demand of the Christian Tobacco Workers' Federation, the Federation of Associations of Cigar Manufacturers decided to establish an equalisation fund for the payment of family allowances, workers' organisations to be represented in its management.
Socialist Unions.

The National Committee of the Trade Union Committee (Commission syndicale), dealt with the question of family allowances at its meeting on 6 February 1923, and in the resolution which was adopted called attention to the fact that the adoption of the essentially Socialist principle, "to each according to his needs", had always been demanded by the Committee. In applying this principle a great number of trade union organisations had introduced into their system of benefits a supplement for the wives and children of the workers. Realising the necessity of assistance for large families, but opposing the system as introduced by the employers, the National Committee considered that family allowances and birth and nursing bonuses were social services which should be provided by the community as a whole in the same way as insurance against unemployment, sickness, accidents, or old age. It believed these allowances to be an inalienable social right completely independent of the work and of the wage.

When the twenty-second Trade Union Congress met on 27 and 28 July 1923 at Brussels, it unanimously confirmed in all points the resolution adopted by the National Committee on 6 February and decided to get in touch with the Socialist group in Parliament in order to examine the best ways of introducing legislation on family allowances.

Christian Unions.

The Confederation of Christian Unions has for some time taken a considerable interest in the question, and various principles were enumerated at the congress of the Confederation on 4 and 5 June 1921. These were reaffirmed in the report prepared for the congress in 1923, of which a summary is given below.

From 1921 onwards the subject has attracted great attention in both district and central organisations, while district groups have asked for guidance as to the general attitude to adopt when employers desire to introduce the system. In this connection the Confederation issued a circular urging that a distinction should always be made between the wage and the allowance. It is pointed out that if the wage were to be fixed according to size of family there

\[1 \text{Peuple, 7 Feb. 1923. Brussels.}
\[2 \text{Revue du Travail, 31 Aug. 1923.}
would be a danger of losing the idea of a higher wage for better work and the workers might cease to become specialised or highly skilled; opposition was urged to any system in the nature of charity or of mere liberality on the part of the employers.

In order to find the extent to which family allowances had developed in the different industries the Confederation, in preparation for its sixth congress, issued a questionnaire to its members, and a report dealing with family allowances and their practical application was drawn up for presentation to the congress. This report approves the decision of the previous congress, which demanded as a just wage a remuneration corresponding to effort, and as a minimum wage a sum which would enable the worker to supply the needs of an average family; the affiliated organisations are urged to continue trade union action with a view to obtaining such a minimum and such a just wage. Approval similar to that of the fifth congress is given to the principle of paying family allowances when the number of children exceeds the average. It is stated that a system whereby relatively small allowances are paid in respect of the first children and much larger ones for children beyond the average number would not necessarily be in opposition to the principles enunciated, but it is preferable to grant allowances only to families larger than the average. Family allowances should be paid from national equalisation funds established in each industry and subsidised by the state. Protest is made against the action taken by certain employers, which has undermined industrial solidarity, interfered with the liberty of the workers, and even led to a kind of control over their private affairs. The administration of equalisation funds should be shared equally by workers and employers by means of joint committees. With regard to existing funds the affiliated organisations should endeavour to obtain adequate representation in their management and the adoption of the above principles. To avoid abuses, the systems of family allowances should be regulated by law, and the Research Committee (Commission d'études) of the Confederation was charged with the preparation of a Bill for that purpose.

At the beginning of 1924 it was announced that the Confederation had established an equalisation fund for the payment of family allowances to permanent members of the unions. By the

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1 Revue du Travail, 28 Feb. 1923.  
2 Le Droit de l'employé, 1 Feb. 1923.  
3 Revue du Travail, 31 Mar. 1924.
scheme, which was to come into operation on 1 April 1924, the unions are to affiliate to the fund all their members who have reached the age of 21 years.

Family allowances will be paid in respect of all children under 16 years of age, from the third; no allowances are paid in respect of the first two children. For the year 1924 the rate of allowance has been fixed at 500 francs per child per annum; payments will be made monthly by postal cheque sent direct to those members who are entitled to them. In addition to these regular allowances a birth bonus of 200 francs will be paid in respect of each child, irrespective of the number of children in the family.

The unions will pay to the equalisation fund a sum of 275 francs per member per annum, this figure having been fixed on the basis of the statistics of membership.

Christian workers' organisations other than trade unions (e.g. co-operative societies, mutual aid societies) have the right to affiliate to the fund.

Other Bodies.

The Christian Federation of the Middle Classes (Fédération chrétienne des classes moyennes) which has appointed a committee to study the question of forming a national equalisation fund, is in general agreement with the Christian unions in the idea that the wage paid to a worker should be adequate to maintain a normal family 1. For this reason they consider that family allowances should be paid only from the third child, fixing the age limit at 14 years. The allowance should be paid monthly by postal cheque to all with large families, whether wage earners or salaried employees, and without limit of wage or salary. To benefit from family allowances, workers should have been in the service of the employer at least two months. Birth bonuses of 200 francs for the first child and 100 francs from the second child onwards should be paid. The equalisation fund should be national and open to all industries, but should be limited to Flanders, as the differences between the size of families in Flanders and in the Walloon part of the country are too great for one fund to cover both areas. The payments by employers to the fund should be at the rate of 2 per cent. of their total wage and salary bill, to be paid monthly in advance.

1 Revue du Travail, 30 Apr. 1923.
The League for Large Families (Ligue des familles nombreuses) is in favour of the principle of family allowances. There should be no confusion between the allowance and the wage, and it should be recognised that the allowance has nothing in common with assistance given to necessitous families. The allowances should be sufficiently high to cover the cost of bringing up the children, and should never be less than one franc per child per day for families with four or more children. Officials and other salaried employees as well as wage earners should benefit by the system. The allowances should be paid till the child is 16 years of age, or beyond that age in the case of continued education or apprenticeship. Allowances should be maintained during periods of incapacity of the worker due to accident or sickness, and should be continued even in the event of death. Equalisation funds should be formed, and the public authorities should take action to facilitate the extension of the system.

1 L’Indépendance belge, 14 May 1923.
2 An allowance of 2 francs per day per child is recommended.
NETHERLANDS

During the last century, when the liberal school of political economy exerted a decisive influence in the Netherlands, wage systems in which payments were made on the basis of the workers' family responsibilities received little consideration and apparently no application. A great change both in theory and in practice has taken place during the last ten years with regard to this question, which has been much discussed in the Netherlands.

FAMILY ALLOWANCES IN PUBLIC SERVICES

The principle of paying family allowances was first applied in the Netherlands in the case of civil servants. It was introduced in 1912 for the post office staff, was afterwards extended to teachers, and from 1 January 1920 was applied to all persons in the civil service. For civil servants the allowance amounts, for each child under 18 years of age, to 2½ per cent. of the gross salary, with a minimum of 50 gulden and a maximum of 200 gulden per child per annum. For married workers employed by the Government at weekly wages, the allowance amounts to 1 gulden per child per week. A similar allowance has been paid to soldiers and teachers since 1 January 1920. By government order allowances are paid to railway workers in accordance with the same rules as those for civil servants, with the difference that the allowance begins only with the third child. These allowances have been introduced notwithstanding the opposition of the Social Democratic and Democratic Parties in the Second Chamber and the unfavourable opinion of the majority of the railway staff representatives both on the

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1 Even earlier, regard was paid in a somewhat disguised form to the workers' family responsibilities by the increasing adoption even in private establishments of payment providing for regular periodical increments. One reason for the granting of such increments was that the needs of the worker greatly increased, partly as a result of the increase in the size of his family, and that a gradual increase of income was therefore necessary.
Central Committee for joint consideration of questions affecting the staff and on the Railway Wages Board.

The system of payment of family allowances to their officials appears to have been adopted by the majority of provinces. In Gelderland and Drenthe the scale of allowances applicable to government servants has been adopted. In North Brabant the family allowance amounts to 5 per cent. of the yearly salary, with a minimum of 100 gulden and a maximum of 250 gulden for each child, beginning with the third, under 18 years of age. In North Brabant the family allowance amounts to 5 per cent. of the yearly salary, with a minimum of 100 gulden and a maximum of 250 gulden for each child, beginning with the third, under 18 years of age. The allowance in South Holland is fixed at 2½ per cent. of the pay including cost-of-living allowance, with a minimum of 50 gulden for each child under 18 years of age. In Utrecht the allowance is 50 gulden per annum per child under 18 years. In Overijssel an allowance of 50 gulden per annum is paid for each child under 16 years of age, beginning with the fourth, while in Limburg officials receive a similar allowance for each child under 18 years of age, beginning with the third.

Family allowances appear to be paid by most municipal authorities to their officials. At the beginning of 1921 an enquiry was instituted by the Ministry of Labour as to the existence of family allowance regulations in communes with more than 50,000 inhabitants, while information with regard to the system in other communes was also obtained. An examination of the systems in operation shows a considerable diversity both in the amounts paid and in the regulations governing payment. Thus in Arnhem there is a communal children's fund with which employers in the commune may insure on behalf of their workers; the communal authority participates in this fund on behalf of its wage earners and officials.

In some communes, e.g. Haarlem and Eindhoven, officials receive an addition of a fixed percentage (3 to 5 per cent. in different communes) of their salaries for each child under a given age (usually 16 or 18 years). In other cases a fixed amount, for example, 1 gulden per week, is paid. The communes may be divided into those which pay allowances in respect of all children (e.g. Haarlem) and those which take into consideration large families.

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1 For bridge toll-keepers and road menders it amounts to 1 gulden per week for each child under 16 years of age, beginning with the third.
2 For wage-earning employees of the Provincial Government in Limburg allowances of 3 gulden per month are paid for each child under 15 years.
3 So far private employers have not availed themselves of the opportunity of joining the fund.
4 In some communes a minimum or maximum amount of allowance, resulting from the percentage addition, is fixed.
only, and start the allowances with the third, fourth (e.g. Leiden), or fifth child (e.g. Gorinehem). In a number of communes allowances are paid only to workers with salaries below a given amount. Most of the communes for which information is available pay family allowances to wage earners as well as to officials, although the regulations and amounts in some cases differ. The most usual rate of family allowances for wage earners appears to be 1 gulden per week in respect of some or all children.

By a collective agreement concluded in October 1921 and covering the workers in the Limburg mines¹, numbering about 26,000, a cost-of-living allowance of 5 gulden per month for each child under 14 years of age was instituted.

**FAMILY ALLOWANCES IN PRIVATE UNDERTAKINGS**

Provision for the payment of family allowances is contained in various collective agreements, and the number and extent of such agreements have increased. According to returns of collective agreements received by the Central Statistical Office, there were on 1 January 1920 22 agreements with provisions relating to the payment of allowances to workers with large families, and these covered 756 undertakings with 34,028 workers. By 1 January 1922 the number of such agreements had increased to 49, covering 2,500 establishments and 61,700 workers².

In a number of cases the collective agreements arrange for the payment of family allowances through a fund to which the employers contribute a proportion, generally 1 per cent., of their total wage-bill. The workers receive from the fund allowances usually amounting to one gulden per week for the third and each succeeding child under 14 years of age. Considerable differences exist, however, between the provisions of different agreements, the amounts of allowances varying from 0.20 to 1.30 gulden per child per week, while in some cases the right to the allowances applies to every child and in others only from the third or fourth child. The limit of age of the children for whom allowances are paid varies from 13 to 16 years³. Some agreements provide for payment of

¹ These mines are mainly state-controlled.
² The mining industry (see above) is not included in these data.
³ In some cases, even, for every child above the fixed age limit the allowances for the same number of children below that age cease to be payable.
allowances in kind, agricultural workers in certain areas receiving a given amount of potatoes per child.

Among the industries in which funds for the payment of family allowances have been established, mention may be made of the boot and shoe industry, the cigar industry, the pottery industry at Limburg, and the baking industry throughout the whole country. In the boot and shoe industry, for the purpose of carrying out the provisions contained in the national collective agreements, a fund is established to which the employers contribute a certain percentage of weekly wages. Out of the fund, allowances of 0.75 gulden per week are paid for each child under 14 years of age, deduction being made from the number of such children of the number of unmarried children over 14 years of age living at home and earning at least 3 gulden a week. In the cigar industry, by national collective agreement, family allowances are paid of 1 gulden per week for each child under 14 years of age beginning with the fourth. The employers pay into a fund at the rate of 1 per cent. of the wages of all workers employed in cigar factories.

In the pottery industry at Limburg a collective agreement provides for allowances of 1 gulden per week per child under 14 years of age beginning with the third child. The cost of these allowances is met from a fund maintained by payments of an adequate percentage of the total wages paid by each employer. The administration of the fund is vested in a committee of five members, two appointed by the employers' organisation and two by the workers' union, while the spiritual adviser of the workers' union acts as chairman. In the baking industry, under the national collective agreement, a children's allowance fund is established, to which the employers contribute. The allowance amounts to 1 gulden per week per child under 14 years of age beginning with the third.

1 The constitution of a fund by a public administrative authority has already been noted, namely, that of the commune of Arnhem.

2 On 1 January 1921 allowances were paid by 212 manufacturers to 988 workers. The agreement, however, applied to about 1,000 manufacturers with about 23,000 workers.

3 Concluded on 17 Aug. 1922 between the Limburg Roman Catholic Association of Employers in the Pottery Industry and the Netherlands St. Stephanus Roman Catholic Brick-Makers' Union (see *Maandschrift van het Central Bureau voor de Statistiek*, Oct. 1922, p. 891). Allowances of the amounts stated above had been paid for some time but had not been provided for by collective agreement.

4 At the beginning of 1921 this allowance was paid to all working bakers in permanent and full employment fulfilling the required conditions in Amsterdam, Delft, The Hague, Haarlem, Rotterdam, and Scheidam.
Family allowances are also paid by various private employers without any provision by collective agreement. This is the case, for example, as regards textile workers in Twenthe, basket makers in Brabant, and for workers in the yeast and spirit factories at Delft.

**Proposed Legislation**

With a view to removing the difficulties experienced by employers paying family allowances from the competition of other employers, and by married workers with large families who when seeking employment find themselves at a disadvantage as compared with unmarried workers or those with small families, various proposals have been made for the establishment by law of a general children's allowance fund for the whole country. The Minister of Labour, Commerce, and Industry, Dr. Aalberse, appears to have been the first in the Netherlands to suggest a fund of this kind, which he has repeatedly advocated in the States General.

The question was discussed in broad outline in the Second Chamber during the debate on the estimates of the Department of Labour for 1921, a motion having been introduced by two Roman Catholic members recommending the establishment of a general national children's fund, contributions to which should be compulsory on all employers, and the Government was invited to introduce in the States General a proposal with that object, based on the principles of compulsory insurance. It was recognised that such a scheme would remove the difficulties indicated above, but various other objections were raised. Thus it was urged that the charge imposed on the employers by the insurance would be passed on to the consumers in increased prices, so that in fact everyone would contribute to the fund while only wage earners would benefit from it. The Social Democrats supported the payment of children's allowances but advocated the creation of a fund from public monies from which allowances would be paid to all families of a certain character. With their support the first part of the motion

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1 Dr. Aalberse has not gone so far as to introduce a Bill to establish a national family allowance fund, partly because of other important social matters claiming attention and partly, in recent months, because of the unfavourable industrial situation.

2 Messrs. Haazevoet and Kuiper.

3 Mr. Savornin Lahman, then leader of the Christian Historical Union, opposed the establishment of a fund on the ground that it would weaken the sense of responsibility.
affirming the general desirability of a national children’s fund was carried by 58 votes to 21. The second part of the motion, however, which expressed the desirability of creating such a fund on the basis of compulsory insurance, was rejected by 45 votes to 33.

In May 1923, during the discussion of the estimates for the year, the subject was brought forward in the Chamber, and the Minister of Labour stated that a Bill for the establishment of a children’s allowance fund had been prepared, but that he proposed waiting for an improvement in the industrial situation before introducing it. From the statement made by the Minister it appears that under this proposal a sum equal to 1 per cent. of the wage-bill would be contributed by employers.

**Opinions on Family Allowances**

During the last ten years family allowances have been the subject of frequent discussion in the Netherlands, both at congresses and in the press. Apart from certain theories advocated by the Socialists, it was by Roman Catholic sociologists that the doctrine that in fixing wages account should be taken of the families of the workers was first advanced. In addition to various Catholic organisations it was advocated by members of Protestant groups. The principle also received support from the Netherlands Parents’ Association (*Nederlandsche Vereeniging van Ouders en Gezinshoofden*), which in 1919 presented an address to the Second Chamber advocating the introduction of a Bill making it compulsory for employers to pay an addition to wages on account of children.

The general attitude even of advocates of family allowances is that the minimum wage of a full-grown person should be sufficient for the adequate maintenance of a man and his family. Such minimum wage should be a “family wage”, adequate for a family of normal size, i.e. one with two or three children. In addition

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1 Thus at the meeting in 1913 of the Association on Political Economy and Statistics (*Vereeniging voor de Staatshuishoudkunde en de Statistiek*) the subject was considered in connection with the fundamental principles of wage determination. It was discussed in the 1919 and 1920 congresses of the Roman Catholic Central Works Council (*K. R. Central Raad van Bedrijven*); at a joint congress in Amsterdam in 1921 of the Netherlands Federation of Trade Unions (*Nederlandsch Verbond van Vakverenigingen*) and the (neutral) Netherlands General Trade Union Federation (*Algemeen Nederlandsch Vakverbond*); also at the Social Insurance Congress at Utrecht in 1921.

2 Especially Professor Aengenent, Professor van Aken, and Dr. Aalberse, Minister of Labour, Commerce, and Industry.
provision should be made for the payment of children's allowances for the benefit of families with more than the average number of children, the allowances being paid in the form of additions to wages for every child after the first two or three below a certain age (generally 14 years).

From the Roman Catholic point of view assistance to large families is regarded as all the more desirable as an antidote to propaganda for the artificial restriction of the number of children. It is also hoped that it will be a means of limiting wage disputes, as in these the needs of large families always play an important part. The Roman Catholics appear to regard the obligation of employers to pay family allowances as a moral one, resting not on economic laws but on the claims of social justice and on considerations of social utility, since the state and society have an interest in the creation of large families.

The Roman Catholic and Protestant Christian trade unions have expressed themselves in favour of children's allowances. The system is, however, opposed by the Socialist and neutral trade unions, by the majority of the Social Democrats, and by feminists.

The joint congress of the Netherlands Federation of Trade Unions and the Netherlands General Trade Union Federation, held at Amsterdam in 1921, at which 35 organisations with a total of 300,000 members were represented, passed general resolutions opposing the introduction of systems of children's allowances. Among their objections the principal were the belief that family allowances force down the general level of wages, exert a prejudicial influence on the good understanding between workers, and aim at breaking up the unity of organised workers. As a counterproposal the congress recommended that the general level of wages should be so fixed as to enable workers with large families to maintain a suitable standard of living.

The Social-Democratic opposition to children's allowances is in part based on the same grounds as the objections of the non-Christian trade unions. It is, however, advocated in Social-Democratic circles that all mothers not possessing sufficient incomes should receive from public funds a "motherhood wage". In an

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1 As expressed by Professor Aengenent at the Congress on Social Insurance at Utrecht in 1921.
2 For example, by Mrs. Mansholt-Andreae in articles in the *Socialistische Gids*, 1918, and *Het Volk*, 1921.
address to the Association for Political Economy and Statistics in 1913, Mr. Wibaut, one of the leaders of the Social-Democratic movement in the Netherlands, expressed the opinion that the payment of family allowances is quite compatible with Socialist doctrines and aims, and that in fact the system of granting family allowances to workers in proportion to their requirements is anti-capitalist in tendency and can be supported by Social Democrats provided that such allowances are not abused and made a means of forcing down the general level of wages, and that the amount of the allowances themselves is sufficient to meet the additional expenses of large families.

The feminists are opposed to the payment of children's allowances on the ground that they increase the dependence of women, inasmuch as the allowances are commonly paid to the husbands. Some years ago a Union for Women's Interests (Unie voor Vrouwenbelanger) appointed a committee with the object of opposing the introduction of family allowances.

Opposition to the system has also been encountered from those who fear that the payment of children's allowances will undermine the sense of responsibility of heads of families.
Owing to the exceptional economic conditions in Germany since the war, the system of paying family allowances which developed during the war years has been continued and extended, until now it has been adopted to some extent in practically every industry, while in a number of important industries it applies to almost all workers throughout the country.

The system developed during the war as a method of dealing with the exceptional conditions which prevailed. In the period immediately after the war it was believed that a restoration of pre-war wage conditions might be looked for, and the family allowances were still regarded as being of a temporary character. Later, however, in a number of industries they came to be regarded more and more as a recognised feature of the wage contract, and the system was more widely applied. In April 1920 the Government instituted the system for state officials and for workers in state undertakings, including those on the railways, and this course was followed to a large extent in private undertakings.

The system of family allowances adopted in Germany is on very different lines from that in France, where it has generally been based on the initiative of the employers and worked through equalisation funds. In Germany, on the other hand, the system has developed largely by means of collective agreements between employers' and workers' organisations which have included provisions for the payment of family allowances. The amounts have generally been paid directly by the employers to the workers without the establishment of any fund or pool, and no clear distinction between the wage and the allowance has been made, the term "family wage" (Familienlohn) being commonly used.

One of the reasons advanced for the absence of equalisation funds in most industries and districts in Germany is that, owing

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1 Even before the war for certain groups of workers, particularly for employees of various States and local authorities, salaries or wages were graded according to size of family.
to the almost continuous rise in the price level during the five years following the Armistice, the demand for labour was generally such that unemployment was reduced to negligible proportions, and the payment of family allowances did not endanger the employment of married workers with families to maintain.

