UNIVERSAL
LIBRARY

OU_150036

UNIVERSAL
LIBRARY

301·60 25626
C595
OSMANIA UNIVERSITY LIBRARY

OSMANIA UNIVERSITY LIBRARY

all No. 301.60 C59 S Accession No. 25626

uthor Clarke, J J.

itle Social administration. 1946.

This book should be returned on or before the date last marked below.

SOCIAL ADMINISTRATION

BY THE SAME AUTHOR AND PUBLISHED BY PITMAN

OUTLINES OF LOCAL GOVERNMENT OF THE UNITED KINGDOM

In crown 8vo, cloth, 369 pp. **6s.** net.

OUTLINES OF CENTRAL GOVERNMENT

Including the Judicial System of England.

In crown 8vo, cloth, 332 pp. **9s.** net.

LOCAL GOVERNMENT OF THE UNITED KINGDOM

In demy 8vo, cloth, 992 pp. **25s.** net.

COUNTY COUNCILS: THEIR POWERS AND DUTIES

In crown 8vo, cloth, 206 pp. **5s.** net.



THE PAPER AND BINDING OF THIS BOOK CONFORM TO THE AUTHORIZED ECONOMY STANDARDS

MADE IN GREAT BRITAIN AT THE PITMAN PRESS, BATH
D6—(B.1748)

SOCIAL ADMINISTRATION

BY

JOHN J. CLARKE, M.A., F.S.S.

OF GRAY'S INN AND THE NORTHERN CIRCUIT, BARRISTER-AT-LAW
LEGAL MEMBER OF THE TOWN PLANNING INSTITUTE

FOURTH EDITION



LONDON
SIR ISAAC PITMAN & SONS, LTD.
PITMAN HOUSE, PARKER ST., KINGSWAY, W.C.2
BATH MELBOURNE SINGAPORE JOHANNESBURG
1946

TO

THE MEMORY OF

THE RIGHT HONOURABLE

CHARLES BOOTH,

ROBERT HENRY LUNDIE

AND

WILLIAM RATHBONE,

PIONEERS OF SOCIAL ADMINISTRATIVE

REFORM

FOREWORD

By

THE RT. HON. ARTHUR GREENWOOD, P.C., LL.D., M.P.

THE Social Services have become an integral part of our national life. These services grew out of the poverty or the defencelessness of the people. But we know now that along whatever lines the community organizes, the Social Services must remain.

The student of economic and social problems must familiarize himself with the network of legislation and administration affecting the day-to-day life of the people. Mr. Clarke has made this realm of study peculiarly his own, and he has rendered a great service in his volume on SOCIAL ADMINISTRATION.

The time has gone when the Poor Law system stood as the only bulwark between the individual and destitution. The development of our modern system of local government and the recognition of the need for the provision of common services have led us to the establishment of specialized services, as, for example, in the spheres of public health, housing, education, health and unemployment insurance, and pensions.

Through the rates and taxes or through contributory schemes the community is now providing itself with essential services which it would be impracticable for the individual citizen to provide for himself and his family.

These services have become woven into the texture of the social fabric; and so far from them becoming less important, I believe they will become infinitely more important factors in society.

I suppose no one could visualize what life would be like for the masses of the people without Factory and Mines and Trade Boards Acts, without clinics, hospitals and health centres, schools, housing estates, pensions and insurance schemes and so forth.

I take the view that there is a moral responsibility on the community to ensure that its members are fitted to undertake the heavy responsibilities of citizenship and parenthood. I see no way of securing the essentials of a healthy and vigorous life for all except through collective effort and a deliberate attempt on the part of the nation to create an inspiring social environment for itself, to protect its members from anti-social influences, and to remove the canker of insecurity, whether arising through unemployment, sickness or bereavement, from the lives of millions of our people.

The social services, as I conceive them in their developing form, are less concerned with relieving individuals from the consequences of social and economic evils, than with the positive, constructive task of creating a worthy background to life.

Mr. Clarke's volume will enable the reader to pick his way through the maze of legislation and administration through which we are gradually evolving a coherent code of social and industrial law and co-ordinated services. It will, I hope, do more. I trust that it will help to a fuller understanding of the powers which we now possess, and their fuller use; and that it will assist those who read it to clarify their minds as to the lines of future development.

ARTHUR GREENWOOD

December, 1934

PREFACE
TO THE FOURTH EDITION

CONSIDERABLE difficulty has been experienced in determining the best procedure to be adopted in preparing a new Edition of this work in the time of a world war. Economy of material and labour determined many of the minor problems, and made it apparent that only permanent legislative changes should be incorporated in the text.

Overshadowing all other considerations was the effect that the Beveridge Report on Social Insurance and Allied Services would have on the social legislation. This had particular reference to Part VI, Unemployment, which covers Chapters XXIII to XXXII inclusive. After consultation with many leading authorities, the author decided to include a new Chapter XXXIX, National Insurance, which incorporates the Beveridge Plan and the Government White Papers, on a National Health Service and Full Employment, together with the legislation relative thereto up to the time of going to press. The Chapters have been revised throughout so far as *permanent* legislative changes are concerned, including the Education Act, 1944. To assist the research student and for future reference, Appendix B, consisting of a Schedule of Acts and Statutory Rules, Orders and Regulations relating to Unemployment Insurance which have been issued since the publication of the Third Edition in 1938, has been added.

Mr. H. T. Graham, Secretary for Publications in the University of Liverpool, and Mr. W. J. Parry, A.I.M.T.A., Technical Assistant to the Liverpool City Treasurer, have read the proofs, the latter having given special consideration to the requirements of the students preparing for the examinations of the Institute of Municipal Treasurers and Accountants. Mr. A. A. Bellamy, A.R.I.B.A., A.M.T.P.I., of the Architect's Department of the

London County Council, has kindly filled the breach left by the lamented death of Mr. H. L. Hobday, Assistant Clerk of the London County Council, and has given special attention to the subjects relative to London. Many other friends in the various public services and associations have helped in the revision of the text, but they prefer to remain anonymous.

The Index has been prepared by my friend Mr. G. K. Bucknall, A.C.I.S. (Hons.), whose self-sacrificing interest in the reading of the proofs, and in making valuable suggestions for improvement, have been inexhaustible.

The Foreword which was contributed to the Second Edition by my friend the Right Honourable Arthur Greenwood, P.C., LL.D., M.P., has been retained.

