

the right to a pension may not be granted unless the monthly income of the parties does not exceed from 52 to 60 marks, according to the place of residence, when there are two parents, or 80 per cent. of those figures when there is a single parent. A mother who is fit for work but is responsible for the maintenance and education of children is deemed to be incapable of self-support. When the income exceeds the above limits or when the persons responsible for the maintenance of the parents would have considerable difficulty in meeting their obligations, parents' relief may be granted. This relief may also be provided when the condition of dependence on the deceased soldier is not entirely fulfilled.

Great Britain.

In British legislation there are quite a number of benefits which are payable only when the pecuniary circumstances call for them, but apart from parents' pensions these benefits are of only secondary importance among the various pensions and allowances payable to war victims.

The pecuniary circumstances of the claimant are taken into account for the payment of family allowances as a supplement to the disability pension, but only if the pensioner was an officer. The special education grant which may be paid in respect of any child over the age of eight years is always subject to a condition of pecuniary necessity, whether the claimant was a soldier or an officer. Similarly, the pension to the unmarried wife of a deceased soldier is payable only in the light of her pecuniary circumstances.

Parents' pensions are granted only to persons who are wholly or partially incapable of self-support and have not adequate resources.

The amount of the parent's pension is left to the discretion of the competent Minister, who fixes the amount according to the circumstances of the claimants within certain statutory limits.

(To be continued.)

Regulation of Employment in Germany

INTRODUCTION

In the issue of the *Review* of November 1939 particulars were given of the wartime measures adopted in France and Great Britain to organise the employment market in such a way as to ensure the best possible use of the available labour in the conduct of the war. In the introduction to that article it was stated that in some countries, such as Germany, where the economic system had been under the control of the authorities for some time back in accordance with a plan in which national defence was one of the dominant factors, these problems of labour supply were not new

and a very extensive organisation had gradually been built up in peace-time; all that was required to adapt it to war needs was to strengthen it at certain points.

Some information on the German system up to the middle of 1938 has already been published in the *Review*¹, and it is the purpose of the present article to bring that information up to date and to indicate the changes that have been introduced since that time in the light of experience and as a result of the outbreak of the war.

It may first of all be recalled that registered unemployment fell from about 6 million in January 1933 to 3.8 million in January 1934, and to only 2.8 million in March 1934. It was then that the first measures for the control of employment were adopted in the form of the Allocation of Employment Act of 15 May 1934² and the Order of the Minister of Economic Affairs of 10 August 1934³ concerning the distribution of labour. These measures inaugurated a complete change in the conception of employment exchange activities, which were said to be no longer concerned merely with labour market policy but with an allocation of employment policy (*Arbeitseinsatzpolitik*). The difference is that the labour market policy confined itself to bringing together employers seeking labour and workers seeking employment while the allocation of employment policy consists in guiding the labour forces of the nation in such a way as to ensure the national production and in preventing or eliminating unemployment. This policy is carried out by a systematic distribution of labour, which includes measures for vocational guidance, placing, public works, and, for those who are not in employment, unemployment relief.⁴

The application of such a policy involves the establishment in every employment office of card indexes containing particulars not only of persons seeking employment but also of those who are employed. This is made possible by the requirement, provided for by a series of measures adopted in 1935⁵ and 1936, that every worker, with certain exceptions, must possess an employment book in which such particulars are recorded and kept up to date; this information is copied on cards kept by the employment offices.

After 1936 the above policy was greatly developed in order to carry out the political and economic tasks prescribed by the Four-Year Plan. Wide powers for this purpose were entrusted to the Commissioner for the Four-Year Plan and the President of the National Institution for Employment Exchanges and Unemployment Insurance. As already stated above, the measures adopted up to the middle of 1938 were described in a previous article. Since then, registered unemployment has continued to decline (in July

¹ Cf. Helmut VOLLWEILER: "The Mobilisation of Labour Reserves in Germany", in *International Labour Review*, Vol. XXXVIII, Nos. 4 and 5, Oct. and Nov. 1938, pp. 447-471 and 591-613.