It is impossible to forecast the future of family allowances in Germany. Although the system has been in operation for several years, the whole period has been quite exceptional in character, and the payment of family allowances has been one of the means whereby the harmful effects of the serious diminution of real wages have been to some extent mitigated. The establishment of more stable price and wage conditions may remove this special necessity for family allowances. The question also arises whether, with the decline in industrial activity and the reduction in the demand for labour, there will be a general movement for the establishment of equalisation funds.

**Family Allowances in Public Services**

The family allowance system covers practically all workers and officials in the employment of the State and local administrative authorities. By an Act of 30 April 1920 (Section 16) the system was applied to all officials of the Federal Government, and with certain modifications has continued in force since that date. The allowances, which are monthly, are paid in respect of the wife and each dependent child under 21 years of age. This period of 21 years is divided into three age groups, and larger allowances are paid in respect of children in the higher age groups. The scale of allowances is uniform for all officials, irrespective of their grade or salary.

Family allowances are paid on similar lines to workers in state employment, including workers on state railways. Allowances are paid for the wife and for each child under 14 years of age, the rates being uniform for all grades of workers.

The allowances paid to state officials and workers constitute a relatively greater addition to the salary or wage than in the case of workers in private industry. As indicated in the table in a later section, the allowances for wife and two

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1 The decline in industrial activity which began in 1923 was accompanied by complaints, in certain quarters, of discrimination against married workers with families.

2 Under 6 years of age, between 6 and 14 years, and between 14 and 21 years.

3 See below, p. 109.
children constitute for large numbers of officials and workers an addition of over 20 per cent. to the salary paid to unmarried workers.

FAMILY ALLOWANCES IN PRIVATE INDUSTRY

Established by Collective Agreement 1.

An examination of the collective agreements in different industries indicates that, although there is hardly any branch of industry in which the family wage is universal, there is practically none in which it is entirely unknown. The industries may be classified into three groups: those in which the family wage is almost universal; those in which the principle of the family wage and that of basing the wage on time worked or on output are about equally applied; and those in which the family wage is comparatively rare. According to information published in the Reichsarbeitsblatt the family allowance system is very widely applied in the mining 2, engineering, chemical, textile, paper, pulp, pasteboard, and cellulose industries. Agreements providing for family allowances are also numerous in the case of salaried employees, including bank employees 3.

The industries in which the principle of the family wage and that of equal pay for equal work are about equally applied are the stone, earthenware and glass industry, the printing trades, and in commercial occupations and transport 4. In some of the food and drink trades, for example, dairying and sugar manufacture, the system is frequently adopted, and to some extent also for butchers and bakers, while in the tobacco industry and in breweries, malting, and milling establishments it is seldom found.

The chief industries where family allowances are rarely paid are the "oil and fats", leather, clothing (including both shoemaking and

1 This section is based on an article in the Reichsarbeitsblatt, 1 Jan. 1923.
2 In the mining industry the system takes the form not only of payment of money allowances but also of coal allowances to married miners. The money allowances were first paid during the war, at given rates per shift per child under 14 years of age, while allowances for the household also became general later.
3 For bank employees the system has been in operation since February 1920. Allowances are paid for the household and for children. They are paid at a uniform scale for all categories of employees, but both kinds of allowance vary in different localities, which are graded according to the cost of living. The children's allowances until January 1923 varied according to the age of the children, but after that date were uniform.
4 Other than the railways, where the system is in almost universal operation.
tailoring), dyeing and cleaning, sale of drinks, and artistic trades or industries. The wood-working industry may be included in this group, although in certain agreements, especially for workers in sawmills, family allowances of small amount have been provided for. Similarly, in the building industry family allowances are rarely paid, though agreements for slaters and a few other small groups of workers in some districts include provisions for the payment in certain cases of family allowances.

The family allowances are paid according to two systems: (a) with a wage rate higher for married than for unmarried workers in a given grade, and (b) with the same wage for all workers in a given grade, but with supplementary allowances to married workers. The first system is the more rudimentary and generally makes no allowance for family circumstances (number of children, etc.). It has been adopted for certain categories of workers in the printing trades by national agreement. In some cases young married workers alone have any advantage, and after a certain age all workers in a given grade receive the same wage. Thus, in an agreement covering workers in the clothing industry at Herford, for certain groups of workers, higher wages were to be paid to all workers over 25 years of age and to married workers between 22 and 25 years of age than to unmarried workers between those ages. Again, the distinction may be made between unmarried workers or married workers without children and married workers with children, higher wages being paid to the latter.

In most cases allowances are made for the family responsibilities of the workers by the second system, under which the wage is the same for married and unmarried workers but supplementary allowances are paid to married workers. This system has the advantage that the payment of the allowance may be regarded as an exceptional method of dealing with special conditions. Further, the allowance may be made proportionate to family needs.

Sometimes the allowances are calculated as fixed percentages of the wage or salary. Thus in certain agreements for salaried employees household allowances equal to 10 per cent. of the salary have been paid, or 5 per cent. of the salary may be paid in respect

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1 The converse sometimes applies. Thus in insurance companies only married officials over 20 years of age receive a higher wage.

2 In a number of agreements the basic wage is the same for all workers of a given grade, while higher cost-of-living bonuses are paid to married than to unmarried workers.
of the wife and 2½ per cent. in respect of each child. Usually, however, the allowance is a sum fixed independently of the wage. Often it is the same for different grades of workers, while in many agreements differences are made according to district, larger sums being paid in localities where the cost of living is higher.

A distinction should be drawn between the household allowances (Hausstandgeld, Frauen geld) and allowances for children (Kindergeld). Often both are found in the same agreement, though many provide only for allowances for children. In some agreements the allowance per child falls as the number of children increases. Thus in an agreement (1 August 1922) for workers in the electricity works in Dresden a higher allowance was paid in respect of the first than for succeeding children. In other agreements the opposite course is taken, for example, in that signed on 19 July 1922 for workers in the textile industry at München-Gladbach, Rheydt and district.

In most agreements the distinction between the wage and the allowances is not drawn, the allowances being regarded as an integral part of the wage and paid only in respect of work done. They are generally paid by the employer to the worker at the same time as the wage. As a rule the allowances are calculated for the same period as the wage based on output, usually so much per hour, but sometimes so much per shift, per day, per week, or, particularly in the case of salaried employees, per month.

Where the allowance is paid per hour no difficulties arise on account of absence from work. In the case of overtime some agreements admit the payment of allowances for the extra hours worked, while others limit it to normal hours. When the allowance is fixed at so much per day or per week, it becomes necessary to take broken periods into consideration. Generally the daily allowance is paid in full for each day on which work is begun. In industries where the allowance is a given amount per week, this, by the terms of various agreements, is reduced by one-sixth for each day not worked, while in some agreements other practices are adopted to effect a reduction in the allowance where a worker has not completed a full week. Special regulations cover cases where, for causes beyond his control, the worker does not work, for

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1 In the agreement for the metal industry in Rhenish-Westphalia (13 July 1922) the total hours worked in the wage period were divided by eight. If there was a remainder of four or more hours it was reckoned as a full shift.

2 E.g. in the agreement for the metal industry in Bavaria (24 May 1922) and in that for the chemical industry in Hanover (1 April 1922).
example, holidays or short time. Usually the allowances are paid in full. In case of sickness the allowances are usually continued for a period, which, however, differs in different agreements, varying from 2 to 13 weeks.

The general situation, with various exceptions or modifications, is that the allowance is paid when the wage is paid, while in such cases as strikes and absences from work without sufficient cause, where no wage is paid, the allowances are stopped.

Other difficulties arise, for example, the question of payment of the wife's allowance in cases where the wife is regularly employed. Generally it is not paid in such cases, while in some agreements the payment of the children's allowances is also stopped. A woman worker who is maintaining a family generally receives allowances when she is maintaining the family owing to her husband being dead, incapacitated, or unemployed. Widowers generally receive household allowances when they continue to maintain the home. Unmarried workers maintaining a family also generally receive allowances.

With regard to the age of children in respect of whom allowances are paid, the agreements vary considerably in fixing the limit. By the terms of most agreements, the limit is 14 years of age or "the end of the school period", but by others the age limit is fixed at 17, 18, 19, or even beyond if education is being continued. Certain agreements extend the age to cover the period of apprenticeship, and some provide for the payment of allowances in respect of children below a given age providing their earnings do not exceed a stated sum.

The statements made by the workers with regard to their family are subject to verification, provision being made for the production of official certificates and documents.

Equalisation Funds.

As has been indicated, the payment of family allowances by the equalisation fund system has developed only to a small extent.

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1 In the agreement for the Rhenish (right bank) textile industry (4 May 1922) the allowances are doubled in cases where the short time results in a working week of less than 33 hours.

2 Thus in the agreement for workers in the rubber industry at Harburg (5 Feb. 1921) the allowances are only paid after the tenth day of illness and are continued for the remainder of a period of six weeks' illness.

3 In one agreement family allowances were to be paid only to young workers maintaining a family.
in Germany, and this fact is especially noteworthy when account is taken of the extensive adoption of the practice of paying family allowances in different industries and districts. The chief explanation is the small amount of unemployment during the greater part of the period in which family allowances have been paid, and consequently the absence of one of the chief reasons for which equalisation funds are established, namely to avoid the danger of discrimination against workers with large families. A second reason in certain industries may be the smallness of the proportion which the allowances bear to the wage, in consequence of which the establishment of any elaborate machinery for guarding against the unemployment of married workers with families or for effecting equalisation between the different employers would not give results at all commensurate with the work of management. It was for this reason that the fund established in January 1921 for the china industry was suppressed in December of the same year. Evidently, other things being equal, the higher the proportion of the allowance to the wage, the more necessary equalisation funds tend to be. In this connection it may be mentioned that, as shown on page 109, the proportion is highest in the case of state officials and workers, for whom equalisation funds are less likely to be necessary, as the wages and allowances are paid out of state funds, and the effects of competition and the need for profit-making felt in private industry are largely absent.

The equalisation funds that have been established have generally been set up under collective agreements, the funds for pharmacists for the whole of Germany and for workers in the metal industry in Berlin and in the textile industry at Berg being instituted in this way. In other industries or districts, funds have been set up, as in France, on the initiative of the employers. Usually the funds have been industrial in character, while the regional type appears to have been adopted in two cases only — the fund of the Anhalt Employer's Union at Dessau, and that of the Manufacturers' and Employers' Union of the Free State of Oldenburg.

In most cases the funds are administered by the employers, those for wage earners in the Berlin metal industry, for workers in the

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1 In the collective agreements for the textile industry at Gladbach and Rhein (6 Dec. 1920), for the silk industry at Crefeld (5 Mar. 1921), and for the textile industry at Bielefeld (12 Nov. 1921), the principle of equalisation was enunciated, but no practical measures were laid down for applying it.

2 The difficulties of establishing funds, whether on an industrial or a district basis, were stressed in an article by Mr. Brauer in Sociale Praxis, Nov. 1922.
cement industry in the Rhenish-Westphalian district, and in the electrical industry in Saxony, and for salaried employees in the metal industry in Anhalt being both set up and managed by the employers. The national fund for pharmacists, however, is administered jointly, under conditions laid down in the collective agreement, by a supervisory council consisting of three employers and three workers. This council fixes the amount of the allowances and has general control. Although the textile fund at Berg is managed by the employers, a joint committee of employers and workers may contest decisions as to the amount of allowances.

The basis of equalisation differs, being in some funds in proportion to the number of workers and in others to the total wage-bill. The first basis is adopted by the funds for pharmacists, for the Rhenish-Westphalian cement workers, and for salaried employees in the metal industry at Anhalt. The fixing of the contributions of the employers to the fund in proportion to the total number of workers is the simplest where, as in the case of the pharmacists, the number employed is relatively stable, as this allows accurate estimates to be made, for considerable periods beforehand, of the amount per worker necessary to cover the allowances paid. Where, however, as in the cement industry in Rhenish-Westphalia, the number of workers fluctuates considerably, it is not possible to determine for a long period beforehand the amount per worker which will cover the allowances paid, and the practice is adopted of making frequent calculations.

In the textile industry in the Thuringian and Berg districts and in the metal industry in Berlin, contributions to the fund are made in proportion to the total wages paid by each establishment. This system has the advantage of making automatic allowance for those establishments where considerable numbers of workers are on short time, and in respect of whom allowances are paid in full. In certain funds, for example, those for metal workers in Berlin and for textile workers in the Berg district, the calculations are made separately for male workers and for female workers, while in the latter fund a further distinction is drawn between wage-earning and salaried employees. The allowances are usually paid by the members of the equalisation fund, and the work of the fund is limited to keeping accounts to show the amounts due from members to the fund or from the fund to members.

1 This does not apply when the amounts of the allowances are changing rapidly.
The following details for a number of funds will serve to show the different practices adopted and to indicate the relative importance of various funds.

The Berlin Metal Fund was established on 2 January 1920 and has continued in operation to the present time. It covers 320 undertakings with about 239,000 workers. The household allowance has been fixed at 2 pfennigs per hour and the children's allowance at 4 pfennigs per child per hour. At first the distribution of expenses was made on the basis of the total number of workers above the age of 18 years. This system became too cumbersome when short time made its appearance, and the calculations were then made upon the basis of total wages paid.

The fund of the Association of Employers in Electricity Works in Saxony covers 28 undertakings with about 3,000 wage earners and 1,500 salaried employees. The allowance amounts to 3 pfennigs per hour per household, an equal sum in respect of the first child, and 2 pfennigs for each subsequent child. The distribution of expenses is based upon the number of workers, and separate calculations are made for wage earners and for salaried employees. The fund constitutes a part of the offices of the Union, supported by means of members' subscriptions.

The Association of Employers engaged in the Textile Industries of Thuringia had two equalisation funds working on 1 January 1921; both were abolished in the summer of 1923 owing to difficulties resulting from the inflation of the currency. The average expenses as established by these funds amounted, for male wage earners to $5\frac{1}{4}$ per cent., and for female wage earners to $1\frac{1}{2}$ per cent., of the total wages paid.

The Association of Employers engaged in the Textile Industries of Münsterland distributes the expenses incurred through the payment of family allowances over the various districts in each industrial centre separately. The rate of the allowance is 1 pfennig per hour for the wife (if not in paid employment), for each child and for aged parents. The total number of wage earners in receipt of benefits from these funds was about 32,000.

The fund attached to the Cement Factories of Rhenish-Westphalia and the North-Western Lime Works at Bochum came into operation on 4 February 1920 and continued up to 1923. It covered 40 undertakings with 4,700 wage earners. The distribution of

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1 Rates expressed in pfennigs relate to the period since the monetary stabilisation in Germany.
costs was based upon the number of workers. In comparison with the results arrived at the expenses of management were too heavy, and this finally led to the abolition of the fund.

The national fund of the china and porcelain industry in Germany operated during the whole of 1921. The distribution of costs, originally calculated in accordance with the number of wage earners, was afterwards based upon the amount of wages paid.

The fund of the Association of Manufacturers and Employers of the Free State of Oldenburg, which was established on 1 October 1921 and abolished at the close of 1922, was a mixed fund covering 23 industrial undertakings and 50 master craftsmen with 550 wage-earning employees. The distribution of costs was based on the number of wage earners.

The Association of Employers engaged in the Chemicals and Explosives Industry of Cologne established an equalisation fund in March 1920; it covers 65 undertakings with about 20,000 wage earners. Until 1921 the distribution of costs was calculated in accordance with total wages; since then separate calculations have been made based upon the numbers of male and female wage earners respectively. At the close of 1922 the fund ceased to operate, although its abolition had not been decided upon. Each individual member now bears the expenses incurred by the payment of allowances to his own workers.

The Employers' Association of the industrial district of Berg (Elberfeld) founded an equalisation fund for wage earners on 19 May 1919; and an equalisation fund for commercial and technical employees was added on 4 November 1920. The total wages paid to male and female workers respectively serve as bases for the calculation of members' subscriptions. The allowances are paid by the employers each week, together with ordinary wages. Every month the fund fixes the amount to be paid or to be received by its various members; it covers 600 undertakings with about 40,000 wage earners and salaried employees. The allowances amount to 50-55 pfennigs per week for a wage earner and 6 marks per month for a salaried employee. The average expenses incurred in the payment of family allowances as fixed by the equalisation fund amount to 2½ per cent. of total wages in respect of male wage earners, 1½ per cent. for female wage earners, 4½ per cent. for male salaried employees, and 1½ per cent. for female salaried employees.
The question whether, in fixing wages, the family circumstances of the worker should be taken into account as well as the work which he accomplishes is not of a highly controversial character in agriculture, because in most cases some part of the wages paid to agricultural workers is already in the nature of a family wage. As conditions of agricultural labour differ widely in the various parts of Germany, there are also variations in the social character of wages. If the many slighter variations are left out of account it is possible to divide the workers into two main groups as regards this question, namely, "deputatists" and independent workers.

The deputatist system is principally to be found in those parts of north Germany where the land belongs to large landowners. The employer is obliged to make provision for maintaining a body of permanent workers, including women workers, on his estate, and as the farms are often a long way from the villages such provision has been made by means of the deputatist system. The employer provides his permanent workers, who are called deputatists, with a dwelling-house and a plot of land which they can work on their own account, either rent free or at rents considerably lower than those normally current. The worker is also generally allowed, within certain fixed limits, to keep livestock. In this way he is enabled to increase his income by supplementary work, and in particular by the work which can be done by his wife. In addition, the deputatist receives a considerable, and indeed often the greater part of his wages in kind, i.e. cereals, potatoes, milk, etc., instead of in cash. The deputatist system applies only to married workers, and the amount of the wage in kind is therefore naturally made to correspond to the requirements of a family, irrespective of the actual amount of work which the worker in question accomplishes. Unmarried workers, on the other hand, unless they are provided with board and lodging by their employer, receive a part only of the wages in kind and are generally not provided with accommodation, the use of a plot of land, and the opportunity of keeping livestock.

In the case of "independent" workers, the cash wages are of considerably more importance. The social character of the wages paid

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1 This section summarises information given in an article in the Reichsarbeitsblatt, No. 4, 16 Feb. 1923.
to workers of this kind is therefore to be found in the fact that married workers receive higher cash wages than unmarried workers. Even the independent workers, however, receive a certain part of their wages in kind, and here again family circumstances are often taken into account. Sometimes the wages in kind are only given to married workers, and sometimes the amount paid to them in kind is greater than that paid to unmarried workers. The differentiation of wages according to family circumstances in collective agreements may thus take the following forms:

1. The married worker may receive no wages in kind (députat) and higher cash wages. This is the case in the Dantzig district and a few districts in eastern Germany.

2. The married worker may receive the same wages in kind as the unmarried worker, but higher cash wages. This system is laid down in the model agreement for the whole of Silesia and East Prussia.

3. The married worker may receive higher wages in kind than the unmarried worker, but lower cash wages. Agreements of this type are to be found in a few districts of Brandenburg.

4. The married worker may receive higher wages in kind than the unmarried worker but equal cash wages. This applies principally to west and south Germany.

5. The married worker may receive higher wages in kind and higher cash wages than the unmarried worker. This form of preferential treatment for married workers occurs in a few agreements only.

In south Germany, where the social character of the wages is less marked than in north Germany, probably because the south German workers are in many cases small owners and can recoup themselves for the higher cost of living out of the produce of their land, preferential treatment is in some cases allowed to married men and women at harvest time only. They often receive higher money wages and in addition wages in kind. The wages in kind consist of a fixed part and a variable part, which can be adapted to differences in the size of the family. The fixed part consists of the dwelling-house, land, fuel, opportunity of keeping livestock, etc., roughly calculated to correspond to the requirements of a family, while the variable part consists of an allowance of corn and milk. The wages in kind are generally fixed on the basis of the requirements of a family of a certain size. One collective agreement, for example, states that "the wages in kind are calculated for a family of five — husband, wife, and three children
under 14", while according to several others "a family of four persons of a married worker permanently employed in the undertaking is taken as basis for fixing the amount of corn to be provided." If the family is larger the amount of corn provided is increased proportionately. A number of collective agreements expressly state that the amount is to be calculated according to the size of the family. The provisions relating to the supplementary amounts allowed for children vary very considerably. As the different collective agreements lay down that the wages in kind are to be calculated on the basis of families of different sizes, the supplementary allowances begin in some cases with the second and in others with the third, fourth, fifth, or sixth child.

Wages in kind are not paid for children who are able to work unless they are employed upon the estate. It should also be noted that the wages in kind are not only paid to fathers of families but in many cases to any worker who has to support a family, e.g. the eldest son if the father is dead or unable to work. In this case the members of the family entitled to grants in kind may include not only the children but also adults who have become incapacitated and in particular the parents of the worker in question.

Although the wages in kind (députat), in so far as they consist of a dwelling-house, land, and facilities for keeping livestock, are only received by the actual députatists, i.e. the permanent workers who live on the estate, the other grants in kind are sometimes also given to the independent workers. Here again the social character of this form of wages is shown by the fact that these grants are often given to married workers only, while in other cases married workers receive considerably larger quantities than single workers. The difference between the value of the wages in kind paid to unmarried workers and those paid to married, and others who have to provide for families, clearly shows the social character of the system of wages in kind, especially if it is remembered that the value of the payments in kind as laid down in the collective agreements is considerably below the market value.

In some cases wages in kind are only paid on condition that the workers are regular in attendance at work, while in others it is laid down that the worker only becomes entitled to such grants if he has worked a certain number of hours (2,800 per year).

Differentiation of wages according to the size of the family does not only occur in the wages in kind; additional cash wages are also sometimes paid, especially to independent workers who do not live on the estate and who are generally not provided with
land or facilities for keeping livestock. How entirely the principle of the family wage is accepted in agriculture as a matter of course is shown by the fact that the differentiation in favour of the married worker does not, as it generally does in industry, take the form of a fixed sum known as the supplementary family allowance, but of a proportionate increase in time rates.

