

REPORTS AND ENQUIRIES

Industrial Relations in Hungary

Since the liberation of Hungary, industrial relations have been placed on an entirely new basis in that country. The starting point of this reform was the "rehabilitation" of the trade union movement and of employers' organisations.¹ Next, legislative action on a wide scale has been taken for collaboration between organised management and labour by means of works committees, industrial production committees and a new system of collective agreements. Lastly, structural reforms such as the reform of the agrarian system and the nationalisation of certain key industries have profoundly modified the social system which forms the background for industrial relations. The effect of these three groups of measures is briefly analysed below.

REHABILITATION OF THE TRADE UNION MOVEMENT

Since the establishment of the new regime, trade unionism has constantly and rapidly developed. Freed from the limitations previously placed upon its growth and with the Government behind it, the trade union movement has become a powerful factor in the social, economic and political life of the country, and its influence is steadily increasing.

The dominating feature of trade-union organisation in Hungary is its unity. Local unions may be freely established and conducted provided they join the national unions for the appropriate trade, of which they are supposed to constitute branches.

Although workers are not obliged to join unions, the movement has expanded considerably, not only in a numerical sense but also as regards the groups belonging to it. For instance, agricultural workers and public officials, previously debarred from organising, are now included. There has been territorial expansion too, for the trade union movement, previously limited to the Budapest area and a few other industrial centres, now covers the whole country. In all towns of any considerable size, the unions have their local branches, whose work is co-ordinated by trades councils; there were such councils in 2,688 districts at the end of 1945.

¹ For the previous situation, see *International Labour Review*, Vol. L, No. 6, Dec. 1944, p. 771: "New Regulations on Industrial Relations in Hungary".

The various national unions, of which there are now about fifty, together constitute the Hungarian Federation of Free Trade Unions, also known as the Trade Union Council. The Council itself, composed of thirty-five members, is elected by the General Assembly of delegates of affiliated unions.

As regards the percentage of workers now organised, recent estimates give the following figures: industrial workers, 70 per cent.; non-manual workers, 50 per cent.; agricultural workers, 20 per cent. The numbers organised in the different trades are as follows, in round figures:

Agriculture	200,000
Metal work	154,500
Railways	98,000
Building	73,000
Mines	56,200
Private salaried employees	56,000
Public officials	44,000
Provincial and local employees	42,000
Textile industry	36,000
Chemical industry	34,000

According to the most recent figures available, the total number of registered members of the Hungarian Trade Union Federation had already reached about 1,000,000 by the end of 1945.¹

The employers' organisations are grouped in the National Federation of Manufacturers, the National Industrial Union (representing establishments of medium size), the National Handicrafts Centre and the Central Federation of Merchants.

WORKS COMMITTEES

Decree No. 50100 of 18 February 1945, later replaced by Decree No. 55000 of 5 June 1945, provides for the establishment of works committees in industry. The trade unions are associated with the employers in order to secure both the protection of the workers and the efficient running of the undertaking.

Further, the Trade Union Council has established a special "works committees secretariat" in order to co-ordinate and direct the work of these committees, the members of which were not at first equal to their task, owing to lack of experience. The Council has also held four conferences of Budapest works committees as well as a National Congress of works committees at which delegates of 600 undertakings took part (July 1945).

Establishment of Committees

A works committee must be established in every public or private industrial undertaking employing not less than twenty persons. Where the undertaking is composed of several plants, a works committee must be set up in each; and in such undertakings, if the Trade Union Council considers it necessary, a central committee must also be established; twenty of these were in fact set up in 1945.

¹ All these figures are taken from a recent pamphlet, "Social Policy in Democratic Hungary", published by the Section for International Labour Affairs of the Hungarian Foreign Office, 1946.

In an undertaking employing less than twenty persons, the personnel is represented by delegates. The number of these and the manner in which they are elected will be determined in each case by the trade union concerned.

Composition

Each works committee is composed of between three and twenty-five manual workers' delegates and between one and five salaried employees' delegates, according to the size of the undertaking. The representatives of the manual workers and salaried employees are elected separately, but take part together in the work of the Committees. Elections are directed by a delegate of the trade union organisation concerned, assisted by two workers of the undertaking. Candidates are appointed by the trade union delegate in agreement with a committee composed of representatives of the different trade unions concerned and of a number of workers of the undertaking. Every class of workers must be represented on the committee.

The members of the committee, and an equal number of substitutes, are elected by all workers over 18 years of age enjoying civil rights. The ballot is secret, and electors retain the right to alter the list of candidates. Any person qualified as an elector who has completed six months' service in the undertaking, or a year's service in a similar undertaking, is eligible unless the trade union concerned objects to his candidature.

The result of the elections may be contested by not less than 10 per cent. of the total personnel, or by the employer, or by the trade union concerned. Such objection must be notified to the Trade Union Council, whose decision is final. The Council may decide that new elections shall take place.

The committees are required to meet at least once a month. Meetings are not public, but the trade organisations concerned may send representatives. A copy of the minutes must be handed to the employer.

Powers

Works committees are competent to discuss social questions, as well as economic questions affecting the efficient running of the undertaking.

Social Questions.

The competence of the committees extends to all questions concerning conditions of work, such as wages, hours of work, holidays, respect for workers' rights deriving from a contract of employment or collective agreement, or concerning the workers' economic situation or personal wellbeing, such as family welfare arrangements, industrial safety and health equipment and cultural or other welfare schemes. The works committee, or a welfare sub-committee consisting of some of its members, collaborates in the establishment, management and supervision of all welfare schemes in the undertaking. The management is obliged to place any documents concerning the administration of these schemes at the disposal of the Committee.

Economic Questions.

Works committees are required to collaborate with employers in planning production, introducing new methods with a view to greater efficiency and increased output, as well as in supervising production and checking operational arrangements.

In order to make this possible, the employer must inform the committee every three months of the business position of the undertaking, the state of production, and probable production and market trends. He is required to give the committee all the information for which it may ask, except in so far as concerns secret manufacturing processes. He must also secure the consent of the committee to any decision involving an obligation on the undertaking outside the normal scope of management. The Committee is entitled to have access to the books of the undertaking and, if necessary, to have them examined by an accountant at the undertaking's expense. It may interrogate any person belonging to the undertaking, and the employer is obliged to arrange for the presence in the Committee of anyone whose functions qualify him to provide information on a specified subject.

In undertakings organised as joint stock or limited liability companies or co-operative societies, two members of the committee are entitled to sit on the board of directors in an advisory capacity.

In the case of a dispute concerning a proposal made by the Committee in a matter connected with production, the Committee, acting in agreement with the trade union concerned, may submit the question to the National Arbitration Board.

