

How Germany Handles the Labor Question—III

Solving Labor Problems Scientifically

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[This is the third of a series of articles written by the Managing Editor of the SCIENTIFIC AMERICAN and intended to show the part that science plays in German commerce and industry. The article was written after a personal inspection of German factories and labor bureaus. It seems a far cry from science to the solution of labor problems; yet no other word fittingly describes the systematic and thoughtful way in which German statesmen and manufacturers have sought to deal justly, both with capital and labor.]

TWO things every normal man wants—something to do and a mind at ease while he is doing it. Translate that into more concrete language, and we get this: Give a workingman work, but also relieve him of worry—the worry that is bred by wondering what will become of him and his family should he fall ill, be disabled, or grow too old to hold his job.

Germany has not discovered a panacea for satisfying these needs of a laborer and reconciling them with the demands of employers. But it has made a brave attempt to reduce the friction in the industrial machinery that may be traced to idleness and worry—an attempt which has proved so far successful that the German workingman may well be considered the most contented with his lot in the world.

Getting Jobs for Idle Men.

If a man is thrown out of work, what can be easier than sending him to an employer who needs him? But, like all easy tasks, that feat is difficult to perform. The first thing is to bring employer and would-be employee together, and this is how Germany attains that end:

Almost every German city, big and little, has a municipal labor bureau conducted by a committee of men who are not mere dreamers, but practical men, who understand that deeds and not theories are wanted—a committee consisting of employers of labor, members of trade unions, heads of industrial organizations, and city officials. To that bureau the idle man goes and makes known his wants. His name is taken down; also such information as may be required as to his past experience and ability. The employer in search of workmen makes known his wants to the same bureau. What is the result? Employer and applicant are brought together, to their mutual advantage. Thus the old idea embodied in the intelligence office is applied in a practical way by Germany to cope not simply with placing domestic servants in good positions, but with finding positions for bookbinders, butchers, paperhangers, housepainters, and mechanics.

Slight variations in the conduct of these labor bureaus may be noted throughout the Empire. Sometimes the workman's name is merely registered, and he is asked to call at stated intervals to ascertain if something has been found for him. In the larger towns he is given a seat in a large waiting room, where he listens to the vacancies that are called out. The city of Munich goes so far as to publish in newspapers and to proclaim in meetings of workingmen and manufacturers the needs of idle men and employers.

Work is not doled out in a haphazard way. A day laborer is given preference to a bookbinder, because there is less demand for unskilled than for skilled labor. So, too, a married man with several children to support is given preference to a single man. The ditch-digger is not asked as to his qualifications for the work of ditch-digging. From the painter, however, from the mechanic, and from the skilled artisan in general, information as to ability and experience is demanded, so that the employer may get the kind of a man that he wants and so that the labor bureaus may not be accused of indiscriminately unloading incompetent men on a busy manufacturer.

Collective Work of the Labor Bureaus.

These labor bureaus work both independently and collectively. Groups of labor bureaus are formed, with the result that all Germany is covered by a net, as it were, to catch the workless man and the employer who needs him. Application lists are exchanged; the postal service, the telegraph, the telephone are freely used by the bureaus to notify one another of their needs. If a man's local bureau can do nothing for him, he is passed along to another bureau where his chances are better. Sometimes he is given a free ticket on the railway; sometimes part of his fare is paid; always a card of identification is given him. What better testimony of the system's efficiency can be desired than the fact that trade unions or guilds have in many cases affiliated themselves with the bureaus?

Not only the mature workman out of employment is thus cared for, but the young boy just out of school as well. Indeed, the schools are asked to send their graduates to the bureaus, so that they may be directed to that calling for which they are best suited. A weak boy is not turned over to a safe-lifting company, nor a boy trained in housepainting to a cabinet maker.

By far the most remarkable of all these labor registries is the *Central Arbeitsnachweis Bureau* of Berlin, an institution which, while not strictly municipal, is nevertheless subsidized by the city council. In two huge buildings—one for unskilled laborers and the other for women and skilled laborers (union labor at that)—idle men and women are cared for. In the building for unskilled labor you may see not only administrative offices and quarters, but a huge assembly hall with a capacity of about 2,500, a library, a hospital, a restaurant, bathrooms (charge, one penny in American money), workrooms for repairing clothes and shoes (charge for any work, one penny). In the assembly hall a few hundred workless men are seated. An official steps out on the platform and reads to them from a list. Schmidt & Co., in the Augustinerstrasse, want four men on excavation work; Johann Meyer, in the Leipzigerstrasse, wants a porter, a strong man who can carry heavy packages and sweep out the shop at night; the firm of Wilhelm, Schultz & Oberhausen need a hostler. And so the list of vacancies is read out at intervals. The man who hears of something to his liking applies to the director. If he is married and has waited long, he is preferred to the single man who has only just lost his place.

The accommodations in the other building, where the needs of women and skilled laborers are attended to, are similar. They are less ample, because a skilled laborer is usually in demand, so that he needs less help, and because women easily obtain places in factories or homes.

Industrial Insurance.

From the very moment that he obtains employment, the working man and his employer become amenable to the insurance laws; for Germany eases the mind of the workingman as to his future by providing a national system of insuring him against sickness, accident, invalidity and old age, both for the benefit of himself and for the benefit of his widow and orphans.