JOHN J. CLARKE

3 PAPER BUILDINGS, TEMPLE, E.C 4
AND
27 LORD STREET, LIVERPOOL, 2

CONTENTS

CHAP.		PAGE
	FOREWORD	v
	PREFACE TO FOURTH EDITION	vii
	I. THE STATE AND VOLUNTARY AGENCIES	
I.	EARLY EXAMPLES OF COLLECTIVE EFFORT	1
II.	THE DEVELOPMENT OF MODERN COLLECTIVISM	9
III.	THE STATE IN RELATION TO INDUSTRIAL AND SOCIAL LEGISLATION	23
IV.	THE GROWTH OF VOLUNTARY ASSOCIATIONS	48
	II. PUBLIC HEALTH, HOUSING AND PLANNING	
V.	PUBLIC HEALTH	72
VI.	HOUSING	93
VII.	TOWN AND COUNTRY PLANNING	113
	III. CHILDREN AND YOUNG PERSONS	
VIII.	EDUCATION	134
IX.	THE CHILD	165
X.	SUPERVISION OF THE ADOLESCENT	179
XI.	THE DELINQUENT	190
	IV. NATIONAL HEALTH INSURANCE	
XII.	THE INSURANCE ACTS	213
XIII.	NATIONAL HEALTH ADMINISTRATION	228
	V. THE STATE AND LABOUR	
XIV.	FACTORIES ACTS: (*a*) HEALTH	238
XV.	FACTORIES ACTS: (*b*) SAFETY AND WELFARE	254
XVI.	FACTORIES ACTS: (*c*) EMPLOYMENT OF WOMEN AND YOUNG PERSONS	268
XVII.	FACTORIES ACTS: (*d*) MISCELLANEOUS PROVISIONS	275
XVIII.	THE MINING INDUSTRY	284
XIX.	LABOUR MANAGEMENT	297
XX.	TRADE BOARDS AND OTHER FORMS OF STATUTORY WAGE REGULATION	308
XXI.	METHODS OF INDUSTRIAL PEACE: (*a*) INDUSTRIAL NEGOTIATION	319
XXII.	METHODS OF INDUSTRIAL PEACE: (*b*) VOLUNTARY ACTION WITHIN INDUSTRY	344

VI. UNEMPLOYMENT

CHAP.		PAGE
XXIII.	THE PRE-1914 UNEMPLOYMENT PROBLEM	361
XXIV.	POST-WAR UNEMPLOYMENT, 1918–1939	386
XXV.	EMPLOYMENT EXCHANGES	421
XXVI.	UNEMPLOYMENT INSURANCE TO 1926	448
XXVII.	BLANESBURGH COMMITTEE ON UNEMPLOYMENT INSURANCE AND AFTER	481
XXVIII.	THE INTERIM REPORT OF THE ROYAL COMMISSION ON UNEMPLOYMENT INSURANCE, 1931, AND AFTER	502
XXIX.	THE FINAL REPORT OF THE ROYAL COMMISSION ON UNEMPLOYMENT INSURANCE, 1932	521
XXX.	UNEMPLOYMENT INSURANCE AFTER THE REPORT OF THE ROYAL COMMISSION OF 1932	542
XXXI.	UNEMPLOYMENT ASSISTANCE	557
XXXII.	LATER UNEMPLOYMENT INSURANCE LEGISLATION	587

VII. STATE PENSIONS

XXXIII.	OLD AGE PENSIONS, BLIND PERSONS' PENSIONS, AND FAMILY ENDOWMENTS	632
XXXIV.	THE WIDOWS', ORPHANS', AND OLD AGE CONTRIBUTORY PENSIONS ACTS	645
XXXV.	WAR PENSIONS	660

VIII. CONCLUSION

XXXVI.	SOME CAUSES OF POVERTY	670
XXXVII.	SOME SOCIAL STATISTICS	684
XXXVIII.	SOME PROPOSALS	691
XXXIX.	NATIONAL INSURANCE	732

APPENDIX A—PUBLIC SOCIAL SERVICES, 1922–1936; TOTAL EXPENDITURE UNDER CERTAIN ACTS OF PARLIAMENT. 752

APPENDIX B—UNEMPLOYMENT INSURANCE; STATUTORY RULES AND ORDERS 754

INDEX 757

SOCIAL ADMINISTRATION

PART I

THE STATE AND VOLUNTARY AGENCIES

CHAPTER I

EARLY EXAMPLES OF COLLECTIVE EFFORT

In the early days of the history of mankind the obligations of citizenship were but dimly conceived. Only slowly, after centuries of civilization, have the principles of citizenship evolved. The earliest known inhabitants of the world led nomadic lives. Travelling from place to place they fulfilled the primary duties of man in procuring food, shelter, clothing and protection for their families and dependants. Gradually families grouped themselves into tribes and settled upon tracts of land sufficient for maintenance. This development is graphically illustrated in the Biblical account of Abraham and Lot and is seen in the mode of life of the present-day Arabs. Thus, in course of time, communities began to settle in fixed areas. Villages were the natural outcome where, gradually, industry was developed and work became more specialized. Trade conducted by a system of barter or exchange, which created standards of value, was also carried on with the inhabitants of the surrounding countries. Further, the settlement of man in a given area involved the devising of more effective measures for protection. Formerly, as comparatively weak and wandering tribes, they were compelled to seek fresh pastures when molested. As villagers the sacred claims of hearth and home impelled them to make a stand and defend. At a later period the fortified town appeared as a natural development. So grew up the tendency to provide habitation, and fixed habitations became increasingly characteristic of the early nomadic tribes. With permanency of habitation came more adequate protection, in the security of which the advance of the system of barter or exchange became assured.

The difference between savage and civilized man lies in

the desire of the latter for knowledge, power, social unity and organization. To be incapable of wanting something more is to be incapable of progress. Perfect contentment may prevent a people attempting such exertion as progress demands. On the other hand extreme discontent may result in sullenness and despair. To want, with hope of attainment, is the temper of progressive man.

As civilization advanced the relations of man with his fellows began to admit of definitions. These are described as political, legal, ethical and economic although the boundary line dividing them is not always easy to trace. Economic relations, for example, often involved relations of an ethical, legal and political character. The distinction, however, is sufficiently clear to make them the subjects of separate branches of study.

ORIGIN OF LAWS

As time went on there grew up a recognition of certain underlying principles of conduct which were generally put into operation by means of what are known as laws. About 700 B.C. there developed a system of Roman law, many of the principles of which have continued to operate to the present day. The principles of industrial and national law are based upon this Roman law. It grew out of a series of rules, now known as the "Twelve Tables." The Twelve Tables became established principles under the Roman Empire, but in course of time it became apparent that the law was too rigid in its application. Originally these laws applied only to Roman citizens. The Roman Empire developed by means of conquest, and under Roman laws every person captured became a slave. Consequently a slave was not permitted to enter into contracts. He had no right to hold property, and could not secure the advantages of what were known as *obligations*.

The Greeks claimed that all law should be based on Natural Law. Somewhere, thought the Greek, and in some condition, existed a Supreme Being who had given certain laws to Nature that Man may come, develop and disappear; that animals may develop and progress through various stages. All were subject to this unknown "Something" which they were unable to define and whose precepts they called the *Law of Nature*. Aristotle elaborated this theory by explaining that man is by nature a "political being," that he can develop his powers only in association with others, and that these associations must follow accepted principles of justice and order.

The Greeks, who fought violently and sometimes treacherously

among themselves, failed to build lasting political unions. Yet in their history may be discerned traces of human philosophy.

DEBT DUE TO ROMAN GENIUS

The Romans, having sent learned men to study Greek philosophy, absorbed and enforced the work of Greece. There were also Indo-Germanic or Aryan races to whom *Jus* or law meant that which is right and binding. The Romans, though exceedingly practical, realized that there was something in the Greek philosophy which was worth consideration. They felt that there was something in what Plato and Aristotle taught. They thereupon proceeded to build upon what they named *Jus Civile*, a new theory of law known as *Jus Gentium*, or the Law of Nature. They thus combined the rigid Roman code with the Greek philosophy by making one body of law, but they declined to recognize its application to the slaves. Thus slavery remained a permanent feature within the Roman Empire.

Thus Roman Law became one of the factors which helped to build up the collective force of man for the conquest of nature and the improvement of his lot. It was the leading agent by which the Romans carried out their incorporation of the West and also their most notable bequest to the nations which have since been the vanguard of mankind.