Apart from the powers conferred on works committees by the special Act, they have received other powers under various legislative provisions. Thus as regards compulsory labour service, the Minister of Reconstruction regulates requisition and allocation of labour, selects undertakings for such allocation, classifies them according to the importance of their work, and establishes an order of priority for manpower purposes; he makes these decisions either on his own initiative or on application from an employer, after the works committee concerned has given its agreement.¹

As regards security of employment also the works committees have an important function. In order to protect workers from mass dismissals which employers might be obliged to undertake, such dismissals have been made to depend on a ministerial permit, application for which must be accompanied by the opinion of the works committee. Furthermore, before carrying out authorised reductions of personnel, the employer must consult the works committee regarding the choice of workers to be dismissed. The committee in its turn must publish a list of workers proposed in this connection, and they may submit their remarks to the committee before the latter takes a definite decision.²

In the coal mines, there is similar legal protection for employed workers.³ The mines manager may proceed to dismissals only in

¹ Order No. 22100 U.M. of 20 July 1946.

² Order No. 460/1946 M.E.

³ Order No. 48100/1946 Ip.M.

agreement with the chairman of the works committee and the chairman of the local branch of the trade union concerned.¹

Protection of Members

Members of works committees are required to act as such during hours of work, and may not suffer through loss of salary or in any other way for this reason. In large undertakings it is provided that a number of the members, dependent on the size of the total personnel, shall be excused from taking part in production but shall retain their right to a wage which may not be less than that of the best paid grade of skilled worker. In undertakings employing between 300 and 800 persons, the chairman of the committee or his substitute benefits by this rule; the exemption applies to two members of the committee in undertakings with between 800 and 1,500 employees, three members in those with between 1,500 and 3,000, and five members where the undertaking employs over 3,000 persons.

Members of the committees may not be dismissed by reason of their activity as such, and this protection extends up to two years after expiry of their term of office. A member may only be dismissed for good reason, and objection may be lodged with the labour courts. In case of dismissals owing to reduced operation, a member of the works committee may only be laid off with the consent of the trade union concerned.

Individual Disputes

The works committee is competent for the informal settlement of individual disputes, supervision of discipline in the establishment, and application of penalties.

Workers are entitled to bring before the committee individual complaints concerning conditions of work. The employer also may submit cases of breach of discipline to the committee, which may take disciplinary measures after having heard the accused. The employer or his representative must be invited to take part in an advisory capacity at such hearings, which must be held outside hours of work. Committees with more than five members must establish a disciplinary sub-committee; appeals against the latter's decisions may be brought to the committee itself.

Disputes concerning the fixing of piece rates or similar questions are dealt with by the committee or a special sub-committee. If the committee cannot secure agreement, these matters may be referred

¹ All placing of workers, except agricultural workers and public officials, is in the hands of the trade unions, who may organise specialised employment offices in Budapest and joint employment offices in other parts of the country. Under Order of the Ministry of Industry No. 48400/1946 Ip.M. of 11 July 1946, issuing regulations under orders 6490/1945 M.E. and 3530/1946 M.E. concerning the organisation of trade union employment offices, a joint committee is to be established at each such office, composed of equal numbers of employers and workers (5-7 from each side) and a chairman selected by the committee or, failing agreement, appointed by the Minister of Industry. The Trade Union Council, through its employment section, supervises and directs all these offices and co-ordinates their activity. As a general rule an employer may only engage workers whose names are submitted by the trade union employment office. If he wishes to engage some other person he must submit an application with reasons accompanied by the opinion of the works committee. (*Magyar Közlöny*, 11 July 1946.)

to an arbitration board, unless a collective agreement otherwise provides; such boards are composed of one or two representatives of the employer and the staff respectively and a chairman selected by the members or, failing agreement, appointed by the competent factory inspector.

National Arbitration Board

Disputes between the employer and the works committee come before a National Arbitration Board, in cases where, for instance, a committee or its members have exceeded their powers or failed in their duty, or where an employer has prevented a committee or its members from performing their functions, or again where there is a difference of opinion between the parties concerning the methods of work of the committee.

Members of the National Arbitration Board are appointed on a joint basis, for one year, by the National Trade Union Federation (10 representatives) on the one hand and by the National Federation of Manufacturers and the National Handicrafts Centre (5 representatives each) on the other. The list of candidates must be submitted for approval to the Minister of Industry, who chooses the chairman and vice-chairman of the Board from persons not belonging to either of the two groups.

COLLECTIVE AGREEMENTS

Historical Review

Since the close of hostilities various methods have been successively used to determine wages and other conditions of work.

During the period which immediately followed the end of hostilities, while the trade unions were only beginning to organise, wage rates were fixed by the Government (under a Decree dated 20 January 1945) on the basis of proposals submitted by boards established with this object in all the towns of the country.

Subsequently recourse was had to collective agreements in order to enable the parties concerned themselves to determine wage rates. However, the Government was still not able to rely fully on the trade unions, since their organisation was incomplete; provision was therefore made, in several decrees,¹ for the establishment of joint committees, composed of representatives of the employers' and workers' organisations concerned, with a view to negotiating and concluding collective agreements in the various industries.² In order to secure uniformity in the enforcement of the scheme, wages were regulated under the supervision of a National Wage-Fixing Board.

¹ Decree of the Minister of Industry No. 50775 of 13 March 1945 to regulate the wages of manual and non-manual workers employed in the Budapest area; Decree No. 55900 of 10 June 1945, replaced by Decree No. 59359 of 7 July 1945, to regulate the wages of workers employed outside Budapest; Decree No. 56100 of 20 June 1945 to regulate the wages of workers employed in the mines.

² The wages of agricultural workers are however not determined by collective agreements, of which there are none in this industry, but are still regulated by the provincial agricultural wage-fixing committees under the guidance of the National Agricultural Wage-Fixing Board. These joint bodies, composed of delegates of agricultural workers and employers, act under Decree No. 31374 of 1945 F.M., as amended and supplemented by Decrees No. 100100/1945 F.M. and 140600/1946 F.M.

Apart from its standardising function, this Board, established by Decree of 10 May 1945, was required to supervise enforcement of the scheme from the standpoint of the general interest. Nevertheless, owing to the steady depreciation of the currency, the wage rates laid down in collective agreements have been modified by Government decision only. The rise in prices was so rapid that adjustment of wages by amendment of the collective agreements was not practicable.

Finally, when the trade union movement had been fully established, the conclusion of collective agreements was entrusted directly to the workers' and employers' organisations concerned (Decree No. 490 of 16 January 1946). The trade union movement has in fact proved itself the mainspring of this scheme.

The central workers' and employers' organisations play an important part in wage-fixing under these conditions. They negotiate and conclude basic collective agreements containing general principles which must be observed in drafting special agreements for the different branches of industry. Subsequently, they approve the special agreements concluded by the workers' unions and employers' organisations concerned.

The National Wage-Fixing Board has been maintained. It has new powers and is in a certain sense superimposed on the bipartite wage-fixing system.

National Wage-Fixing Board

Composition.