**Amounts Paid in Family Allowances**

The total amounts paid in family allowances vary very considerably according to industry or occupation. In the table given on page 109 comparisons are made of the wage rates of unmarried and married workers in various occupations in certain industries. The figures given are generally weighted averages of the wage rates of typical categories of workers in a number of large towns or important centres. Where the allowances paid vary with the size of the family, the rates given for married workers are for those with wife and two children, generally under 14 years of age. Data are given for April and October 1922 and for January and April 1923. The interest lies not so much in the amounts paid in marks to the different groups (with the rapidly changing price level, money wages have changed very rapidly from month to month or even from week to week) as in the relation between the wages paid to unmarried workers and those paid to married workers.

This relation has changed to some extent for each group of workers as the money wages have changed, but the differences in the relation have been comparatively small within certain industrial groups. It is evident that in some industries the amounts paid in family allowances constitute a very small addition to the wage, whereas in other groups the addition has been very considerable.

In the printing and chemical industries the allowances have been comparatively small, constituting additions for most groups of married workers of 3 or 4 per cent. only of the wage-rates of unmarried workers. In the metal industry the allowances were somewhat higher, being in the later months given in the table about 6 or 7 per cent. For mine workers they have varied from

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1 No figures are given after April 1923 owing to the enormous increases since that date in money wages; neither these increases, however, nor the changes which have followed the monetary stabilisation appear to have changed to any great extent the relation between the married worker's wage and that paid to unmarried workers.
about 8 to 12 per cent. The figures of the allowances paid to married bank employees show great variations at different dates, being in some months as low as 11 per cent. of the salaries of unmarried workers, while at other dates they have been more than 25 per cent. For higher-grade officials the allowances have been about 15 per cent. and for intermediate officials about 20 per cent.

Married workers in state employment have received additions which in certain months have been about 20 per cent. of the wage of unmarried workers. The allowances paid to married officials in the lowest grades have been of the highest relative importance, making additions of more than 30 per cent. of the salaries of unmarried officials. An examination of the figures also shows that in all industries the importance of the family allowances is slightly greater for unskilled than for skilled workers. The situation is similar in the case of bank employees of lower grade, while for lower-grade officials in state employment the difference in proportion is very considerable.

Opinions on Family Allowances

The system of family allowances has found many supporters in Germany. Thus Dr. W. Kulemann, the well known writer on social questions, who had acted as president of an arbitration committee in connection with a conflict in the metal industry, expressed himself in favour of the system, which was advocated by the employers' representatives and opposed by those of the workers. He explained his views in an article in *Sociale Praxis* (No. 16, 1921) which led to a vigorous discussion. He argued that the father of a family, being of much greater value in the community from both the political and economic points of view than the unmarried man, should receive a higher remuneration. This would encourage workers to marry and result in an increase in the population, while it was justified because the minimum of existence is higher for a married worker with a family than for an unmarried man. He further pointed out that the effect of increasing the wages of all workers equally is to cause the price level to rise much more than if lower increases were given to unmarried than to married workers. He emphasised the necessity for the payment of a living

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1 The figures given are for workers on state railways.
### Relation of Married to Unmarried Workers' Wages, April and October 1922, and January and April 1923

<table>
<thead>
<tr>
<th>Industry and group of workers</th>
<th>April 1922</th>
<th>October 1922</th>
<th>January 1923</th>
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<tr>
<td>Coal Mining (per shift)</td>
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<td>Hewers and drawers</td>
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<td>Other underground workers</td>
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<td>Unskilled workers</td>
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<td>Printing Industry (per week)</td>
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<td>Helpers</td>
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<td>Workers in State Employment (per month)</td>
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<td>Unskilled</td>
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<td>State Officials (per month)</td>
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<td>Bank Employees (per month)</td>
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<td>Ditto on simpler work</td>
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<td>Assistants</td>
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<tr>
<th>Unmarried worker's wage (Marks)</th>
<th>Married worker's wage (Marks)</th>
<th>Relation of married to unmarried worker's wage (100)</th>
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<tbody>
<tr>
<td>April 1922</td>
<td>October 1922</td>
<td>January 1923</td>
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1 Compiled from data published in *Wirtschaft und Statistik*. 2 Per week.
wage, which is evidently higher for a married worker with a family than for an unmarried worker.

In dealing with the danger that the payment of family allowances would involve discrimination against married workers with large families in their endeavour to obtain work, Dr. Kulemann recognised the difficulty but considered that means could be found whereby the employment of heads of families would not involve any relative disadvantage to the employers. One means which he discussed was a stipulation in the collective agreement that a certain percentage of married workers must be employed in each establishment.

He pointed out, however, that the method was not altogether satisfactory, as it interfered with the freedom of the employer and took no account of the number of children. He suggested equalisation funds as being more effective.

The employers' point of view was expressed in an article in the Arbeitgeberzeitung¹ (24 July 1921). The family wage was generally regarded as an exceptional measure, and the view was held that in normal times the principle of equal pay for equal work should be maintained. In existing conditions, owing to the special situation of German industry and the difficulty of meeting competition in international markets, it was necessary to keep the cost of production as low as possible, and one way of doing this was to adjust wages more nearly to the individual needs of each worker by means of the family wage. The practice of creating equalisation funds was approved. It was believed impossible to prove that the payment of the family wage involved a lowering of the productivity of unmarried workers. On the other hand the system would effect a saving of 10 per cent. on the total wage-bill. For these reasons it was urged that employers should give their full support to the system of family allowances.

The workers' leaders have expressed considerable opposition to the system. Thus Mr. Leipart, President of the General Confederation of German Trade Unions, while agreeing with Dr. Kulemann that workers with families are of more value to the community than unmarried workers, and that the community should help them, considered it impracticable to adopt the family wage system ². He regarded it as curious that it should be advocated by

¹ Organ of the German employers' associations.
² Korrespondenzblatt des Allgemeinen Deutschen Gewerkschaftsbundes (organ of the General Confederation of Trade Unions), 30 Apr. 1921.
the employers who had opposed the establishment of a minimum wage and favoured the piece-work system as the best means of ensuring the strict application of the principle of equal pay for equal work. He pointed out that, while those with large families felt severely the effects of rising prices, it was necessary to take account of the desirability of paying to unmarried workers sufficient to enable them to maintain aged or other dependants, to provide themselves with recreation, and to save for the purpose of setting up a home of their own. If unmarried workers were not paid enough to save something for the time of their marriage, marriages might be delayed and the increase in population claimed by some as a consequence of family allowances might not result. Further, the expenses of unmarried workers were relatively high, especially for those living away from home, while considerable dissatisfaction was caused when they received lower remuneration than married workers in some cases less efficient than themselves. As an alternative to family allowances, Mr. Leipart suggested that the burden on workers with families might be lightened by a reduction in taxation and the provision by the community as a whole of certain services for the benefit of those with children, for example, an extension of educational facilities, free apprenticeship, free meals for school children, and even free clothing. Milk might also be provided free or at reduced prices for mothers with young children.

The opinions and suggestions of Mr. Leipart met with approval from a large number of trade unions, and articles on similar lines were published in a number of union journals. In various of these publications the belief was stated that the employers were giving an appearance of generosity and social virtue to a course which was solely in their own interest, and was for them a means of effecting an economy in the wage-bill. The workers state that a wage should be paid to all workers sufficient for the maintenance of a family of average size, and point out that by paying wages proportionate to family needs a saving is effected at the expense

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1 See the Lederarbeiter-Zeitung (5 Aug. 1921), organ of the union of leather workers; the Vereins-Anzeiger (14 May 1921), organ of the union of painters in the building industry, etc.; the Fleischer (21 May 1921), organ of the central union of butchers and allied workers; the Holsarbeiter-Zeitung (3 Sept. 1921), organ of the union of woodworkers; the Baugewerkschaft (12 June 1921), organ of the Central Christian Union of Building Workers; the Betriebsräte-Zeitschrift für Funktionäre der Metallindustrie (18 Mar. 1922); and the Betriebsräte-Zeitschrift der Holzarbeiter (10 Nov. 1922).
of unmarried workers. Certain of the journals believed that the employers were using the system for the purpose of dividing the workers. Some agreed that it might be practicable in the case of officials in state and local administrations, but not in private industry.

Several journals, dealing with Dr. Kulemann’s argument that the opposition of the workers to family allowances was due to the fact that the unmarried workers dominated the unions, pointed out that often the married workers also were against the system, on account of the danger of dismissal which they might incur. Even where equalisation funds were set up, the employers as a whole would benefit by reducing the proportion of married workers. Only by an equalisation fund covering the whole country could the danger be avoided, and such a fund should be on similar lines to insurance funds, and administered under state control.

Certain Christian unions have been in favour of the principle of family allowances. Thus at the tenth Congress of Christian Unions at Essen in November 1920 a resolution was passed to the effect that the wage is not only part of the cost of production, but is the income of the worker, and should be adequate for his needs. To ensure this, allowances proportionate to the number of children are necessary. The payment of the allowances through equalisation funds was approved. The president of the Christian Union of Weavers defended the family allowance system, and stated that the basic wages where family allowances were paid were not lower than elsewhere.

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1 The argument is advanced by Mr. Brauer in an article in *Sociale Praxis*, Nov. 1922, that the payment of family allowances will lead to two wage conflicts, one for the basic wage, the other for the social or family wage in which only married workers would be interested.


3 *Textilarbeiter-Zeitung*, 4 Feb. 1922. This statement was disputed in an article in the *Textil-Arbeiter*, 24 Feb. 1922.
In Austria the family allowance system was adopted during the early years of the war for state employees and is still in force. It was also introduced for workers in a number of private industries and was included in the terms of various collective agreements. There appears to be no tendency for the system to be extended by this means, but recent agreements in the mining, chemical, and a few other industries, as well as those for salaried employees in various industrial undertakings, show that it is being maintained for these groups.

The most striking feature of family allowances in Austria is the application of the system to practically all workers, and the adoption of the principal of equalisation by the Act of 21 December 1921. Although intended only as a provisional measure, the Act, with various modifications, still remains in operation.

Family Allowances in Public Services

Family allowances were first introduced for state employees by the Act of 9 February 1916, the reason for their introduction being the special circumstances caused by the war, and the fact that they appeared to be, for the state, the most economical way of adapting wages to the increasing cost of living. The whole system of family allowances for state officials was closely connected with the state control of foodstuffs during the war, in the sense that a rise in the price of an article of consumption was followed by a corresponding rise in the rates of the allowances. Three separate groups were considered, namely:

1 unmarried officials, or widowers without dependants;
2 married officials without children, and married officials or widowers with one or two dependent children;

This section is based in part on information supplied by Professor J. Hawelka, Director in the Federal Ministry of Social Administration.
(3) married officials or widowers with more than two dependent children.

The allowances were paid in respect of dependent children under 21 years of age, and the amounts of the allowances corresponded to the size of the family as given above. The allowances of the higher-grade officials were larger than those of lower-grade officials. This distinction was not always maintained in later Acts and Orders, while other modifications were effected and the amounts of the allowances increased. An important change was that of increasing the number of groups at first to four, later to five, and by the Order of 11 September 1918 to eight. This increase in the number of groups enabled the allowances to be varied more closely with the size of family.

By the Act of 18 December 1919 the system of fixing salaries was considerably modified, and changes were also introduced into the family allowance system. Provision was made for the payment of an annual allowance of 1,200 kronen in respect of each dependent child under 21 years of age.

In certain of the other bonuses or allowances which made up the total remuneration, account was taken of the number of children. Further modifications were made from time to time both in the amount of the allowances and in the system of payment. Thus the Act of 13 July 1921 provided for an annual allowance of 6,000 kronen for each dependent child to the age of 21 years, or in certain cases to 24 years. In addition, a similar allowance was provided for the wife, while allowances in respect of other dependants were to be paid. Allowances for those with families to maintain were continued by the Act of 26 June 1922, which provided that as from 1 July 1922 salaries should follow automatically the movement of the cost of living. For that purpose a joint committee was appointed in order to calculate every month an index number of the cost of living. The system of automatic adjustment, however, was not applied to the allowances for wife and children. On the other hand, married officials or widowers with one or more children were entitled each month to a household supplement equal to the salary fixed by the Act of 13 July 1921. In addition, state officials were entitled to special subsidies for each child under the Act of 21 December 1921, by which a general system of family allowances was introduced in Austria.
Statutory Allowances.

A general system of family allowances was introduced in Austria by the Act of 21 December 1921. Under this Act the state subsidies on certain foods, including bread, which had been granted for the benefit of the whole population, were to be suppressed by installments over a period of several months. In order to compensate for the hardship which would have resulted to the workers from the rise in price of these foods, the employers undertook to make corresponding additions to wages and salaries, separate additions being made in respect of the worker, his wife, and each child under 14 years of age. The allowance for the wife was to be paid only if she was not engaged in remunerative work, while in the case of women workers allowances were to be paid in respect of dependent children. In addition, those receiving sickness, unemployment, or accident insurance benefit or old age pensions were entitled to allowances.

The amounts of the allowances, which were to be varied in relation to changes in the cost of living, were to be fixed by a joint committee of six employers and six workers. For home workers the amounts were to be fixed by the central committees for Home Work (Zentralheimarbeitskommissionen) or, for home workers in trades for which no central committee was set up, by the Minister for Social Administration.

The cost of the allowances was to be equalised by the district industrial committees (Industriellebezirkskommissionen). For agricultural and forestry workers the communes assumed the function of an equalisation office, while for all other groups of workers, i.e., those covered by sickness insurance, the equalisation was effected by sickness funds. The system is that of the equalisation fund, payments being made in proportion to the number of workers employed by each employer. The final amount paid to the fund in respect of each worker was 1.3 times the allowance per child, 1.3 being taken as the average number of children per worker. Thus, if \( a \) is the number of workers in a given establishment, \( b \) the amount of the allowance per child, the amount to be paid is \( a \times b \times 1.3 \). If the amount actually paid in allowances by an employer exceeds this amount, he can draw the difference from the fund, and vice versa. In addition each employer contributes to the
cost of administration of the equalisation, the method of calculation being similar to that for the contribution for allowances. At first the factor for this purpose was fixed at 0.2, but it was reduced successively to 0.15 and to 0.05.

By the Act of 9 June 1922 certain modifications were made. Thus for agricultural and forestry workers the principle of equalisation was abolished, and the same applied to wage-earning and clerical workers in non-profit-making undertakings; other minor changes were effected. During the first half of 1922 also the allowances for the worker and his wife were merged into the wage, and from about the beginning of the second half of the year children's allowances alone were paid. The system of children's allowances in force was of a provisional character only, and it was intended that from 30 June 1922 a system on a different basis should be set up. Although many discussions took place no agreement was reached, and the operation of the Act of 1921 as modified was prolonged several times, and is still in force. It should be noted that in prolonging the system the periodical adjustment of the allowances to changes in the cost of living which was prescribed by the Act of 1921 has not been provided for. The last increase in the amount of the allowances was that of June 1922, by which the allowance per child per week was raised to 1,155 kronen 1, this being a little more than 3 per cent. of the average wage of a worker. Subsequently, when the average weekly wage rose to about 300,000 kronen, the allowances remained unchanged, thus representing only about 0.3 per cent. of the wage.

Among the proposals that have been made was one that the allowances should be more closely related to the wages and should be calculated according to the number of hours worked. Various objections were raised to this on account of the complicated calculations which it would involve. It also appeared unsatisfactory that the children's allowances should fluctuate with the wages and be affected, for example, by periods of short time. A proposal was made in December 1923 by the Minister for Social Administration that the regulation of children's allowances should be left to employers and workers, and that a law should be passed requiring the inclusion in collective agreements of provisions for children's allowances. This plan was strongly opposed by the

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1 At that time the average wage of a worker was about 36,000 kronen (cf. in Dr. E. Palla: "Die Kinderversicherung in Oesterreich", in Arbeit und Wirtschaft, Jan. 1924).
workers, it being pointed out that those workers who were not covered by collective agreements would not receive allowances for their children. For workers under collective agreement, too, it was considered unjust that the allowances should vary from industry to industry according to differences in the relative bargaining power of employers and workers.

Allowances under Collective Agreement.

In addition to the general system of family allowances outlined above, which was introduced in compensation for the withdrawal of the food subsidies, allowances are paid in certain industries, usually in accordance with the terms of collective agreements. The most important group of workers covered is that of the mining industry, but allowances are also paid to salaried employees in industrial undertakings and workers in the chemical and a few other industries. They are paid as part of the wages and without equalisation between different employers.

The system was introduced for the mining industry as early as the second half of 1915, in accordance with the memorandum of the Austro-Hungarian Government concerning the introduction of special war measures, and applied to the wives as well as to the children of the workers. Later the wife's allowance was suppressed, but the allowances for children are still maintained. Thus, under the wage agreement of 22 May 1923 between the Austrian Mineowners' Association (Styrian section) and the Austrian Miners' Union, allowances of 1,000 kronen per shift are paid in respect of each child under 14 years of age and of invalid children over 14. Unmarried workers with dependent children are treated in the same way as married workers.

Similar provisions were made in the agreement of 27 April 1923 for workers in the lignite mines at Fohnsdorf and Seegraben, and in that of 13 June 1923 for workers in the Styrian iron mines. For workers in a number of other coal mines the allowances as fixed in collective agreements differ considerably in amount from one company to another. In certain cases household allowances are paid, no account being taken of the number of children.

As regards salaried employees in industrial undertakings, a collective agreement between the Union of Salaried Employees

\[1\] The number of workers in the mining industry is about 33,000. (See International Labour Directory, 1923 edition.)
in Industry and the Vienna Manufacturers' Association, dated 6 March 1923, provided that, in addition to the basic wage and the cost-of-living bonus, allowances shall be paid in respect of wife and children. The wife's allowance amounts to 12½ per cent. of the existing basic salary. Female employees whose husbands are permanently incapacitated receive similar allowances. The allowances for children are paid in respect of those under the age of 16 years, or 18 years in the case of children attending a high school. The allowance was fixed at 2½ per cent. of the basic salary, but is not payable in respect of more than three children. The allowances both for wife and children, as well as the basic wage, are adjusted to changes in the cost of living by means of a sliding scale.

The agreement of 19 April 1922 between the Union of Salaried Employees in Industry and the Iron and Metal Producers of the Vienna Section of the Central Federation of Manufacturers also provided for a wife's allowance of 12½ per cent. of the existing basic salary, but a maximum limit was fixed to the amount of the allowance. In other respects the terms of the agreement resemble those outlined above.

For chemical workers, under an agreement of 1 April 1923 between the Central Association of Technical and Metallurgical Industries and the Chemical Workers' Union, higher wage-rates are paid to all married male workers, to all unmarried male workers over 22 years of age, and to widows over 22 years of age with children, than to other male and female workers.

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1 The Vienna Section of the Central Federation of Austrian Manufacturers.
2 In the case of unmarried workers under 22 years of age the sliding scale applies to 90 per cent. only of the basic wage.
CZECHOSLOVAKIA ¹

Family allowances in Czechoslovakia, as in most other countries, appear to be mainly a product of the war. While the country was still part of the Austrian Empire the system was introduced largely as a result of government initiative. One of the first groups for which it was adopted was that of officials in the public services. With the prolongation of the war and the progressive increase in the cost of living, state employees, their salaries being fixed, found their standard of life falling steadily. The state was faced with the alternatives of raising basic salaries or leaving the basic salary unchanged and paying cost-of-living bonuses with it. The latter alternative was chosen, and in fixing the bonuses allowance was made for the size of family. Such allowances were paid not only for officials and other employees of the state, but for the families of soldiers and of workers engaged in munitions and other industries providing for the needs of the army. From these the system spread to other industries and groups of workers. After the establishment of the Czechoslovak Republic, and especially during the years 1919 to 1921, clauses were introduced into many collective agreements stipulating the payment of family allowances. With the fall in the cost of living in 1921 and 1922 a reaction appeared; there was a tendency to restrict the system of family allowances and even to abolish it in a number of industries.

FAMILY ALLOWANCES IN PUBLIC SERVICES

The payment to officials and other state employees of cost-of-living bonuses graduated according to family was first introduced by the Austrian Act of 9 February 1916 ². From then

¹ This section is based in part on information supplied to the Office by Dr. J. Jankó, Ministerial Assistant Secretary, and Labour Statistician in the Ministry of Social Welfare.
² See above, p. 113.
until after the establishment of the Czechoslovak Republic the system was exactly the same as in Austria. In 1921 and 1922, however, the cost of living fell, and considerable modifications were made in the legislation on salaries and allowances for state employees. By the Act of 30 December 1922, although family allowances were continued, it was stipulated that they would not be paid in respect of children born after the date of promulgation of the Act, or to persons entering the service of the state after 1 January 1923. The age limit was fixed at 18 years except for children continuing their studies, for whom it was 24 years. The maximum number of children in any one family in respect of whom allowances would be paid was six.

It may be added that from 1916 onwards family allowances were paid to officials and other employees of the provincial administrations on systems similar to those adopted by the central Government.

Family Allowances under Collective Agreements

As already indicated, family allowances for industrial workers began with the payment of bonuses for the wives and children of munition and other workers engaged in producing military supplies, on similar lines to the separation allowances paid to soldiers' families. The right of these workers to additional payments for their families was established in an Order (No. 123) of 19 March 1917, which stipulated that in fixing cost-of-living bonuses and other allowances account must be taken of the number of dependants. This became a common feature in collective agreements, a great number of which, particularly in the years 1919, 1920, and even 1921, included provisions relating to family allowances. In 1921, however, a reaction set in. With the fall in prices in that year and in 1922, and the industrial depression, employers sought every means of reducing their costs of production. Not only were wage-rates reduced, but the employers in a number of industries endeavoured to suppress family allowances. In consequence, clauses providing for the payment of family allowances are found less and less frequently in the agreements concluded after the year 1921.

An outline is given below of the family allowance system in a number of important industries.
Agriculture.