It has been the means of preserving those principles of order and continuity in development which the Roman genius first established in the world, e.g.—

1. Law and organization of the Catholic Church.
2. Methods of local and colonial administration.
3. Feudal systems.
4. Moral philosophy and theology.

The primary conception of an ordered progress in human affairs emanated from the study of Roman law. Regulations underlying trade and industry to-day are virtually based on this Roman code which was developed under the early emperors about A.D. 450, and which has come down to us as documentary evidence of the greatness of the Roman Empire. These codes were consolidated by the Emperor Justinian. During the period A.D. 428 to A.D. 450, there was produced a further series of codes, based on the original Twelve Tables, constituting the Roman code as handed down when the Roman Empire spread itself over the rest of Europe. When Christianity came to its full strength, the Church secured many powers, not only ecclesiastical, but also temporal. The Popes of many centuries were the dominating factor in the growth and expansion

of empires, and the Roman law became also the basis for the *Canon Law* or the *Ecclesiastical Law*, which exists at the present time. The Roman law was incorporated in the Norman feudal system in England which came with the Conquest. The growth and extension of trade gave an added impetus to the use made of some of the principles of the Roman law.

LAW MERCHANT

As civilization advanced men came from over the seas and traded with England, France, the Baltic, and the Mediterranean, and their customs of negotiation were consolidated in the "Law Merchant" interpreted in their own courts. For example, the Law Merchant is found in various Local Courts of Record, e.g. the Liverpool Court of Passage to-day. The laws which were thus administered had particular reference to property, to contracts, and to obligations which existed between men by reason of their relations with each other. These owed their origin to the principles contained in the Roman code. In course of time it became desirable to constitute one judicial system in England, and this was effected by means of the Supreme Court of Judicature Act, 1873, through the union of the existing Courts of Common Law and Equity. Since that time there has existed one definite principle of law, for it was provided that where the principle of the Common Law differed from the principle of Equity then the latter was to prevail. In the event of conflict with statute law the latter prevails because of the Sovereignty of Parliament. These Acts were further consolidated in the Supreme Court of Judicature (Consolidation) Act, 1925.

THE RENAISSANCE

Probably the period about 400 B.C. witnessed the greatest intellectual activity prior to the revival of learning in the early sixteenth century. For something like two thousand years little or no progress was made in science, and in the application of science to industry. The invention of printing in 1430 is a notable exception. It would be wrong, however, to suggest that this period was one of intellectual darkness or stagnation. It was a period when men's minds were being moulded to the realization of greater activities.

In the years closely following the Christian Era the *Crusades* taught the nations many important lessons. Men learned then, under the inspiration of the earlier Popes, that the great attainments in life were sacrifice and service. The Crusades were also international. The Crusaders went forward not as nations but as one body of men desiring a common

object. The spirit of these men, who lived for a higher motive, is described in the writings of Scott and others, and also in Tennyson's *Idylls of the King*. Here the purpose of the Crusaders is set forth in a striking manner, as men endeavouring to render service to their fellow men. The Crusades did not contribute very much to industry, but they showed that it was possible for men to serve their fellows without being actuated by selfish or sordid motives.

THE MIDDLE AGES

The Mediæval age was built up on the ruins of an ancient foundation. Full of new life, it sought fresh forms and outlets for its vigour. Despite its many contradictions men have described it as the "age of faith," the "age of chivalry," and the "age of law," as indicative of the phases of life which it represents.

The four most striking products of the Middle Ages followed immediately upon the Papacy attaining full self-consciousness, and may thus be summarized—

1. Immediately after Hildebrand, before the eleventh century was out, the Crusade had begun, at the instigation and under the guidance of the Pope.

2. The twelfth century saw the beginning of Gothic architecture and the establishment of the older universities, e.g. Prague and Paris.

3. In the thirteenth century came the preaching of the friars and the formulation of the scholastic philosophy.

4. Franciscans and Dominicans grew up side by side and both were authorized by Pope Innocent in the height of his power.

In each there is the same root idea of personal sacrifice, of separation from the pleasures of the world, and devotion to something supreme beyond the world of sense.

The social force and unity of the vanguard of mankind was greatly strengthened by the processes of these centuries. But at their close the Middle Ages had added little to the knowledge of the laws of nature discovered by Greek science.

THE MONASTIC DEVELOPMENT

The Middle Ages gave rise also to monastic development. At first glance it might appear that the growth of the monasteries, with their remarkable capital assets, had nothing to do with industry. But it must be borne in mind that they were the laboratories of research in those days, and that they afforded evidence of ultimate progress which became identified with the industries of the succeeding centuries. Their abolition by

Henry VIII in 1536 not only destroyed these facilities but necessitated the establishment of the Poor Law system in order to provide for those "impotent to serve" whom the monasteries had previously sheltered. This represented a further realization that men did not live to themselves individually but collectively. It came to be recognized that each man should contribute to the welfare of his fellows. Here was the genesis of local taxation. But contributions were voluntary in those earlier days; made in the hope of sustaining men and women who had fallen by the way—yet another example of the principles of service and of sacrifice, which characterized the former epoch.

THE PERIOD OF THE GREAT DISCOVERIES

This period inaugurated a new era of scientific progress and of *discovery*. The two operated in unison. The discovery of North America, the Pacific, and India, concurrently with the scientific inventions of Galileo and of Newton, produced a wonderful age, which would have been still more wonderful had it been more intelligently guided.

About this time lived Erasmus, who best exhibited the views and feelings of a wise, learned and cautious man, surveying the course of events at that critical moment with a heart set on the progress of human happiness and knowledge. The spirit of the times is well illustrated in Charles Reade's *Cloister and the Hearth*.

In 1516, the year in which an European eye first looked on the Pacific, Sir Thomas More published his *Utopia*, the narrative of an imagined traveller who was supposed to have stayed behind in America after Vespucci's voyage of a few years before, and who had made his way home by the western seas as Magellan actually did four years afterwards.

From the sixteenth century onwards there appeared a class of men in Europe nearer akin to the old Greek philosophers, men full of interest in the working of the world around them, facing various problems with equal zest, and accepting no solution but such as their own intelligence could approve. The pioneers in this work, as in that of the revival of learning, arose in Italy. Newton's *Principia*, the Magnum Opus of seventeenth century science, was published in 1687.

To bring together the two realms of man and nature under one law of Love, was the ideal purpose of the new order. It is the explanation of the force which spread and strengthened the social unity of Western Europe.

From these active sources evolved those portentous movements the Renaissance and the Reformation. The Latin language was the medium through which the new culture was expressed.

COLONIZATION

On the discovery of the New World efforts towards colonization naturally followed. Again it was to the Romans that men turned for principles—even the word "colony" is derived from the Roman word "Colonus," a man who was attached to the land. He was not a Roman citizen, but in most cases a slave who had been emancipated, and who passed to the owner of the land with the implements and stock upon the farm. Thus early development of colonization was undertaken either for the purpose of obtaining raw material or for exploitation of native labour. In these days of Imperial Conferences it is recognized that opinion has greatly altered in this regard since the sixteenth century.

ENCLOSURES

In our own country the enclosure of the common lands during the seventeenth and eighteenth centuries, whilst considerably improving agriculture, deprived many of the poor of agricultural facilities which they had enjoyed from time immemorial. The operations of the Law of Settlement resulted in many landowners either actually destroying houses, hamlets, and villages or otherwise preventing many of the peasantry from settling upon the land. Other results were the decay of the yeoman, the rise of the middleman and the tenant farmer, and the accumulation of great landed estates.

