

Social Services in Chile

The volume recently published by the International Labour Office under the title International Survey of Social Services¹ does not include a monograph on the social services of Chile. The Office had prepared a draft and submitted it to the Chilean Government for any corrections and additions which might be necessary. Owing to the fact that it had proved impossible to return the whole of the corrected draft in time before the volume went to press, the Chilean monograph had unfortunately to be omitted. Subsequently the Office received a considerable mass of information, including statistics of most services down to the end of 1932. With these materials the following monograph has been prepared on approximately the same plan as that which was applied in the International Survey, save that statistics covering a number of years have been given where available.

STATISTICS OF POPULATION

CENSUS OF 27 NOVEMBER 1930 : OCCUPIED POPULATION CLASSIFIED BY OCCUPATIONAL GROUPS AND INDUSTRIAL STATUS

Occupational group	Employers	Salaried employees	Wage earners	Total
Agriculture and fishing	149,877	11,129	345,325	506,341
Mining	1,677	7,559	68,333	77,569
Industry	92,719	19,129	184,353	296,201
Commerce	73,428	48,788	25,590	147,806
Navigation	804	3,085	11,661	15,550
Communications	8,083	11,422	34,725	54,230
Defence	—	—	—	20,802
Administration	—	—	—	48,833
Liberal professions	—	—	—	27,465
Domestic service	—	—	—	96,801
Other and undefined	—	—	—	46,216
Occupied population	—	—	—	1,387,814
Total population				4,287,445

¹ Studies and Reports, Series M (Social Insurance), No. 11. Geneva, 1933. xxiii + 688 pp. Price 15s.; \$4.

SOCIAL INSURANCE

I. *Workmen's Compensation*(1) *Legal Basis.*

Employers' liability for occupational accidents was established by Act No. 3170 of 27 December 1916. This Act was amended in 1924, and is now embodied in Title II of Book Two of the Labour Code (Act No. 178 of 13 May 1931).

(2) *Scope.*

The employer is liable for accidents to salaried employees, wage earners, and apprentices in every industry or employment.

The only exceptions are employments which, by their nature, are of short duration, and in which not more than three persons are engaged.

(3) *Administration.*

The employer may insure with the accident insurance section of the National Savings Bank, a mutual insurance association, or a Chilean mutual insurance company, which must satisfy the conditions respecting organisation and security laid down by the Department of Social Welfare.

An employer who fails to insure his workers is bound, in case of an accident causing death or permanent incapacity, to give security to the National Savings Bank for the payment of pensions; he must also make a contribution to the guarantee fund, out of which compensation owed by defaulting employers or insurance carriers is paid.

(4) *Financial Resources.*

All expenses arising out of workmen's compensation are borne by employers.

(5) *Benefits.*

An occupational accident is defined as any injury suffered by an employed person which arises out of or in the course of his employment. The liability of the employer also extends to diseases directly caused by the exercise of any occupation.

The basic wage for the purpose of computing compensation may not be more than 3,000 pesos a year or less than 600 pesos.

The employer must pay the cost of medical and surgical treatment and medicaments until the injured person is healed or declared permanently incapacitated, and must also provide necessary orthopaedic appliances.

In case of temporary incapacity, the injured person is entitled to half his wages from the day of the accident for a maximum period of one year.

In case of permanent total incapacity, compensation takes the form of a life pension equal to 60 per cent. of wages.

In case of permanent partial incapacity, compensation takes the form of a lump sum, which cannot exceed two years' wages.

In case of death, the widow and each child are entitled to pensions equal to 20 per cent. of wages ; the total of the pensions cannot exceed 80 per cent. of wages. In the absence of a widow or children, other relatives are entitled to pensions, the total of which cannot exceed 30 per cent. of wages.

(6) *Statistics.*

(a) The total number of wage earners, salaried employees, and apprentices subject to the workmen's compensation law in 1932 was 1,224,083, excluding seamen and fishermen.

(b) In 1932 the number of compensated accidents was about 12,000, the total cash compensation awarded being about \$3,600,000, and the average per case being \$300.

(c) Although insurance is optional, practically all industrial, commercial, and agricultural undertakings are insured. The premium income of the principal insurance carriers in 1930 and 1931 was as follows :

Carrier	1930	1931
	\$	\$
La Industrial	855,099	645,216
El Sol de Chile	2,057,524	905,268
Accident Section of National Savings Bank	4,109,819	3,843,576

II. *Workers' Sickness, Invalidity, and Old-Age Insurance*

(1) *Legal Basis.*

Compulsory insurance for workers against sickness, invalidity, and old age was instituted by Act No. 4054 of 8 September 1924. The text of the law, incorporating a few amendments, was codified by Decree No. 34 of 22 January 1926.