The present composition of the National Wage-Fixing Board is determined by Decree No. 490 of 16 January 1946 as amended by Decree No. 8620/1946 M.E. of 28 July 1946.¹ The Board is composed of seven representatives of workers' organisations, appointed by the Trade Union Council, and seven representatives of employers' organisations, as follows: two appointed by the National Federation of Manufacturers, one by the National Industrial Union, two by the National Handicrafts Centre, one by the Association of Savings Funds and Banks, one by the Central Federation of Merchants. When dealing with a matter concerning a certain industry, the National Board may co-opt four members from the workers' and employers' organisations representing the industry in question and selected by the Board. The chairman and vice-chairman are appointed by the Government from among persons belonging to neither of the two groups.

Functions.

The functions of the National Wage-Fixing Board are: to review collective agreements; to decide questions on which the occupational organisations have not been able to agree; to decide disputed questions of principle concerning the application of collective agreements, which the parties have not been able to settle by negotiation and which have been submitted to the Board by the occupational organisations concerned; and to give opinions, at the request of the

¹ *Magyar Közlöny*, 28 July 1946.

Government or of Ministers, on any other questions relating to labour.

Furthermore, the Decree of 28 July 1946 gives the National Board in general and its chairman in particular a number of functions within the present collective agreements system.

The Present System

Under the new scheme there are two kinds of collective agreements. Provision is made both for basic agreements and for special agreements in individual trades.

Basic Collective Agreements.

These determine the general principles which are to govern the conditions of work of employed persons. They are concluded between the National Trade Union Federation (Trade Union Council) on the one hand, and the National Federation of Employers, the National Handicrafts Centre or the Central Federation of Merchants on the other. Such basic agreements must be submitted to the Chairman of the National Wage-Fixing Board by the occupational organisations concerned.

Since the stabilisation of the currency, basic collective agreements have been concluded, in accordance with Order No. 8620/1946 M.E. of 28 July 1946, by the employers' and workers' organisations in industry, handicrafts and commerce. Their provisions must be observed when agreements are concluded in individual trades.

Special Collective Agreements.

The special agreements concluded for different trades must be based on the principles laid down in the basic agreements. The parties concerned in the negotiation and conclusion of special collective agreements are the relevant unions affiliated to the National Trade Union Federation on the one hand, and the employers' organisations on the other. Collective agreements thus concluded are submitted by them to their central bodies for approval. These must transmit the agreement within a week to the Chairman of the National Wage-Fixing Board, notifying him at the same time whether or not they accept it.

If the central bodies reject an agreement, or certain parts of it, or if the Chairman of the National Wage-Fixing Board considers that an agreement is illegal or constitutes a serious danger to the economic interests of the country, the National Board gives a ruling on the points in dispute. This ruling takes the place of the agreement, and must be published in the Official Gazette.

If the negotiations between the workers' and employers' organisations concerned, or between their central bodies, are not successful, the conditions of work of the employees of the trade in question are determined by the National Wage-Fixing Board; its ruling takes the place of a collective agreement and must be published in the Official Gazette.

Effects of Agreements

The scope of the basic agreements extends throughout the country, whereas special agreements apply only to the territory defined therein. The National Wage-Fixing Board may, however, extend the scope of special agreements for the Budapest area to any other part of the country and determine the wage rate adjustments to be applied there.

Under Decrees of 16 January and 28 July 1946, the scope of any collective agreement extends to all workers belonging to the grades and occupations covered by it, and to all employers in the trade concerned, whether or not such workers or employers belong to the organisations which concluded the agreement.

Contents of Agreements

During the inflation, the wage rates fixed by collective agreement were partly in cash and partly in kind. The volume of the payments in kind was fixed in view of the number of persons dependent on the worker. The type and quality of these payments (usually food, industrial products and clothing) were determined by the National Economic Council on the basis of proposals by a tripartite board composed of delegates of the Trade Union Council, the National Federation of Manufacturers and the Ministry of Industry.

After the currency stabilisation, brought about at the beginning of August 1946, payment in kind as part of ordinary remuneration was abolished by the Order of 28 July 1946. This Order, which is to a large extent identical with that of 16 January 1946, provides also that the wage rates fixed by collective agreements shall be considered as both minimum and maximum rates. Stipulation for or payment of wages above those laid down in the agreement is prohibited. The employer is also not permitted to provide the worker with any benefits of an economic value over and above the agreed wage rates, nor may he make any employed person an advance, loan, or other grant exceeding the equivalent of a week's wages, unless this is justified by some exceptional circumstance affecting the personal welfare or interest of the worker.

Wages are calculated according to output. Special attention is paid to piece-rate systems and bonuses, by means of which higher real wages and increased production are to be obtained. As the principle of the currency stabilisation scheme is to put into circulation only a relatively small volume of money, barely equivalent to the quantity of goods available, the resulting shortage of currency causes a fall in prices. To take account of this situation, wages are fixed rather low, but by general application of a progressive piece rate system, real wages now average 50 per cent. of real wages of the prewar period,¹ or, according to a later estimate, as much as 54.3 per cent. of real wages in 1938.²

INDUSTRIAL PRODUCTION COMMITTEES

Collaboration between employers' and workers' occupational organisations is being rendered still more thorough by extension to

¹ *Neue Zürcher Zeitung* 15 Aug. 1946, No. 1443.

² *Journal de Genève*, 12 Sept. 1946, No. 214.

matters connected with industrial production. In order to secure an increase and a more rational organisation of industrial output, Decree No. 6540 of 9 June 1946 provides for the establishment of industrial production committees in different trades, under the guidance of an Industrial Production Council.

Composition

Under Decree of 9 June 1946, the Minister of Industry is required to establish an industrial production committee in each branch of industry, or several committees if the importance of the branch or the co-existence of public and private establishments render such action necessary.

Each committee is composed of four persons, two representing the workers and two the employers. The chairman is appointed by the Minister of Industry after consultation with the Council of Industrial Production. The method of appointing members of the committees depends on the competence of the committee in question. In the case of a committee competent for private establishments in an industry, one of the workers' members is appointed by the Council of Trade Unions and the other by the individual union concerned; similarly one of the employers' members is appointed by the employers' central organisation and the other by the individual union.

As regards committees competent for establishments belonging to the State or to independent public corporations, the workers' members are appointed as described above, whereas the employers' members are appointed as follows: in the case of Government establishments, the competent Minister selects the employers' members; in the case of establishments belonging to municipalities, one of the employers' members is appointed by the elected town council or similar body, and the other is chosen by the head of the local administration from among his qualified officials; in the case of establishments belonging to smaller local authorities, both the employers' members are appointed by the local body. In agreement with the other members, the chairman may call upon one or several experts to be present at the meetings of the committee in an advisory capacity.

Functions

The functions of the industrial production committees are as follows: to propose to the occupational organisations and the undertakings concerned the introduction of reforms relating to methods of work, manufacturing processes, standards of output and remuneration schemes; to compare the piece rates established in each undertaking; to decide whether such rates are fair and to order their amendment if necessary; to determine such rates if none have been established, taking account of local conditions of production; to supervise their practical application; to supervise methods of work, processes of manufacture and systems of remuneration; and to submit matters of general importance to the Industrial Production Council for decision. All parties are required to give the committee any information necessary for the performance of its duties.