² See *Legislative Series*, 1934, Ger. 7, and an amendment in 1935, Ger. 12.

³ *Reichsgesetzblatt*, 1934, I, p. 786.

⁴ Cf. W. SOMMER: *Die Praxis des Arbeitsamtes* (Berlin, 1939).

⁵ Cf. *Legislative Series*, 1935, Ger. 6.

1938 the number in the old territory exclusive of Austria and Sudetenland was 218,328, and in July 1939 it was only 38,379; in Germany as a whole the number was 73,905 in July 1939 and 128,000 in December 1939) and has been replaced by a growing shortage of labour. This has led to further measures placing increased power in the hands of the Ministry of Labour and adding to the tasks of the employment offices, strengthening and extending the restrictions on change of employment, and providing for the compulsory redistribution of labour and the employment of persons who had previously not been engaged in remunerative work.¹

ORGANISATIONAL CHANGES

An organisational change was introduced by a Decree of the Chancellor of 21 December 1938 and an Order of the Minister of Labour of 25 March 1939², which provided for the transference of the functions of the National Institution for Employment Exchanges and Unemployment Insurance to the Ministry of Labour. The Institution, which was set up in virtue of the Act concerning employment exchanges and unemployment insurance of 16 July 1927³, was an autonomous body subject to the supervision of the Ministry of Labour and was responsible for the work of the employment offices throughout the country. The new policy of allocating labour in relation to the political needs of the State and the requirements of the Four-Year Plan had to be carried out under the general instructions of the Ministry of Labour, and placed the Institution more and more in a position which differed in no material respect from that of an ordinary Government administration. The Decree and Order mentioned above consequently provided a statutory basis for a change which, in practice, had been taking place for a long time. The financial resources of the Institution were transferred to a special fund known as the National Employment Fund, into which the contributions of employers and workers under the unemployment insurance scheme are paid.

New Tasks of Employment Offices

By a decision of the Minister of Labour, the directors of employment offices have, since 1 August 1939, become the executive organs of the labour trustees. They and their staffs have now, therefore, not merely to deal with the allocation of labour and unemployment relief, but also to intervene in such matters as the appointment or removal of members of confidential councils and the supervision of their work, the regulation and supervision of conditions of employment, the examination of notices of dismissal, and certain proceedings in the social honour courts.⁴

¹ For measures relating to women's work see *International Labour Review*, Vol. XL, No. 6, Nov. 1939, pp. 799-802.

² *Reichsgesetzblatt*, 1938, I, p. 1892, and 1939, I, p. 575.

³ *Legislative Series*, 1927, Ger. 5.

⁴ *Soziale Praxis*, 1 Aug. 1939.

RESTRICTIONS ON CHANGE OF EMPLOYMENT

From the end of 1936 on, measures were adopted to regulate the engagement of workers in specified trades or in particular towns. On 13 February 1939 a Decree¹ was issued to ensure the labour required for work of special political importance by means of compulsory labour service, and this Decree included provisions restricting the right to change employment which replaced all those of an earlier date. This Decree was, in its turn, replaced by a new Decree issued by the Council of Ministers for the Defence of the Reich on 1 September 1939² which applied the restrictions, with very few exceptions, to all industries. The objects of the Decree are said to be to prevent avoidable labour turnover and to enable the employment offices to guide and allocate the whole labour supply in accordance with political needs. A worker in a factory must obey orders just like a soldier at the front.³ An Order for the application of the Decree was issued by the Minister of Labour on 6 September 1939.⁴

