Political Economy in Belgium.

In Belgium, whenever the subject of Political Economy is raised, it is the movements of Parliamentary parties and of the Government that form the attractive topics, and not the latest scientific productions. No eagerness is shown to discuss pure theory. The social question, under one aspect or another, is almost the only problem that can draw our economists.

It is easy to understand why. Possibly there is nowhere else in the whole world so pressing a need for the practical solution of social problems as in Belgium.

One recent measure, which has given rise to much interesting debate, is the Trade Unions (*Unions professionnelles*) Act of March 31, 1898.

The first bill on this subject was laid before the Chambers in 1890, and, I need hardly say, has, during these eight years of incubation, undergone a number of modifications. But, strange to say, the original conception of trade unions has at the same time got so dislocated, that many intelligent persons consider the scheme in its first form to have been clearer and more coherent than the Act that has now been passed. The Act has, however, been heralded with much flourish of trumpets, as one of the great reforms of the Ministry; it was debated during four months; the printed debates in the Chamber and the Senate ran to a thousand pages. Nevertheless there is reason to doubt whether it will really prove fruitful of much result.

Unlike the French Act of 1884, this Act is not intended to allow the formation of trade unions among employers and men. The Constitution itself gives them this right, namely freedom of association, absolutely. But the unions have had no independent, legal existence. It is the aim of the new Act to endow them with the privileges of a legal status,—that is to say, with the right of possessing goods within certain limits, and of suing and being sued. This, if I am not mistaken, is precisely the object of the English Trade Union Act of 1871.

The battle between the Conservative Government and the Opposition, consisting of the Left and part of the Right, centred around a question, the nature of which Englishmen may be surprised to learn. It was as to whether trade unions should have the right to conduct business or carry on a trade. The Christian Democrats voted that they should, so as to facilitate the development of the associations, at once political and economic, which they had founded in country districts, especially those in Flanders called *boerenbonden*. These associations carry on genuine commercial dealings, on the pattern of the French agricultural syndicates. Supported by the Socialists, though rather for tactical reasons than from real sympathy, they have attained to a very curious conception of trade-association, a mixture, namely, of co-operative society and trade union, having as its goal the definite emancipation of

the wage-earner from the slavery of capitalism. Government and its majority took fright at this prospect, and saw in the scheme a danger to society. Hence the prohibition enacted by the law against all business enterprise by a legalised trade union.

Such a union may, it is true, engage in certain specified kinds of business transactions, but only on behalf of the members of the union, and on the condition of reaping no emolument. This principle has been applied in a very far-reaching degree: for instance, by the Act, unions are forbidden to open workshops for apprentices and for the unemployed, on the ground that such institutions must be permanent to exist at all. Moreover, unions may not devote funds to the purchase of shares in joint-stock companies, or even in co-operative societies, because this would afford a roundabout means of carrying on business!

Among other prohibitions imposed on unions, mention must be made of that against forming superannuation funds and sick benefit funds. Continental Conservatives have always regarded the amalgamation of funds ("*confusion des caisses*") in English trade unions as one of the causes of their discretion, their moderation, and the prudence they show in the matter of strikes. In England itself it is just this moderation in the old unions that forms the ground of complaint on the part of the Democrats of New Unionism, who accuse the former of having transformed themselves into mere friendly societies. In Belgium we have seen the Collectivist member of Parliament, H. Denis, claiming on behalf of the Unions the right to amalgamate their funds, while a Conservative Government has reduced the functions of unions to organising funds for purposes of strikes and relief of the unemployed.

Unions are still forbidden to mix themselves up in politics (*faire de la politique*), by which phrase is understood direct and deliberate connexion with any political party. But all unions founded by the Labour party are thus connected! They are for that party a propagandist instrument for attaching union committees to itself, and members of the unions are required to adhere to its programme. But it was stated in the Chamber that it was not *faire de la politique* to require a candidate to engage himself to defend at every juncture religion, the family, and property, as is done in the unions founded by the Catholic party. As a result of this provision the Socialists have declared that the new Act would bring no advantage to them The common law was good enough for the essentials of living, and left them greater freedom than the Act of 1898. Probably, then, it is only the Conservative unions who will be in favour of it.

The present Parliamentary session may be expected to give occasion for debates on economic subjects of no less importance. Two noteworthy bills are to be brought forward, the one on labour contracts, the other on employers' liability in case of accidents.

The former has been drawn up first by a special extra-parliamentary commission, then by the *Conseil Supérieur du Travail*, who devoted to it their third session (1895–6). The question is that of adding to the

Code Napoléon a chapter that is lacking. In the civil code there are but two articles relating to the hire of domestics and of labourers, and one of them is repealed.