THE INDUSTRIAL REVOLUTION

The great inventions of the middle of the eighteenth century caused the complex changes in manufactures and commerce, known as the Industrial Revolution. It is true that this was a bloodless revolution, but it caused so radical a change in the conditions of industrial life, in all its spheres, that it demands the most careful consideration by the student of the social and economic problems which flowed from it.

For many decades before James Watt's successful experiments, the possibilities of steam had attracted the attention of inventors, and no sooner had Watt shown how to utilize the force of steam by the invention of the stationary engine than, with renewed vigour, attempts were made to produce a self-propelled steam vehicle.

The inventions of Arkwright, Crompton, and others, to which particular attention is given in the next chapter, supplemented the labours of James Watt and created a new industrial system, the study of which is developed under the term Economic Science.

THE STUDY OF ECONOMICS

The name "Economics" is given to the study of social principles which slowly developed from mediæval times. The word is derived from the Greek word meaning "housekeeping" or "household management," and is the word used by Xenophon. Economics is a social study. It deals with one side of man's social activity, namely, that which is concerned with the satisfaction of his wants. Economics is necessarily concerned with wealth, because wealth in the strict economic sense is everything which has power to satisfy man's wants but which cannot be obtained without effort. Economics deals primarily with man, as wanting, working, getting, and spending; and secondarily with the wealth which can satisfy his wants and which is the goal of his productive effort, and effort takes the form of services rendered to others. Economic life is, therefore, in effect, a constant interchange of services. These services have an exchange value, and that value is usually measured in terms of money.

What a man receives in exchange for his services is his income, and through his income comes the satisfaction of his wants. Economic life is exceedingly complex, and a man's economic actions are closely bound with, and exercise a great influence on, the work and welfare of his fellows. Thus, economics embraces all man's various activities with the production, exchange, and distribution of wealth; and is concerned with every process and every effort that helps to bridge the gap between wants and the satisfaction of wants. It is the consideration of the application of these principles to the life and labour of man which is the immediate purpose of this book.

CHAPTER II

THE DEVELOPMENT OF MODERN COLLECTIVISM

THE Industrial Revolution was the turning point in the changed social and economic conditions of the country. The conclusion of the Seven Years' War, 1763, gave us Canada, India, Florida, and the country east of the Mississippi. Spain lost power through France. Germany was ravaged by Austria and Prussia. Holland was torn by internal dissensions. Sweden, Norway, and Italy were unimportant, but Russia was coming to the front.

THE INDUSTRIAL REVOLUTION

The principal features of the movement were as follows—

In 1733, James Kay, of Bury, patented the flying shuttle—an invention by which the shuttle was mechanically propelled from side to side, enabling the weaver to work wide cloths as easily as narrow, and twice as quickly. This resulted in an increased demand for yarn and induced spinners to search for mechanical aids and improvements.

In 1760, Smeaton set up his blowing apparatus at Carron, Falkirk. About the same time James Black made his discoveries in latent heat when he was just over thirty. These helped James Watt to the invention of his condenser, and in 1769 Watt patented his steam engine. In the following year James Hargreaves, a weaver near Blackburn, patented his "Spinning Jenny" when the productiveness of the spinners was enormously increased.

In 1771, Arkwright, at Cromford, on the Derwent, employed his "Water Frame" spinning machine for cotton. This was first worked by horses. Arkwright was a barber at Bolton. Being of an inventive turn of mind he became acquainted with a Mr. Kay, a Warrington cloth maker, and later there was produced the patent with which his name is identified. On its first appearance there were riots in Blackburn, where the machines were broken. Arkwright thereupon moved to Nottingham and effected a partnership with the Strutts. Mosson Mill, Matlock Bath, was erected in 1783, and developed the invention. To provide the water-power £30,000 was expended. Arkwright succeeded in his enterprise and was given a baronetcy.

In 1779, both Hargreaves' spinning jenny and Arkwright's machine were superseded by Samuel Crompton's "Mule," which

combined the principles of Hargreaves' and Arkwright's inventions, and enabled a finer yarn to be spun than hitherto.

In 1785, Dr. Cartwright, a Kentish parson, patented the "Power Loom" for weaving, which did away with the hand-weaver. In the same year the first steam propelled cotton-spinning mill was opened in Manchester, and thus enabled the undeveloped power of the coal-fields to be applied to industry.

Although originally applied to cotton, these inventions were subsequently improved upon and extended to the woollen industry.

CHARACTERISTICS OF THE MOVEMENT PRODUCED BY THE INDUSTRIAL REVOLUTION

1. The Commanding Place of Capital. The first characteristic is the *commanding place of capital*, by which is meant the part of wealth (excluding land and the natural agents which nature bestows) from which income is expected. "The power which used to follow land has gone over to the money."

Now this wealth began as soon as primitive man possessed a surplus over present needs. Thus, we find that when the husbandman has sown his seed-corn, and yet has enough food-corn by him to last till harvest, his wife would sit and spin while he built a better house or made better utensils. In this way wealth accumulated. The word "capital" has been identified with *caput* or head of cattle or "chattel," something that can be seen with the eyes and touched with the hands. It is claimed that when man first thought of capital it was in terms of things from which he could get constant supply of food and clothing. To-day we think of capitalists as the owners of production goods, which are but the modern expression of earlier terms. Capital enables the production of goods to be carried on by methods which give the best possible results in output. Thus arose two great new classes in the community, viz., the capitalist manufacturers and the operative or factory workers.

It is claimed that capitalism ruthlessly wears out the living instrument. On the other hand the hours of work have been steadily shortened, the severities of toil lessened, and health conditions improved by factory legislation and welfare work.

There is, however, the waste of natural resources for, as population has increased, markets expanded, and means of exploitation improved, there has been reckless waste chiefly in America, but here also—in coal, for instance. After the lapse of years a reaction has set in, the need for conservation is recognized, and is in the process of being met by restriction and restoration. On the

other hand, private enterprise is constantly bringing new resources into play, such as water-power, new fuel, nitrogen from the atmosphere, waste products, natural vegetable fibres, gums and other substances from tropical countries, agricultural and horticultural novelties from soil, synthetic products, and so on.

2. The Part Played by Machinery. The second important characteristic is the part played by *machinery*. Machinery does nine-tenths of the labour, with the resultant economies due to the resources of individual houses of business, and to their internal organization, and to the more efficient management of their undertakings.

With machinery has come large-scale production, relatively improving the economic position of the semi-skilled workman at the expense of the craftsman who, being in the same category with the semi-skilled and unskilled, requires to secure his economic standard by membership of a trade union capable of safeguarding his interests.

This has resulted in the disappearance of domestic manufacture and the rise of the factory system, creating a greater division of labour with the advantages of a shortened apprenticeship and increased dexterity. It obviated loss of time and thought in passing from one trade or process to another. It facilitated inventions and led to the discovery of improved processes. It also made the modern town with its attendant problems. In a highly-organized factory, work becomes pure repetition and by comparative costs and methods of payment of wages, the greatest possible output is attained from each individual. As a result, the leisure time of the factory worker is becoming very important and needs much attention.

3. The Domestic System. We must now notice some of the effects of the change from what is known as the *domestic system* to that of the *factory system*. The domestic system is not so old as one would think. In fact, it is little more than a hundred years since the small grass farmers near Leeds might have been seen there twice a week, in the main street just above the bridge, selling the rolls of cloth which they themselves, with their wives and daughters, had manufactured from the wool which they had previously purchased in Leeds. Therefore, a great many of the ideas in regard to the factory system are still quite modern. The hundred years just passed has accomplished changes, of course, but the existence of the domestic system can still be traced. In Oldham, Rochdale, Blackburn, etc., are still to be found houses in whose upper storeys people who are still living actually worked when boys and girls.