These measures provide that no workman, salaried employee, apprentice, voluntary worker, or probationer, may be engaged for work in any private or public undertaking or administrative service of any kind or in any household without the consent of the competent employment office except in agriculture, mining, and domestic service in houses in which there are children under 14 years of age. Similarly, neither the head of an undertaking nor any workman, salaried employee, apprentice, voluntary worker, or probationer, may terminate a contract of employment or apprenticeship without the permission of the employment office unless the worker gives notice while on military service⁵, or the parties agree to terminate the contract, or the work of the undertaking is suspended, or the worker is engaged as a probationer or substitute and the contract comes to an end within one month, or the worker renders only occasional services or receives very little pay and is consequently not covered by the sickness insurance system. In all cases except the last, a worker who leaves his employment must immediately register at the employment office. It should be noted that these rules apply equally to members of families who, although not employed as workmen or salaried employees, normally work in the undertaking of their consorts, parents, grandparents, brothers, or sisters. The Order prescribes that when the employment office has to deal with an application for the engagement or dismissal of a worker it must take into account: (a) the principles of general and social policy; (b) the general guiding principles concerning the systematic distribution of labour, the vocational guidance of the young, and wages policy; (c) the opportunities for workers or salaried employees to advance in their occupations. The Minister of Labour

¹ *Reichsgesetzblatt*, 1939, I, p. 206.

² *Ibid.*, p. 1685.

³ *Arbeitsrecht*, 4 Oct. 1939.

⁴ *Reichsgesetzblatt*, 1939, I, p. 1690.

⁵ *Reichsarbeitsblatt*, 1939, I, p. 503.

or the presidents of the regional employment offices acting for the Minister may exempt any branch of the economic system or any given undertaking, household, or persons, from the scope of the above provisions.

COMPULSORY SERVICE

Particulars were given in the article published in 1938 of the Decree of the Commissioner for the Four-Year Plan of 22 June 1938 and the Order of the President of the National Institution for Employment Exchanges and Unemployment Insurance of 29 June 1938 to ensure the labour required for work of special political importance, which provided for a general system of compulsory service for limited periods to which German citizens were liable. As a result of experience the Commissioner issued a further Decree on 13 February 1939 to which reference has already been made above in connection with restrictions on change of employment. This Decree replaced the earlier Decree of 22 June 1938, and Orders for its application were issued by the Minister of Labour on 2 March and 4 September 1939.¹

The Decree of 13 February 1939 extended the scope of compulsory service to all persons residing on German territory, with certain exceptions; stated that the service might be required for an indefinite period of time; and provided that employment offices might be empowered to compel undertakings to place part of their staff at the disposal of the authorities.

The Order of 2 March provides that in so far as the labour required for work specified by the Commissioner for the Four-Year Plan as important and immediately necessary cannot be obtained by the employer from his own staff or from the local employment office he must make an application for additional labour to the president of the regional employment office. Compulsory service may include service of any kind. The worker must be employed on work which is as nearly as possible in accordance with his knowledge and capabilities. Before the worker undertakes the compulsory service he and his employer must be consulted, provided the punctual provision of the necessary labour is not interfered with, and the worker must be informed of the conditions of the service. Persons called up for service may, if necessary, be submitted to a medical examination. The order to report for compulsory service is given by the employment office of the place of residence and must indicate the name and location of the workplace, the date when the service is to begin and if for a specified period the date when it is to end, and the date on which the worker is to start work. In the case of persons required to work away from their previous domicile or place of residence, the date on which the service begins must be the date on which they set out for the place of employment.

The order of compulsory service must be handed to the person called up, and the latter, if in employment, must immediately show

¹ *Reichsgesetzblatt*, 1939, I, p. 403, and *Reichsarbeitsblatt*, 1939, I, p. 417.

it to his employer; a copy of the order is also sent direct to the employer by the employment office. A reasonable period of time must elapse between the giving of the order and the beginning of the compulsory service. Persons called up for a specified period are given leave from their previous employment. Wages or other payments due to the worker by his previous employer must be paid a reasonable time before the beginning of the service. If the worker is in an employment for which an employment book is required the employer must indicate in the book that the worker is "on leave for compulsory service" if the service is for a specified period of time, or "discharged for compulsory service" if it is for an indefinite period of time. Except with the consent of the employment office in special cases the previous employment relationship may not be terminated during a period of leave and if the worker is entitled to a dwelling-place in connection with his previous employment he may not be given notice to quit before the end of his compulsory service. In the case of service for an indefinite period, such notice may be given only with the consent of the employment office.