(2) *Scope.*

Insurance is compulsory for all employed persons under the age of 65 whose remuneration does not exceed 8,000 pesos a year and who are not covered by special schemes.

Voluntary insurance is open to all other persons subject to the same age and remuneration limit.

Insured persons may, by paying an extra contribution, insure the provision of medical treatment and drugs for their families.

(3) *Administration.*

The scheme is administered by the Compulsory Insurance Fund, which has local agencies in the provincial towns. The governing body of the Fund consists of the Minister of the Interior, or his deputy, and three representatives of employers, three of the insured persons, and a representative of the medical profession, all appointed by the Government.

(4) *Financial Resources.*

The scheme is financed, on the one hand, by a triple contribution from the employer, the insured person, and the State, and on the other, by the yield of a special tax.

The triple contribution amounts to 6 per cent. of wages, of which 3 per cent. is borne by the employer, 2 per cent. by the insured person, and 1 per cent. by the State.

The special tax is equal to 1 per cent. on all payments made by the State or communes, save for the service of foreign debts, public assistance, and public education.

(5) *Benefits.*

The scheme covers the risks of sickness, maternity, invalidity, and old age. School meals are provided for the children of insured persons at the expense of the Fund.

(a) *Sickness.*

1. Medical benefit, comprising treatment and the supply of drugs, or hospital treatment, is granted to the insured person, from the first day of sickness, for a period of 26 weeks, which may be extended up to one year.

2. Sickness benefit is payable from the fifth day of the illness, or, if the illness lasts more than a week, from the first day. During the first week, the benefit is equal to the wage itself, during the second week to half the wage, and during the following weeks to a quarter of the wage. The maximum duration of the payment of sickness benefit is the same as for the grant of medical benefit.

3. Funeral benefit of 300 pesos on death of insured person.

(b) *Maternity.*

1. Medical benefit is granted to insured women before, during and after confinement.

2. Maternity benefit is payable to insured women at the rate of half the wage during the two weeks before and after confinement.

3. A nursing bonus is payable to insured women at the rate of a quarter of the wage, on the expiry of maternity benefit, during a maximum period of eight months.

(c) Invalidity.

An invalidity pension is granted in case of permanent total incapacity for work, provided that two years' contributions have been paid in respect of the insured person.

The rates of the pension are as follows :

10 or more years' contributions :	100 per cent. of wage.
5 " " " " "	75 " " " "
2 " " " " "	50 " " " "

(d) Old Age.

1. The old-age pension is formed by accumulating in the account of each insured person that part of the triple contribution which he himself pays, namely, 2 per cent. of his wage. It becomes payable at the age of 55, 60, or 65, at the choice of the insured person.

2. If the insured person so desires, his pension may be calculated on the repayable capital basis, and in that case the capital is paid to his family if he dies before reaching the pensionable age.

*(6) Statistics.**(a) Number of Insured Persons.*

31 Dec.	Men	Women	Total
1925	106,204	42,365	148,569
1926	380,032	116,770	496,802
1927	553,920	169,014	722,934
1928	701,654	223,247	924,901
1929	801,353	276,211	1,077,564
1930	881,788	321,074	1,202,862
1931	910,436	345,671	1,256,107

(b) Number and Amount of Pensions.

1. *Invalidity Pensions.* Up to 31 December 1931, 527 invalidity pensions had been granted, as follows :

Year	Number
1928	31
1929	58
1930	166
1931	272
Total	527

Meanwhile, 58 pensioners died, and the total number of pensions in payment at the end of 1931 was 469; of these 28 averaged \$150 a month and, five years' insurance having been completed, represented 75 per cent. of the basic wage; the remainder averaged \$100 a month, or 50 per cent. of the basic wage.

2. *Old-Age Pensions.* Up to 31 December 1931, 831 old-age pensions had been granted. In almost all cases, however, not the pension, but its capital value, was paid, since the period elapsing since the commencement of the scheme has been too brief to enable persons to acquire the right to pensions of an appreciable amount; the total of the capital sums thus paid up to the above date was \$250,000.