4. Greater Sub-division of Labour. The factory system had

certain disadvantages as well as many advantages. In the first place it cut across the old system of the guilds. It destroyed the old Statute of Apprentices which had been so important since the reign of Queen Elizabeth. It shortened apprenticeship and at the same time it developed a large army of semi-skilled men and women who were enabled to earn a comparatively large wage compared with the wage of the skilled worker.

This phenomenon is not altogether unfamiliar to-day. For example, in the conditions which prevailed during 1914–1918 there developed what was called the *Dilution of Labour*, being but a repetition of the condition which existed at the time of the rise of the factory system. The dilution of labour resulted in the wages of the semi-skilled worker being increased to such an extent that the line of demarcation between the rates of pay of the semi-skilled and the skilled worker became very narrow. These conditions still exist in many industries, more particularly in the engineering trades. The dilution of labour occurred during the period which followed the development of factories following the Industrial Revolution. Another important feature was the remarkable increase in the use of machinery which, of course, was characteristic of the industrial system. From the days of Arkwright each year saw an increase in the use of machinery. Technical improvements, resulting from the division of labour, brought about further divisions in processes making distinct and separate industries.

The chain of production has been considerably lengthened and many workers are now far removed from the final products of their industry. Increased dexterity, however, made the work narrow, mechanical, and monotonous. Saving of time resulted in the processes becoming cheap but efficient. Specialized operation gave encouragement to inventions and these factors again re-acted on the conditions within the industry.

5. Separation of Capital and Labour. Another result of the factory system was the loss of that personal relationship which had previously existed under the domestic system, and the workers became known as "hands." The introduction of the factory system resulted in the divorcement of this relationship and the commencement of the separation of Capital and Labour.

Later, when dealing with the question of finance and industry, it will be found that this period also gave rise to the development of joint-stock enterprise, which further aided this separation. At that time, as at the present day, certain moneyed people were merely persons who were sharing in profits without having any definite relationship with the industry from which they derived

their income. This, with the necessity for the increase of capital, led to the development of the *banking system.* The banks went through very difficult and troublesome times. They grew up on all sides until the Bank Charter Act, 1844, finally prevented the increase in further banks except under certain restricted conditions. Many of the private banks were unable to meet the demands in regard to capital. Other private banks, by reason of lack of experience and ignorance of economic laws, and by the practice at the time of locking up money in securities which could not be readily realized when required, suffered "a run" and were unable to meet their liabilities and were compelled to close.

This tendency became very pronounced and was of course extremely serious. As a consequence, the State gradually abandoned its original idea of allowing things to take their chance and with the turn of the nineteenth century devoted itself to the restrictions considered later.

6. Associations of Employers and Workers. Being individualistic and competitive, the factory system encouraged the philosophy of "Every man for himself" resulting in the establishment by the employers of associations, e.g. price arrangements, and by the workers of trade unions, friendly societies, co-operative societies, and kindred organizations having for their object the protection of labour. The antagonism between Capital and Labour resulted in a series of lockouts, strikes and other effects of industrial disputes, in the course of which first one side and then the other secured the advantage.

7. Growth of Friendly Societies. There was another movement which arose about this time and which is well worthy of notice. It started in the Middle Ages and developed into the guilds, or the livery companies as they still exist in London. The guilds, like some of the more modern types, were protective in principle, but they protected from several points of view. First of all they guaranteed the quality of an article. They prevented the manufacture of commodities detrimental to their fellow guildsmen. They regulated apprenticeship, and gradually developed a social and religious aspect. Once a year the members of the guild went to church in a procession, and after the service they adjourned to the hostelry, and there they had their annual feast. Then they had their collection when the box was passed round, and even to-day in so prosaic a city as Liverpool we still find that "the box" exists, and people still say that they are "going on the box," or are "declared off the box." In some of the old craftsmen's trade unions there still exists a box and the rules contain provision as

to the keeping of the keys of the box. There were two locks and two keys, one kept by the secretary, the other by the treasurer, and it was impossible to get into the box where the collection was kept unless two members were present. Even now corporate bodies cannot use their seal unless two persons, authorized by their constitution, are present to enable the box containing the seal to be opened. Thus developed the social side—the friendly society side of the guilds.

The election of the Lord Mayor of London illustrates the survival of the old guilds. It is a question for debate whether these guilds have their successors in the modern trade union. At least it can safely be said that the spirit of association which was developed by these guilds has its counterpart in the trade union and also in the growth and extension of the trade union which appeared about the time of the disappearance of the guilds. The principles for which the guilds stood became re-established in the trade unions owing to the conditions which gave rise to the Industrial Revolution.

8. Position of the Worker. Meanwhile the position of the worker became precarious. Accidents necessitated the regulation of industry by the passing of the Factory and Mining Legislation. Truck Acts were also passed to prevent unscrupulous employers from defrauding their workpeople of portions of their wages through payment in kind or compulsory purchase of necessities in specified shops. The safeguarding of the worker's home commenced by the passing of Employers' Liability and Workmen's Compensation Acts, followed in the early years of this century by the National Health and Unemployment Insurance Acts.

9. Break-up of Home Life. Another characteristic of the system was that the domestic or home life of the worker was practically disintegrated. The wage earned by the head of the family was invariably inadequate and had to be supplemented not only by the earnings of children of very tender years but also by those of the wife. In many homes not only the husband and the children but also the wife and mother had to go out to work; not in a healthy atmosphere, but in a vitiated one under conditions which were detrimental to the rearing of a vigorous race. In the Lancashire cotton towns more physical disease occurred among children during these years than in any other part of the country, owing to the conditions under which these people lived, and the nation is still suffering from it. Until a generation arises that has never known the "half-time system" this very lamentable state of affairs must continue.

10. Increase in the Population. At the present time the

Malthusian Theory of the Iron Law of Wages has been very much brought to notice by Sir William Beveridge and the replies to the discussion which have come from the Cambridge School. At present there is evidence of a further fall in population.

It is suggested—and it is merely suggested, because there are no definite data—that between 1761 and 1811 the population increased with greater rapidity than it did during the previous five centuries. There is no real evidence to prove this, but many writers are of the opinion that it is correct. From conditions such as these it is held that population increases with greater rapidity during a period of industrial development than at any other time.

11. Localization of Industries. Another feature of the movement was the localization of industries—the industrial north became more important than the agricultural south. There arose the great cities with all their problems, both social and industrial, and for a time at least the moral forces lost considerable power and influence. Recently, however, there has been a trend of industry towards the midlands and the south, as disclosed in the Report of the Royal Commission on the Geographical Distribution of the Industrial Population published in 1940.

THE MERCANTILE THEORY

Following upon the growth of freedom there arose another doctrine which was known as the mercantile theory, with the exaltation of precious metals. The mercantile theorists were economists who believed in "Britain for the British." They believed that the main thing was to produce British goods by British people and, generally speaking, in the adoption of a theory of protection. How far that was justified Adam Smith, who foresaw the effect of the Industrial Revolution which was just commencing, attempted to explain. How far it was wrong in theory was shown later by the extension of our colonies. The mercantile theory had a very important effect upon the growth of navigation, for it laid the foundation for the development of the British Mercantile Marine which has become so very powerful. All these developments resulted in a steady period of evolution which gradually manifested itself. An extension of economic laws and a growth of legal principles relating to the laws between men characterized this period.