Appeal may be made to the Industrial Production Council against the decisions of these committees. Such appeals may be notified

immediately by members of committees (provided they have not voted in favour of the decision in question) or within a week by the employers or workers concerned or their organisations. Enforcement of decisions is suspended on appeal, except when this is made by an occupational organisation. Where there is good reason, however, the committee may order a given decision to be enforced at once or within a specified period.

Decisions of committees against which no appeal has been brought have legal force, and employers and workers as well as their local organs (the works committees) must act in conformity with them. The Decree provides for penal sanctions to ensure respect for such decisions.

Industrial Production Council

This is the organ responsible for the guidance and supervision of the industrial production committees. It was established to co-ordinate their work and act also as an appeals court; its decisions have the force of law.

The Industrial Production Council is composed of a chairman and his substitutes and seven members appointed by the Government. The members are proposed by the following institutions and organisations: one by the Minister of Industry, two by the Trade Union Council, two by the National Federation of Manufacturers, one by the National Handicrafts Centre, one by the Reparations Office. Experts attending in an advisory capacity may be added to the Council, and the Chairman of the National Wage-Fixing Board is also present at its meetings in an advisory capacity.

STRUCTURAL REFORMS

The occupational organisations have also played their part in the structural reforms already accomplished or in the course of introduction. This collaboration has extended both to putting the reforms into practice and to arranging for production within the framework of the new schemes. The most important structural changes are the agrarian reform and the nationalisation of certain key industries.

The Agrarian Reform

Under the Decree of 15 March 1945 converted into Act VI of 1945, providing for the abolition of large estates and the granting of land to the agricultural population, the land for distribution is obtained from confiscated and expropriated properties.

The groups of persons whose estates are confiscated are enumerated in the Act, which then provides that medium sized estates exceeding (roughly) 140 acres¹ are subject to expropriation, though proprietors in these cases may retain 140 acres each. Estates with an area of over 1,400 acres must be completely expropriated, as must all land belonging to commercial companies, works pension funds and social insurance institutions, whatever the area. The Act exempts from expropriation the property, not exceeding 280 acres,

¹ 100 Hungarian acres, or 56 hectares.

of any person coming from a family of small-holders whose principal occupation is agriculture.

All stock—live or other—and farm buildings share the fate of the land to which they belong, the proprietor being entitled to retain only what is indispensable for the cultivation of the area left in his possession. Where the distribution of plant, machines and buildings belonging to a dismembered estate would not be conducive to efficient production, such plant, etc., must be handed over to the agricultural co-operatives which the new proprietors will establish, and which will be regulated by the Minister of Agriculture.

The area of land which may be granted to any one person may not exceed that which a peasant family can work with its own labour. This area must be determined in view of the situation and quality of the land for division, but in any case fields and meadows granted to a single person may not exceed 25 acres, and market gardens and vineyards 4.2 acres.

The beneficiaries of the reform are, first of all, farm hands and agricultural workers, and secondly the smallest small-holders.

Expropriated persons are, in principle, entitled to compensation, and the beneficiaries of the reform are required to pay a purchase price. Where the beneficiary is a former small-holder, 10 per cent. of the price must be paid when he takes possession of his new land, the remainder being due in ten equal annual instalments. If the holder is a farm hand or landless agricultural labourer, the purchase price is payable in twenty annual instalments, the first of which may be postponed until not more than three years from the date of entry into possession.

Trade Union Collaboration.

The application of the Agrarian Reform was entrusted to representative bodies. In each locality where applicants for land were to be found, a local applicants' committee had to be established, composed of between five and thirty members elected by the persons concerned at the rate of one for every twenty applicants. The duty of these Committees was to register the estates which might be used for distribution and the persons entitled to receive such land. They were also required to draw up plans of allotment and to collaborate in the actual distribution process.

The work of the local committees was supervised by the provincial land reform commissions composed of seven members; three of these, a judge, an engineer and an agricultural expert, were appointed by the Minister of Agriculture, two by the Agricultural Workers' Union, and two by the National Committee (a political body comprising the representatives of the five democratic parties which belonged to the National Independence Front). Each Commission sat at the provincial capital. The provincial commissions were empowered to approve the distribution plans drawn up by the local committees, to decide regarding confiscations, to supervise the technical and legal aspects of the distribution process, and to settle appeals brought against rulings of the local committees.

As a supreme authority, the reform operations are directed by the National Land Reform Council, the composition of which is almost identical with that of the provincial commissions.

Nationalisation

After the liberation, the political parties composing the Government coalition came to an agreement during 1945 as regards the nationalisation of key industries. Furthermore, the first General Assembly of Free Hungarian Trade Unions, meeting in Budapest on 2 December 1945, voted a resolution calling for the nationalisation of the coal mines as a first step in this direction, and subsequently for that of all large industrial undertakings employing over 1,000 persons, as well as electric power works and factories making agricultural machinery, whatever the size of their personnel.

Planned economy in industry was inaugurated by Act No. XIII of 1946 concerning the nationalisation of the coal mines. This first step will be followed up;¹ indeed, pending the execution of its programme, the Government has established, by Decree No. 5740 of 28 May 1946, a Raw Materials and Prices Office, one of the functions of which is to prepare for the extension of planned economy in the industrial field.

Nationalisation of Coal Mines.

The nationalisation of the coal mines was introduced by the Order of 20 December 1945² and completed by Act No. XIII of 1946. This latter measure annulled all privileges held by landowners with respect to underground coal deposits, without compensation. Coal mines and ancillary establishments, on the other hand, become State property with compensation for the owner. The importation of coal from abroad is placed under State control.

The Act provides for the establishment of arbitration boards for the settling of disputes regarding the separation of mines and ancillary establishments from plant to be left in the owner's hands. These boards are composed of a representative of the Minister of Industry and the mine-owner. The chairman is selected by these two members or, failing agreement, is appointed by the President of the Supreme Court from among recognised legal experts.

Administration. The property expropriated under the Coal Mines Act will be administered by a public corporation to be established by the Minister of Industry in agreement with the Minister of Finance. Meanwhile this property is brought together under the title: "Hungarian State Coal Mines", and administered by a central executive committee in virtue of Order No. 62400/1946.³ The committee, which is composed of a chairman, two vice-chairmen, and six other members, is appointed by the Minister of Industry.

The Act provides that as from 1 July 1946, an amount equal to one per cent. of the gross receipts from the State mines shall be reserved for workers' welfare purposes after consultation with the National Council for the Coal Mines and the Trade Union Council.

¹ The next measure in this field, the nationalisation of electricity works, Act No. XX, providing for the nationalisation of the power-producing plant and long-distance electric power lines of certain electricity works, with other provisions regarding the production of electric power, was adopted in December 1946.

² Order No. 12200/45 M.E., providing for the assumption by the State of administration of the coal mines.