(c) *Income (\$000's).*

Year	Insured persons' contributions		Employers' contributions	State contributions	Tax of 1 per cent. on public purchases	Interest	Other	Total
	Compulsory	Voluntary						
1925-1926	13,944	255	22,530	10,621	1,757	1,250	40	50,397
1927	15,662	316	22,386	9,849	2,340	3,652	78	54,283
1928	20,941	1,082	29,598	13,075	3,443	5,886	156	73,681
1929	25,830	1,744	36,997	17,389	4,508	8,771	1,358	96,597
1930	24,979	1,814	35,266	16,297	5,253	12,481	182	96,272
1931	15,222	1,069	22,672	10,105	2,867	15,671	49	67,655
1932	12,873	816	19,540	8,753	2,480	15,104	502	60,068

(d) *Expenditure (\$000's).*

Year	Sickness, medical, maternity, and funeral benefits	Invalidity and old-age pensions	Administrative expenses	Total
1925-1926	11,384	—	4,647	16,031
1927	22,220	—	6,137	28,357
1928	26,487	10	5,722	32,219
1929	33,947	42	6,335	40,324
1930	32,906	176	7,550	40,632
1931	23,393	517	6,890	30,800
1932	25,893	914	8,085	34,892

(e) *Balance Sheet at 31 December 1932 (\$000's).*

Assets		Liabilities	
Cash in hand	5,293	Reserve fund at 31 Dec. 1931:	
On deposit	19,000	Old-age pensions in pay-	
Investments :		ment	1,257
Real property	5,902	Future old-age pensions	119,599
Bonds	180,313	Refund of contributions	22,915
Shares	8,008	Invalidity pensions in pay-	
Furniture and fittings	1,951	ment	5,618
Contributions of State for		Future invalidity pensions	53,563
1929, 1930, 1931, and 1932,		Hospital building fund	20,303
unpaid	46,416	Other reserve funds	26,066
Other assets	11,607		
			249,321
		Balance of income in 1932	25,176
		Other liabilities	3,993
	278,490		278,490

III. *Compulsory Provident Scheme for Salaried Employees*(1) *Legal Basis.*

The compulsory provident scheme for salaried employees in private undertakings was established by Act. No. 188 of 31 December 1924; this Act has been several times amended, and the text has been codified by Decree No. 857 of 1925.

(2) *Scope.*

The Act applies to all salaried employees, between the ages of 14 and 50, in private undertakings. A salaried employee is defined as a person performing work in which the intellectual effort predominates over the physical effort.

The only exceptions are salaried employees in agriculture, who are covered by the general scheme of compulsory insurance, and journalists, who are covered by the compulsory provident scheme for State officials and journalists.

(3) *Administration.*

The scheme is administered by a governing body, consisting of the Minister of Finance, the manager, the Chief of the Department of Social Welfare, and four representatives of employees and one of their employers, appointed by the Government.

Large undertakings are empowered to establish their own auxiliary funds on condition that benefits at least as high as those prescribed by the law are provided.

(4) *Financial Resources.*

A retirement account is opened for every employee, and to it are credited his own contributions, those of his employer, and the interest on the sums accumulating in it.

The employee's contribution is made up as follows :

- (i) 5 per cent. of his salary ;
- (ii) 25 per cent. of his share in the profits of the undertaking ;
- (iii) half the first month's salary on entering employment ;
- (iv) half the increase in the first month's salary, whenever the salary is raised.

The employer's contribution is equal to 5 per cent. of the employee's salary.

Every employee is also obliged to insure his life with an insurance company approved by the governing body.

(5) *Benefits.*

The employee is entitled to draw the sum standing to his credit in his retirement account in any of the following circumstances :

- (i) after 30 years' service, or on reaching the age of 50 ;
- (ii) in case of invalidity ;
- (iii) when he has ceased to be employed for two years ;
- (iv) when he has been resident abroad for one year.

In case of death the sum is paid to his heirs.

The amount of his life insurance policy must not be less than 5,000 pesos.

(6) *Statistics.*(a) *Provident Fund.*

1. The following table shows the movement of the retirement accounts :

31 Dec.	Number of accounts (members)	Accumulated contributions (\$000's)		
		Employees'	Employers'	Total
1928	69,875	57,812	46,810	104,622
1929	76,646	74,404	58,880	133,284
1930	78,716	86,563	67,787	154,350
1931	74,802	83,053	66,669	149,722
1932	75,996	76,265	62,069	138,334

2. The refunds of sums standing to the retirement accounts of members (in \$000's) are shown in the following table :

Occasion of refund	1928	1929	1930	1931	1932
Death	480	693	844	867	993
Age 50 or 30 years' service	1,591	2,319	3,728	6,446	6,348
Invalidity	221	194	309	481	450
Residence abroad	1,842	2,501	2,738	3,657	2,159
Cessation of employment	2,530	3,517	9,380	14,068	7,380
Other	66	82	108	132	98
Total	6,730	9,306	17,107	25,651	17,428

(b) *Auxiliary Funds.*

1. The number of auxiliary funds in 1928, 1929, and 1930 was 21, and the number of retirement accounts in those funds was about 7,500.