These laws gradually became moulded through the influence of the Christian spirit in much the same way as the early Greek philosophy was incorporated in the rigid Roman law.

THE DOCTRINE OF FREE TRADE AND LAISSEZ-FAIRE

The decline of the mercantile theory was due principally to th-

economic mind of the nation tending in the direction of individualism, of which Adam Smith was the greatest exponent.

Following on his twenty years seclusion at Kirkaldy, the publication of his *Wealth of Nations* in 1776 consolidated the economic truths and laid the foundation of the laws of economics.

Adam Smith and his successors advocated the doctrine of individualism in opposition to the system of close State supervision and regulation which had prevailed in their day and earlier. They propounded the theory that the State was not fitted either to conduct or to regulate business undertakings.

If nations were to attain their fullest measure of commercial and industrial development and success, the less the State interfered the better. Individuals if left to themselves and freed from hampering restrictions to which they had been and were subjected would pursue a policy of self-interest. Each would devote himself to the work for which he was best fitted, for which his circumstances, natural or acquired, were most favourable; and as a consequence commerce and industry would develop on natural lines and attain their greatest possible measure of prosperity. This policy was variously called the policy of enlightened self-interest, individualism, Free Trade, or *laissez-faire.*

The doctrine is a part of the general spirit of freedom which was to blow in such a fierce storm in France.

In England it was the instrument for removing many of the old mediæval restrictions on work and wages which could have no place in the new system of large industries and mobile labour. But even in the beginning of the nineteenth century, in the darkest period of factory life, there were signs that the State would not be content to rest on the doctrine of negative freedom of non-intervention with which it had first met industrial changes. For this changed outlook was due to many men of diverse opinions.

MEN AND MOVEMENTS

The advance of applied science created a spirit of materialism which had its reaction in the growth of philanthropy, inspiring the work of many who have become notable because of their efforts towards better conditions of life for the workers.

Robert Owen at New Lanark gave practical proof of the advantages of improved factory conditions;

Francis Place directed the movement for the removal of the Combination Laws, whereby the early trade unions were enabled to make progress;

Thomas Carlyle, John Ruskin, and William Morris, stand out among the Victorian writers by reason of their influence upon social reform and their teaching of a humane economic doctrine;

Lord Shaftesbury, in addition to his work for the children, had much to do with factory, mines, and housing legislation.

These inspired the work and writings of the Christian Socialists, a band of men who, under the leadership of Frederick Denison Maurice, included Charles Kingsley, "Church Parson and Chartist," poet, novelist, professor, and scientist, the author of *Yeast, Alton Locke*, and *Westward Ho!*; John Malcolm Ludlow, afterwards Registrar of Friendly Societies; Thomas Hughes, the County Court Judge, author of *Tom Brown's School Days*, and draftsman of the earlier Trade Union Acts; and Edward Vansittart Neale, who was for many years the unpaid legal adviser and inspirer of the work of the Co-operative Union.

These men encouraged the working-class movements of the nineteenth century, guiding the workers in constitutional channels, giving them legal advice, and support in and out of Parliament. In this respect the development of the British institutions for working men differs from that of institutions on the Continent which, generally speaking, have been almost entirely State organized.

PHILOSOPHICAL RADICALS

There is one man whom it is desirable particularly to mention because he played so very important a part in the whole of the movement that took place during the later years of the eighteenth century and the first part of the nineteenth century. This was Jeremy Bentham (1748–1832). He was by common consent the moving spirit in the group of philosophical reformers which became active when the reaction from the effect of the Napoleonic Wars began to pass away. Bentham was a philosopher. He was very much influenced by the works of certain of the "sensational" school of the eighteenth century writers on philosophy who produced a theory of happiness. He developed a modification of the theory of a writer who wrote under the name of Helvetius. This gave him the root idea that pleasure must be the object of all individual action. He generalized this and deducted the simple and practically beneficial conclusion that "the greatest happiness of the greatest number" should be the aim of all public action and the test of private morality. Bentham had the happy knack of coining words, such as the words "International" and "Utilitarian," and he is known as the leader of the Utilitarians.

His most important book, *The Principles of Morals and Legislation*, was published in 1789. In his later years he gathered round him in London that group of philosophical radicals, James Mill, and his equally illustrious son John Stuart Mill, Brougham, and Romilly, another Member of Parliament and, in reality, the

mouthpiece of Bentham on the floor of the House of Commons; and last, but not least, Francis Place, whose influence was perhaps the most powerful in mid-nineteenth century England.

Bentham was a great believer in the restrictions to prevent cruelty to children and also cruelty to animals, and though Liverpool makes claim to have founded Societies for this purpose, Bentham in his writings advocated legislation prior to the founding of the Liverpool Societies. He was also, although a lawyer, very much opposed to the ferocity of the criminal law of those days, which even as late as 1832, when he died, would hang a youth of fifteen or sixteen for stealing anything over the value of 5s. With the support of his followers he did what he could towards the amelioration of these conditions, and his disciples had the main share in mitigating the brutality of our criminal law.

Their influence upon social reforms is shown also in the Model Clauses Acts, including the Town Improvement Clauses Act, 1847, and the Land Clauses Consolidation Act, 1845.

EDWIN CHADWICK

Bentham had for many years a private secretary, Sir Edwin Chadwick. He died in 1890, so that he linked up the middle of the eighteenth century with the nineteenth century. Chadwick was the Secretary of the Poor Law Commission, 1834, and subsequently became Secretary of the Poor Law Board. In the latter capacity he issued the famous reports which resulted in the commencement of a system of sanitary legislation which practically began in Liverpool.

The Liverpool Sanitary Amendment Act, 1846, was passed mainly as the result of the labours of Dr. Duncan, a consultant in Rodney Street, who led agitation directed against the insanitary conditions of the town. The Liverpool Sanitary Amendment Act provided for the appointment of the first Medical Officer of Health in the country, to which post Dr. Duncan was appointed. The next year London appointed Sir John Simon, the grandfather of the present politician, and Simon's paper on Sanitary Legislation, together with those of Dr. Parr, are the standard works on the subject of Mortality in its relationship to sanitary progress. From that time great developments took place in sanitary legislation.

EARLY FACTORY ACTS

The nineteenth century was without doubt a century of hope. The hopes were strongest at the beginning, under the influence of eighteenth century philosophy and the French Revolution, when faith in the perfectability of man on the inside met with

the crusade for liberty, equality, and fraternity on the outside, and made that "famous dawn in which it was joy to be alive." In 1784, a resolution of Manchester Magistrates was passed relative to Parish Apprentices and appears to be the earliest attempt to limit child labour. In 1795 the Manchester Board of Health was constituted under the guidance of Dr. Percival, and their resolutions were the basis on which Sir Robert Peel prepared his Report.

Sir Robert Peel secured the passing of an Act of Parliament in 1802 for the preservation of the health and morals of apprentices and others in the cotton and other mills, which was the first statute relating to factory employment. One-half of those employed in the cotton factories in the first quarter of the nineteenth century were children under nine. Sir Robert Peel declared in the House of Commons that it was not uncommon for little children of not more than six to be torn from their beds and compelled to work fifteen and sixteen hours a day. This legislation limited the hours of apprentices to twelve hours per day. In order not to interfere with the liberty of the subject, which is so much cherished in this country, the Act did not apply to children living near a factory as they were supposed to be "under the supervision of their parents."