In Czechoslovakia, as in Germany, the "deputatist" system is in force, and in certain respects similar practices prevail in the two countries. In Czechoslovakia the deputatists are generally the only agricultural workers who receive allowances for their families. The allowances are paid in kind rather than in cash, and are generally fixed as for a family of four. If the family is larger the employer may make extra allowances, but where the family is smaller and does not consume the quantities supplied the worker is not allowed to sell the surplus except to his employer. Usually the payments in kind include housing, fuel, milk, cereals, and potatoes, while permission may be given to keep livestock.

Mining.

The allowances paid to miners in respect of their families have varied at different dates and also in the different districts. Usually they are made in three distinct forms: children's allowances, clothing allowances, and free or cheap coal. The children's allowances vary with the number of children in the family. They are paid in respect of each shift actually worked, and for all children under 14 years of age. For children between 14 and 18 years of age the allowances may be continued on the presentation of certificates showing that the children are continuing their education satisfactorily. In the case of children incapable of earning their living on account of physical or mental defects the allowances may also be continued beyond the age of 14.

The allowances continue to be paid during periods not exceeding 28 days in which the worker is incapable of working on account of an accident during his work. Higher sickness allowances are paid to married than to unmarried workers, no distinction being made, however, according to size of family.

The clothing allowances are also paid in respect of each shift actually worked and are generally as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Crowns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmarried workers</td>
<td>5.00</td>
</tr>
<tr>
<td>Married workers without children</td>
<td>5.60</td>
</tr>
<tr>
<td>» with 1 or 2</td>
<td>7.80</td>
</tr>
<tr>
<td>» 3 or 4</td>
<td>9.20</td>
</tr>
<tr>
<td>» 5 or more</td>
<td>10.80</td>
</tr>
</tbody>
</table>

1 See collective agreement of 20 March 1919.
Allowances varying with the number of children are also paid to widowers and widows.

The allowances of fuel made to married workers generally include given quantities of coal or lignite and of wood. The quantities vary considerably from one district to another and at different dates.

**Metal Industry.**

In the year 1919 weekly allowances were generally paid in respect of the wives and children of workers. In some cases, however, the allowances took the form of additions to hourly rates of wages, the additions being larger for married than for unmarried workers. The allowances were also paid to widowers, widows, unmarried workers with dependants, and women workers whose husbands were incapable of working. The age limit for children in respect of whom allowances were paid was generally 14 years, although in certain large establishments it was fixed at 16 years. In 1920 the system was modified, but the principle of paying family allowances was maintained in 1921 and 1922. The modifications in 1921 and 1922 were in the direction of reducing the difference between the incomes of married workers with families and those of unmarried workers. Thus in 1921 the allowances for the wife were suppressed, while in 1922 the allowances, instead of being paid for all children, began only with the second child. Married workers with two children received allowances of 2 crowns per week, those with three children 4 crowns per week, while the maximum weekly allowance was 6 crowns, paid to workers with four or more children.

**Chemical Industry.**

Cost-of-living bonuses graded according to size of family have been adopted throughout almost the whole of the chemical industry. In 1920 the bonuses were fixed on a weekly basis, and allowances were made in respect of the wife and each child under 14. In 1921 and 1922 they were paid on an hourly basis, while the maximum number of children in respect of whom allowances were paid was fixed at five.

**Other Industries.**

In the manufacture of machinery, apparatus, tools, vehicles, etc. allowances for the wife and for children under 14 years of age were paid until the year 1920, after which they were almost
entirely suppressed. In the fur industry the system of family allowances was included in the collective agreements in 1919 and 1920, a given weekly amount being payable in respect of each child under 14 years of age. Cost-of-living bonuses graduated according to size of family were also paid. In 1921 and 1922 the cost-of-living bonuses only were continued, these being 25 per cent. higher for married than for unmarried workers. Agreements in the textile industry in 1919 provided for the payment of allowances per week for each child. In 1920 most of the agreements limited to five the number of children in respect of whom allowances would be paid. In 1921 the amounts of the allowances were reduced, while during the following year the system was completely abandoned. In the clothing industry family allowances in the form of graduated cost-of-living bonuses were paid to time workers only, until the end of the year 1920, while in the agreements for 1921 and 1922 they are no longer mentioned. In the food group family allowances were paid in the sugar, milling, tobacco, chocolate, and brewing industries, often by means of cost-of-living bonuses graded according to size of family. The system was most extensively applied in the year 1919. In 1920 it was considerably less important, while it had practically disappeared by the end of 1921. In the wood industry the principle of paying family allowances has rarely been adopted.

Salaried Employees.

The indications given above refer to wage-earning workers. Family allowances have also, however, been adopted in a number of cases for salaried employees. They have been paid to bank employees and salaried employees in certain food industries for several years and were continued in 1923.

For bank employees, by an agreement of 22 November 1918, allowances were made in respect of the wife and for each child, and higher amounts were paid to permanent than to temporary employees. In August 1919, in addition to the allowances provided by the 1918 agreement, cost-of-living bonuses graduated according to size of family were paid. In 1921 the principle of limiting the number of children in respect of whom allowances would be made was adopted for the cost-of-living bonuses, the number being fixed at four. By the agreement of 10 January 1923 the system of paying family allowances was continued.

In certain of the food industries the principle of family allowances has been adopted for clerical workers. The allowances have been
paid in the form of percentage additions to salary, higher percentages being paid to those with larger families. Usually the maximum percentage additions have been paid when the family included 4 or 5 children under 18 years of age, and larger families received no additional benefit. The allowances continued to be paid in the year 1923, for example, in the sugar industry and in alcohol distilleries. The latest agreements, however, include provisions reducing the amounts of the allowances.
POLAND 1

The system of family allowances was adopted during the war and in the years succeeding it as one means of mitigating the effects of the fall in real wages consequent upon the rise in the price level 2. During the war, owing to the shortage of food, the state undertook to provide industrial workers with certain articles of food and other primary necessaries. When the situation improved the state abandoned the task, and immediately the workers endeavoured to obtain the continuation by the employers of these payments in kind. Their attempts were only partly successful, and, although a number of agreements stipulated that allowances graduated according to size of family should be made, these formed only a small percentage of total agreements. Thus, out of 500 collective agreements for various periods up to the summer of 1922 examined by the Central Statistical Office of Poland, only about 7½ per cent. mentioned family allowances 3.

FAMILY ALLOWANCES IN PUBLIC SERVICES 4

The Government, from the time when the country became independent, has provided family allowances for its officials and other

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1 Some of the information in this section is based on data given in the reports of Dr. A. Rose, Polish Correspondent of the International Labour Office.
2 The principle of family allowances was adopted by the Act of 18 March 1923 for reservists called to the colours. The amounts were to be fixed by the Council of Ministers and should be adequate to assure a minimum subsistence. In the case of permanent workers they were to be paid by the employers, or, if they should be unable to do so, by the state. The Act was to remain in force until 31 December 1923.
3 The principle was also applied to agricultural workers, to a limited extent, by the Act of 7-8 April 1921. This Act refers mainly to the provision of certain benefits for the families of workers during periods of sickness or in case of death of the worker. The Act was to remain in operation until the Act regarding sickness insurance should be put into force.
4 In addition to the payment of family allowance to state employees, the municipal authorities of Warsaw and a number of other towns pay family allowances to their officials and other employees.
employees. At first officials were divided into three groups only, higher allowances being paid to those with larger families than to those with average families, while the allowances were lowest for those with small families. In the first half of 1920 the number of groups was increased to five, thus making it possible to vary the allowances more closely with differences in the size of family. By the Act of 13 July 1920 the number of groups was reduced to four\(^1\). The Act also stipulated that family allowances should be paid in respect of children under 18, or up to 24 if they were continuing their education or were physically or mentally defective\(^2\). Where the wife was also a state official, she was not counted as a dependant.

The Act of 13 July 1920 also provided for the payment of family allowances to employees in various state services, including the railways, the police, the teaching profession, etc.

This Act remained in force throughout 1921, 1922, and was in operation in the middle of 1923. In May 1923 a Bill was prepared by the Government for the consideration of the legislature for the purpose of simplifying the method of calculating the salaries of officials and other state employees. The proposal, which was afterwards adopted, included modifications in the family allowance system, the principle, however, being retained.

The table opposite\(^3\) indicates for certain categories of officials, the amount of the allowances paid at different dates to officials with families of different sizes. Evidently the allowances were relatively larger for higher than for lower-grade officials.

**Family Allowances under Collective Agreements**

As has been indicated, the payment of family allowances on the basis of provisions in collective agreements has not been extensive. The greatest development has been in Upper Silesia, where the system had been introduced during the period of German administration. In the year 1919 provisions relating to family allowances were included in a number of collective agreements. In the two following years the practice developed considerably, but a decline followed in 1922.

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\(^1\) See table, p. 127.
\(^2\) In exceptional cases allowances might be continued for defective children even beyond the age of 24.
## Relation between the Monthly Salaries of Certain Categories of State Officials Grouped According to Size of Family, December 1919, June and December 1920

*(Smallest family group = 100)*

<table>
<thead>
<tr>
<th>Date and family group</th>
<th>Low-grade officials</th>
<th>Intermediate grade officials</th>
<th>High-grade officials</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 1919</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small family</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Average family</td>
<td>102.7</td>
<td>103.1</td>
<td>107.6</td>
</tr>
<tr>
<td>Large family</td>
<td>105.5</td>
<td>106.2</td>
<td>115.3</td>
</tr>
<tr>
<td><strong>June 1920</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unmarried</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Married, with one child or none</td>
<td>109.2</td>
<td>109.5</td>
<td>114.2</td>
</tr>
<tr>
<td>Married, with 2 children</td>
<td>115.6</td>
<td>113.5</td>
<td>120.7</td>
</tr>
<tr>
<td>Married, with 3 children</td>
<td>125.3</td>
<td>126.1</td>
<td>136.3</td>
</tr>
<tr>
<td>Married, with 4 or more children</td>
<td>131.9</td>
<td>132.8</td>
<td>139.8</td>
</tr>
<tr>
<td><strong>December 1920</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unmarried</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Small family</td>
<td>106.0</td>
<td>112.4</td>
<td>132.7</td>
</tr>
<tr>
<td>Average family</td>
<td>110.5</td>
<td>121.7</td>
<td>157.3</td>
</tr>
<tr>
<td>Large family</td>
<td>115.0</td>
<td>131.0</td>
<td>181.9</td>
</tr>
</tbody>
</table>

1. In Class I localities, i.e. where the cost of living is highest.
2. With 1 or 2 dependants.
3. With 3 or 4 dependants.
4. With more than 4 dependants.

Family allowances are most commonly paid in the mining, metal, and petroleum industries, and somewhat less frequently in the cement industry. In the coal and salt mines the number of workers receiving family allowances is about 65,000, while in the petroleum industry the number is about 16,000. From time to time clauses regarding family allowances are included in the agreements for various groups of workers in the wood, paper, cellulose, chemical, tanning, brewing, and milling industries, and for those engaged on the construction of machinery, in electricity works, and in commercial undertakings.

The clauses dealing with family allowances in the various agreements differ very considerably, not only between different industries, but even within a given industry at different dates. Some agree-

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1. These data were supplied by the Polish Union of Workers’ Organisations.
ments stipulate that payments in kind graduated according to size of family shall be made. In certain of these agreements the payments in kind may be supplemented by money payments similarly graduated, while in some cases it is provided that the payments in kind may be replaced by an equivalent money payment. Other agreements make no reference to payment in kind, but stipulate that money allowances shall be paid. Usually the allowances are at the same rate for all categories of workers in a given establishment.

Up to the year 1921 many agreements provided for allowances varying with the size of family, but fixed for a given unit of time (e.g. per week). The amounts received were thus independent of variations in earnings due to short time, etc. From 1921 onwards, however, it became more common for the allowances to be paid in the form of a percentage of earnings, and hence they were subject to considerable fluctuations.

The following sections give indications as to the system of family allowances in a number of industries.

Mining.

The family allowance system was adopted in the coalmining industry during the war, and was continued in the post-war years by means of collective agreements. Numerous modifications have been made by the different agreements in the post-war years, both in the amount of the allowances and in the system of calculation. In a number of agreements the age of children in respect of whom allowances are paid has been fixed at 15 years, but in the case of children continuing their education or defective children allowances are usually paid beyond that age.

Various agreements provided for payments in kind, including food, fuel, boots, and even housing. In the case of commodities other than food, the distinction was usually made only between married and unmarried workers. For food, however, the allowances varied with the size of family.

The payments in money, especially in the later agreements, became partly a bonus on regularity, for often they were not made to workers who had been absent without sufficient cause for more than two days in the month.

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1 This was the case in the agreement of 12 November 1922.
As an example of the provisions of recent agreements, mention may be made of the terms of that reached on 1 July 1923 between the employers and the Miners’ Union of the Republic of Poland. This stipulated that additions to wages should be made in the form of bonuses paid to workers who attended regularly. These bonuses were to be calculated as given percentages of the monthly wage, and the percentages were to vary with the size of family as follows:

<table>
<thead>
<tr>
<th>Per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmarried workers</td>
</tr>
<tr>
<td>Married workers without children or with one child</td>
</tr>
<tr>
<td>Married workers with 2 to 4 children</td>
</tr>
<tr>
<td>Married workers with more than 4 children</td>
</tr>
</tbody>
</table>

**Metal Industry.**

In the metal industry the system of family allowances shows much greater diversity than in the mining industry. This partly results from the fact that in this industry there are no national agreements, and many different practices have been adopted in the different districts.

In some agreements the distinction was drawn between married and unmarried workers only¹, while others introduced variations according to size of family². Many agreements provide for payments in kind, and also for money payments. Thus, by the agreement of 1 December 1920 in the Sosnowice-Dabrowa district, the worker was to receive 60 per cent. of the cost of education of each of his children. In the same agreement it was provided that, where a worker who had been with a given employer for ten years died, his wage should continue to be paid to the family for six months. The period in which the payment would be continued was reduced in the case of workers who had been with the same employer for shorter periods than ten years. These payments are made only where the family is without other resources. Under an agreement in 1923 for blast-furnace workers in the Dombrowa district, the unmarried workers receive each month 200 kilogrammes of coal and married workers 500 kilogrammes. The money equivalent of these quantities may, however, be paid. Further, money payments varying with the size of family were paid in respect of each day

¹ This was the case in the agreement for the month of July 1921 in Warsaw, by which married workers were to be paid daily rates ranging from 18 to 24 per cent. higher, according to category, than the rates for unmarried workers.
² Such variations were made in a number of agreements in the Dabrowa district.
actually worked. An agreement of 31 August 1923 in the Poznan
district made an allowance for married labourers between 21 and
23 years of age, by paying to them somewhat higher wage rates
per hour than to unmarried workers between those ages. For
workers over 23 years of age the same rate was paid to both married
and unmarried workers.

Petroleum Industry.

In the petroleum industry various agreements have been reached
under which payments in money and in kind have been made,
with variations according to family needs. The payments in kind
consist usually in articles of food and clothing.

In the years 1919 and 1920 the allowances in kind appear to
have been more important than in the three years which followed,
when allowances in money tended to displace payments in kind.
This tendency appeared in other industries as well as in the petro­
leum industry.

Other Industries.

In other industries the system of family allowances appears
to be less important than in those mentioned above, but it appears
to be in operation to some extent in most industries. Generally
the allowances are determined by collective agreement, or are
paid by the employer on his own initiative. The allowances are
usually associated closely with the wage, and are paid with it.
As far as is known, no equalisation funds have been formed, while
the difficulty with regard to discrimination in the labour market
against married workers with families has never been serious
owing to the high demand for labour under the stimulus of rising
prices.
SERB-CROAT-SLOVENE KINGDOM

In the early days after the constitution of the new Kingdom provision was made, on account of the high cost of living, for the payment of family allowances to all officials and workers in state employment, including workers on the state railways. The total number of officials and workers covered is about 200,000. Various modifications have been made in the system of payment adopted, but by the Act passed by the Skupshtina on 31 July 1923 (which, however, did not come fully into operation until 1 May 1924) family allowances are paid amounting to an annual sum of 360 dinars for each child up to 6 years of age, 600 dinars for each child between 6 and 12, and 960 dinars for each dependent child over 12 years of age. The allowances are paid to public servants of all grades without distinction.

In addition to these allowances and the salary or wage, special cost-of-living bonuses are paid under regulations set forth in a Decree of 17 April 1924 which came into force as from 1 May 1924. Under these regulations the bonus is composed of a personal allowance and family allowances. The latter are equal for all grades and are of 150 dinars per month for the wife and 150 dinars per month for each dependent child, the latter allowance covering those already provided for in the Act, so that in fact the total family allowances paid are as laid down in the Decree. On retirement from the public service, in addition to a pension, allowances for children are paid under the same conditions as during service. In the event of the death of a public servant before the necessary term of service entitling him to a personal pension, a family pension is generally payable and this is varied according to the size of family.

The example of the state in paying family allowances has been followed, particularly in the case of salaried employees, for example, those in the service of the municipalities, bank clerks, and the clerical staff in various undertakings. Family allowances are paid
to wage earners in a number of industries, including mining, paper manufacture and printing, and the system appears to be extending. In some cases the allowances are paid on the initiative of the employers, while in others their payment is stipulated in collective agreements.
DENMARK

Family allowances have had little vogue in Denmark. Before the war they do not appear to have been adopted at all. Following 1914, however, on account of the increase in the cost of living, considerable cost-of-living bonuses were paid to the workers; the amount of these allowances was sometimes different for married and for unmarried workers, and occasionally they were varied for married workers according to the number of children. These allowances were often fixed during the period of validity of an agreement and they had almost always a purely provisional character. They were generally paid by employers direct to each worker. In one industry only — the printing industry in Copenhagen — the system of the equalisation fund was adopted.

An agreement was reached in December 1916 for printing workers in Copenhagen establishing a special fund from which cost-of-living bonuses were paid to the workers. The plan was sanctioned on the workers' side after a vote had been taken, resulting in a considerable majority in favour of the system, which was approved on account of the exceptional conditions then prevailing. The Printer's Union, however, continued to regard equal pay for equal work as the permanent principle of wage payment. The fund began to function at the beginning of January 1917; from that date the employers paid contributions to the fund at the rate of 3 kroner per worker per week. The fund was administered by four persons — two representing the employers and two the workers. From the fund amounts were paid as follows, calculated in "portions" of about 1.30 kroner per week:

(a) to all workers with a wage of not more than 36 kroner per week, two portions;
(b) to all workers with wages from 37 to 40 kroner per week, one portion;
(c) in respect of the wife, provided she was not in paid employment, one portion;
(d) for each child under 15 years of age, one half-portion.

1 The information given in this section was supplied by the Danish Statistical Department.
The portions in respect of wife and children were paid irrespective of the wage earned by the worker. It may be added that the average wage of skilled printers in April 1916 in Copenhagen was between 36 and 37 kroner per week.

In February 1918 the amount paid to the fund was raised to 5 kroner per worker per week, and a slight change in the system was effected. In September of the same year the rules of the fund were simplified, the bonuses being no longer varied according to wage, but exclusively according to family. At this date contributions to the fund were raised to 5.50 kroner per worker per week. In March 1919 a considerable reduction was made in the amount payable by the employers to the fund. From that date onwards only 2 kroner per worker per week were paid to the fund, and allowances were paid in respect of children only. In July 1921, when a general increase in wages was effected, the fund was suppressed. During the period of its operation it appears to have given general satisfaction.

Among the industries in which cost-of-living bonuses based on collective agreements were variable according to family needs, and were paid direct to the workers, mention may be made of the printing industry in provincial areas and of the brewing and textile industries.

In October 1916, for workers in the printing industry in the provinces, cost-of-living bonuses of 25 kroner per quarter for married workers, and 12.50 kroner per quarter for unmarried workers were paid. The distinction between married and unmarried workers was maintained in later agreements, until July 1919, when a new agreement was reached in which the distinction ceased to be drawn.

During the years 1917 to 1919 brewing workers with dependent children received an addition to their wages, the amount being, from 1 January 1917 to 1 January 1918, 1 krone per child per week; from 1 January to 1 April 1918, 5 kroner per child per month; and, from 1 April 1918 to 1 April 1919, 6 kroner per child per month. Since the beginning of April 1919 no children’s allowances appear to have been paid.

For textile workers in Copenhagen, family allowances were paid from July 1917 to February 1919. By an agreement of July 1917 between the employers and workers, the cost-of-living bonuses paid to supplement the wage rates in force were differentiated according to the amount of the weekly wage and according as the worker was with or without dependants, the following scales being adopted.
It may be added that the weekly wage in the textile industry in the second quarter of 1917 was for men about 36 kroner and for women about 27 kroner.

When the agreement was renewed in February 1918, the practice of paying family allowances to supplement the basic wage was to a small extent continued, but with the expiration of the agreement in February 1919 it came to an end.

The above indications, which may be taken as representative of the general position in Denmark, show that as a permanent system of remuneration family allowances do not appear to have met with much support in private industry. As far as is known, with the restoration of more stable conditions after the war they have ceased to be paid. The workers especially are opposed to the system and are in favour of the principle of equal pay for equal work irrespective of the special circumstances of the persons who do the work.