2. The following table shows the annual income of the retirement accounts, the sums refunded from those accounts during the year, and the accumulated balance at the end of the year (\$000's) :

31 Dec.	Annual contributions		Interest	Other receipts	Refunds	Accumulated balance
	Employees'	Employers'				
1928	2,467	1,385	599	206	1,827	25,021
1929	4,286	2,987	1,434	663	4,279	30,112
1930	3,975	2,839	1,467	375	6,997	31,771

IV. *Retirement and Provident Fund of State Railways*

(1) *Legal Basis.*

A compulsory retirement and provident scheme for the staff of the State railways was established by Act No. 3379 of 10 May 1918, which has been amended notably by Act. No. 3997 of 4 January 1924, Legislative Decree No. 335 of 12 March 1925, and Act No. 4886 of 9 September 1930.

(2) *Scope.*

(a) *Retirement Section.*

Membership of the retirement section is compulsory for the following categories of the staff of the State railways :

- (i) salaried employees ;
- (ii) train and workshop staff, when they have been employed for at least one year ;
- (iii) the staff of the Fund.

Membership is voluntary for other categories of the railway staff.

(b) *Provident Section.*

The advantages of the provident section are available to all members of the retirement section, to persons retired on account of length of service, age, or invalidity, and also to members of the mutual benefit societies of the railway staff.

(3) *Administration.*

The Retirement and Provident Fund is administered, under the supervision of the State, by a governing body of nine members, including six employed persons.

(4) *Financial Resources.*

(a) *Retirement Section.*

The general retirement fund is financed from the following sources :

- (i) a deduction of 5 per cent. from remuneration ;
- (ii) half the first month's remuneration on entering employment ;
- (iii) half the increase in the first month's remuneration, whenever the rate of remuneration is raised ;
- (iv) an annual contribution from the railways equal to 5 per cent. of remuneration ;
- (v) an annual subsidy from the railways equal to 1½ per mille of their gross takings ;
- (vi) miscellaneous items of income ;
- (vii) interest on the above.

(b) *Provident Section.*

The general provident fund is financed from the following sources :

- (i) savings resulting from reduced remuneration of persons on sick leave ;

- (ii) an annual subsidy from the railways equal to 1 per mille of their gross takings ;
- (iii) special subsidies voted by the railways or the State ;
- (iv) miscellaneous items of income ;
- (v) interest on the above.

The provident section also accumulates in individual accounts a compulsory deduction of 5 per cent. from all pensions in excess of \$300 a month.

(5) *Benefits.*

(a) *Retirement Section.*

The resources of the general retirement fund are accumulated in the individual accounts of members. The amount standing to the credit of a member in his account is refunded to him in the following cases :

- (i) on voluntary retirement (in all cases he receives his own contributions plus interest thereon, but the proportion which he receives of the remainder of the sum standing to his account depends on the length of his service) ;
- (ii) after 35 years' service or on reaching the age of 60 ;
- (iii) on abolition of post ;
- (iv) in case of invalidity.

If the beneficiary desires, the sum is used to purchase a life annuity. In case of death the sum is paid to his heirs, the shares of persons under 18 being converted into temporary pensions terminating at the age of 18.

(b) *Provident Section.*

The resources of the general provident fund are devoted to the following objects :

- (i) assistance of families of deceased members by way of funeral grants, and supplementing the pensions of children ;
- (ii) provision of subsidies in aid of the individual accounts of invalids ;
- (iii) provision of subsidies for staff mutual benefit societies.

The sums accumulated in the individual accounts of retired or invalid members are paid to their heirs in case of death.