³ Order No. 62400/1946 Ip.M., concerning the provisional administration of the Hungarian State Coal Mines, 29 Sept. 1946.

A part of this Fund is to be used to provide higher education for young persons of working class origin who have proved their fitness. Furthermore, the State will take action to ensure the recruitment and vocational training of persons to be employed on underground work.

The National Council. In order to ensure that the best technical and economic principles shall be followed in the industry, the Act provides also for the establishment of a National Council for the Coal Mines.

This body, of which the Minister of Industry or his representative acts as chairman, is composed of representatives of the public departments and institutions and of the occupational organisations concerned. The Council is required to give its opinion on any matter submitted to it by the Minister.

CONCLUSION

The above analysis of recent legislation justifies the following conclusions regarding the present position of the trade unions in Hungary.

The first characteristic of the reorganised labour movement is its structural unity. The basic trade organisations are formed into national unions, with local branches throughout the country, and these national unions together constitute the Trade Union Council.

A second characteristic is the centralisation of the movement. The Trade Union Council exercises supervision over the national bodies on which such new institutions as the National Arbitration Board, the Council of Industrial Production, and the National Wage-Fixing Board depend. The influence thus exerted by the employers' and workers' central trade organisations is particularly striking in the conclusion of collective agreements. First of all, the Trade Union Council concludes basic agreements with the central employers' organisations and the stipulations thus made must be observed in the special agreements for individual trades; next the employers' and workers' unions must refer back to their central organisations, for approval, the special agreements at which they have arrived.

In this way the trade union movement can now participate, through its representatives, in the solution of social and economic problems at the plant, industry and national levels. At the plant level, as has been seen, the works committees are competent to deal with all questions concerning conditions of work and the rational organisation of production; at the industry level, in the same way, the industrial production committees are required to propose to managements and unions the introduction of reforms in methods of work, manufacturing processes, output standards and remuneration schemes; and at the national level, such central bodies as the National Council of Industrial Production, the National Wage-Fixing Board, and—under the first nationalisation measures—the National Council for the Coal Mines either regulate or direct the regulation of social and economic affairs.

Social Insurance in the Soviet Union

Social insurance in Russia goes back to 1912, when compulsory insurance against sickness and employment injury was introduced. The post-revolutionary scheme dates from 1922, and acquired its present structure and comprehensive scope in 1933. The changes effected in subsequent years have been of relatively small importance apart from the introduction of family allowances—for very large families in 1936 and for families of moderate size in 1944.

A study of Soviet legislation governing social insurance, and of the results achieved up to the end of the year 1933, was prepared by the International Labour Office for inclusion in an international survey of social services made at the request of the Governing Body in 1936.¹ In 1933 began a new stage in the development of Russian social insurance, coinciding with the operation of the second Five-Year Plan; an article on the working of social insurance in the Soviet Union during these five years appeared in the Review in 1938.²

In view of the general quickening of interest in social security plans during and since the late war, it is felt that the following summary of the working of social insurance in the Soviet Union to-day may be of interest to readers of the Review.

The article is based partly on official Soviet sources, partly on other published material.³

The Russian social insurance scheme has a number of outstanding features which, until the last year or two, were to be found in it alone, but some of them have now been incorporated in other national schemes. Thus the Soviet scheme provides cash benefits and certain welfare services in kind, but not medical care, which is a free service furnished by the public health authorities. Liaison between the insurance scheme and the medical care service is maintained by local joint committees. The administration of the scheme is entrusted to the All-Russian trade unions of the different industrial branches and to their local organs. The cost of the scheme is entirely defrayed by contributions proportional to the gross wage bill of each establishment. Payment of contributions is effected, as a rule, by transfer from the bank account of the establishment to the account of the social insurance scheme at the time when the establishment draws cash from its account for the purpose of paying wages. The qualifying period for benefit is expressed in terms of duration of employment, and more particularly uninterrupted employment in

¹ *International Survey of Social Services, 1933*, Vol. 1, pp. 623-661. I.L.O. Studies and Reports, Series M, No. 13 (Geneva, 1936).

² Cf. *International Labour Review*, Vol. XXXVIII, No. 2, Aug. 1938, pp. 226-253: "Social Insurance in the U.S.S.R., 1933-1937".

³ The following sources have been used: *Profesionalnye Soyuzy*, Nos. 1-2 (Moscow, 1946) *Sotsialni Revue*, Nos. 5-6, 7; "Socialni pojisteni v S.S.S.R.", by Dr. Ivan KOCHANOVSKOV (Ministerstvo Ochrany Prace a Socialni Peca, Prague, 1946); *The Work of the Trade Unions in the Field of Social Insurance of the Workers* (Publishing House of the All-Union Central Council of Trade Unions, Moscow, 1945); *Trud*, 10. Sept. 1946; *Spravochnik po Sotsialnomu Strakhovaniyu dlya F.Z.M.K.* (Profizdat, Moscow, 1940).

the same establishment. Cases of permanent incapacity, whether due to employment injury or to another cause, are classified in three grades of severity, and in other respects also a close assimilation has been achieved between employment injury benefits and the corresponding benefits provided for in cases of sickness, invalidity and death from other causes.

ORGANISATION

Social insurance in the Soviet Union is administered partly by the trade unions and partly by the Social Welfare Ministries. Short-term insurance is administered by trade union organisations, while long-term insurance is administered by the Social Welfare Ministries of the national Soviet Republics, which, however, in matters of social insurance are subordinated to the Central All-Union Council of Trade Unions.

The hierarchy of trade union organs which are entrusted with the administration of social insurance is as follows:

- (1) The Social Insurance Department of the Central All-Union Council of Trade Unions.
- (2) Insurance funds established at the headquarters of the Central Trade Union Councils, which are organised according to branches of Soviet industry.
- (3) Branches of trade unions, whose competence may cover the area of a town, district, province, or an entire Soviet Republic.
- (4) Works committees, with affiliated social insurance councils, shop committees, and insurance delegates.

The Social Insurance Department of the Central All-Union Council of Trade Unions

The following matters fall within the competence of the Social Insurance Department of the All-Union Council of Trade Unions:

- (a) the organisation and control of activities of all trade union organs entrusted with the administration of social insurance, and, in matters of social insurance, the activity of the national Ministries of Social Welfare;
- (b) the establishment of an overall social insurance budget and the submitting of the budget to the Council of Ministers of the Soviet Union for approval;
- (c) the drafting of social insurance laws and the submission of these laws to the Council of Ministers of the Soviet Union, and the issue of instructions and orders aiming at the improvement of the State social insurance;
- (d) participation in the establishment of the budget of the Ministry of Health with a view to securing proper medical care for insured persons.¹

¹ Medical care in the Soviet Union is entrusted to the Ministry of Health and its organs.

The Central Trade Union Councils

The central councils of the trade unions of the various industrial branches propose new legislative measures, collect contributions within their respective industrial branches, order and supervise the carrying out of measures decided by the All-Union Council, through the subordinated organs of trade unions. The social insurance fund established at each of the central trade union councils can be regarded as the insurance carrier for the particular branch of industry concerned.