The insurance premiums against sickness are paid by both employer and employee—two-thirds by the employer, one-third by the employee. Accident insurance is paid for entirely by the employer. The expense of insurance against invalidity and old age is paid half and half, by employers and employees, the Imperial Government providing a subsidy of \$10 per insured person, so that the burden may not become too onerous.

When a nation engages in the business of insurance on a wholesale scale we may expect startling statistics. About thirty million persons are insured against accident. Their premiums amount to about \$60,000,000, while the reserve is \$70,000,000. Equally remarkable are the figures for sickness insurance. About 15,000,000 people are insured against sickness. Their premiums amount to about \$98,000,000. No less than 17,000,000 people are insured against invalidity and old age. For this the premiums paid in amount to about \$70,000,000, and the reserve reaches the amazing total of about \$360,000,000.

Insurance Against Sickness.

Who does the insuring? In the case of sickness, voluntary associations, established in accordance with the law by parishes, societies of factory owners, labor unions, guilds, and similar organizations—all carefully watched and controlled by the State, all managed by boards composed of workingmen and employers. How is the money paid? Very simply. The legal contribution for the workingman is deducted from his wages and paid in by the employer with his own contribution.

What does the workingman get when he is sick? Free medical attendance and medicine, as well as eye-glasses, crutches and other surgical aids, if he needs them. For the first two days no money is paid out. Beginning with the third day, he receives half his daily wages. If he is sick for longer than twenty-six weeks, he is no longer paid out of the sick fund, but thereafter he is cared for by the accident insurance fund. If he does not want free medical attendance at home he may go to a hospital; but in that case those who are dependent upon him receive half of his pay.

Accident Insurance.

The accident insurance premiums are paid entirely by employers to associations of employers. As soon as

a manufacturer settles in a district he automatically becomes a member of the employers' association in his district. An injured workman deals with the association and not with his employer, whereby some haggling is avoided. The compulsory formation of associations has proved a boon to manufacturers. They are knit together, so that they profit in a business way from their union; they co-operate, where once they antagonized one another; they meet and study, discuss social problems, of industrial, general, and even public interest. Who can say that the remarkable advance made in German industry and commerce during the last two decades is not in large part attributable to the compulsory formation of these insurance associations?

So generous is the law that even a negligent workman receives money from the accident insurance fund. Indeed, only the man who has deliberately caused an injury to himself is refused the benefits of the system. For the first thirteen weeks after his disablement the workingman is paid out of the sick fund. After that the cost of his maintenance is charged to the accident insurance fund.

The amount which is paid out in weekly sums from the accident insurance fund is very nicely calculated. The yearly earnings of the laborer are ascertained and the character of his injury. If his earning power has been cut in two, he receives one-half of the maximum weekly pension amounting to one-third of his possible annual earnings. If a man has been completely disabled he receives the maximum pension, which is two-thirds of his annual wages. Very wide latitude is permitted in settling claims. It is possible, in some circumstances, that a man may receive a pension amounting to his full wages. It goes without saying that free medical and surgical attendance is paid for out of the accident insurance funds. In case of death, the widow receives a pension and so do her children. If a woman wage earner dies as the result of an accident, her husband and her children are compensated. Even such distant relatives as parents, grandparents, and grandchildren, if they are dependent upon wage earners who have died as the result of an injury, may receive money from the accident insurance fund.

Insurance Against Old Age and Invalidity.

The business of insuring working men above the age of 16 years against invalidity and old age is carried on by mutual insurance societies controlled by official insurance boards. The actual management of these organizations falls upon representatives of employers and employees. The premiums are paid by buying stamps at the post office, which are affixed to cards. When a card is filled up it is exchanged for a new one.

Before a man can receive a pension for invalidity he must have paid in 200 weekly premiums, and before he can receive a pension for old age, he must have paid in 1,200 weekly pensions. Invalidity usually means total incapacity for work; old age is definitely fixed at seventy. What, it may be asked, becomes of the money paid in for the invalidity and old age fund, if a workman dies and is thus unable to enjoy the fruits of his thrift? The law has foreseen that contingency. One-half of the sum paid in is returned to the injured man or to the dependents of the man who died before seventy. So, too, if a woman wage earner should marry she receives half of the premiums paid in.

Astonishing as it may seem, the large corporations who may employ anywhere from 2,000 to 40,000 men, consider even this admirable system of State insurance inadequate. Accordingly many of them have established independent insurance systems of their own, so that in the case of sickness, accident, invalidity or old age, a workman is doubly compensated—sometimes more than doubly. What is more, some of the firms have taken steps to care for the housing of their superannuated employees. The mere payment of a pension is not deemed enough.

"Does it pay?" I asked a Frankfurt capitalist; "does it pay from a business point of view to spend tens of thousands of marks a year in welfare work?"

"If it pays to oil a machine, it pays to oil a human being," was his delphic answer.

There are strikes occasionally in Germany, but not the constant fear that a plant may be shut down for months because the men are dissatisfied. That, too, is worth taking into consideration. Besides, a man who sings at his bench is more apt to turn out better work than a man who grumbles. "Made in Germany" means goods made by a fairly contented laboring class—contented because their social requirements have been ascertained and met.