(6) *Statistics.*

(a) *Retirement Section.*

1. The number of compulsory members at the end of 1930 was 14,700.

2. *Income (\$000's).*

Year	Annual contributions of :		Interest	Other receipts	Total
	Members	Railways			
1928	3,389	4,382	2,898	536	11,205
1929	3,807	4,845	3,046	525	12,223
1930	3,797	4,899	3,491	666	12,853

3. *Expenditure (\$000's).*

Year	Administrative expenses	Other expenses	Total
1928	981	18	999
1929	1,144	16	1,150
1930	987	17	1,004

4. *Accumulated Funds (\$000's).*

Year	Retirement funds ¹	Reserve fund	Total
1928	52,493	628	53,121
1929	57,785	475	58,260
1930	63,834	1,011	64,845

¹ The annual increase in the amount of the retirement funds is less than the annual income of the funds by the amount of the refunds to members, and of the expenses.

(b) *Provident Section.*1. *Income (\$000's).*

Year	Annual contribution of railways	Interest	Other receipts	Total
1928	256	173	578	1,007
1929	279	202	507	988
1930	245	338	518	1,101

2. *Expenditure (\$000's).*

Year	Benefits	Administrative expenses	Total
1928	253	564	817
1929	194	495	689
1930	220	462	682

3. *Accumulated Funds (\$000's).*

Year	Provident fund	Reserve fund	Total
1928	1,483	970	2,453
1929	2,018	1,088	3,106
1930	4,373	125	4,498

4. The provident accounts of retired and invalid members are not included in the above tables. In 1930 the deductions from pensions credited to these accounts amounted to \$552,000, and the sums standing to the credit of these members in these accounts at the end of the year amounted to \$2,800,000.

V. *National Fund for Civil Servants and Journalists*(1) *Legal Basis.*

The compulsory provident scheme for public officials and journalists was established by Legislative Decree No. 454 of 14 July 1925. The text of this law and its amendments as regards civil servants were codified by Legislative Decree No. 1340 *bis* of 6 August 1930.

(2) *Scope.*

As regards journalists, Legislative Decree No. 767 of 17 December 1925 remains in force. The scheme covers all civil servants whose salaries are provided for in the State budget and all persons, here called journalists, employed by undertakings which publish periodicals.

(3) *Administration.*

The Fund is an autonomous institution administered by a governing body, consisting of seven persons appointed by the President of the Republic, namely, five representatives of civil servants and two of journalists, under the chairmanship of a Minister.

(4) *Financial Resources.*

The Fund is divided into two sections, one for civil servants and the other for journalists, which are financially independent.

(a) *Civil Servants' Section.*

The pension fund of the civil servants' section is maintained from the following sources :

- (i) a deduction of 10 per cent. from salaries ;
- (ii) a State contribution of 4 per cent. of salaries ;
- (iii) a deduction of 10 per cent. from pensions ;
- (iv) half the first month's salary on entering the service ;
- (v) half the increase in the first month's salary whenever the salary is raised ;
- (vi) savings resulting from reduced salary of persons on sick leave ;
- (vii) lump-sum death benefits (life insurance) unpaid in the absence of qualified survivors ;
- (viii) miscellaneous items of income ;
- (ix) interest on the above.

During the years 1932 and 1933 the deduction of 10 per cent. from salaries was reduced to 5 per cent. by temporary legislation.

(b) *Journalists' Section.*

The pension fund of the journalists' section is maintained from the following sources :

- (i) a deduction of 5 per cent. from salaries ;
- (ii) an employer's contribution of equal amount ;
- (iii) an employer's contribution of 10 per cent. of the gross profits of the undertaking ;
- (iv) half the first month's salary on entering employment ;
- (v) half the increase in the first month's salary whenever the salary is raised ;
- (vi) a deduction of 10 per cent. from pensions ;
- (vii) miscellaneous items of income ;
- (viii) interest on the above.

The journalists' section also receives \$1,000,000 a year from the proceeds of the betting tax ; three-quarters of this subsidy is intended to be applied to providing medical aid and pecuniary assistance in case of sickness, and the remaining quarter is accumulated until the interest is sufficient to pay the cost of administration, at present borne by the State.

(5) *Benefits.*

The scheme covers the risks of invalidity, old age, and death.

The Governing Body is empowered to organise a system of medical aid, and to spend thereon up to 2 per cent. of the income of the scheme.

(a) *Invalidity.*

In order to be entitled to an invalidity pension a civil servant or journalist must be totally incapacitated, physically or mentally, for the performance of his functions. There is a qualifying period of 10 years' service.

The rate of the pension is equal to one-thirtieth of the average salary for the last 3 years, for each year of service up to 30.

(b) *Old Age.*

The old-age pension is payable at the age of 65 if a qualifying period of 10 years' service has then been completed.

The old-age pension is calculated in the same way as the invalidity pension.