The reason for the passing of the Act was the spread of epidemic disease in Manchester factory districts, due to over-work, scanty food, wretched clothing, long hours, bad ventilation, and overcrowding. In order to understand fully the reason for this legislation it must be remembered that it was customary, in order to provide labour for the industrial north, for parish apprentices to be sent from the agricultural south in batches of twenty, and these twenty were to include one idiot, and that the greater number of them were under the age of nine. It can be imagined what became of the one idiot in a very short time.

COMBINATION LAWS

Meanwhile Francis Place had been directing his attention to what were known as the Combination Laws. These were enforced for the purpose of restraining persons from combining into unions, whether of employers for the purpose of developing an industry, or of workers for the purpose of improving the conditions under which they laboured. From 1800 until 1824 these Combination Laws applied with considerable rigour. Later, in discussing trade unions, these laws will be more fully dealt with. Although Place has very justly been accorded his rightful credit, nevertheless much is due to Bentham and Romilly in particular for the support which they gave to the movement for the repeal of these laws.

CHARTIST MOVEMENT

The Chartist movement was a repetition of a movement which had been started by Major Cartwright about 1740.

The Reform Act, 1832, merely gave the vote to the middle classes. It disappointed very much the working classes and in particular those among the workers who had hoped not only for the days of early freedom but also for universal suffrage and for vote by ballot. Many of the leaders, under an Irishman named Feargus O'Connor, were of the opinion that the only way to secure their powers and rights was by non-constitutional methods. They, therefore, raised the Chartist agitation. Chartism sprang from the social and economic ferment usually associated with the name of Robert Owen, though the label "Owenite" is misleading without much qualification. Owen's was the most outstanding figure in the period. His personality and activity gave popular resonance to thoughts and influences far wider and deeper than his own, and to a large extent not only independent of him but in direct opposition. Whilst it was ostensibly a movement for political reform, it was Socialistic in scope. The Charter demanded six points, viz., universal adult male suffrage, annual parliaments, secret ballots, payment of members, abolition of property qualification for Members of the House of Commons, and equal electoral districts. But these measures were only intended to be the means to ulterior and mainly economic ends. All the Chartists cherished "ulterior motives," which they hoped to realize by changing the balance of political power. They were turned back again to the political path by the failure of the policy of direct action and the general strike inaugurated in the reaction which immediately followed the Reform Act.

Thus the pendulum oscillated, as to-day, between the direct actionists and constitutionalists. The weakness of both lies in the deep-seated antagonism between them which is rooted in differences of temperament and reflected in divided counsels.

The direct actionists and the constitutionalists agree more or less on ends, but differ acutely as soon as they approach the means. The former are for reckless haste, the latter for cautious tactics, and it is frequently contended that each spoils the other's policy; the one by violence and precipitate action when the constitutional course is being followed, the other by hanging back and weakening when a bold stroke is planned. Chartism was a constitutional policy, but of its supporters some were for "physical force" and some for "moral force." The National Convention of 1839, which has been called the first Labour Parliament in Great Britain, was divided into a Right, a Left,

and Centre. All such organizations are so divided, and the same division is seen in the Labour movement to-day. The militant revolutionary wing, which was led by "intellectuals," as it usually is, finally wrecked the movement in 1848 after many vicissitudes. The North was their stronghold and London was the headquarters of the Right wing. Francis Place and William Lovett, the chief working-class leaders, were the draftsmen of the Charter—Lovett was on the whole the soundest and most sincere, and clearest thinker in the movement. He belonged to the Centre, with an inclination to the Right, which inclination was strengthened by time and experience. Lovett summed up his programme in these words: "You must become your own social and political regenerators, or you will never enjoy freedom, for true liberty cannot be conferred by Acts of Parliament, or decrees of princes, but must spring from the knowledge, morality and public virtues of our population."

Kingsley has described in *Alton Locke* how the demonstration which had been organized to take place on Kennington Common collapsed. The influence of the movement, however, was felt in other directions. Disraeli's famous "Leap into the Dark" of 1867, when he enfranchised the working classes in the towns, is but one illustration that the Chartist Movement was not altogether a failure. It influenced also the actions of those men who have become known as the Christian Socialists.

CHRISTIAN SOCIALISTS

The natural reaction against the materialism of the Chartist Movement was founded in the Christian Socialist. The contribution made by the Christian Socialists to the economic theory of the time has perhaps been under-valued by the present generation. Most students of economic and industrial history have heard of Frederick Denison Maurice, Charles Kingsley, Tom Hughes, Edward Vansittart Neale, and John Ludlow. These men helped to establish a few small self-governing workshops, and they were largely instrumental in securing the passing of legislation giving legal protection to trade unions and co-operative societies; and they founded the Working Men's College in London. Very few people know very much more about them, except that all the self-governing workshops which they established came to grief; and that since their day the Co-operative Movement has, to a great extent, departed from the path marked out for it by Hughes and Neale. In fact, it is now fashionable to dismiss the Christian Socialists as idealists and dreamers, whose proposals were quite properly rejected when the Rochdale Pioneers discovered the secret of commercial success. During the period of

the Industrial Revolution, Christian teaching had almost ceased to influence the conduct of those who possessed economic and political power. Even when there was a national religious revival, the leaders of organized religion were for the most part animated by individualistic and anti-democratic ideas. Hence when workers, inspired by Owen, began to unite for mutual benefit and protection they were opposed at the same time by economists who believed the policy of *laissez-faire* to be the last word in statesmanship, and by ecclesiastics who thought it sinful for men to rebel against their lot.

It was at this juncture that the influence of the Christian Socialists made itself most effective. The writings and preaching of Maurice, the pamphlets of Parson Lot and of Kingsley—one and the same person—particularly his *Alton Locke* and *Yeast*, together with the practical work in the Working Men's College and in the Co-partnership workshops, did much to stem the tide of revolution which swept the country in the years following the Reform Act of 1832.

CHAPTER III

THE STATE IN RELATION TO INDUSTRIAL AND SOCIAL LEGISLATION

THE nature of society is determined by its development as a social organism. As such it differs from a physiological organism. Its essential features of development previously referred to are the individual, the family, the tribe, the nation, and the state. In all stages of growth there are different characteristics resulting from a diversity of requirements.

LAW OF SUCCESSION OF WANTS

Human wants tend towards variety, and each separate want is as a rule soon satisfied. Thus, there has evolved what is known to economists as the Law of Succession of Wants, viz. air, food, clothing, shelter, personal adornment, education, including the arts, science and literature, and amusement. The manner in which this succession of wants is demanded and attained is determined by the character of the individual and the standard of development of the community.

INCENTIVES TO ACTION

The requirement demanded is an incentive to action; for action of some kind is necessary to fulfilment. Such action may take the form of compulsion, as in the case of slavery. In other cases it may be the result of competition either among individuals or between nations. The competitive system compels constant improvements in methods of production which, without any fall of wages rates, reduce costs and prices. The spirit for adventure, the development of enterprise, and national expansion all result from those incentives to action characteristically human, and which are the foundations of progress.

PRODUCTION

Older textbooks divide the subject of economics into four divisions: Production, Exchange, Distribution, Consumption. These were stages in the "life" of "wealth" which they defined as goods. This began with its "creation" and ended with its destruction.

If we take man and his welfare as the subject-matter we have to consider the beginning of economic activity, not as the making of things, but as the *want of things*. The end of economic activity

is not the destruction of goods but the *satisfaction of wants* or the attainment of well-being.