In state services the payment of family allowances was introduced during the war, and from 1914 to 1919 the cost-of-living bonuses added to the pre-war salaries varied according as the officials were married or unmarried. In the early part of the period account was also taken of the number of children under 15 years of age. In 1919, by the Act of 12 September, permanent regulations were adopted for the payment of state servants, and account taken of the family in fixing the cost-of-living bonuses, which also vary according to the changes in the price level. The amount of the bonus for unmarried officials is only two-thirds of that paid to married officials. For the period 1 October 1923 to

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<table>
<thead>
<tr>
<th>Group</th>
<th>Workers with weekly wage of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>less than 20 kroner</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Men (over 18)</td>
<td>Kroner</td>
</tr>
<tr>
<td>With dependants</td>
<td>6.00</td>
</tr>
<tr>
<td>Without dependants</td>
<td>4.90</td>
</tr>
<tr>
<td>Women (over 18)</td>
<td>Kroner</td>
</tr>
<tr>
<td>With dependants</td>
<td>4.50</td>
</tr>
<tr>
<td>Without dependants</td>
<td>4.00</td>
</tr>
</tbody>
</table>

1 The amounts of the cost-of-living allowances fixed by this agreement were, in the case of workers maintaining dependants, for men 12 ore per hour, and for women 10 ore per hour. The allowances for those over 18 years of age not maintaining dependants were for men 12 ore and for women 8 ore.

2 This proportion applied after March 1920. The term “married officials” includes widowers, widows, divorced or separated men and women who have their own households.
31 March 1924 the bonus was at the rate of 594 kroner per annum for married and 396 kroner for unmarried officials. The amount of the bonus is the same whatever the salary. By the Act of 28 March 1923 the special bonus given on account of the effect of existing economic conditions on the standard of living (Konjuncturtillaeg)\(^1\) is fixed in relation to the family, unmarried officials under 35 years of age being paid only two-thirds of the amount paid to all married officials and to unmarried officials over 35 years of age. The adoption of this distinction was opposed by all the state officials' organisations.

As an illustration of the effect of these provisions, the wages of married and unmarried state railway head porters (Grade 2) of 34 years of age living in Copenhagen may be quoted. The total earnings of the married worker during the six months beginning 1 October 1923 were at the rate of 3,882 kroner per annum, which includes basic wage, allowance on account of age, residence allowance, special bonus (Konjuncturtillaeg) and cost-of-living bonus. The total earnings of an unmarried official of corresponding age and grade were at the rate of 3,528 kroner per annum, his special bonus (Konjuncturtillaeg) and cost-of-living bonus being only two-thirds of those paid to the married official.

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\(^1\) This bonus is fixed for one or two years only at a time. Originally by the law of 12 September 1919 no difference was made between the bonuses paid to married and unmarried officials, but higher bonuses were paid to the higher salary groups. By the law of 28 March 1923 both differences were made.
Payment of family allowances has not been generally introduced in Norway, and there is little prospect of its adoption in the near future. Where it was introduced during the war it was regarded as a method of dealing with the exceptional circumstances due to the rise in prices. The public authorities generally paid their employees both a fixed bonus and a family allowance varying according to the size of the family. For the financial year 1917-1918 state officials were granted a family allowance of 160 kroner for the wife, 120 kroner for the first child, and 100 kroner for each subsequent child (or for the first and each subsequent dependant). For the financial year 1918-1919 the allowance was raised to 300 kroner for the wife, 200 kroner for the first child, and 120 kroner for each of the other children. These rates of payment were maintained until 1 January 1923, when Parliament (Storting) resolved to abolish all additions to wages. It was, however, resolved later (in May 1923) to retain a part of the family allowance until 1 July 1923, this to be paid as an additional grant at the end of the period and to consist of 90 kroner for the wife and 60 kroner for each child. During these years family allowances to supplement the ordinary wages have also been paid to wage earners in regular state employment.

The Central Bureau of Norwegian towns (Norges byforbund) gives the following account of the payment of family allowances by municipal authorities. The increase of wages during the years of exceptionally high prices was effected by the municipalities largely by means of special bonuses consisting of a fixed contribution and a varying family allowance. In some towns the family allowances were at first fixed at the same amounts as those paid by the state. No general system of uniform regulation has, however, been established. Recently some of the towns which had granted

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1 As supplied to the International Labour Office by Dr. Jahn, Norwegian Central Statistical Office.

2 i.e. from 1 July 1917 to 1 July 1918.
a family allowance have withdrawn it, but, even with the reduction in wages and special bonuses during the last two years, there has been a strong tendency to retain the family allowance, even though reduced to a small amount, and in some towns given only to officials with the smallest incomes and largest families. It may in general be said that municipal wage regulations during recent years show a tendency towards a family wage policy, but, as the family allowances were all along regarded as exceptional additions, they will probably soon come to an end, though they may be the last of the special allowances to disappear.

In private industry also family allowances have had the character of an exceptional bonus. The head of the Statistical Department of the Norwegian Employers' Federation states that family allowances in Norwegian industry have had only a provisional character. The system has met with opposition from both the employers and the workers, and the latter generally abide by the principle of equal pay for equal work. The Secretary of the Norwegian Federation of Trade Unions gives as his opinion that in industry the system of family allowances has now been almost completely abolished. It has never been a general system. Various important industrial groups adopted it during the war (the electro-chemical and mining industries, etc.), and family allowances were as a rule mentioned in collective agreements, but since 1919 have gradually been abolished. The system provisionally introduced during the war was never intended to be permanent.
The development and decline of the family allowance system in Sweden closely resembles that in the other Northern countries. During the war cost-of-living bonuses graded according to size of family were introduced as early as 1915-1916 by the state, municipalities and employers in private industry, largely for the purpose of mitigating the worst effects of the rise in prices, while avoiding general increases in wages or salaries. At first the employers appear to have introduced the system on their own initiative, but in the later years of the war it was included in the terms of collective agreements in a number of industries. After the war, with the establishment of more normal conditions and the cessation of the rise in prices, the system was almost entirely abolished as far as industrial workers were concerned. The question of employers preferring unmarried workers to those with families did not arise to any considerable extent, as the system developed during a period when there was a general dearth of labour, and was quickly abandoned when the post-war depression set in. In 1923 it was in force in industry in a very few cases only, for example, in the textile industry, and to some extent in the iron-mining industry. It continued to be applied, however, in the case of state employees.

### Family Allowances in Public Services

**Central Government.**

In 1916 the Riksdag voted a war-time allowance (*Krigstidschjälp*) to certain state officials and other employees with families to maintain, while later on war cost-of-living bonuses (*Krigstidstillägg*) were also paid. The making of higher payments by means of

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1 This section is based on information supplied by the Swedish Social Board, and on data given in various official publications.
differentiated cost-of-living bonuses and allowances to persons with families does not appear to have been approved as a principle, but it was adopted largely for financial reasons. Bonuses or allowances corresponding to the depreciation of the currency could not be granted to the whole service, and it was therefore decided that preference should be given to those persons who suffered most from the high cost of living.

The allowances were continued after the war, and the position of those with families was improved by modifications of the regulations governing the payment of the cost-of-living bonuses. By the decisions of the Parliament of 1920 heads of families obtained an allowance for each dependent child under 16 years of age. In principle these provisions remained in force until 30 June 1923; up to that date the amounts of the allowances were changed each quarter with changes in the cost of living. For the financial year 1 July 1923 to 30 June 1924, the desire for economy led to proposals for the reduction of the cost-of-living allowances, although the principle of the payment of family allowances to persons with dependent children was to be retained for the present. It was, however, proposed, with a view to the gradual abolition of family allowances, that instead of their varying with the number of children, they should be paid at the same rate to all persons with dependent children. This proposal was not accepted, while various modifications were effected to give a somewhat wider application to the principle of family allowances; the allowances were also fixed for the year instead of varying each quarter with the cost of living.

The table below gives the amounts of the allowances per month per child under 16 during the period 1 July 1920 to 30 June 1924 in the chief government services and in the so-called business departments (state railways, postal and telegraph services, etc.). The total number of children of state employees in respect of whom allowances are paid is estimated at 78,000.

<table>
<thead>
<tr>
<th>Year and quarter</th>
<th>Kroner</th>
<th>Year and quarter</th>
<th>Kroner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920</td>
<td></td>
<td>1922</td>
<td></td>
</tr>
<tr>
<td>3rd</td>
<td>10.05</td>
<td>1st</td>
<td>5.70</td>
</tr>
<tr>
<td>4th</td>
<td>10.80</td>
<td>2nd</td>
<td>4.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3rd</td>
<td>4.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4th</td>
<td>4.05</td>
</tr>
<tr>
<td>1921</td>
<td></td>
<td>1923</td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>10.20</td>
<td>1st</td>
<td>3.75</td>
</tr>
<tr>
<td>2nd</td>
<td>8.70</td>
<td>2nd</td>
<td>3.45</td>
</tr>
<tr>
<td>3rd</td>
<td>6.90</td>
<td>1 July 1923 to</td>
<td></td>
</tr>
<tr>
<td>4th</td>
<td>6.60</td>
<td>30 June 1924</td>
<td>4.00</td>
</tr>
</tbody>
</table>
As regards the future of family allowances for state employees the position is uncertain. Much discussion is taking place on the report of a committee appointed by the Government in 1921 to investigate the question of the salaries of female employees. The committee recommended a common salary scale for male and female employees and approved the family allowance system both on social grounds and on account of the financial position of the state. According to the committee's proposals family allowances would range from 240 to 1,200 kroner per year, consideration being given to the position of the employee in the salary scale and to the number of dependent children. Further, the age of children in respect of whom allowances would be paid would range from 16 years for the lowest grades of employees to 20 years for employees in the highest grades. This proposal has been severely criticised by employees in the lower grades, while the opposition to the whole principle of family allowances appears to be considerable.

Municipal Employees

As early as 1915 the officials and workers in a number of Swedish municipalities made demands for the payment of cost-of-living allowances. The authorities generally adopted the policy of making such payments, but introduced the principle of grading the allowances according to family. In 1916 the application of this principle became more general, although often the allowances were limited to those in the lower-paid groups. In 1917 the limit of incomes below which allowances were paid was raised considerably, while in 1918 the tendency was for the limit to be raised still more or even removed altogether.

Towards the end of 1920 in many towns there was a movement in the direction of a gradual reduction or abolition of family allowances. By 1923 allowances were paid in a few towns only, while it is generally believed that neither the workers nor the authorities are favourable to the system.

Family Allowances in Private Industry

During the years of depression, a division of wage payments into basic wages and allowances to meet the high cost of living was

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1 This section is based on information published in the Swedish Town Federation Review (Svenska Stadsförbundets Tidskrift) and other official sources.
introduced into most collective agreements. In a number of these the cost-of-living allowances were of two kinds, a general allowance to all workers, and a special allowance fixed according to the size of the worker's family. In some cases the distinction was made only between unmarried and married workers, higher cost-of-living allowances being paid to the latter. Generally, however, the allowances were paid as a fixed amount for the wife and for each dependent child under 15 years of age. In the year 1920-1921, out of a total of 1,250 agreements covering 219,984 workers, there were 443 agreements covering 109,009 workers which contained provisions regarding family allowances.

As has already been indicated, with the fall in prices and the industrial depression, the payment of family allowances diminished rapidly in importance, and by 1923 was in operation in only a very few industries, for example the iron-mining and textile industries. In iron mining the employers at the beginning of 1923 endeavoured to decrease or abolish the family allowances, but after a long conflict, which did not end until 30 July, it was agreed that they should be retained. In the textile industry, by a collective agreement between the Federation of Textile Industries and the Textile Workers' Union, workers responsible for the maintenance of children under 14 years of age or of infirm parents receive special allowances. Those maintaining one dependant receive an allowance of 5 kroner per month, while a supplement of 3 kroner is paid in respect of each additional dependant up to a maximum of six.

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1 Kollektivavtal i Sverige vid arsskiftet, 1920-1921, p. 33.
The question of paying family allowances became important in Finland only in 1918, i.e. after the Russian Revolution and the subsequent war of independence. Already during the years 1914 to 1917 prices had gradually increased, but it was not until 1918 that a rapid rise in prices took place. This great increase in prices affected particularly the standard of life of the officials of the state and municipalities, as their salaries were in most cases fixed by law or regulation, and consequently not adjusted rapidly enough to the rise in prices.

At first the increase in the cost of living was regarded as a temporary phenomenon and salaries were not raised more than was absolutely necessary. The level of real salaries, however, fell to such an extent that the economic position of married officials especially became very difficult. In these circumstances the Government and the municipal authorities adopted the method of supplementing salaries by means of cost-of-living bonuses, of which family allowances formed a part.

The position of wage earners was relatively more favourable than that of the officials. During the war years employment was good, owing to the demand for labour in connection with the supply of large quantities of commodities for the Russian army, and from 1918 onwards the depreciation of the Finnish currency served as a stimulus to industrial activity. Family allowances do not appear to have been adopted for industrial workers to any great extent, as the increase in wages kept pace fairly well with the rise in the cost of living.

Salaried officials as well as wage earners have been generally opposed to the system of family allowances as a permanent method of remuneration. Public servants argued that it was the duty of the state and municipalities to adjust salaries to the increased cost of living, and the system of family allowances was accepted only as a method of dealing with exceptional temporary circumstances. The workers, again, considered that the system of family allowances was a means of causing dissension amongst them.
Owing to the relative stabilisation of the currency and prices at the end of 1922 and during 1923 there seems to have been a tendency for the system of family allowances to decline in importance.

Little information is available as to the payment of family allowances to industrial workers. For state officials and municipal employees there is more information, and the principal features of the system are summarised below.

**FAMILY ALLOWANCES FOR CIVIL SERVANTS**

Already in 1917 family allowances had been granted to certain groups of state officials. In the summer of 1918 the Government appointed a committee to consider the salaries of civil servants. One of its duties was to propose a scale of family allowances. The proposal of the committee was put into effect by an Order in Council of 18 March 1919, by which family allowances were granted to all officials and employees in the permanent service of the state. The allowances, which were paid monthly in respect of each child under 18 years of age, as well as for any child incapable of work, did not vary with the basic salary of the official, all grades receiving equal amounts. A distinction was, however, made in the allowances paid in Helsingfors, in other towns, and in the country districts. According to the scale established in 1919, the monthly family allowances granted to civil servants were as follows.

<table>
<thead>
<tr>
<th>Number of children</th>
<th>Helsingfors</th>
<th>Other towns</th>
<th>Country districts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Finnish marks</td>
<td>Finnish marks</td>
<td>Finnish marks</td>
</tr>
<tr>
<td>1</td>
<td>100</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>2</td>
<td>140</td>
<td>110</td>
<td>80</td>
</tr>
<tr>
<td>3</td>
<td>180</td>
<td>140</td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>220</td>
<td>170</td>
<td>120</td>
</tr>
<tr>
<td>5 or more</td>
<td>260</td>
<td>200</td>
<td>140</td>
</tr>
</tbody>
</table>

The details of this system were strongly criticised by the Confederation of Civil Servants, who demanded: (a) an allowance for the wife also; (b) equal allowances for each child; (c) abolition of the maximum of five children as entitling to allowances; (d) increase

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1 Family allowances have been paid since 1908 to certain grades of school teachers.
of the maximum age of children in respect of whom allowances would be paid to 21 years.

The above suggestions were not accepted, but in 1920 a simpler system was adopted whereby an equal allowance of 80 Finnish marks was payable for each child irrespective of the number of children or of differences in locality. From 1921 onwards the amount of the allowance was 150 marks. In 1923 a considerable increase was effected in the basic salaries of civil servants, and the system of family allowances was modified so that no allowance is paid for the first child, while 150 marks are paid for each other child under 16 years of age.

The amounts paid in family allowances have corresponded, on the average, to about 10 per cent. of the total salaries of civil servants.

FAMILY ALLOWANCES FOR MUNICIPAL EMPLOYERS

There are considerable variations in different towns in the system of family allowances adopted for officials. As a rule the allowances have been fixed at a specified sum per child irrespective of the basic salary. In 1922 the amounts of family allowances per child per month in some of the principal towns were as follows:

<table>
<thead>
<tr>
<th>Town</th>
<th>Allowance (Finnish marks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abo and Vasa</td>
<td>150</td>
</tr>
<tr>
<td>Borga</td>
<td>125</td>
</tr>
<tr>
<td>Helsingfors and Sortavala</td>
<td>120</td>
</tr>
<tr>
<td>Wiborg and Rauma</td>
<td>100</td>
</tr>
<tr>
<td>Kuopio</td>
<td>75</td>
</tr>
<tr>
<td>Tammerfors</td>
<td>60</td>
</tr>
</tbody>
</table>

In two towns, Abo and Borga, allowances were paid for the wife as well as for children. The maximum age of the children in respect of whom allowances were paid has generally been 18 years, but in certain towns the maximum was 16. The system of family allowances tends to disappear gradually as basic salaries are adjusted to the prevailing level of prices.

With regard to municipal wage-earning employees, the Municipal Central Office of Finland conducted an enquiry in 1921 into the family allowances paid in different towns. It was found that the

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1 In an Act respecting the salaries of civil servants passed by Parliament on 29 December 1923, the Government proposal that an allowance of 1,200 marks per annum per child under 16 years of age, excluding the first, should be paid to civil servants was adopted.
system had been adopted as early as the year 1917 in a few towns and has been in operation in 8 of the 24 urban centres in the country. The amount of the allowance has varied greatly. In Helsingfors the allowance before December 1920 was 1 mark per day per child under 18 years of age and has since been 2 marks. In Abo since 1920 the allowance has been 1 mark per day per child under 18 years of age, no allowance being paid for the first child. In Tammerfors the allowance was 0.30 marks per hour per child under 18 years of age, in Kuopio 75 marks per month per child. In Pietarsaari an allowance of 0.15 marks per hour was paid for the wife and for each child under 18 years of age. In Mikkeli the workers in electricity and waterworks were paid 100 marks per month per child under 14 years of age or to 18 years of age if education was being continued; other workers have received 0.25 marks per hour per child since 1921. In Jyväskylä the allowance was 120 marks per month per child under 18 years of age. In Oulu an allowance of 0.20 marks per hour (or 40 marks per month) per child was paid until 1920, since when the payment of allowances has ceased.

It may be noted that in several of these towns the allowances for wage earners were fixed at the same amounts as those for officials. According to information given by the Municipal Central Office the situation with regard to the payment of family allowances did not undergo any essential changes in 1922 and 1923.
In Switzerland, as in a number of other countries, family allowances were paid during the war and in the years immediately following, with the object of helping married workers and their families during a period of high prices. The allowances, however, were never considered as part of the wage, and the principle of payment for work done as the basis of the wage system was never abandoned. The workers do not appear to regard the system with favour except as a temporary necessity and, although the Central Union of Employers’ Associations has not expressed any official opinion on the question of family allowances, the employers appear to show no desire to adopt the system permanently.

From about the middle of 1916 onwards, many Swiss industries paid various cost-of-living bonuses, and often the principle of family allowances was adopted. The system was also adopted by the state and by the municipal authorities in paying their officials and workers. For industrial workers these bonuses and allowances were generally fixed by the different establishments, sometimes after discussion with the workers’ organisations, and usually were not included in the terms of collective agreements \(^1\). Thus in the metallurgical and engineering industry in the spring of 1916 allowances of 2.50 francs per month were paid in respect of each child under 15 years of age \(^2\). In the middle of 1917 married workers generally received a bonus of 11 francs per fortnight (12 days), together with an additional 2.50 francs for each child under 15 years of age. Unmarried workers if over 18 years of age received a bonus of 7 francs and if under that age 6 francs. In the autumn of 1918 the bonus for a married worker was generally 22 francs

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1. In certain industries the allowances were fixed as a result of collective bargaining, for example, in the watchmaking industry in various districts (particularly in Bienne, Jura-bernois, La Chaux-de-Fonds, Le Locle, and the Canton of Solothurn), and in the lock-making and printing industries.

2. In addition, cost-of-living bonuses of 5 francs per month were paid to male workers over 18 years of age, and 4 francs per month to male workers under 18 years of age and women workers.
per fortnight with an addition of 6 francs per child under 15 years of age, that for an unmarried worker over 18 was 16 francs, and for those under that age 10 francs. These figures may be taken as the maxima reached. In June 1921 the bonuses were reduced by one-half and the children’s allowances by one-third, and during 1922 they were suppressed. In the textile industry, during the period 1917-1920, family allowances were often based on verbal agreements with the workers or simply on the decision of the employer. Such allowances were paid in one form or another to workers in nearly 50 per cent. of the textile establishments in Switzerland. With the cessation of the rise in prices the number of firms paying these allowances gradually fell, although payment has been continued in certain cases. Three textile firms pay 4.50 francs per 12 working days per child to men workers and 4 francs to women workers. Two firms pay children’s allowances at the rate of 1 franc per child per week, while various other methods are applied and amounts paid in other establishments.

About November 1920 prices began to fall, and a few months afterwards a progressive reduction of the various cost-of-living bonuses, including family allowances, began for industrial workers. By the end of 1921 considerable reductions had been effected, while during 1922 the allowances were entirely suppressed in most industries and retained only in a few establishments in others (e.g. the textile industry).

In no case does the equalisation fund method appear to have been adopted, payments being made direct by the employers. During 1921 and 1922 the question of forming equalisation funds was considered by various employers in Geneva, particularly by members of the Geneva Association of Catholic Employers (Union social des Patrons Catholiques de Genève) and of the Geneva Retail Trade Association (Société Genevoise du Commerce de Détail). The former organisation drafted rules and regulations for an equalisation fund on the French model, but so far no fund has been established, although certain individual employers are paying allowances similar in amount to those proposed in the draft regulations.

Although the tendency in industry has been to abolish family

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1 According to information supplied by the Swiss Textile Workers’ Union (Schweizerischer Textilarbeiter-Verband), there were in April 1923 eleven firms in various branches of the textile industry which continued to pay family or children’s allowances.
allowances, the Swiss Confederation and certain municipalities have continued the system for their officials and other workers. In some cases the allowances have been reduced or even abolished\(^1\), but in other cases, particularly for officials and wage-earning employees of the Confederation, including those on the Federal railways, there appears to be no immediate likelihood of their being suppressed. In view of this, an outline of the development and present position of the system for employees of the Confederation may be of interest\(^2\).

Cost-of-living allowances were first paid to Federal officials and workers in the year 1916, and from January 1920 they have included principal allowances, equal in amount for all workers in given grades\(^3\), residence allowances, and children's allowances.