(c) *Death.*

The benefits granted to the survivors of an active or retired civil servant or journalist consist of a funeral benefit, pensions and a lump sum.

1. The funeral benefit consists of one month's salary, and is payable after a qualifying period of 3 years' service.

2. Survivors' pensions are payable in the following order of priority: (i) to the widow, legitimate sons up to the age of 21 (or without limit of age if they are incapacitated for work), and legitimate unmarried daughters; (ii) to the mother and illegitimate children; and (iii) to the unmarried sisters of the deceased. The qualifying period for survivors' pensions is 10 years' service. The total of the pensions is equal to 20 per cent. of the average salary for the last 3 years, or of the pension of the deceased, plus 1 per cent. for each year of service in excess of 10; the maximum total of the pensions is 50 per cent. of the last salary or of the pension of the deceased. Until the maximum has been reached, the pension continues to increase after it has been awarded by $\frac{1}{2}$ per cent. per annum.

3. The lump sum (life insurance) is payable to the survivors in addition to the pensions. It consists of $1\frac{1}{2}$ years' salary, and is subject to the completion of a qualifying period of 3 years.

(d) *Refund of Contributions.*

Civil servants (or journalists) who cease to be employed for any reason without being entitled to a pension receive a lump sum equal to 90 per cent. of their total regular contributions, i.e. the monthly deductions of 10 per cent. (or 5 per cent.) from salaries, without interest.

(e) *Special Features of Journalists' Benefits.*

The benefits of civil servants and journalists are substantially the same but there are differences of detail. The basic salary for journalists is the average salary for the last 2 years. Journalists may retire after only 20 years' service with a pension equal to one-thirtieth of

75 per cent. of the basic salary for each year of service. The total of the pensions for the survivors of journalists after 10 years' service is 23 per cent. of the basic salary, plus 1 per cent. for each year of service in excess of 10; the maximum total is, however, still 50 per cent. of the basic salary.

(6) *Statistics.*

(a) *Civil Servants' Section.*

The number of persons contributing to the civil servants' section in 1932 was 29,000. In 1929 there were 1,048 invalidity and old-age pensioners and 44 families in receipt of survivors' pensions.

1. *Income (\$000's).*

Item of income	1928	1929	1930	1931	1932
Regular deductions from salaries	25,821	24,317	25,351	20,614	13,450 ¹
Other contributions of insured and pensioners	996	5,243	4,282	3,267	2,732
State contribution	10,000	10,076	12,180	10,315	8,451
Interest	5,770	8,745	11,424	12,675	12,182
Other income	2,578	868	1,335	424	967
Total	45,165	49,249	54,572	47,295	37,782

¹ Temporary reduction of contribution rate.

2. *Expenditure (\$000's).*

Item of expenditure	1928	1929	1930	1931	1932
Benefits :					
Funeral benefit	188	194	226	181	157
Life insurance	3,412	4,043	4,501	3,215	3,292
Invalidity and old-age pensions	481	970	1,410	2,564	3,544
Survivors' pensions	—	112	405	748	1,104
Medical aid	—	—	—	—	6
Sickness benefit	11	116	4	1	—
Refund of contributions	4,335	803	6,348	9,768	8,336
Administrative expenses	1,931	2,363	2,523	2,893	3,070
Total	10,358	8,601	15,417	19,370	19,509
Balance transferred to reserves	34,807	40,647	39,155	27,925	18,272

3. *Accumulated Funds (\$000's).*

Year	Amount	Year	Amount
1928	93,635	1931	201,397
1929	184,240	1932	219,670
1930	173,473		

(b) *Journalists' Section.*

The number of persons contributing to the journalists' section in 1929 was 2,558, of whom 151 were invalidity and old-age pensioners; 16 families were in receipt of survivors' pensions.

Income and Expenditure in 1932 (\$000's).

Income		Expenditure	
Regular deductions from salaries	604	Benefits :	
Other contributions of insured and pensioners	263	Funeral benefits	16
Employers' contributions	784	Life insurance	222
Betting tax	1,000	Invalidity and old-age pensions	1,691
Interest	1,075	Survivors' pensions	62
Other income	50	Sickness benefit	1
		Refund of contributions	52
		Administration expenses	292
			2,336
		Balance transferred to reserves	1,440
	3,776		3,776

The amount of the accumulated funds at 31 December 1932 was \$16,046,000.

SOCIAL ASSISTANCE

I. *Unemployment Relief*(1) *Legal Basis.*

A national scheme of unemployment relief was established by Supreme Decree No. 640 of 19 August 1931.