The chief aim of the bill is to establish a clear and exact definition of the rights and obligations of employer and employed. In essentials it is restricted to the sanctioning of usages which have become pretty general in practice, and to setting up presumptions, from which for that matter the parties concerned may derogate if they like. The bill has already been examined by the "central section" of the Chamber; and in their name a bulky Report has been laid on the table. Many modifications have been suggested, but for the most part they are merely formal, and hence it may be inferred that there will be no great difference of opinion in the Chamber itself. To give an idea of the bill, I submit the following brief notes:—It purports at the outset to be concerned only with contracts between a "*chef d'entreprise*" and "*ouvriers*," in the narrow sense of the word; that is to say, it is not concerned with domestic servants, apprentices, or clerks. It sets out the obligations of the contracting parties. Among those of the worker are the following:—To have regard to decorum and good manners during his engagement, and to abstain from everything which could injure his own safety and that of his associates, or of a third party. Among those of the employer are:—To see to it, with the assiduity of a good *père de famille*, and in spite of any agreement to the contrary, that the work contracted for is accomplished under suitable conditions of safety and salubrity; also to watch over the observance of good manners and decorum during the progress of the work. The bill assigns with much care the conditions under which the labour contract is to terminate. Among these the obligation to give notice of leaving when the contract has been entered into for an indefinite period is insisted upon. The normal term of notice is fixed at seven days, where there is no custom to the contrary. And there is an important provision, to the effect that this term and the obligation to give notice are valid for both employer and worker, *in spite of any clause whatever to the contrary*. In many industries this will be an innovation. For a serious cause (*cause grave*) the worker may be dismissed on the spot, and the master left at once. These serious causes are specified. On the part of the worker they consist, among others, in his being guilty of acts of dishonesty, or of violence, or of flagrant abuse against his chief employer or his staff; in his being guilty of immoral conduct during the progress of the work; in his betraying secrets respecting manufacture; in his jeopardising the security attending the work, or in gross offences against discipline. In the master's case the serious causes are of a corresponding nature. When one of the parties violates the contract without a just pretext, he becomes liable to the other party either for damages equal to the detriment caused, or for an indemnity not exceeding the half of the average wages corresponding to the number of working days still required.

Bankruptcy on the part of the employer is not regarded as an "act of God" dissolving the contract. Herein a privilege is secured for the worker which is in accordance with the jurisprudence of the day.

Finally, the bill extends very considerably the rights of the married woman and the minor in connexion with entering into a labour contract and with the enjoyment of the fruits of their labour.

There is no provision in the bill for compensation for accidents incurred during work, such as should logically have been included. The reason is that the Government, anticipating very great difficulties over this branch of the subject, determined to separate the questions, and is bringing forward a special bill on "compensation for damages arising from accidents of labour."

It would take too long to give the history of the bills relating to this matter which have been brought forward during the last several years in Belgium. According to present Belgian law, which is the Code Napoléon,—that is to say, according to common civil law,—the worker who becomes the victim of an accident while engaged in work, has only right to an indemnity if the accident is due to a fault of the master. He has to prove this fault. In default of proof, however just his claim may be, there is no compensation for him. Nor is there any if the accident is due to a cause other than the master's fault.

Through the influence of an eminent lawyer and ex-minister, M. Sainctelette, the legal opinion has for some years been gaining ground, that it should not be left to the worker to prove the master culpable, but that it is for the latter to demonstrate, before he is declared exempt, that the worker has himself been to blame. The legal profession, however, has not been won over to this view. Nevertheless, all the improvement that has been made in recent years has consisted in the ever-growing rigour shown to the masters by magistrates.

It had long come to be understood, even in the industrial world, that this state of things could not last. Public opinion was attracted by the German and Austrian systems of insurance. At one time it seemed to have been won over by them entirely. That is no longer the case at present. The famous International Congress of Labour Accidents and Social Insurance has served to mark, at each of its meetings, an ever-growing recoil, and its most recent sittings at Brussels have not exactly been such as to warrant Belgium launching on compulsory insurance. Many an economist, who once championed this reform, was there heard to put forward doubts and raise objections. And insurance companies have moved heaven and earth to wreck the plan of State insurance. Finally, recent legislation in England, Italy, and France has had the effect of diverting the inclinations of the Government from German methods.