Social Insurance Councils

The local agencies of the Soviet social insurance organisation are the social insurance councils. They are established at all establishments employing more than 200 persons. The social insurance council is an organ of the works committee, which approves its composition and supervises its work; the chairman of the works committee is also the chairman of the social insurance council.

Social insurance councils determine, in accordance with existing laws, the rates of cash benefits payable during temporary incapacity and also of lump sum benefits. They have the right to order the cessation of benefit payments if the beneficiary disobeys doctor's orders. The social insurance council supervises the work of hospitals, polyclinics and other health institutions; it sees to the due payment of contributions by the management of the respective undertakings and submits to the latter accounts of social insurance expenditure; it decides about complaints in matters of incorrect payments of benefits, unsatisfactory hospital treatment of insured persons, and conditions in children's and other institutions. It takes action against persons misusing social insurance facilities, managements which fail to pay contributions, doctors who wrongly issue sickness certificates, etc., organises and carries out the supervision of sick persons, and ascertains that the doctor's orders are obeyed. Against the decisions of the council an appeal is possible to the respective works committee. In smaller undertakings or in those where no social insurance council has been set up, the functions of the latter are carried out by the works committee in co-operation with social insurance delegates.

Shop Social Insurance Committees

In workshops and departments of the undertaking, shop social insurance committees are established which help the social insurance council in its work. These committees are composed of members of the shop committee and social insurance delegates.

Social Insurance Delegates

All practical work connected with social insurance is carried out by the social insurance council in co-operation with social insurance delegates.

Social insurance delegates are elected at meetings of the trade union branch to which the respective factory belongs. Their work is performed after working hours and is not remunerated. Among other activities, they visit sick persons, hospitals and kindergartens

and help disabled persons with housekeeping, errands, etc. They attend meetings of social insurance councils and shop committees and report to the trade union branch of their factory or other establishment.

The Social Welfare Ministries of the National Soviet Republics have no branches of their own and their functions are performed by town, city or district councils.

Disability Assessment Commissions

Commissions of medical and production experts are established in establishments with works committees, to assess the capacity for work of a worker who has been temporarily or partially disabled. The chairman of this commission is designated by the respective trade union and the members are medical experts in internal medicine, surgery and neuropathology, experts on production and technical questions, and members of the hygiene department of the establishment.

Medical examinations for the determination and classification of invalidity are carried out by special commissions which are established at the headquarters of higher social insurance organs, e.g., at district or town social insurance committees.

These commissions recommend measures to be taken for the preventing of invalidity and the improvement of work capacity of partially disabled workers.

SCOPE

Social insurance applies compulsorily to all employed persons. In particular, it covers:

(a) All persons employed in the "socialist sector" (State, co-operative and public undertakings, institutions and other establishments).

(b) All persons employed in private establishments and on private farms.¹

(c) Students attending retraining and specialisation courses, if they worked previously as employed persons.

The following are not covered by the State social insurance scheme:

(a) Collective farmers;

(b) Persons who own farms, and the families of such persons;

(c) Persons performing occasional jobs (such as charwomen, small artisans performing repair work, etc.)

FINANCING

The social insurance scheme is financed by contributions which cover the cost of all benefits with the exception of medical care, which is administered and financed by the Ministry of Health.

¹ This applies to all territories acquired by the Soviet Union where private farming has been maintained.

In principle the contributions collected each year for workers in each branch of industry are to be expended in that year, any surplus remaining after the payment of the benefits to which insured persons are legally entitled being devoted to social welfare work for the branch of industry concerned. The contributions are paid by the employer (mostly the State) and vary considerably from one branch of industry to another. As examples of the scale of contributions, these figures may be cited:

Branch of industry	Percentage of wages	Branch of industry	Percentage of wages
Chemical	10.7	Petroleum	8.4
Salt	9.6	Road constructions and buildings	4.0
Mining	9.5	Forestry	3.8
Cotton	9.3	Art and theatre	3.7

The contributions are assessed on wages, including overtime and other bonuses; there is no maximum as there is for the wage on which benefits are calculated.

Each establishment is registered with the insurance fund of its industrial branch and has an account in the State Bank for the payment of social insurance contributions. After the contributions have been deposited by the employer in his contribution account, the State Bank transfers the amount paid into the account of the insurance carrier, i.e., the social insurance fund of the respective industrial branch.

Establishments belonging to the socialist sector and the Ministries of Transport and Railways, when submitting a request for the allocation of funds for the payment of wages, are required to present an application for the transfer of the contributions deposited by the establishment from their account to the account of the insurance carrier. All establishments in which social insurance councils have been set up are bound to present a social insurance budget to their respective trade union branch.

Private employers pay their contributions at the local branch of the State Bank, which transfers these contributions into the account of the insurance fund of the industrial branch of the respective industry.

Employers of domestic workers pay contributions by means of stamps which can be bought at the branches of the State Bank or Savings Bank. The rate of contributions is assessed according to the employers' earnings. Workers, officials, agriculturists and home producers who are organised in co-operatives and artisans pay from two to six roubles a month according to their earnings. Contributions for the insurance of artisans and craftsmen are paid by the management of the producers' co-operatives.

BENEFITS

Cash benefits are payable under the social insurance scheme in respect of:

(a) *Short-term benefits*, comprising temporary incapacity due to employment injury (including occupational disease) or sickness;

maternity leave; sickness of dependants; and quarantine. These benefits are administered by trade unions and their affiliated social insurance organs.

(b) *Long-term benefits*, comprising invalidity, whether due to employment injury (including occupational disease) or another cause; old age; death; and family responsibilities. Long-term benefits are administered by the Social Welfare Ministries of the National Soviet Republics. The trade unions, however, administer pensions paid to working invalids.

(c) *Other grants*, namely maternity and funeral benefits.

Medical benefits are furnished to insured persons and their dependants at polyclinics, in hospitals and in other institutions under the administration of the Ministries of Health. Medical aid at home is given by the medical institution which is closest to the worker's place of work.

The basic wage for short-term benefits is the average earnings during the last period of continuous employment in the same establishment, and for long-term benefits, the wage which the insured person was receiving before invalidity, retirement or death. In both types of benefit, the maximum basic wage is 400 roubles a month, or 550 roubles for underground miners.

Short-term Benefits

Employment Injury and Sickness.

Cash benefits are paid to insured persons in cases of sickness or employment injury (including occupational disease) from the first day of sickness or from the day on which the employment injury occurred, and are paid until the insured person returns to work or until he is declared an invalid.

The amount of cash benefits is assessed according to the type of work in which the insured person is employed and according to the length of his uninterrupted employment in the same establishment. The percentage of the basic wage payable is as follows:

(1) Persons continuously employed in the same establishment for a period of

(a) over six years	100
(b) from three to six years	80
(c) from two to three years	60
(d) under two years	50

(In establishments which began to operate after 1 January 1933 the period of continuous employment is reduced to five years.)