(2) *Beneficiaries.*

Relief is provided for all necessitous unemployed persons and their families.

(3) *Administration.*

The scheme is administered by a special division of the Ministry of Labour, assisted by local committees.

(4) *Financial Resources.*

The scheme is financed by a special tax on income from investments and business profits, and on salaries above \$500 a month.

(5) *Benefits.*

The benefits provided for the unemployed and their dependants comprise :

- (i) raw or cooked food distributed by local rationing centres ;
- (ii) lodging : room for family or common shelter for unmarried ;
- (iii) clothing ;
- (iv) free transport to place where employment has been obtained ;
- (v) free access to public medical services, and domiciliary attention by health visitors ;
- (vi) placement of unemployed as gold washers, agricultural labourers, or road workers.

(6) *Statistics.*

(a) The total number of salaried employees and wage earners and their dependants relieved in 1932 was 295,740, of whom 21,218 were nursing mothers.

(b) The Government Auditing Department estimates that the cost of unemployment relief in 1932 was about \$100,000,000. The budget for 1933 was for an expenditure of \$40,000,000, of which \$28,000,000 had been expended during the first half-year.

II. *Public Assistance*

(1) *Legal Basis.*

The administration of public assistance was brought under central supervision by Act No. 5115 of 30 April 1932. Until that date public assistance was administered by local committees, whose activities were not co-ordinated.

(2) *Beneficiaries.*

Assistance is provided for the aged and infirm and other indigent persons, and for lunatics and the sick, irrespective of their means. Hospital treatment is provided, by contract, for persons insured with the Compulsory Insurance Fund.

(3) *Administration.*

The administration of public assistance is placed under the control of the Central Commission for Welfare and Social Assistance, which includes representatives of the public health service, of the medical profession, of the Compulsory Insurance Fund, and of private chari-

table institutions. The Central Commission appoints the local committees, and lays down the rules which guide and co-ordinate their administration.

Local committees are established in the provincial and departmental capitals ; each consists of four members, including a doctor and a worker, and of the governor or prefect.

(4) *Financial Resources.*

Public assistance is financed from the following sources :

- (i) subsidies from the State, municipalities, and private persons ;
- (ii) produce or revenue of property, institutions, and services of the assistance authorities ;
- (iii) yield of taxes on patents and betting.

(5) *Benefits.*

The general purposes of the public assistance services are the prevention and cure of disease, and the relief of the indigent, as a matter of social justice. For these purposes, the assistance authorities maintain hospitals, lunatic asylums, homes for the aged and infirm and for other indigent adults and children, dispensaries, and bacteriological institutes.

(6) *Statistics for 1932.*

(a) *Statistics of Institutions and Persons Assisted.*

1. Hospitals.

Number of hospitals : 144, with 15,968 beds.

Number of persons treated : 351,130.

2. Dispensaries.

Number of dispensaries : 244.

Number of persons treated : 1,696,322.

3. Lunatic asylums.

Number of asylums : 2.

Number of inmates : 4,195.

4. Infirmarys for aged and infirm.

Number of infirmarys : 14.

Number of inmates : 3,340.

(Aged, 1,196 ; infirm, 1,178 ; others, 966.)

5. Workhouses.

Number of workhouses, 99.

Number of inmates, 9,681.

(Men, 676 ; women, 2,344 ; children, 6,661.)

(b) Income of Public Assistance Institutions in 1932.

The income of the Assistance Commission was made up from the following sources :

Item of income	\$000's
State subsidy	22,000
Municipal subsidy	252
Tax on patents	1,700
Payment by Compulsory Insurance Fund for treatment of insured in hospitals and at dispensaries	8,000
Betting tax	5,000
Income from endowments, etc.	25,300
Total	62,252

III. Child Welfare.

In virtue of Act No. 4447 of 28 October 1928 there was established a Child Welfare Department to undertake the care and education of delinquent and abandoned children. The Department is maintained by a State grant which in 1932 amounted to \$288,060.

HOUSING

(1) Legal Basis.

The first law to encourage the building of cheap dwellings was that of 20 February 1906. This law was replaced by Legislative Decree No. 308 of 9 March 1925, which in turn was replaced by Act No. 4931 of 6 January 1931, still in force.

(2) Beneficiaries.

(a) The purpose of the Act is to encourage the provision of healthy dwellings for persons of small means and wage earners, whether engaged in industry, agriculture, commerce, or mining.