The bill it has actually committed itself to is very different from that which the Upper Labour Council had prepared in 1895-6, and

bears a resemblance to the English and the French law. The following are the principal provisions :—

In the first place, the scope of the measure embraces all industrial and commercial undertakings, without regard to the number of hands employed. It excludes agricultural labourers and domestic servants, but it classes skilled employees whose salary does not exceed 2,400 francs under the head of *ouvriers simples*. Compensation is not due till on and after the fifteenth day after the accident.

A. When the worker is temporarily disabled, and (1) totally, compensation is to amount to 50 per cent. of his average weekly wages; (2) partly, it is to be 50 per cent. of the difference between the average weekly wages of the sufferer prior to the accident and those which he is capable of earning pending his complete recovery.

B. If the worker is, or becomes permanently disabled, a life-pension is due to him, equivalent to 50 per cent., either of his average annual wages, or to the difference between his former and his present wages, in accordance with the distinction laid down in the case of temporary disablement (*A* (1) and (2)). In case of death through an accident, firstly, 50 francs are to be allowed for funeral expenses; secondly, the widow receives a sum corresponding to the value of a life-pension *at the age of the deceased* from the moment of his death, equal to 20 per cent. of his average daily wages; thirdly, if he leave children under fifteen, or any parents or grand-parents of whom at the moment of death he was the sole support, they shall receive a life-pension reckoned as above, and equal to as many times 5 per cent. of his daily wages as there are claimants under this category.

In no case may these indemnities exceed the value of a life-pension equal to 30 per cent. of the daily wages of the victim.

The bill determines, in detail such as I cannot here reproduce, how the average weekly wages are to be computed.

The employer is solely liable for rendering compensation, and he may not, for this purpose, hold in reserve any portion of the employees' wages. As this compensation may amount to 50 per cent., it is equivalent to a charge on the employer of one-half of the general trade risk.

In the case of the worker's permanent disablement or death, the employer should deposit the capital for the pensions become due, either at the *Caisse d'Epargne et de Retraite* under State guarantee, or with an insurance company approved by the Government.

If an employer insures himself with a company against the risk of possible accidents to his employees, he remains none the less directly responsible to the latter. The credit of the victim or of his claimants is regarded as specially privileged, in the absence of any insurance, or in the case of the insurer's insolvency, as compared with the employer's creditors in general. In this way the bill sets up guarantees for the payment of compensation, so as to evade the reproaches incurred by all systems which do not organise insurance by the State.

Strong objections have already made themselves heard in the name of small and medium scale industry against the depositing of *capital* for such periodic payments. It is alleged that such a method will tend to be the ruin of small firms.

Heads of firms have the power of combining to establish a common deposit fund, for the purpose of insuring themselves against risk of accident and to take upon themselves collectively, in place of the General Savings and Pension Bank, the payment of pensions as well as the deposit and administration of the requisite capital. The articles of these banks must be approved by the Government, and the latter is free to append conditions for the guarantee of creditors. The advantage which employers will derive from these banks is that of a devolution of the obligations incumbent on them.

There is evidently here no question of trade banks like the *Berufgenossenchaften* of Germany, nor of the district banks of Austria. Moreover the banks are not compulsory institutions, and there is absolute freedom as to how the heads of firms may group themselves, as in France.

It is of course open to masters and men to agree on *higher* rates of compensation in case of accident than those laid down in the bill. In this case they are said to be entirely free to establish *supplementary* compensation.

The bill over-rides a sharp controversy which has arisen among lawyers, by declaring that the one contingency where the new Act would not apply is that of an accident *deliberately* induced by master or man, and which would constitute an action for damages against the perpetrator. All disputes on points of felony (*culpa gravis*) and misdemeanour (*culpa levis*) are in this way ruled out of court.

In all questions of procedure the Government has given up any idea of appointing special councils of arbitration, as is done in Germany and England. It gives authority to magistrates and to the ordinary civil tribunals to decide in all questions of compensation. This simplifies formalities and reduces costs. An action is commenced by a declaration of the occurrence of the accident, which must be made within three days, by the head of the firm, at the office of the magistrate's clerk.

The bill is quite certain to give occasion for heated debates in Parliament. The Government will have to be on its defence against the Socialists and certain other representatives, limited in number, who desire compulsory State insurance, as well as against many Liberal manufacturers, backed up by skilful lawyers and actuaries. On its side there will be the bulk of those who favour conciliation and middle courses, as well as the insurance companies, for whom the carrying into effect of the new Act would mean good business.

To resume: the bill being, in its existing form, a compromise between extreme opinions, it is likely that the Government will secure a majority.