Residence allowances were not paid until the year 1919 and were then introduced at the request of the staff, who pointed out the serious effect of increases in rent, which had been particularly great in the large towns. To relieve the situation the Government decided in 1919 to pay residence allowances varying according to size of town, and at a higher rate for married than for unmarried officials and workers. In 1920 the distinction between married and unmarried officials and workers was abandoned, and equal allowances for residence were awarded to all officials and workers according to the size of the town. In 1923 the Federal Council proposed the restoration of the distinction and again to pay higher residence allowances to married than to unmarried officials and workers. This proposal was adopted by the Federal Assembly and put into force during the second half of 1923.

Children's allowances were first paid in 1916. The amounts have varied from time to time, while changes have been made in the age limit of the children in respect of whom allowances would be paid.

\(^1\) Thus the employees of the Municipality of Geneva received family allowances during the period 1916 to the middle of 1920, generally in the form of allowances for the household and an addition for each child under 18 years of age. Up to the beginning of 1918 the family allowances were paid only to those receiving a salary below a given limit (at first 3,000 francs per annum but later 5,000 francs). Afterwards they were paid to all workers and officials with wives or with wives and children. In June 1920 wages and salaries were fixed in relation to the cost of living and the allowances suppressed.

\(^2\) See Message of the Federal Council to the Federal Assembly on the payment of cost-of-living allowances to employees of the Confederation in the second half of 1923; 15 May 1923 (No. 1731). Also Feuille Fédérale, No. 21, 23 May 1923.

\(^3\) From 1 July 1922 the principle was adopted that the principal allowances should vary with the index number of the cost of living. The allowances also vary according to salary, the ratio of allowance to pre-war basic salary being highest for the lowest grades.
The allowances have been paid only to those with salaries below a given level on the pre-war scale. The table below indicates the chief changes:

**CHILDREN’S ALLOWANCES FOR FEDERAL EMPLOYEES, 1916 TO 1922**

<table>
<thead>
<tr>
<th>Year</th>
<th>Allowance per child</th>
<th>Age limit</th>
<th>Pre-war salary limiting right to full allowance</th>
<th>Salary beyond which no allowance is paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1916</td>
<td>18.75 francs</td>
<td>16 years</td>
<td>3,999 francs</td>
<td>4,000 francs</td>
</tr>
<tr>
<td>1917</td>
<td>50.00 francs</td>
<td>16</td>
<td>3,999</td>
<td>6,001</td>
</tr>
<tr>
<td>1918</td>
<td>150.00 francs</td>
<td>18</td>
<td>4,500</td>
<td>6,401</td>
</tr>
<tr>
<td>1919</td>
<td>180.00 francs</td>
<td>18</td>
<td>4,500</td>
<td>6,401</td>
</tr>
<tr>
<td>1920</td>
<td>180.00 francs</td>
<td>18</td>
<td>5,000</td>
<td>6,701</td>
</tr>
<tr>
<td>1921</td>
<td>180.00 francs</td>
<td>18</td>
<td>5,000</td>
<td>6,701</td>
</tr>
<tr>
<td>1922, first half</td>
<td>150.00 francs</td>
<td>16</td>
<td>5,000</td>
<td>6,401</td>
</tr>
<tr>
<td>1922, 1 July, to 1923, 31 Dec.</td>
<td>150.00 francs</td>
<td>18</td>
<td>5,000</td>
<td>6,201</td>
</tr>
</tbody>
</table>

1 Children under 18 years of age who are in paid employment or in receipt of benefit from an insurance fund subsidised by the Confederation have no right to an allowance if the wage or benefit or both together amount to 50 francs or more.

Allowances are paid by the Federal Government in respect of about 88,000 children, including 55,000 children of officials and wage earners on the Federal Railways. In a few cases allowances less than the full amount of 150 francs are paid.

In 1922 the amount paid in children’s allowances was in round figures:

<table>
<thead>
<tr>
<th></th>
<th>Francs</th>
</tr>
</thead>
<tbody>
<tr>
<td>General administration</td>
<td>4,700,000</td>
</tr>
<tr>
<td>Federal Railways</td>
<td>7,600,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,300,000</strong></td>
</tr>
</tbody>
</table>

In May 1923 the Federal Council proposed that the allowance per child under 18 should be reduced from 150 to 120 francs per annum for the second half of 1923. The Federal Assembly, however, on 22 June 1923 decided that the allowances should be continued at the rate of 150 francs per annum for those with salaries or wages below 5,000 francs per annum. For salaries or wages above this amount the allowance is reduced by 12 francs for every 100 francs or fraction of 100 francs by which the salary or wage exceeds 5,000 francs per annum. With minor changes the decision thus continued to the end of 1923 the allowances which had been paid from 1 July 1922.

1 The raising of the age limit from 16 to 18 years of age would probably mean a total cost for 1923 of about 12,900,000 francs.
ITALY

Little information is available with regard to family allowances in Italy. The system developed considerably during the war, when, as in other countries, cost-of-living bonuses were added to the basic wage-rates of various groups of workers, and in calculating these bonuses allowance was made for the families of the workers. The system appears to have been adopted in the first place for salaried and wage-earning employees of the state and local administrative authorities, and in the form of separation allowances for the dependants of those serving with the forces. During the industrial mobilisation the practice was adopted of paying to wage-earning and salaried employees on munition work cost-of-living bonuses proportionate to the number of members of the family, on similar lines to separation allowances. From these establishments the system appears to have spread to a number of private undertakings.

After the war the payment of family allowances continued in the case of state officials, workers under the various public administrations, and the staff of the state railways, tramways, and the postal, telegraph, and telephone services. The tendency appears, however, to be towards a restriction of the system among these groups, while it has been almost entirely discarded for industrial workers. According to the General Confederation of Labour the principle of family allowances is applied only in a very few cases of minor importance. In a glass-manufacturing establishment in Milan, for example, 1.50 lire per day are paid to workers with two or more children, while in a collective agreement reached in 1921 between the Milan section of the Italian Federation of Workers in the Printing Industry and the Association of Employers in the Printing Industry in Milan, it was provided that an addition of 7 per cent. to total wages should be paid to certain lower-paid

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1 Thus in April 1923 the principle of family allowances ceased to be applied for state officials.
workers who were married and had at least one child. The number of workers to whom this provision applied was very small.

It may be noted that the system of remuneration in agriculture in Italy is such that in certain districts a distinction is made between married and unmarried workers, the former receiving a higher money wage or a supplement in kind.
The system of paying family allowances has not been extensively adopted in Great Britain, both employers and workers being generally unfavourable to it. The principle has been widely applied in the separation allowances paid to the dependants of soldiers, etc.\(^1\), in the income tax regulations (in a negative sense), and in the provision of state unemployment benefit, but it is only very rarely that allowances for dependants have been added to the wages or salaries of industrial or other workers.

During the war, in a few public services, both in certain government departments and under local authorities, there were added to basic salaries cost-of-living bonuses which were greater in amount for "householders" than for "single men". Mrs. Sidney Webb, in her Minority Report to the War Cabinet Committee on Women in Industry, gives examples of the application of this principle.\(^2\) The policy of paying allowances for dependants was, for example, incorporated in awards for the payment of war bonuses to tramway workers under the municipalities of Newcastle-on-Tyne, Neath, etc. Opposition was, however, raised by the Amalgamated Association of Tramway and Vehicle Workers, which claimed a flat rate of increase of wage-rates. The workers did not want a distinction to be drawn between the single and the married men.

Allowances for dependants were made early in the war to workers in three copper works in Swansea, in the form of a scale of bonuses:

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\(^1\) Before the war no separation allowances were granted to the families of privates in the British army. A very small proportion of married soldiers were given free quarters, furniture, fuel, etc., but no privileges were granted to those not on "the married roll".

\(^2\) Separation allowances for the families of all married soldiers were introduced during the war and continued to October 1920. Under the system of marriage allowances at present in force every married soldier is eligible for cash allowances varying with the cost-of-living index number. In April 1923 the allowances were 7s. per week for wife alone, 18s. for wife and two children, and 22s. for wife and four children. "The position of the married soldier has improved since 1914 out of all comparison with that of his civilian colleague" (Report of Committee on Pay, etc., of State Servants, 1923).

\(^2\) Cmd. 135, 1919, p. 263.
3s. a week for married men or householders (with dependants) earning less than 30s. a week and 2s. a week if earning between 30s. and 60s. a week. Unmarried men (without dependants) received half the bonus paid to married men or householders with dependants. An award of the Committee on Production in May 1915 continued for these firms the system of bonuses at different rates for married and for unmarried workers, married men or householders (with dependants) earning less than 60s. a week receiving a bonus of 3s. a week, while for single men (without dependants) earning less than 60s. a week the bonus was 2s. a week. This policy of differentiation was not continued, however, the award of January 1916 making no distinction between married and single men.

Since the war there has been practically no development of the system, although in a few cases the principle of family allowances has been adopted. In the police force, in addition to the ordinary rates of pay, rent allowances are paid in certain cases where no accommodation is provided, and in the majority of the city and borough forces the rent allowance paid to single men is lower than that paid to married men.

The principle of family allowances has also been adopted for the clerks of certain banks, and for some groups of ministers of religion. For the latter the equalisation fund system has sometimes been used.

Note may be made of the differentiation in the award of Lord Buxton for the mining industry in South Wales and Monmouthshire. Under clause 5 of the National Settlement in the mining industry of 1 July 1921, it was provided that, where the wage-rates fixed in any district did not provide a subsistence wage to low-paid workers on day wages, the additions necessary might be made in the form of allowances per shift. In the autumn of 1922 the South Wales Miners' Federation submitted proposals under this clause to Lord Buxton, the independent chairman of the South Wales Conciliation Board. In his award, given early in October 1922, he stated that it was impossible to make an equitable interpretation of the term "subsistence wage" without taking into account the family needs of the worker. Regarding methods of payment which allowed for the needs of individual wage earners

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1 Ministry of Labour Gazette, May 1923.
as “neither practicable nor desirable”, Lord Buxton found that a distinction was already made between the married man and the single man who was the support of a family on the one hand, and the single man who was not in that position, in the grant of allowances of coal. He therefore adopted this distinction in his award of “subsistence wages”. For day-wage workers over 21 he fixed them at 7s. 2d. for the first class and 6s. 8d. for the second, and for those between 18 and 21 at 6s. 3d. and 6s. respectively. The distinction has been continued, the difference in wage between the married and unmarried classes varying from 7d. to 5d. per day. On 15 September 1923 the respective rates were 7s. 6d. and 7s. 1d. per day.

In certain districts, e.g. Northumberland and Durham, married miners are provided with a house free of rent, or receive an agreed sum per week in lieu thereof. ¹

Although the principle of family allowances has rarely been put into practice in Great Britain, it has received support in certain quarters, particularly from the Family Endowment Committee. In October 1917, at the suggestion of Miss E. F. Rathbone, a small committee was formed to consider the desirability of a national scheme of family endowment on similar lines to the separation allowances for the dependants of those serving with the forces. This committee reached the conclusion that such a national scheme was necessary and should make provision for weekly allowances “sufficient in amount to cover the primary cost of physical subsistence, to be paid direct to the mother for herself and for each of her children, throughout the period when the care of the children necessarily occupies her whole attention” ². Among the general objects of the scheme were the provision by society for its own continuance (including the health of the children), the improvement of the status of women (including the possibility of applying the principle of equal pay for equal work), and the redistribution of wealth so as to lead to a higher standard of living. The scheme proposed would apply to all families irrespective of

¹ Cf. Redmayne: The British Coal Mining Industry, p. 239.
income and would be financed and administered by the state.

The provision of family allowances by the state was also advocated by Mrs. Sidney Webb in her Minority Report to the War Cabinet Committee on Women in Industry. She considered it essential, on the assumption that the nation wants children, to adopt "some form of state provision, entirely apart from wages, of which the present maternity benefit, free schooling, and income tax allowance constitute only the germ. . . . . This question of public provision for maternity and childhood urgently requires investigation by a separate Committee or Commission".

Mr. Seebohm Rowntree has advocated the fixing of a minimum wage adequate for a family with three dependent children, and state allowance for larger families. Mr. G. D. H. Cole, while favouring state support of dependants, has expressed the opinion that such a scheme is impracticable at present. A number of workers' organisations and representatives have shown opposition to the family allowance system.

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1 See also Beatrice Webb: The Wages of Men and Women: Should they be Equal? pp. 72 and 73.

2 Mrs. Webb was opposed to attempts to make wages proportionate to family obligations, as this "would involve a complete revolution in the present methods of payment; it would be incompatible alike with collective bargaining and with any control by the workers over their conditions of employment".
AUSTRALIA

The Commonwealth

The chief interest in connection with family allowances in Australia lies not so much in the adoption of the system as in the far-reaching proposals which have been brought forward. These proposals have developed from the doctrine of the "living wage" which appears to have been generally accepted in Australia for many years. In 1907 the Commonwealth Arbitration Court fixed 7s. per day as a fair and reasonable remuneration for an unskilled labourer. The adequacy of this rate was not, however, universally accepted.

The reduction in real wages during the war period, due to the time-lag in the adjustment of money wages to rising prices, caused considerable unrest among the workers in Australia. In December 1919 a Basic Wage Commission, of which Mr. A. B. Piddington, K.C., was chairman, was appointed to consider, among other matters, "the actual cost of living according to reasonable standards of comfort, including all matters comprised in the ordinary expenditure of a household, for a man with a wife and three children under 14 years of age, and of the several items and amounts which made up that cost".

After exhaustive investigation the Commission submitted its findings, the chief of which was that the weekly wage necessary on 1 November 1920 for the maintenance of a family of five, as described above, was £5 16s. This decision was unanimous, which is the more remarkable as the prevalent basic wage for a family of five, at the date when the report was made, was £3 17s. It should be noted, however, that the Commission was requested

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1 The Commonwealth Arbitration Court is empowered to make awards respecting wages, hours, and conditions of labour only in any cases of actual dispute, and has no power to award a general basic wage for all industries. Its awards have an influence, however, in that the basic wage laid down in one dispute is used as a precedent by the parties to future disputes.
to determine the real cost of living of a family of five, and not what ought to be the basic wage. The Prime Minister consulted the Commonwealth Statistician as to the possibility of paying a wage of £5 16s. per week to all adult male workers. The Statistician replied that it would be impossible to do this because the entire produced wealth of the country would not yield the necessary weekly amount if divided up equally among the employees.

The Prime Minister then consulted Mr. Piddington on the possibility of giving effect in some way to the findings of the Basic Wage Commission, and Mr. Piddington proposed a system of family allowances, based on the principle that every employee should receive a wage sufficient for the maintenance of a man and his wife. He held that every employee in a given grade should be paid the same wage, as otherwise married workers with children would be at a disadvantage. Though it was considered that an employer's obligation to each individual worker should not vary with the number of that worker's children, there was every reason why employers as a whole throughout the Commonwealth should provide for the needs of the workers as a whole, this being the fundamental principle of the living wage. Mr. Piddington therefore proposed that there should be a tax on all employers and that the proceeds should be paid to workers with children in proportion to the number of children.

Taking the sum of £5 16s. a week quoted by the Basic Wage Commission, Mr. Piddington suggested its division into one portion of £4, to be regarded as the basic wage for the maintenance of a worker and his wife, and another of £1 16s. for the maintenance of three children, i.e. 12s. per child per week. The workers would thus receive remuneration at the following weekly rates: single men £4; a married worker with no children £4; a married worker with one child £4 12s.; one with two children £5 4s.; and so on, adding 12s. per week for each child.

It was estimated that, if employers were to pay £4 to each employee and were taxed to the extent of £27 18s. per worker per year, the tax would bring in the necessary £27,900,000 a year, out of which the Commonwealth could pay to the mothers of families 12s. a week for each child, there being about 900,000 dependent children in the Commonwealth. The total obligation of the employer (wage and tax together) would thus be £4 10s. 9d. per worker per week, instead of £5 16s., as it would be if the basic wage for a family of five were paid to all workers. Among the advantages of such a scheme it may be mentioned that, even
if the full amount of the tax on the employers were passed on to the consumer in increased prices, the result was estimated at an increase of about 6 per cent. only, instead of one of 22½ per cent., which would be caused by a basic wage of £5 16s. The effect on prices had been one of the chief arguments against the adoption of the £5 16s. rate.

Mr. Piddington made a further proposal to meet the case of industries or businesses suffering from temporary depression. He suggested that such businesses or industries should be empowered to apply to some official authority “for a remission or suspension, in whole or in part, and for a time to be determined, of the tax”. Any reductions in children’s allowances due to such depression would thus be spread over the whole Commonwealth and be little, if at all, felt. An alternative proposal was to maintain the children’s allowances at the full amount and make up out of public revenues the loss involved by the reduction of certain employers’ contributions.

On 23 November 1920 the Prime Minister stated in the House of Representatives that the Government refused absolutely to accept £5 16s. per week as the basic wage for all workers in Australia. As to the proposal with regard to family allowances, it had been decided to reserve the decision of the Government.

About this time, i.e. during the last quarter of 1920, the public servants of the Commonwealth had been making a strong demand for an improvement in their wages. At the end of the year the Government introduced a system resembling in many respects the family allowance scheme proposed by Mr. Piddington. The scheme adopted provided for the payment to married men of a basic wage of £4 per week, in addition to which allowances of 5s. per child per week were to be paid. The basic wage for unmarried men was fixed at £3 6s. 11½d.

The workers’ unions have endeavoured to secure the establishment of the basic wage of £5 16s. as the minimum for all workers. 1

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1 A. B. PIDDINGTON: The Next Step; A Family Basic Income, pp. 49 and 50.
2 Mr. Justice Powers, president of the Commonwealth Arbitration Court, had in 1918 suggested to the Commonwealth Government the payment to Federal servants of an allowance of £5 per annum for every child in excess of three.
3 It was stated that 5s. per child per week was not necessarily considered sufficient.
4 In 1921 the New South Wales State Conference of the Australian Labour Party and the All-Australian Congress of Trade Unions both endorsed the principle of children’s allowances, to be provided by the community as a whole. In 1923 the Australian Labour Party approved the principle of the endowment of motherhood and childhood.
This, however, the Commonwealth and other arbitration courts have refused to do. Mr. Justice Powers, the President of the Commonwealth Arbitration Court, declared that the adoption of this standard was "not practicable at the present time as a flat rate". He believed, however, in the practicability of adopting the principle of children's allowances, and decided to retain the old standard pending the passing of legislation to apply that principle. He stated that "the present basic flat rate does not give the other 154,000 husbands with families of more than three young children enough to keep them in any sort of comfort, and those with large families on the basic wage must have a miserable existence. Shortly, the present basic wage... allows the workers who have more than three living children under 14 years of age to live without the necessaries of life of a human being. The method proposed [i.e. children's allowances] will, if adopted, remove the greatest cause of industrial discontent and misery, namely, the inability of many workers to feed their children properly and clothe them decently, however hard they work for the basic wage".

New South Wales

The proposal of Mr. Piddington in November 1920 was not the first plan brought forward in Australia for the provision of children's allowances. A year previously, in the State of New South Wales, the principle of grading wages in accordance with the family responsibilities of the worker was adopted in the Maintenance of Children Bill.

It is essential to outline the events leading up to this Bill. In 1918 the determination of the living wage in New South Wales was committed to the Board of Trade on the following conditions:

"The Board of Trade shall, from year to year, after public enquiry..."
as to the increase or decrease in the average cost of living, declare what shall be the living wages to be paid to adult male employees and to adult female employees in the State or any defined area thereof”.

The first enquiry of the Board of Trade, presided over by Mr. Justice Heydon, resulted in the declaration on 5 September 1918 that the minimum wage for adult male employees in a defined district, including Sydney, should be £3 per week. The calculations were based on the needs of a family of four, i.e. a man, wife, and two children under 14. About a year afterwards, in October 1919, owing to the increase in the cost of living, the amount was raised to £3 17s. This increase meant that the total wage-bill would be increased by nearly £12,000,000. A rise in wages would be followed by a further rise in prices, which would involve another increase in wages the next year, and so on.

To meet this difficulty and to prevent unemployment, which it was believed would result if wages were so raised, the Holman Nationalist Government proposed a scheme by which the family income would vary with the family responsibilities of the workers. The total cost to the employers would be smaller than if each adult male worker were to be paid a wage adequate to maintain a four-member family. It was estimated that the average number of children per male employee of 18 years and upwards was one, and that, instead of an increase in total wages of nearly £12,000,000 per annum, which would be necessary if the wages of all adult male workers were increased from £3 to £3 17s. per week, the system of family allowances would involve an increase in total wages of only about £6,500,000 per annum.

A Bill was drafted to give effect to the scheme, and passed the Legislative Assembly. In the Legislative Council, however, an amendment was made in one of its vital principles and further progress postponed indefinitely. It was proposed in the Bill

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1 It may be noted that, in his living-wage judgment of 16 February 1914, Mr. Justice Heydon made the following statement: “Wages do not depend on the size of family, though it might perhaps be a good thing if they could be made to do so.” He then suggested for consideration the question whether for public servants the number of children might not be one of the factors on which the rate of wages might be based.

2 The employers were opposed to the Bill as they feared that after a time it would result in an increase in their total costs of production by the addition of the cost of the allowances to the wage as previously calculated. The Bill was opposed by the Labour Party, which regarded it as a scheme for depriving them of the full advantage of the new scale of wages as determined by the Board of Trade. They also opposed it on account of the provision that
that "the Board of Trade should declare as the living wages for men the amount sufficient to maintain a man and his wife, and should make a separate declaration as to the additional cost of maintaining a single child and each additional child in the same household, and that the children of workers should be maintained by means of a fund derived from contributions of the employers" 1.