The employer for whom the compulsory service is undertaken pays the expenses of the first journey from the previous residence to the workplace and in the case of service for a specified period those of the return journey as well. In the case of long journeys a subsistence allowance may also be paid. Provision is made whenever possible for the maintenance of rights in course of acquisition in so far as they depend on length of service in an undertaking, and for a reasonable settlement in cases in which the rights cannot be maintained. If a worker called up for an indefinite period loses rights acquired in his previous employment and his claim is not satisfied under this and other provisions of the Order, the labour trustee may, in exceptional cases, order the new employer to pay three months' wages in order to prevent special hardship. No such indemnity is payable, however, in respect of a reduction in wages. In certain circumstances the new employer may be obliged to pay to the old employer a share of the cost of the worker's holiday.

The provisions concerning the payment of a separation allowance and special allowances were modified by the Order of 4 September 1939.¹ Up to that time, the principle applied was that a worker called up for compulsory service should not suffer any loss of income as a result of the service. The new Order provides that if a worker on compulsory service has to live away from his family he is entitled to receive a separation allowance of 19 marks per week in addition to his wages. An additional allowance may be paid if the worker has incurred obligations which are reasonable in relation to his previous economic situation and which he is unable, as a result of his compulsory service, wholly or partly to fulfil.

The compulsory service ends when the worker returns to his

¹ By a circular of 8 November 1939 (*Reichsarbeitsblatt*, 1939, I, p. 512) the Minister of Labour extended these provisions to persons who, although not called up under the compulsory labour service, have moved to a new job which for political reasons they are not allowed to leave.

previous place of residence. Service for a specified period may be terminated prematurely, and indefinite service may be terminated, only with the consent of the employment office. The employer must, at the end of the compulsory service, insert in the employment book the words "compulsory service terminated". The employment office can, without prejudice to the employment relationship created by the compulsory service, terminate the service of a worker called up for an indefinite period if the service proves to be no longer necessary and the reasons for the grant of indemnity do not exist or no longer exist.

Up to September 1939 over 40,000 workers were employed under compulsory service conditions on the construction of the Western fortifications.¹ Since the outbreak of war several hundred thousand workers have had to change their employment in virtue of the above measures.²

EMERGENCY SERVICE

In addition to the above provisions, a Decree providing for emergency service was issued by the Commissioner for the Four-Year Plan on 15 October 1938, and an Order for the application of this Decree was issued by the Minister of the Interior on 15 September 1939 and came into force as from 26 August 1939.³

The Decree of 15 October 1938 provides that persons residing in Germany may be required, for a specified period, to perform service in a public emergency or in anticipation of an emergency. The service may consist of action, allowing an action, or abstaining from action. Foreigners are not liable for emergency service if they are exempt as a result of treaties or recognised international law. The person called up has the duty and the right to use things which he owns or of which he has the custody if required to do so. The Commissioner for the Four-Year Plan determines, in agreement with the Minister of the Interior, the authorities entitled to require emergency service. The service is either long-term or short-term; it is long-term service if the person concerned is engaged in his usual chief occupation and if it lasts, or is intended to last, more than three days. Short-term service does not involve a contract of service. The authority requiring a person to perform long-term service must notify the name of that person to the employment office, which may object to the decision by reason of conditions in the employment market. So long as the objection holds, the decision of the authority cannot take effect. Officials, barristers, and salaried employees and workmen employed by public corporations, the National-Socialist Party or affiliated bodies, or public health services, can be required to do emergency long-term service only with the consent of the higher or supervisory authority, the consent of the employment office not being necessary. Persons who are already in employment

¹ *Arbeitsrechtskartei*, 4 Oct. 1939.

² *Der Deutsche Volkswirt*, 8 Dec. 1939.