The " Industry and Labour " Office in the Belgian Ministry makes other claims besides its new bills on the attention of economists. It is publishing the results of inquiries, and other works of a genuinely scientific character. Malicious tongues go so far as to say that its occupants hold office for no other purpose.

Among these publications should be mentioned the Reports on Technical Education. M. O. Pyfferoen, professor at the University of Ghent, has edited two volumes of these Reports, the results of minute investigations, one being on technical education in England (1 vol. 8°, Bruxelles, 1896), the other on technical education in Germany (1 vol. 8°, Bruxelles, 1897). The volume dealing with Belgium (Bruxelles, 1897) relates to the years 1894–6, and is an exhaustive work of reference.

In 1895 an inquiry was instituted by this department on Sunday labour. Three volumes are devoted to the statistics of the subject in Belgian factories and workshops, mines, smelting-works, and quarries. Another volume contains reports on Sunday labour in Germany, Austria, Switzerland, and Great Britain.

M. Maurice Ansiaux, professor at the Free University of Brussels, was commissioned by the Minister of the department in question to travel in France, Switzerland, Great Britain, Austria, and Germany, and report on how far night-work is carried on by women in the industries of those countries. His Report appeared in 1898 (1 vol. 8°). It is extremely interesting, not only from the facts it contains, but from the author's reasoned criticism thereon. Nothing shows better the difficulty under which a conscientious observer labours in endeavouring to give account of even a very simple state of things as they actually are in a foreign country.

The Labour Office is at this moment undertaking a vast inquiry into the home industries of Belgium. And besides this, it is about to commence publishing the results of the industrial census of 1896, —a task which was carried out with a precision and verified by a patience nothing short of marvellous.

Further, it has just undertaken a new periodical publication, destined to be a great success, viz., *L'Annuaire de la Législation du Travail.* This is an annual register containing, in French, the text of all the laws concerning labour in all industrial countries, as well as all enactments bearing on their execution. The *Year-book* does not intend to include in its scope all social legislation. It will confine itself to the laws dealing with the organisation of labour, that is to say, to " all those which touch on the liberty of work, on the right of combination and of striking, on the right of masters and of men to association, on the relations between capital and labour during arbitration and conciliation ; to the laws relating to contracts for labour and to contracts of apprenticeship, to wages, to the regulation of labour, to measures of safety and sanitation prescribed on behalf of workers, and to the inspection of work ; to the laws relating to accidents incurred during

work and to workmen's insurance, &c." The volume which has appeared comprises the laws and decrees coming under this category which were promulgated in 1897 in Germany, Austria, Belgium, France, Great Britain, Norway, the Netherlands, Roumania, Russia, Switzerland, and the United States of America.

Under Great Britain, *e.g.*, in addition to a dozen statutory rules and orders having every variety of purport, we have a translation of the *Workmen's Compensation Act*, the *Act to give Power to make Regulations with respect to Cotton Cloth Factories* (Aug. 6, 1897), and the *Act for the prevention of Accidents by Chaff-cutting Machines* (Aug. 6). The most important laws are preceded by a note, indicative of the scope of the law, and giving a résumé of the Parliamentary publications on the subject.

This register meets a general want. It is in fact one of the chief objects of that International Labour Bureau, for the creation of which we have been waiting ever since the Berlin Congress.

It may easily be conceived that, after some years have passed, and when we shall really have gathered together all the laws obtaining in each country, and be keeping our *collectanea* up to date, that the latter will be of incalculable value—a value which would be considerably enhanced if a translation into English and into German could be made.

The Belgian Government can hardly undertake such a work, but it would of course form one of the tasks of an International Association concerned with Labour Legislation, such as was brought before the last Brussels Congress. It may be that this year will witness the realisation of this plan.

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WAGES IN THE UNITED STATES AND EUROPE

The *Bulletin of the Department of Labor*, Washington, No. 18, September, 1898, contains an account of wages paid in twelve of the principal cities of the States, in Paris, in Liége, and in London, Manchester, and Glasgow. The figures given are interesting in themselves and may also afford useful comparisons with those I estimated for the December number of the ECONOMIC JOURNAL, 1898.

The wages stated in the *Bulletin* are in most instances taken directly from the pay rolls of two firms, who have continually carried on business since 1870, in each city and industry concerned, and arise, therefore, from different sources and are tabulated on different principles from those I employed. They also cover a very much more limited field of industry, for they are confined to the twenty-five specific occupations, which are most easy to define, and relate exclusively to town rates of wages. Even of these twenty-five occupations, only thirteen appear throughout the period in the returns from Great