In broad outline, therefore, the scheme included the fixing for all adult male workers of a minimum wage adequate to maintain the worker and his wife 2 and the constitution of a state equalisation fund administered by the Government, to which employers would make contributions and from which children's allowances would be paid. To avoid the danger of the dismissal of workers with large families the contributions of the employers were to be in accordance with the average daily number of their workers of each sex. The amount of the contribution per worker which the employer would pay was to be determined by the Government Statistician, who was to ascertain each year the number of employers employing persons of either sex, the number of such workers classified according to the amount by which their wages were in excess of the declared minimum wage 3, and, separately for male and female workers, the number of children dependent on them 4.

The total amounts required for the maintenance of the children of male and of female workers having been calculated, each employer would pay his share of both amounts, in proportion to the number of his male and female workers, into a fund called the Maintenance of Children Fund 5. Payments from this fund would be made according to the number of children. Such payments were to be made each month to the mother, or, if she were dead, to the woman acting as the guardian of the children. If there were no

allowances should not be paid to the wives of workers on strike. Further, a considerable percentage of the workers in the State lay outside the scope of the proposal. The Labour Party, however, expressed itself in favour of the principle of family allowances.

2 No provision was made as to the fixing of the minimum wage for women workers.
3 By five-shilling groups; twelve groups for each sex.
4 Boys under 14 and girls under 15 years of age.
5 The separate treatment of men and women meant that, in fact, the children of men workers were maintained from sums paid in respect of the number of those workers employed by each employer, and similarly with regard to the children of women workers. As women workers as a whole are responsible for the maintenance of a smaller number of dependent children per head than men workers, the payment by the employer in respect of a woman would be smaller than that in respect of a man.
woman guardian, the father or other male guardian was to receive the payment.

The allowances were to cease during such time as the worker was on strike. The payment for a single child was to be at a higher rate than that for succeeding children. For workers whose weekly wage was more than five shillings above the minimum wage, the allowances for his children would be reduced by one-twelfth for every five shillings, or part of it, by which his wage exceeded the minimum. The Bill did not apply to persons whose earnings exceeded £8 per week or £400 per annum.

In 1920 the Nationalist Government was defeated, and was succeeded by a Labour Government, which was also favourable to the principle of family allowances (or of the endowment of motherhood) and in 1921 introduced a Bill to give effect to it. The proposal differed in two important respects from that of the 1919 Bill. In the first place, the minimum wage was to be fixed at an amount adequate for the maintenance of a man, his wife, and two dependent children instead of for the man and his wife only, as in the previous proposal. In the Bill of 1921, therefore, it was not proposed that allowances should be paid for all dependent children but only from the third dependent child. The second difference was that, whereas by the Bill of 1919 the equalisation fund would have been fed by contributions from the employers calculated as described above, the 1921 Bill provided for the cost of children's allowances to be borne by the tax-payer. Allowances of six shillings per week per dependent child under 14 years of age after the second child were be paid out of state revenues. If the family income exceeded the minimum wage fixed, the children’s allowances were to be reduced by the amount of such excess. The Bill suffered a similar fate to that of the earlier one; it passed the Legislative Assembly but was rejected by the Council.

Queensland

The principle of children’s allowances appears to have been approved by the Queensland Industrial Arbitration Court, which,

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1 In the proceedings of the Select Committee it transpired that the payments were to be made by cheque or post-office order. See Report from the Select Committee of the New South Wales Legislative Council on the Financial Provisions of the Maintenance of Children Bill.

2 For further details see: “An Act to provide for Payment towards the Maintenance of Children, New South Wales, 10 Geo. V”.
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while refusing to admit the claim for a minimum wage equal to that found necessary for a family of five by the Basic Wage Commission, argues that, "if justice to the worker requires that regard should be had to the greater social needs of the average married man, so that his standard may be approximately equal to that of the average single man, and if justice is the price of industrial peace, it is obvious that in this respect this court has not the power to do such justice".

In 1921 the Government made an offer before the Arbitration Court to adopt the principle of family endowment with regard to state servants. The Public Service Union rejected the Government's offer, thinking, as Mr. Piddington believes, that the Arbitration Court would adopt the scheme, and in this way the Public Service Union would avoid accepting voluntarily the system of family endowment while the trade unions were asking for the full "five-person standard" for all workers. In view of this opposition the Arbitration Court decided to leave the flat rate already fixed, namely, £4 5s., as minimum wage for the public services.

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1 PIDDINGTON: op. cit., p. 48. The conclusion of Mr. Justice Frazer, President of the New Zealand Arbitration Court, may be noted, namely that "it (i.e. the children's allowances system) was the one remedy for the injustice of taking account of the average family".

2 PIDDINGTON: op. cit., p. 65.
The Family Allowance Principle in Social Insurance Schemes

The family allowance principle has been applied in a number of countries in systems of social insurance or of state aid. In accident compensation, where the accident has resulted in the death of the worker, the number of children is generally taken into consideration in fixing the amount of compensation. The usual practice is for a fixed percentage of the wage to be paid to the widow, and some other fixed percentage in respect of each dependent child. The percentage paid to the widow varies according to country from about 20 per cent. to about 33 per cent. Children are generally taken into consideration up to the age of 15 or 16 years, and the compensation for each child is generally 15 per cent. of the wage. Provisions are frequently included, however, by which the total payment to the family shall not exceed a fixed proportion of the wage (generally two-thirds). In case of permanent incapacity, whether total or partial, direct allowance is not generally made for the family, the amount of the pension being fixed in relation to the worker’s wage. The same applies in the case of temporary incapacity.

In the sickness insurance schemes of certain countries some account appears to be taken of family needs in fixing cash payments, while in some cases medical attendance on members of the family is provided for.

Schemes of survivors’ insurance, providing benefits of varying adequacy and duration, are met with in connection with old age insurance in a number of countries, e.g. France, Germany, Italy and the Serb-Croat-Slovene Kingdom. Mention may also be made of the provision of pensions for widows, which have

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1 In this appendix special reference is made to unemployment insurance benefits, as these correspond more closely to the wage of the worker than do most other forms of state aid.

2 The Workmen’s Compensation Act of South Australia provides that the minimum compensation for total or partial incapacity shall be 30s. per week for unmarried men and £2 per week for married men or widowers with dependent children. In Italy the indemnity for agricultural workers is increased by 10 per cent. for the wife and 10 per cent. for each dependent child under 15, the maximum total increase being 50 per cent. This provision applies to cases of permanent incapacity as well as to those of death.

Of a number of accident insurance schemes which have been examined, only that of Queensland (Australia) provides for account to be taken of the number of children in fixing the compensation in cases of temporary or permanent total or partial incapacity. In that state the payments are increased by 5s. per week in respect of each child under 14 years of age, but the total of such additions may not exceed 30s. per week. Further, the total payment per week for the worker and his family may not be more than £3 10s. (or less than £2).
been established by law in certain countries, such as Canada and a number of States in the United States. Pensions are usually paid to destitute widows with children, the pension varying in accordance with the number of children.

The most important case, however, of the application of the family allowance principle in social insurance schemes is that of unemployment insurance. Owing to the high cost of living and to the severity of unemployment in recent years, most organisations for unemployment relief have added family allowances to the main relief. This practice has been adopted in the legislation of Austria and Belgium. In Denmark the Act fixing the maximum rate of relief allows a higher figure for unemployed workers with dependent families. In Finland the state subsidy to unemployment funds is higher in the case of relief paid to unemployed workers with dependent families. In Germany higher rates of relief are paid to householders than to those living in other households, while supplementary allowances are made for the wife (or husband in the case of a woman unemployed) and for each child or other dependent relative. In Great Britain the Unemployed Workers’ Dependents Act, 1921, established a special fund for granting allowances to the families of the unemployed. By the 1922 Insurance Act contributions from this fund were added to the ordinary contributions, and supplementary family allowances to the unemployed now form part of the normal insurance system. In Switzerland considerable additional allowances are granted to unemployed workers for their dependants. In Italy, on the other hand, the unemployment insurance system makes no allowance for family needs. It may be added that the unemployment benefits provided by trade unions in various countries are often higher for those with dependants than for unmarried members without dependants.

Indications are given below for certain countries of the amounts paid under unemployment insurance Acts in respect of the dependants of the workers. In countries where the value of money has been subject to rapid and considerable fluctuations, the rate of unemployment relief has varied approximately to the same extent as those fluctuations. For such countries, therefore, the figures given below should only be considered in relation to the value of money at the time when they were fixed.

**Austria.** Unemployment relief varies according to the wage of the workers, those in the highest wage-group receiving relief at the highest rate. An Act of 27 September 1923 (the tenth amendment to the principal Act of 29 March 1920) fixed the weekly relief for married workers in the highest wage-group at 129,630 kronen, and for single workers at 98,000 kronen. The special allowance for children is 5,880 kronen per child per week.

**Belgium.** A Royal Decree of 8 June 1922 fixed the following rates of relief to be paid out of the National Emergency Fund:

(a) 4 francs for the heads of households and single, divorced, or widowed men without children; 3 francs for single men under 18 years of age;
(b) one franc for the wife not at work;
(c) one franc for each child not able to work.

In no case may the total allowance exceed 10 francs a day.

**Denmark.** Under the Act of 22 December 1921 unemployment relief may not exceed 4 kroner per day for unemployed workers with dependent families, or 3.5 kroner per day for single workers. It may not be less than 1 krone a day.

**Finland.** According to the Act of 8 May 1920 the rate of unemployment relief must be at least one mark and not more than 10 marks, including supplementary allowances, for unemployed workers with one or more children under 15 years of age or unable to work.
France. The systems vary according to the regulations of the unemployment funds in the different districts. Most of them make allowances for dependants. Thus, by the regulations of the Strasbourg unemployment fund, unemployment benefit is granted to married men only, the rates being 4 francs per day and 1.50 francs per child; maximum, 13 francs. For unemployed who are members of a workers’ unemployment fund the maximum is 18 francs per day.

Great Britain. The Act of 1 July 1921 fixes the weekly rate of benefit at 15s. for men and 12s. for women. The supplementary family allowance (Act of 8 November 1921) amounts to 5s. a week for wife and 1s. a week for each child. These rates were maintained in the Act of 1922.

Luxemburg. According to the Grand-Ducal Decree of 6 August 1921 unemployment relief is fixed at the following rates:

(1) For necessitous unemployed workers over 18 years of age, whether single, married, or widowed, half the daily wage, but not to exceed 5 francs per working day.

(2) Unemployed workers, whether men or women, who are heads of households, are entitled to supplementary family allowances:

   (a) one franc per working day for wife or husband without work;

   (b) one franc per working day for each child under 16 years of age and for each other dependent person without work.

The total amount of relief, including family allowances, may not exceed 8 francs per working day.

(3) For necessitous unemployed under 18 years of age, half the daily wage, but not to exceed 2.50 francs per working day.

Netherlands. The relief per day may not exceed the rates shown in the table below (Ministerial Circular of 5 December 1921).

<table>
<thead>
<tr>
<th>Class of worker</th>
<th>Class of commune</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Married workers or heads of households.</td>
<td>Florins</td>
</tr>
<tr>
<td>Single workers not living with parents</td>
<td>2.15</td>
</tr>
<tr>
<td>Single workers living with parents</td>
<td>1.20</td>
</tr>
</tbody>
</table>

Switzerland. A Decree of the Federal Council of 18 May 1923 stated that as from 10 June 1923 unemployment benefit would only be granted to unemployed persons legally supporting a family. The maximum daily rates of relief are shown below.

<table>
<thead>
<tr>
<th>Communes where the cost of living is:</th>
<th>Number of persons legally supported by unemployed workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>One</td>
</tr>
<tr>
<td>High</td>
<td>Francs</td>
</tr>
<tr>
<td>Average</td>
<td>6.00</td>
</tr>
<tr>
<td>Relatively low</td>
<td>5.00</td>
</tr>
</tbody>
</table>
The different Cantons are empowered to take account of local conditions and pay relief at lower rates than those given above.

Czechoslovakia. The Act of 12 August 1921 fixes the rate of unemployment relief at 8 Czechoslovak kronen per day in communes with a population of under 7,000 and at 10 kronen in other towns. Supplementary family allowances consist of 2 kronen per day for the wife of the unemployed worker and 1 krone for each child under 14 years of age. The total relief may not exceed 16 or 18 kronen per day according to the size of the commune.
APPENDIX II

Extracts from the Constitution and Regulations of Certain Equalisation Funds in France and Belgium

FAMILY ALLOWANCE FUND FOR BORDEAUX AND SOUTH-WESTERN REGION

CONSTITUTION

I. Objects.

1. The manufacturers and merchants of the Bordeaux and south-western region who subscribe to the present regulations hereby agree to constitute a special Fund, maintained by contributions from employers, with the object of providing family allowances for their wage-earning and salaried employees under the conditions hereinafter to be set forth.

II. Grant of Family Allowances.

5. A family allowance shall be granted to any salaried or wage-earning employee of either sex who has been employed for more than twelve months in any of the firms affiliated to the Fund and is in receipt of remuneration not exceeding 12,000 francs per annum, if such employee is responsible for the maintenance of one or more living children aged not more than 13 years.

6. The allowance shall be paid quarterly and shall only become payable in respect of three complete months' employment in the establishment or undertaking.

7. If both man and wife are employed in the same establishment, the allowance shall be paid to the head of the family; the same shall apply if they are employed in different establishments which are both affiliated to the Fund. If only one of the workers in question is employed in an establishment affiliated to the Fund, the allowance shall only be paid to him (or her) in full after a formal declaration on his (or her) part that his wife (or her husband) is not in receipt of any allowance, either from another fund or from her (or his) employer.

8. The rate of allowance shall be 15 francs per month for the first child, 20 francs per month for the second child, and 30 francs per month for the third and any subsequent children.
In addition to these allowances, a bonus of 100 francs on the birth of each child shall be paid by the Fund to any employee of the affiliated firms fulfilling the conditions for the payment of allowances, i.e. having been employed by such firms for not less than one year.

III. Employers' Contributions.

9. The fund shall be constituted by contributions from the employers calculated monthly in proportion to the total wages paid to all employees after deducting the wages of employees earning more than 12,000 francs per annum and of those whose engagement is of an essentially temporary nature, rendering it unlikely that they will in future fulfil the minimum condition of one year's employment.

The rate of contribution shall be altered, as may be required, by the Board of Management in order to secure the regular payment of allowances at the above rates without further charge, except for the working expenses of the Fund and the progressive constitution of a reserve fund equal to one month's allowances.

10. The general expenses of the Fund shall be defrayed from the employers' contributions. If the balance in hand after the payment of allowances should prove insufficient to defray the ordinary working expenses, such deficit shall be made good by the contributors in proportion to their monthly contributions.

IV. Management of the Fund.

11. The Family Allowance Fund shall be managed by a Board of Management consisting of from 6 to 12 members appointed by the annual General Meeting.

One-third of the members of the Board shall retire every two years; retiring members shall be re-eligible.

13. The Board of Management shall be invested with full power to act on behalf of the members of the Family Allowance Fund and to perform or authorise any act or operation relative to the objects of the Fund. It may appoint a Managing Director and define his powers. No remuneration shall be attached to any of these offices.

14. The Board shall meet whenever the Chairman considers it necessary and at least once a year. Meetings may be held more frequently on the request of two members of the Board. Minutes of the proceedings of the meetings shall be kept.

The Board of Management shall appoint a Managing Secretary, who need not be a member of the Board. The services of this official may be remunerated. He shall manage the general working of the Fund and shall appoint his staff in accordance with the instructions of the Board.

V. General Meetings.

15. The General Meeting shall consist of all the members of the Fund. It shall be held annually in the month of January, and shall be convened by letters sent to the individual members at least 15 days before the date fixed for the meeting. The agenda shall be drawn up by the Board of Management, the officers of which shall act as those of the General Meeting.

The report of the Board of Management shall be submitted to the General Meeting, which shall approve the accounts, to be closed as a general rule on 31 December of each year, pass the general regulations drawn up by the Board of Management, and in general decide on all questions expressly so reserved by the regulations or submitted to it by the Board of Management.
Auditors appointed annually by the General Meeting shall present a report on the accounts submitted by the management, and the auditors shall have access at any time to all books and accounts of the Fund.

16. An extraordinary General Meeting may be summoned at the discretion of the Board of Management, or on written request to the Chairman by at least one-third of the members. A quorum of the General Meeting shall consist of one-half of the members, whether present in person or represented by a member.

18. Any change in the regulations requires a majority of two-thirds of the votes cast; the same applies to dissolution. In all other cases decisions shall be taken by a majority of the members present or duly represented.

VIII. Corresponding Members.

19. Manufacturers, merchants, or industrial or commercial undertakings whose working expenses are such that they are temporarily unable to become members of the Fund on the above-mentioned conditions (i.e. payment from the first child), but who desire to assist their employees in the discharge of their family responsibilities, may be accepted as corresponding members of the Fund. Corresponding members shall be entitled to the assistance of the Fund, which shall pay allowances to their employees in proportion to their contributions, subject to the condition that the allowances per class of child shall be precisely the same as those paid to the employees of regular members, i.e. 20 francs per month for the second child and 30 francs per month for the third and any subsequent children.

RULES OF THE FAMILY ALLOWANCE FUND

Allowance Books.

1. All employees entitled to a family allowance shall receive an allowance book and a card. The latter shall contain the following particulars:

(1) the name, address, and description of the holder;
(2) the Christian names, date and place of birth of each child under 13 for whose maintenance he is responsible;
(3) a declaration that he is in receipt of a regular wage or salary not exceeding 12,000 francs per annum;
(4) a statement of his family circumstances (i.e. single, married, or cohabiting with a person not his wife);
(5) if the holder is married, a declaration that his wife is not receiving any family allowance either from the Fund, or from her employer, or from any body similar to the Fund: if the holder is cohabiting with a person not his wife, a similar declaration that such person is not in receipt of any family allowance;
(6) a statement explicitly guaranteeing the accuracy of the above-mentioned particulars, to be signed by the holder.

The particulars specified in paragraphs 1-5 above shall be entered on the first page of the book. The card shall be supplied to the office of the Fund by the employer on his own responsibility, when he first applies for the registration of one of his employees with the Family Allowance Fund.

1 To be read throughout with the necessary change of gender where the holder is a woman.
2. The allowance book shall be deposited with the agency which is responsible for payment of the allowances.

3. Allowances shall be paid quarterly, from 15 to 20 days after the expiry of the quarter to which the payments relate. They shall be sent directly to the beneficiary by means of a post office order payable in cash at his home address.

If a beneficiary ceases to be employed by a firm belonging to the Fund, he shall lose all claim to allowances for the current quarter, unless the termination of his engagement is not due to his own act.

A beneficiary shall, on the other hand, continue to receive allowances even when temporarily unable to work owing to sickness or accident which does not involve the termination of his contract with the employer.

4. The counterfoil of the post office order shall be affixed to a page of the allowance book as a voucher for payment.

Individual Family Allowance Accounts.

6. There shall be kept at the Offices of the Fund:

(1) a nominal register of beneficiaries;
(2) an account of the allowances paid. This account shall be kept in accordance with the vouchers for the payments made from the Fund to beneficiaries.

Employers' Contributions.

7. Each firm belonging to the Fund and each corresponding member shall, during the first five days of the month, forward:

(a) to the office of the Fund, (1) a monthly statement of payments, indicating changes, if any, in the family circumstances of beneficiaries, and the total wages paid during the past calendar month; (2) the allowance books and cards of new beneficiaries, if any;
(b) to the agency responsible for payment of the allowances (Banque populaire), the amount of his contribution.

8. After verifying the statements as to changes in the circumstances of beneficiaries, the office of the Fund shall forward the statement of payment to the agency responsible for paying the allowances.

9. Payments to beneficiaries as made shall be checked on the payment sheets, which when completed shall be returned, certified correct, to the office of the Fund.

LINES ON WHICH THE FUND HAS BEEN ORGANISED

Apart from its general object, common to all bodies of a similar nature, namely, to prevent the discharge of employees with families by employers paying family allowances, the Fund for Bordeaux and the South-Western Region has three special objects:

(1) to prevent any dispute with members of the staff not drawing allowances, and for this purpose to make a sharp distinction between allowances and wages;
(2) to impress on beneficiaries the fact that it is not their own employer, but the employers as a body, who take an interest in workers with families;
(3) to stabilise the staff.
The first two objects appear to have been attained by the present method of paying allowances; they are never paid directly by the employer to the beneficiaries. Thus, if other employees who do not receive allowances complain, and ask why they are not receiving the same amount as their colleagues who have families to maintain, although they do the same work, the employer can easily reply that the question cannot be raised in that way because he is not paying the allowances, but has merely joined a special organisation for the assistance of men with large families, that this body is at liberty to encourage them in any way it thinks fit, and that this has nothing to do with the rate of wages paid for a given amount of work. Under this system the personality of the employer is replaced by a general employers' organisation, about which there can be no misconception.

It should also be noted that payments are effected quarterly, that is to say, at dates which practically never correspond with those on which wages are paid.

The desire to ensure permanency of staff would appear to be automatically achieved by the provisions of article 5 of the constitution, which stipulate that a beneficiary must be employed for twelve months before receiving allowances. The result is that when an employee is discharged, even if he is taken back by the same firm, or enters the employment of another firm affiliated to the Fund, he has to wait a year before receiving the allowances which were paid to him before his discharge.

No attempt has been made to give an industrial character to the Fund, i.e. to make it cover one or two specialised trades only. The members of the Fund include firms belonging to many different branches of industry, for example, chemical works, the wine trade, metal working, printing, liqueur manufacture, food preserving, glass works, wholesale grocery, and a great variety of businesses, such as the "La Source" Company (mineral water shippers) and the Banque Populaire of Bordeaux. The members also represent firms of very different size, ranging from the "Société de Produits chimiques" and the oil factories, with a monthly wage-bill of from 150,000 to 200,000 francs, to small firms with one of only 1,200 to 1,500 francs.