(2) Persons continuously employed in underground work for a period of

(a) over two years	100
(b) under two years	60

(3) Women and youths under 18 years of age continuously employed in the same establishment

(a) over two years	80
(b) under two years	60

Cash benefits in cases of sickness or employment injury are assessed and granted by the social insurance councils in establishments where the latter have been set up. In smaller enterprises, where no social insurance councils exist, the assessment and granting of benefits is carried out by the district trade union committee. The payment, however, is effected in all cases by the administration of the establishment in which the insured person is employed. The cash benefits of persons who are employed by private employers are assessed and paid by the district trade union committee from special funds allotted for that purpose.

If, as a result of sickness or employment injury, a person is temporarily transferred to less strenuous work, he is entitled to the payment of a cash benefit, the amount of which, added to his new wages, may not exceed the wages from his former employment.

Maternity Leave.

Expectant mothers are granted special leave (35 days before and 42 or 56 days after childbirth, depending on their state of health). During this period the same benefits are paid to them as in the case of sickness or employment injury.

Sickness of Dependants.

Similar benefits to those paid in the case of sickness or employment injury are paid to an insured person whose absence from work is justified by a serious illness of a member of his family or by the necessity to visit his children in a kindergarten or other children's institution. The fact that a domestic worker is employed by the insured person does not preclude the granting of such special leave and the accompanying benefits. Where a child of under two years has fallen sick, his working mother can be granted special leave and benefits, even if another member of the family is nursing the child.

Quarantine.

Similar benefits are also granted to persons who are confined to their homes or elsewhere for reasons of quarantine.

Long-term Benefits

For the purpose of invalidity, old age and survivors' pensions, insured persons are divided into four categories according to the nature of their employment:

(1) Manual workers employed on underground or dangerous work;

(2) Manual and non-manual workers employed in the metal, engineering, electro-technical, mining, coal, naphtha and rubber industries, transport by rail or waterways, etc.;

(3) Manual workers not listed in categories (1) and (2) and non-manual workers occupied directly in production, and the sanitary and medical personnel of establishments;

(4) Other non-manual workers.

Invalidity Pensions.

According to the degree of incapacity for work, invalids are divided into three groups: (a) persons who are completely incapa-

citated for work and require the help of another person ; (b) persons who are completely incapacitated for work but do not require the help of another person ; (c) persons who are partially incapacitated and can perform work requiring less skill or strain.

Invalidity pensions are paid if invalidity is due to employment injury (including occupational disease) or any other cause.

In cases where invalidity is the result of an employment injury (including occupational disease), the pension is granted without a qualifying period, and amounts, for all categories of employment, to 100 per cent. of the basic wage for the first degree of invalidity, 75 per cent. for the second degree, and 50 per cent. for the third.

If the injury was caused by a fault of the establishment, the worker has the right to sue the establishment for the payment of the difference between his former wages and the pension granted to him. In such cases the trade union organisation has the right to sue the party at fault for the amount of the pensions paid.

If invalidity is the result of other causes than employment injury, the invalidity pension is paid after a certain qualifying period during which the person must have been subject to the State social insurance scheme. The length of the qualifying period depends on the age and sex of the person and the type of employment.

TABLE I. QUALIFYING PERIOD FOR INVALIDITY PENSION

Age at which invalidity occurs	Qualifying period (years)		
	Men	Women	In underground or dangerous occupations
From 20 to 22	3	2	2
22 25	4	3	3
25 30	6	4	4
30 35	8	5	5
35 40	10	7	6
40 45	12	9	7
45 50	14	11	8
50 55	16	13	10
55 60	18	14	12
Over 60	20	15	14

If invalidity has occurred under the age of 20, the pension is granted without any qualifying period. Military service and sometimes the time spent on studies are included in the qualifying period. For holders of decorations awarded by the Soviet Union or one of the Soviet Republics, the qualifying period is reduced by one-third.

The qualifying period can be interrupted, but for not longer than five years.

The rates of invalidity pensions, in terms of the basic wage, depend on the period of employment, the category of employment and the degree of invalidity.

TABLE II. PERCENTAGE OF BASIC WAGE PAID AS INVALIDITY PENSION

Category of Employment	Invalidity Group	Number of Years of Employment					
		10 and under	15	20	25	30	34 and over
1	I	69	79	91	100	100	100
	II	49	59	71	80	80	80
	III	35	45	57	66	66	66
2	I	68	73	80	90	90	90
	II	48	53	60	70	70	70
	III	34	39	46	56	56	56
3	I	67	67	69	74	79	80
	II	47	47	49	54	59	60
	III	33	33	35	40	45	46
4	I	67	67	68	70	73	75
	II	47	47	48	50	53	55
	III	33	33	34	36	39	41

The pension is increased by 10 to 25 per cent. for the first two categories of employment in the case of continuous employment of 3 to 15 years in one establishment.

The pension paid to an invalid of the third degree who is employed is reduced so that his income from his pension and wages combined shall not exceed his wages before he became an invalid.

Old-age Pensions.

Old-age pensions comprise (a) regular old-age pensions and (b) special old-age pensions.

Regular old-age pensions. These vary according to the category of employment. Workers of the first category receive a pension at the age of 50, amounting to 60 per cent. of the last wages, after 20 years of work, of which at least 10 years must have been spent in underground or dangerous work. Workers of the second category receive a pension at the age of 60, equivalent to 55 per cent. of the last wages, after 25 years of work ; women workers qualify at the age of 55, after 20 years of work. Workers of the third and fourth categories receive a pension equal to 50 per cent. of the last wages, the qualifying period being the same as in the second category of employment.

Intellectual workers. A pension amounting to 50 per cent. is paid to certain categories of intellectual workers (teachers, doctors, agronomists, etc.) for 25 years of continuous employment.

Heroes of work. A monthly pension amounting to 75 per cent. of the last wages is granted to persons who have accomplished 35 years of work (heroes of work). These pensions are granted with the authorisation of the Government on the recommendation of the Central Committee of Trade Unions.

The basic wage for the assessment of regular old-age pensions cannot exceed 400 roubles a month. Old-age pensions are also

paid without reduction to persons who continue to work after they have reached the qualifying age.

Other long-term benefits which are paid to the insured person reduce or annul the old-age pension.

Special old-age pensions. These include pensions for academicians and artists, and personal pensions.

A monthly flat rate pension of 450 roubles is paid to scientists, artists and other persons whose salaries are higher than the wages and salaries of ordinary manual or non-manual workers.

Personal pensions are granted for special merit in the sphere of war, revolution, trade union or public activity, development of the Soviet State, art, science or technical progress. Holders of government awards are also included in this group.

Survivors. Survivors' pensions under the State social insurance scheme are governed by different principles according as the death of the insured person is due to (a) employment injury (including occupational disease), (b) another cause.

In the case of death due to employment injury, survivors' pensions are assessed without regard to the length of time during which the insured was subject to social insurance.