³ *Reichsgesetzblatt*, 1938, I, p. 1441, and 1939, I, p. 1775.

when required to do emergency service must be given leave for the duration of that service, and may not be dismissed. Persons required to do emergency service for not more than three days are entitled to full pay from their former employer. The only recourse against the decision open to persons who are required to do emergency service is to lodge an appeal with the higher authority.

The Order of 15 September 1939 states that the authorities which have the right to call up workers for emergency service may place the latter at the disposal of a third person subject, if desired, to certain conditions. The liability to emergency service does not apply to persons under 15 or over 70 years of age, mothers with children under 15 if the emergency service is inconsistent with their duty to their children, pregnant women from the sixth month of pregnancy until two months after confinement, and persons incapable of work. If the wages or other payments provided for in the Decree of 15 October 1938 lead to appreciable difficulties for the financial equilibrium of the undertaking concerned, the Minister of the Interior, in agreement with the Minister of Finance, may grant a hardship allowance. Persons called up for emergency service must observe complete secrecy concerning any matters which come to their knowledge during the service and a disclosure of which would endanger the welfare of the country or the justified interests of individuals, or is expressly forbidden. The Minister of the Interior takes steps, in agreement with the Minister of Finance, to ensure the livelihood of persons called up and for this purpose fixes the rates of compensation. In special cases he may transfer the right to do this to other authorities. The dependants of persons called up receive dependants' allowances in accordance with the provisions of the Family Allowances Order of 11 July 1939.¹ If a person called up receives an injury in consequence of his service he or his survivors are entitled to care and maintenance in accordance with the Personal Injuries Order of 1 September 1939.² If the owner of anything used by a person for the purpose of emergency service suffers economic loss thereby and if he cannot reasonably be expected to support that loss himself, he is entitled to compensation from the person for whom the service is performed.

SPECIAL CATEGORIES OF PERSONS

A number of special measures have been adopted for the purpose of increasing the supply of labour from among various categories of persons who have previously not been engaged or not fully engaged in remunerative employment. Reference was made in the article published in 1938 to measures concerning itinerant trades and hawking and foreign workers, and particulars of measures concerning Jews, handicraftsmen, convicts, and prisoners of war, will be found below.

¹ *Reichsgesetzblatt*, 1939, I, p. 1225.

² *Ibid.*, p. 1623.

Jews

As regards the employment of Jews, a circular issued by the President of the National Institution for Employment Exchanges and Unemployment Insurance early in 1939¹ stated that the number of unemployed Jews had increased substantially, and pointed out that it was not in the interest of the State that Jewish labour which was capable of being used should not be found employment instead of receiving benefits without giving any service in return. The attention of heads of private undertakings was therefore drawn to the necessity for engaging Jewish labour as quickly as possible so as to set German workers free to assist in urgent construction work for the State. Jews were to be employed in special undertakings, on development and building work, etc. Contractors and undertakings would not be penalised because they employed Jews.

Handicrafts

In virtue of the Order of 18 October 1936² for the application of the Four-Year Plan, an Order was issued on 22 February 1939³ by the Minister of Economic Affairs for the purpose of ensuring that full use was made of the economic possibilities of handicrafts, and to bring within the general economic system productive forces hitherto inadequately developed. According to the Order, craftsmen suitable for employment elsewhere are to be struck off the handicrafts register by the competent handicraft chamber if they or their undertakings fail to comply with the trade conditions deemed necessary for the operation of an independent handicraft undertaking, unless the maintenance of the undertaking is an urgent necessity or is justified by economic reasons. An objection may be lodged with the handicraft chamber and, in the second instance, with the higher administrative authority, whose decision is final. A craftsman who has been struck off the handicrafts register may apply for fresh registration only after a period of three years. Measures taken under the Order may in no case give rise to an indemnity. The Order is to have effect until 1 January 1943. Administrative regulations published at the same time stipulate that the handicraft chambers must take account of the personal situation of the craftsman in their decisions. The maintenance of undertakings belonging to overcrowded handicraft trades must be considered as having no economic justification. Specially overcrowded trades include those of baker, butcher, hairdresser, tailor, and shoemaker. The opening of new undertakings in these trades may not be authorised except to meet a real need.