BUILDING TRADE AND PUBLIC WORKS EQUALISATION FUND, PARIS

CONSTITUTION

I

1. The undersigned and all other contractors members of the employers' associations affiliated to the Paris Building and Allied Trades Federation (Fédération parisienne du bâtiment, Groupe des Chambres syndicales et des industries qui s'y rattachent), or to the Trade Association of Public Works Contractors (Syndicat Professionnel des Entrepreneurs de Travaux Publics) hereby agree to constitute an Association (Société civile), within the meaning of Sections 1832 et seq. of the Civil Code, and governed by the present constitution.

II. Objects of the Association.

4. The objects of the Association are to manage and administer, in the interests of the undersigned and of any other members, the contributions
specified hereunder in Article 12, which are to be paid into a common fund for providing family allowances for wage-earning and salaried employees with families; and to create, administer and assist social institutions with the object of increasing the prosperity of the building and public works industries by establishing closer relations between employers and workers.

6. Members shall be entitled to resign from the Association at the expiration of each period of three years on giving notice by registered letter six months in advance to the Chairman of the Board of Management. In default of such notice their agreement shall be extended for a further period of three years.

III. Capital, Funds, Contributions, Profits.

11. The capital of the Association shall be divided into shares of a nominal value of 25 francs, which associated members shall subscribe in the following proportions on joining the Association:

- members whose total wage-bill during the year preceding their admission was less than 20,000 francs: two shares;
- those whose wage-bill was more than 20,000 and less than 50,000 francs: three shares;
- those whose wage-bill was more than 50,000 and less than 100,000 francs: five shares;
- those whose wage-bill was more than 100,000 and less than 150,000 francs: eight shares;
- those whose wage-bill was more than 150,000 and less than 300,000 francs: twelve shares;
- those whose wage-bill was more than 300,000 francs: twenty shares.

Shares must be paid up at the time of subscription.

12. In order fully to carry out the objects of the Association, each member undertakes, by joining the Association, to pay a contribution proportionate to the wage and salaries paid by him during the year to the whole of his staff, both salaried and wage-earning; such contribution shall not exceed 3 percent of the total wages and salaries thus paid.

The Board of Management shall fix the rate of contribution during the first month following the conclusion of each financial year. It may increase this rate during the financial year and may decide that this increase shall be retroactive; in no case, however, shall the total contribution demanded exceed the 3 per cent. above mentioned.

13. Contributions fixed in accordance with Article 12 shall be payable in four quarterly instalments calculated according to the statements of wages paid. The contents and form of these statements shall be laid down in the general regulations. Statements shall be made out at the end of each quarter. The total therein given shall correspond exactly to the total wages actually paid during the quarter.

IV. General Meetings. Board of Management.

17. The General Meeting shall consist of all the members of the Association and shall be held once a year.

18. The General Meeting shall have the powers enumerated hereunder, but shall not be limited thereto.

It shall appoint and replace members of the Board of Management and censors as hereunder specified; it shall also make any additional appointments.

It shall determine the principles for the financial participation of the Association in any operations within the scope of its objects.
It shall fix annually the maximum proportion to be deducted from contributions for administrative expenses.

It shall determine the proportion of the profits realised by the Association to be distributed annually to members in proportion to their holdings of shares.

It shall determine the manner of disposing of any surplus of contributions over expenses.

It shall also fix, according to requirements, the proportion to be deducted from contributions for the constitution of a reserve fund; this proportion shall be 5 per cent. of contributions for the first financial year.

It shall examine and pass the accounts of the preceding financial year.

It shall discuss and decide, with full powers, all questions not within the competence of the Board of Management and shall invest the Board with any powers which may be considered necessary.

19. The Association shall be managed and administered by a Board of Management. The number of members of the Board, which is fixed at 20, may be increased to 21 by decision of the Board.

GENERAL REGULATIONS

Discussed by the Board of Management on 19 June 1922 and approved by the General Meeting on 24 March 1923

PART 1

Payment of Allowances

1. *Bonuses and Allowances.*

1. The allowances to be paid in respect of legitimate children, illegitimate but acknowledged, or adopted children shall include:

   (1) birth bonuses;
   (2) nursing bonuses;
   (3) monthly allowances.

2. Rates of Bonuses and Allowances.

   (1) Birth bonuses: 250 francs for the first child; 150 francs for each subsequent child.

   (2) Nursing bonuses: 30 francs per month for 10 months to mothers employed in the undertaking, who can prove that they are themselves nursing their children.

   (3) Monthly allowances: 20 francs for one child; 50 francs for two children; 90 francs for three children; 40 francs for each subsequent child.

   In exceptional cases the allowance shall be paid at the rate of 40 francs per child, regardless of the number of children, to a widowed or divorced mother with children to maintain who is employed in the undertaking.
3. Payment shall be effected by the Fund by postal cheques payable to the mother or to the guardian of the children.

II. Persons entitled to Allowances.

4. (1) French Citizens. All male or female salaried or wage-earning employees of French nationality working in an undertaking affiliated to the Fund, who are in fact responsible for the maintenance of their legitimate children, illegitimate children acknowledged by them, their grandchildren, brothers or sisters, nephews or nieces, or children adopted on the death of their parents or on their desertion, are entitled to the benefits of the Equalisation Fund, provided that their net wage or salary (less travelling expenses, indemnities, bonuses, etc.) does not exceed 12,000 francs per annum.

(2) Foreigners. Wage-earning and salaried employees of foreign nationality shall also be admitted to the benefits of the Fund, but only in respect of their children resident in France.

III. Conditions of Payment of Bonuses and Allowances.

5. (1) Birth Bonuses. Bonuses shall be paid in respect of legitimate children or illegitimate children subsequently acknowledged, on receipt of the declaration mentioned in Article 12, to all beneficiaries who can prove that they have been employed for at least one month before the birth of the child by a firm affiliated to the Fund.

6. (2) Monthly Allowances. These shall be paid in respect of each child qualified for allowances up to the age of 14 years.

They shall be payable on the last day of the month to all wage-earning and salaried employees entitled to benefit, on proof that the beneficiary has been continuously employed since the first day of the month in an undertaking affiliated to the Fund.

Allowances shall cease to be paid at the end of the last month preceding the date at which the worker leaves the employment of the affiliated firm, if this occurred in the course of the month.

In the event of the decease of a child in receipt of allowance, the latter shall continue to be paid for the month during which death occurred and the following month.

7. Allowances shall only be paid on condition that the father or mother of the family employed in the undertaking regularly works the number of hours corresponding to a normal daily wage.

The head of the undertaking shall therefore report to the Fund at the end of each month all cases of absence or cessation of work, together with their exact cause, in order to enable the Board of Management to decide on special cases where the maintenance of the allowance may be justified.

8. Sickness or Accident not Occurring in the Course of Employment. The allowance shall be paid for the month in which sickness began or the accident took place and during the following month.

Nevertheless, the Board of Management may, after investigation, and taking into consideration the results of such investigation and the financial position, prolong the period during which the allowance shall be paid.


(1) Temporary Disability. In such cases bonuses and family allowances shall be paid for the period of temporary disability.

(2) Death or Permanent Total or Partial Disability. If the death or disability of the mother or father employed in the undertaking occurs in circumstances in which the provisions of legislation on industrial accidents or occupational
disease are applicable, payment of allowances shall cease from the date at which the payment of compensation under such legislation becomes due.

Nevertheless the Board of Management may decide, according to the circumstances of the case, to continue payment of allowances to the children of the victim of the accident or of his widow up to the age of 14.

If death or disability is due to a cause involving a third party in financial responsibility, the allowances shall be reduced by the amount of the compensation which such third party has been ordered to pay.

The worker's disability shall be duly established by medical certificate.

PART II

Relations between Members and the Equalisation Fund

I. Beneficiaries' Declarations. Changes of Staff, etc.

17. Transmission of Declarations. Members shall communicate to the Fund the declarations made by salaried and wage-earning employees who are desirous of obtaining allowances and bonuses, after setting aside such as clearly do not fulfil the necessary conditions. Declarations shall be counter-signed by the member and accompanied, if necessary, by documents in support of the application.

18. Changes of Staff, etc. At the beginning of each month the member shall forward to the Fund a statement of changes occurring in the preceding month, setting out in detail all the changes which have occurred during that month in the position of workers employed in the undertaking and in receipt of allowances. Such particulars shall include: exact date of entry; exact date of departure; death of child (Christian names to be stated); cessations of work (absence, unemployment, sickness, industrial or other accidents, etc.)

II. Statements of Staff Employed.

20. Documents to be Produced by Members. Statements of Staff Employed. Each member shall forward to the Fund, in accordance with Article 13 of the Constitution and within the first fortnight of the month following the end of the quarter, a statement of staff employed. The statement, which shall be made on a printed form supplied by the Fund, shall contain the following particulars, covering all the member's workshops or yards:

(a) the total amount of net wages and salaries paid, including those of piece workers, after deduction of travelling expenses, indemnities, bonuses, etc.;

(b) the total amount of wages and salaries exceeding 12,000 francs a year, which is deducted from the general total in calculating the amount of the contribution.

Wages of apprentices shall be included in the statement, in respect of the actual amounts paid to them.

21. Determination of Contributions. Each member shall pay a contribution proportionate to the total amount of wages and salaries paid to his entire staff, both salaried and wage-earning, during the year, but in no case exceeding 3 per cent. of such wages and salaries, calculated as above.
Rates of Contribution. The Board of Management shall fix the rate of contribution during the first month following the conclusion of each financial year. It may increase this rate during the financial year, and may decide that such increase shall be retroactive; in no case, however, shall the total contribution demanded exceed the 3 per cent. above mentioned.

22. Payment of Contributions. Contributions shall be payable quarterly, by cheque or post office order, within eight days of the despatch of a request for settlement by the management of the Fund.

Mutual Insurance Fund for the Benefit of Agricultural Workers’ Families

(Caisse mutuelle syndicale d’Assurance et de Prévoyance en faveur des familles ouvrières agricoles.)

Under the auspices of the Ile de France District Federation of Farmers’ Unions

Constitution

1. Objects of the Fund.

2. The object of the Fund is to provide, in accordance with the Regulations adopted by the Constituent Assembly, a system of family allowances for the benefit of wage-earning and salaried employees of members, and to distribute the cost of such allowances in proportion to the number of hectares worked by each member.

Allowances shall be granted at the request of a member, and the worker shall in no case be entitled to claim payment as a right.


4. The Fund is composed of full members, honorary members, and subscribing members.

Each full member shall pay an annual contribution of 5 francs per 100 hectares, in addition to his share in the expenses of the Fund. Subscriptions shall be paid annually and shall be included in the settlement of account of the variable contribution provided for in Article 18 hereunder. Applications for membership must be approved by the Committee and the latter shall not be bound to give reasons in cases of refusal.

Persons or bodies are entitled to become honorary members on payment of a minimum annual contribution of 10 francs, subject to the approval of the Committee. Any honorary member can compound his subscription for a single payment of 200 francs.

Persons or bodies are entitled to become subscribing members on payment of an annual contribution of 100 francs, which may be compounded for a single payment of 1,000 francs. They are entitled, in virtue of this payment, to attend the General Meeting. Agricultural societies, agricultural associations,
technical societies (combines), farmers' unions or federations thereof shall only be admitted as subscribing members.

III. Administration and Working.

6. The Fund shall be administered by a Committee of Management in accordance with the Regulations adopted by the Constituent Assembly.

These Regulations, which may be amended by the General Meeting, shall define the conditions on which members can obtain the payment of family allowances for members of their staff, also the conditions on which such allowances shall be paid and the expenses arising therefrom distributed among the members.

7. The Committee of Management shall consist of from 6 to 12 members elected for six years by the General Meeting from among the members of the Fund; one-third of the members of the Committee shall retire every two years, and shall be re-eligible. Members of the Committee of Management shall receive no remuneration for their services.

8. The Committee of Management shall appoint the following officers from among its members to serve for one year: a chairman, two vice-chairmen, and a treasurer. Their services shall not be remunerated.

9. These officers may appoint a director and one or more secretaries not members of the Fund, who may or may not be paid.

IV. Annual Funds and Reserve Fund.

18. The receipts of the Fund shall comprise:

(1) the amount of contributions, whether fixed or compounded (full members, honorary members, subscribing members);

(2) the surplus of the variable contributions required for the expenses connected with the payment of allowances, in accordance with the Regulations of the Fund, and for the establishment of the reserve and insurance funds determined by the General Meeting;

(3) special contributions to cover working expenses;

(4) grants, gifts and legacies to the Fund;

(5) the interest on all these sums.

19. The reserve and insurance funds shall be administered by the Committee of Management.

REGULATIONS OF THE FUND

I. Definition of Allowances. General Principles.

1. The allowances include:

(1) a maternity bonus;

(2) a monthly bonus, payable for the third and subsequent children up to the age of 14.

2. Bonuses and allowances are granted directly by the Fund on the application of a member for the benefit of the children of wage-earning or salaried employees who have worked for a member of the Fund for at least six consecutive months. They are paid or sent by post office order to the mother of the family or, failing her to the person responsible for the maintenance of the children, provided that the surviving parent is employed by a member of the Fund.

3. Monthly allowances are calculated to the last day of the month, but are paid quarterly by the Fund. They become payable to the worker when he has
been employed for at least six months on that date. They shall cease on the last day of the month preceding the worker's departure, should this occur in the course of the month, except in the case mentioned in Articles 14 and 15 hereunder.

4. Monthly allowances shall only be paid if the father or mother of the family works regularly for a member of the Fund.

5. Nevertheless, if a stoppage of work is due to legitimate causes outside the worker's control, the allowances shall continue to be paid in full.

This shall be the case, in particular, when the worker is authorised to absent himself, or is compelled to remain at home for urgent family reasons; or is prevented from continuing work by force majeure; or is ill; or is temporarily incapacitated for work for not more than six months.

6. Bonuses and allowances are only paid to the employees entitled to them in so far as they are actually responsible for the maintenance of the children in respect of whom they are paid.

II. Scope of Allowances.

8. In accordance with the conditions laid down in these regulations, the maternity bonus shall be paid by the Fund in the following cases:

(1) on the birth of a legitimate child for whose maintenance a worker employed in the undertaking is responsible;

(2) on the birth of a legitimate child for whose maintenance the widow of a worker employed in the undertaking is responsible, provided that the birth occur not later than 300 days after the death of the husband and that his widow is employed by a member of the Fund.

9. The maternity bonus shall be 100 francs.

10. The amounts of monthly allowances are as follows:

<table>
<thead>
<tr>
<th>Child</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>third child</td>
<td>10 francs</td>
</tr>
<tr>
<td>fourth child</td>
<td>10 » » »</td>
</tr>
<tr>
<td>fifth child</td>
<td>15 » » »</td>
</tr>
<tr>
<td>sixth and subsequent children</td>
<td>20 » » »</td>
</tr>
</tbody>
</table>

These amounts are cumulative, and shall be paid in respect of each beneficiary child until the month following the attainment of the age of 14. In calculating monthly payments, the death of a child shall be taken as cancelling the effect of a birth. When a child attains the age of 14 the allowances previously paid to his younger brothers or sisters shall continue to be paid at the same rates as long as the elder children are in the employment of the same undertaking.

11. The allowances mentioned in Article 10 shall be paid to a grandfather, grandmother, brother, or sister employed in an undertaking affiliated to the Fund, if he or she is actually responsible for the maintenance of the children owing to the death or desertion of the father and mother.

12. The payment of allowances to parents or their substitutes may be suspended or stopped by decision of the Committee of Management if their conduct and morality are unsatisfactory.

13. On the death of a child in respect of whom an allowance is paid, the amount shall continue to be paid for the month during which the death occurred.

14. If the father of a family employed in an undertaking affiliated to the Fund dies, or, as the result of accident or sickness, is unable to work on the farm or elsewhere, the monthly allowances shall continue to be paid to the mother of the family, provided that she is employed by a member of the Fund, except in the case mentioned in the following article.

If the mother of a family employed by a member of the Fund who is a widow, or whose husband is incapacitated for work, dies or becomes totally incapaci-
tated for work as the result of accident or sickness, the monthly allowances shall continue to be paid to the person who is responsible for the maintenance of the children, provided that the latter continues to inhabit the same locality or the neighbouring commune for a period of five years or longer, according to the reasoned decision of the Committee of Management.

15. If the death or disability of the father or mother occurs in circumstances in which the provisions of legislation on industrial accidents or occupational diseases apply, the payment of allowances shall cease from the date on which the compensation under such legislation becomes due.

If the death or disability is due to causes involving a third party in financial responsibility, the allowances shall be reduced by the amount of the compensation which such third party has been ordered to pay.

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FAMILY ALLOWANCE EQUALISATION FUND FOR THE LIEGE DISTRICT

(Association not Conducted for Profit)

REGULATIONS

1. The allowances shall include:

(1) Monthly bonuses paid in respect of legitimate children, or illegitimate children acknowledged by the recipient, up to the age of 14 years;
(2) Fixed birth bonuses.

2. The recipient is the person in respect of whose employment the allowance is paid. The beneficiary is the person in respect of whose needs the allowance is paid.

Allowances are entirely distinct from wages; a special account shall be kept for them, apart from the pay-sheet.

3. As the monthly allowances are paid in proportion to the number of days' work regularly performed, in accordance with the terms of his employment contract, by the recipient, allowances may be reduced or stopped in proportion to the number of days' absence from work.

4. Nevertheless, if absence from work is due to causes accepted as valid by the employer (e.g. sickness, family reasons, industrial accident) the allowances shall continue to be paid in full.

In cases of sickness or industrial accident, the allowances shall continue to be paid during the period of temporary disability up to a maximum of six months.

In cases of permanent disability or death due to industrial accident, allowances shall continue to be paid for a maximum period of 3 months in respect of children born or conceived before the date of the accident.

5. Monthly allowances shall be paid only on condition that the recipient has worked in the same factory for at least a month, reckoned from the first of the month following the date on which he was permanently entered in the books of the factory.
Workers of both sexes employed by undertakings affiliated to the Equalisation Fund, who are heads of families, shall as a general rule be entitled to receive allowances; heads of families shall include the following:

1. the father of a family;
2. the widowed mother of a family responsible for the maintenance of the children;
3. the father or mother of family divorced or separated, but retaining guardianship of the children;
4. a worker who has acknowledged an illegitimate child and supports it;
5. an unmarried mother who has acknowledged her child and supports it;
6. a worker of either sex who has actually assumed responsibility for the maintenance of one or more children, as follows:
   a. grandfather, grandmother, brother, sister, uncle, or aunt, who actually supports children in default of the father or mother;
   b. any worker of either sex who has undertaken the maintenance of orphaned or deserted children, provided that such children have been adopted and maintained for at least twelve months.

In exceptional cases, the following may be also recognised as recipients of allowances:

7. any married female worker (or a female worker whose child has been acknowledged by the father) who can prove by certificate that her husband (or the father of her child) is not employed by a firm paying family allowances, either directly or through an equalisation fund;
8. any married female worker who can prove that her husband (or the father of her child in the case of an illegitimate child subsequently acknowledged) is permanently incapacitated for work.

6. If a male worker claims that he is responsible for the maintenance of illegitimate children, he must furnish proof that he has legally acknowledged the child (or children) on whose behalf the allowance is claimed.

In cases of similar claims by a female worker, a certified copy of the birth certificate of the child or children must be furnished as evidence of motherhood, and to prove that the father is unknown.

7. The rate of monthly allowances as fixed by the Board of Management shall be as follows until further notice:

<table>
<thead>
<tr>
<th>Childs</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>first child</td>
<td>10 francs</td>
</tr>
<tr>
<td>second child</td>
<td>20 francs</td>
</tr>
<tr>
<td>third child</td>
<td>30 francs</td>
</tr>
<tr>
<td>fourth and subsequent children</td>
<td>40 francs</td>
</tr>
</tbody>
</table>

Allowances shall be paid in respect of each beneficiary child from the first of the month following the date of birth until the last day of the month in which the child attains the age of 14.

8. The amount of the birth bonus is fixed at 250 francs for the first child and 150 francs for subsequent children.

Birth bonuses shall only be granted on condition that the recipient has been employed for at least three months before the birth of the child.

9. Birth bonuses shall be paid in two portions:

1. one-half a month before the probable date of birth;
2. one-half a month after the birth.

Payments shall be made in accordance with the regulations laid down in Article 14, on production of the necessary documents (i.e. medical certificate or midwife's certificate, copy of birth certificate, and, if necessary, deed of acknowledgement, etc.).
10. In the case of the death of a beneficiary child, the monthly allowance shall continue to be paid for the month during which death occurred.

11. In addition to staff of Belgian nationality, workers of foreign nationality of either sex shall be permitted to receive allowances provided that they are domiciled in Belgium and have been resident there for at least six months. Allowances shall, however, only be paid in respect of children resident in Belgium.

12. The Director of the Fund must, on the request of one of the members, or may on his own initiative, undertake any necessary investigations to verify the family circumstances of recipients of allowances, and to ascertain that allowances are not improperly expended.

13. The family circumstances of the recipients of allowances employed in each undertaking shall be ascertained by the head of the undertaking, and such information shall be kept up to date.

14. The amounts due in respect of allowances shall be paid by each affiliated undertaking. They shall be sent by postal cheque signed by the firm and payable at domicile, to the mother of the family, or failing her to the person actually responsible for the maintenance of the children during the first eight days of the month, in respect of the preceding month.

15. If both the father and the mother of the family are employed in undertakings affiliated to the Equalisation Fund, the allowances shall be paid by the undertaking where the father is employed.
APPENDIX III

Sources Utilised or Consulted

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1 The chief sources used or consulted are given here. Other sources are indicated in the text or in footnotes. For a number of countries the information given is based on memoranda and communications from government departments and officials, or other collaborators.


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