In the case of death due to another cause, pensions are paid to survivors of a person who, according to the qualifying period corresponding to his age, would have been entitled to an invalidity pension at the time of his death. (See table I.)

Survivors' pensions are scaled according to the category of employment, the number of survivors and, unless death is due to employment injury, the length of employment of the deceased.

TABLE III. PERCENTAGE OF BASIC WAGE PAID AS SURVIVORS' PENSION

Category of Employment	Number of Survivors	Number of Years of Employment of the Deceased						Rate of Pension in case of Employment Injury
		10 and under	15	20	25	30	34 and over	
1		Percentage of Basic Wage						
	1	24.5	29.5	35.5	40	40	40	37.5
	2	36.8	44.3	53.3	60	60	60	56.3
	3	49	59	71	80	80	80	75
	4 and over	61.3	73.8	88.8	100	100	100	93.8
2	1	24	26.5	30	35	35	35	37.5
	2	36	39.8	45	52.5	52.5	52.5	56.3
	3	48	53	60	70	70	70	75
	4 and over	60	66.3	75	87.5	87.5	87.5	93.8
3	1	23.5	23.5	24.5	27	29.5	30	37.5
	2	35.3	35.3	36.7	40.5	44.3	45	56.3
	3	47	47	49	54	59	60	75
	4 and over	58.8	58.8	61.3	67.5	73.8	75	93.8
4	1	23.5	23.5	24	25.3	26.5	27	37.5
	2	35.3	35.3	36	37.9	39.8	41.3	56.3
	3	47	47	48	50.5	53	55	75
	4	58.8	58.8	60	63.1	66.3	68.8	93.8

The following classes of relatives of the insured person are entitled to share in the survivors' pension:

(1) Children, brothers and sisters under the age of 16 (students, under 18);

(2) Disabled children, brothers and sisters irrespective of age if they became disabled before reaching the age of 16 (students, before age 18);

(3) Disabled husband or wife, and parents who are disabled or have attained pensionable age but are not in receipt of old-age pensions;

(4) Parents, wife or husband, whether able to work or not, if they have in their care sisters, brothers or children under age 8 who are survivors of the deceased insured person.

In cases where both parents are insured, and one of them dies, orphans' pensions are paid regardless of the earning of the surviving parent, and they are also paid in cases where the child was not actually supported by the deceased person.

For the purpose of assessment of survivors' pensions, persons whose incapacity for work can be classified as falling into the first or second group of invalidity are regarded as disabled.

Survivors' pensions are assessed for the family as a whole, but if members of the family are living separately, the pension can be divided into several parts provided that one of the entitled persons applies for such a distribution.

Family Responsibilities Pensions.

Allowances from social insurance funds are paid to mothers of large families. These allowances take the form of regular monthly payments, but lump sum grants are paid in addition at the birth of every child.

TABLE IV. AMOUNTS OF FAMILY ALLOWANCES (IN ROUBLES)

Allowances paid		Lump sum payment	Monthly payment
To mothers of 2 children	on the birth of the 3rd child	400	—
3	4th "	1,300	80
4	5th "	1,700	120
5	6th "	2,000	140
6	7th "	2,500	200
7	8th "	2,500	200
8	9th "	3,500	250
9	10th "	3,500	250
10	of each succeeding child	5,000	300

Unmarried mothers receive additional allowances for the upbringing of their children.

*Other Grants**Maternity Grants.*

Besides the benefits payable during maternity leave and family allowances, lump sum grants amounting to 120 roubles are paid on the occasion of childbirth and 180 roubles for infant feeding. Working mothers or fathers are paid 210 roubles for each child for the purchase of the layette.

The payment of additional lump sum grants can be proposed by works committees on behalf of needy families.

Funeral Grants.

Funeral grants are paid at the death of the following categories of persons and their dependants:

- (a) Workers in the "socialist sector";
- (b) Persons employed in private establishments and on private farms;
- (c) Beneficiaries of social insurance pensions and special pensions;
- (d) Students attending universities, polytechnics and factory and retraining courses, if they were employed as workers before the beginning of their studies.

The funeral grant is accorded to all categories under the same conditions; the rate varies according to age and whether the insured or his dependant had his residence in a town or a rural district.

SPECIAL SCHEMES

Social Insurance of Collective Farmers

The social insurance of collective farmers is administered by special mutual aid funds which are established at the different collective farms. These funds are independent of the management of the collective farms and they operate under the supervision of the Ministry of Social Welfare of the respective Soviet Republic. They are financed by contributions in cash and kind (up to 2 per cent. of the annual crops), which are paid by the management of the collective farm to the mutual aid fund concerned.

The establishment of a mutual aid fund is voluntary and takes place when the majority of members of a collective farm so decide. A member can become affiliated with the fund at the age of 16.

The benefits granted to the members of the mutual aid fund in the case of sickness, old age and invalidity are paid partly in cash and partly in kind.

Among other functions, the mutual aid funds allocate houses for the use of retired collective farmers and grant loans to their members for the purchase of cattle or farm equipment. The care of orphans, survivors of war victims, and war invalids, is also entrusted to these funds.

In cases of pregnancy and childbirth, female members of the mutual aid funds are granted the same leave as women insured under the State social insurance scheme; during this period they receive full payment according to the law governing collective farms.

The establishment of mutual aid funds is steadily growing, and 60,000 of these funds operated in 1944 in the Russian Soviet Republic alone.

Social Insurance of Artisans and Craftsmen

The social insurance of artisans and craftsmen is carried out by producers' co-operatives which have their own mutual insurance schemes.

The benefits paid by these co-operatives to their members are almost the same as those paid under the State social insurance scheme. Old-age pensions are paid at the age of 60 for men and 55 for women; the rate varies between 45 and 60 per cent. of earnings, according to the trade.

Participation of Social Insurance Organs in the Administration of War Pensions

The administration of war pensions has been entrusted for the most part to trade union organisations. War pensions payable to reserve and junior officers, non-commissioned officers and privates are fixed by social insurance organs of the district or town trade union committees. War pensions of regular officers and senior officers are fixed by military authorities.

A close relation exists between social insurance pensions and war pensions.¹

Partially disabled war invalids who continue to work receive 100 per cent. of their former wages.

Persons not Insured

Persons who are not entitled to benefits under the State social insurance scheme or one of the above special schemes receive assistance in their old age, and in case of invalidity are placed in homes for invalids. This assistance is furnished by the social assistance authorities at the expense of the Government.

WELFARE PROJECTS

Social insurance funds are used by the trade union organisations for the building and maintenance of rest homes, sanatoria, holiday camps, dietetic dining rooms, kindergartens and children's parks and institutions.

Social insurance departments of district and town councils—as branches of the Ministries of Social Welfare of the Soviet Republics—in co-operation with social insurance councils of works committees, take an active part in the organisation of retraining, rehabilitation and re-employment of civilian and war invalids.

¹ Cf. *International Labour Review*, Vol. LII, Nos. 2-3, Aug.-Sept. 1945, pp. 255-256.