(b) The cheap dwellings to be constructed by means of loans granted under the Act must, as a rule, have a rental value of not more than \$200 a month and a sale value of not more than \$20,000 in large towns (for other towns the maximum sale value is fixed by the President of the Republic).

(c) Dwellings of a sale value of not more than \$30,000 may be constructed by means of loans granted under the Act if the persons concerned have a sufficient income to meet the greater liability incurred by them, but the amount of the loans granted in respect of such dwellings must not exceed 10 per cent. of the annual amount of the loans granted in respect of the cheaper dwellings.

(d) Loans may also be granted to persons who wish to build a dwelling, with a small workshop or plot of land for cultivation attached,

enabling them to pay the interest on the loans and to maintain themselves and their families. In granting such loans, preference is given to persons who show that they possess the skill necessary for the business they propose to undertake and to those who have large families. These beneficiaries must inhabit the dwellings in respect of which the loans are granted.

(3) *Administration.*

The Act establishes the Housing Commission (*Junta de la Habitación Popular*), which is responsible for its administration. The Commission comprises representatives of the public health and labour services and the Mortgage Credit Bank, and two persons appointed by the President of the Republic, one of whom must be a member of an incorporated workers' society.

The functions of the Commission are to grant loans through the Mortgage Credit Bank, which issues housing bonds, guaranteed by the State, up to the amount of \$50,000,000 a year and \$300,000,000 in all. The National Savings Bank and the social insurance institutions are authorised to invest their funds in these bonds.

The Commission distributes loans according to the housing needs of the different areas, as shown by a housing census. The plans for the buildings in respect of which loans are granted must be approved by the Commission.

Loans may be granted to :

- (i) individuals wishing to build houses for their own occupation ;
- (ii) industrial, commercial or agricultural undertakings building dwellings for their staffs ;
- (iii) owners of plots of land in farm colonies ;
- (iv) co-operative building societies ;
- (v) the National Savings Bank and social insurance institutions.

The Housing Commission may build houses itself.

The interest on loans and the amortisation charge are limited to 5 per cent. and 1 per cent. per annum respectively. The deficit represented by the difference between the interest paid by the Mortgage Credit Bank on its housing bonds and the sums received by it from borrowers is made up by the State.

(4) *Statistics.*

(a) Statistics of the dwellings constructed under Act No. 4931 are not available.

(b) Under Legislative Decree No. 308, which operated until the end of 1930, dwellings had been constructed for 20,624 persons.

(c) At the end of 1930 the following dwellings were in occupation : 44 villages with 3,517 dwellings ; 76 groups of houses with 1,523 dwellings ; 116 single-family houses. Total : 5,156 dwellings. At the same date, 12 villages with 1,229 dwellings were under construction.

(d) Up to the end of 1930, housing bonds to the value of \$143,886,010 had been issued. On the basis of these bonds, loans to the value of \$113,812,554 had been granted in respect of the 5,156 dwellings constructed.

The cost to the State of making up the deficit represented by the difference between the interest payable on the bonds and the sums charged to borrowers was \$9,875,619 up to the end of 1930. This means that the State has in fact been paying nearly one-third of the interest on the housing bonds.

HOLIDAYS WITH PAY

In virtue of the Labour Code (Legislative Decree No. 178 of 28 May 1931), all salaried employees, wage earners, and domestic servants are entitled to holidays on full pay.

Salaried employees who have been employed with the same employer for more than one year are entitled to 15 working days' holiday.

Wage earners who have worked 220 days in the course of one year in the same undertaking are entitled to 7 days' holiday.

Domestic servants who have been employed in the same household for one year are also entitled to 7 days' holiday.

No statistics of the working of these provisions are available.

The Results of the Netherlands Labour Disputes Act from 1924 to 1934

by

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On 16 April 1924 the Netherlands Labour Disputes Act of 1923¹ came into force, so that it celebrated its tenth anniversary in April of this year. It is proposed in this article to give an account of the results obtained from the Act and of its practical application. The Act took the place of the Labour Courts Act of 1897² so far as concerns the provisions on the settlement of labour disputes, a field in which the earlier Act had proved ineffective.

¹ Act concerning the furtherance of the peaceful settlement of disputes respecting conditions of employment and the prevention of such disputes. Cf. INTERNATIONAL LABOUR OFFICE: *Legislative Series*, 1923, Neth. 1.

² *Annuaire de la Législation du Travail*, 1897, p. 290 (Art. 2.d.)