It was estimated that these measures would result in reducing overcrowding in the handicraft trades and would put about 60,000 to 70,000 workers at the disposal of the national economic system.

¹ *Arbeitsrechtskartei*, 10 March 1939.

² *Reichsgesetzblatt*, 1936, I, p. 887.

³ *Ibid.*, 1939, I, p. 327.

Convict Labour

On 18 May 1938 the President of the National Institution for Employment Exchanges and Unemployment Insurance issued a circular¹ containing rules relating to convict labour which had been drawn up in agreement with the Minister of Justice. According to this circular, all persons must be employed on productive work if able to do it, and therefore compulsory labour has been introduced for those undergoing preventive detention. The system of hard labour in prisons has been altered so as to make even short-sentence prisoners fit for employment and to set the prisoners to work as far as possible on work which the National Institution (now the Ministry of Labour) considers urgent. Prisoners belonging to overcrowded occupations, such as printers, bakers, butchers, and barbers, must be trained for a new occupation and employed, for instance, as labourers in the metal-work shops established in the prisons. Care must be taken that prisoners who are agricultural workers are not employed on other than agricultural work. The circular also gives a list of various kinds of work, both within the prisons and outside, on which prisoners may be employed.

Prisoners of War

Circulars were issued by the Minister of Labour on 26 September 1939 and the Minister of Food on 4 and 5 October 1939² providing for the employment of prisoners of war. At first prisoners were employed only in agriculture but subsequently their employment was authorised in mining, principally lignite, ore and potash mining, agricultural improvements, agricultural work and peat cutting, railway maintenance, cable-laying and similar work for the Post Office, construction work for the waterways administration, the Four-Year Plan, and power plants, work on motor roads, obtaining mine timber, and other suitable work which is not directly related to the war. Provision must be made for the accommodation of a group of at least 50 prisoners and their guards and for their adequate maintenance. The employer pays to the camp authorities 60 per cent. of the normal wage in the case of time work, or 80 per cent. in the case of piece work, subject to a deduction in respect of board and lodging in so far as these are provided by the employer. The allocation of the labour of prisoners of war is undertaken by the employment offices.

SPECIAL MEASURES IN AGRICULTURE

The Allocation of Employment Act of 1934 gave wide powers to the President of the Institution for Employment Exchanges and Unemployment Insurance, and these powers were first used in an Order of 17 May 1934 to fight against the shortage of agricultural labour resulting from "an excessive concentration of human beings

¹ *Reichsarbeitsblatt*, 1938, I, p. 207.

² *Landwirtschaftliches Ministerialblatt*, 1939, Nos. 39 and 41.

in cities and industrial areas, the depopulation of rural districts, and therefore an unhealthy distribution of labour as between town and country".¹ These measures were followed by others having the same purpose in view, but in spite of them the shortage was still keenly felt at the outbreak of war and consequently a fresh supply of labour was sought in various directions.

Firstly, arrangements were made, as already stated above, for prisoners of war to be available for agricultural work. Secondly, steps were taken to recruit workers from the occupied districts of Poland, primarily among Poles who had in previous years migrated to Germany for seasonal work in agriculture. Thirdly, an Order was issued on 22 September 1939² by the Council of Ministers for the Defence of the Reich providing that boys of 16 years of age and over attending upper and middle schools should be available for agricultural work during their holidays. The Order specified that for such boys the holidays should be mainly in the period May to October and might extend to six months in the year. Fourthly, it may be noted that, as an exception to the general rule, engagements may be made in agriculture without asking the consent of the employment office.³

¹ Cf. *International Labour Review*, Vol. XXXVIII, No. 4, Oct. 1938, p. 450.

² *Reichsgesetzblatt*, 1939, I, p. 1867.

³ See above, p. (380).