It is convenient for simple exposition to regard production as the industrial side of economic activity, and consumption as the "domestic" side.

Production will be treated first and then consumption, simply because of its greater convenience in a first survey.

Factors of Production. There are three classical factors: Land, Capital, Labour. The classical writers meant by these—

Land—All natural resources: land, water, natural power, sunshine, etc., animals and plants.

Capital—Those goods, the product of past labour working on natural resources, employed in increasing the production of things.

Labour—Physical and mental energy expended in the production of things.

Professor Marshall has added to these a fourth—*Organization*. Just as capital is material equipment, the product of past industry, so the definite *arrangement* of things (factory, trade organizations) is the product of past organizing ability. One of the best examples is the extent to which the division of labour has been effected. It is something that can be considered apart from the material things themselves. It can be improved without changing the quantity of goods employed.

Professor Pigou has added *Risk-bearing*. In a modern industry men have to establish systems for bearing risks. We produce largely for future consumption—sometimes a distant future—and this means that there is an element of uncertainty which must normally be borne.

Other writers have included the *Stock of Knowledge* that has been accumulated in the past. This is a form of capital and since it is absolutely essential to the maintenance of our present numbers and standards it is a factor.

Professor Cannan has suggested that we do not speak of factors but of *conditions*. "Factor" means literally a "maker"; there is only one maker of things in the economic system and that is man. The others may be instruments but that is hardly a word to describe human qualities. "Conditions" is a more precise term.

The *conditions* of a *production* are therefore—

(*a*) *The quality and quantity of the people.*

1. Quality may refer to the innate or acquired character of the people. It may be physical, mental, moral. Knowledge, traditions, and skill are human conditions of great importance.

2. The numbers, apart from quality, have a bearing. Given the quality of the people and the quality and area of natural resources there is an ideal number which the population ought to attain.

Age distribution may have an important bearing on the matter. And here, again, the question of the future population should be considered. There can be too few and there can be too many. Greater numbers make possible greater specialization. It can go too far when the added "hands" cannot produce sufficient increase for the added "mouths."

The optimum changes from time to time with knowledge and equipment. But the notion of an optimum population is very important.

(*b*) *The quality and quantity of resources.*

1. Natural—climate, mineral, animal, vegetable resources.

2. Acquired—equipment, standard of cultivation of fields, draining, etc., organization of markets, channels of communication, etc.

The conditions apply to the nation as a whole, and they apply equally to a smaller group, a factory or business.

What is a Business? It is usually considered to consist of stock and goodwill. This is, however, insufficient. A business is a complex organization.

Thus there is the organizer. He brings together—

(1) Land; (2) Labour; (3) Equipment; and (4) Money.

These are combined to attract customers.

Any one of these can limit the size of the business. Take each in turn.

There is the organizer. His capacity as an organizer limits the size of the concern. Some shopkeepers could never get beyond a small back-street shop because they have not the ability to organize. Leverhulme, Ford, among others, may be quoted as geniuses in organizing ability. As each community has an optimum population so each business, with its present method of control, has an optimum size.

(1) Suppose a certain area of land, fixed in quantity. There is a limit to which the other factors can be employed on this land.

(2) Suppose the labour supply limited: business cannot develop. America was generally so placed during last century. Our dominions and colonies were in this position before the international depression.

(3) Suppose equipment or money to be scarce. The organizer's "credit" is a limiting factor. Frequently business men are held up because of the want of money or equipment or raw materials. Orders have sometimes been refused because business men have been in such low water that they can get no more credit.

Customers are limited to the size of the market. A business working for a small market works usually on a small scale. During the last century there has been a phenomenal widening

of markets due to increased transport facilities. This had made possible the growth of big businesses.

Methods are often adopted to increase the organizing capacity of a firm by establishing directorates who share the work out and co-ordinate in the board-room. The elaborate schemes of managers, sub-managers, statistical departments, are schemes for extending the field of effective organization. This method is becoming more the rule than the exception, with the growth of large-scale business. There is also the Holding Company with its various subsidiary companies, each responsible for a particular department or sphere of activity or for a geographical area.

There are limits set to the size of a business by the lack of people with means who will take risks. The various types of capital issued, Debentures, Deferred or Founder Shares, Ordinary Shares, Preference Shares, are methods which appeal to different types of capitalists according to the amount of risk they are willing to undertake.

There are some schemes for which no private organization can get subscribers, e.g. such big schemes as the Severn Barrage. The period of waiting in such a case is too long for private investors and there is increased risk. Such projects are probably suitable for State action.

There seems to be a general tendency for the small trader to disappear, leaving the field clear for the large combine versus the co-operative society. In all industries there seems to be the growth of large-scale organization. Karl Marx predicted a rather rapid development of big businesses, through companies, trusts, combinations, etc.—which history has shown not to have taken place. There has been considerable development but not so much as was anticipated. He did not recognize the great number of limiting factors.

This may now be stated in the form of a generalization (a "law," as old economists would have put it).

When a factor of production is limited in quantity, there is a certain quantity of each of the other factors that require to be associated with it in a business. If any factor is present in less than this requisite quantity, an increase in it will benefit the business: if any factor is present in more than this requisite quantity a diminution of it will benefit the business. *There is an optimum arrangement of the factors at a given moment.*

This tendency to increase the efficiency of a business, as the optimum arrangement is approached, is sometimes referred to as a tendency to increasing returns. The tendency to diminish the efficiency when it has gone beyond the optimum is known as the tendency to diminishing returns. In fact, increasing returns

can act through increasing or diminishing the factors employed according to circumstances. So can diminishing returns.

When a business is in the increasing returns stage it can produce more goods at a cheaper rate; when it is in the diminishing returns condition it can produce more only at an increasing expense.

This explains the position of businesses in times of slump when reserves are gone. They cannot reduce prices because they are producing too few goods; if the market expanded they could bring down prices. Their factors are fixed and the customers few.

Principle of Substitution. An organizer of business in attempting to produce most efficiently watches carefully the expenditure in every direction. This is being done thoroughly to-day by costing departments. His work can be regarded as the expenditure of money (alterations in processes he considers as different ways of spending). The optimum arrangement is attained when he considers that it is impossible to change the direction of one pound of his expenditure with advantage. This means that a pound less in labour and more in machinery, a pound less in machinery and more in labour, and so on, all round the factors, is incapable of increasing the return. This principle of substituting one factor for another (according to new methods or changing prices) leads to a condition of *equi-marginal* returns. By this is meant that a pound more or less (say) in all directions gives the same change in result. Of course, this adjustment is never very fine: but the *tendency* is towards an equilibrium.

The Laws of Increasing and Diminishing Returns have a further meaning. They are sometimes applied to diminishing or increasing costs through *time* bringing about changes, e.g. methods of organization may improve; knowledge of the arts of producing may increase; skill may increase; machinery may be improved. The optimum size of a business (or a population) only applies while the present conditions remain, and that optimum size is always liable to adjustment, up or down.

It was formerly held that the Law of Diminishing Returns applied to extractive industries—those concerned with nature chiefly—while Increasing Returns applied to manufacturers. It was thought that where Nature played a great part she gave her produce only with increasing difficulty, but where man played the chief part he could win at an increasing cheapness. Thus, seams of coal are "wasting assets"; as more food is required to meet growing needs of population, inferior resources (in quality or difficulty of access) have to be resorted to, and this means increasing cost or diminishing returns.

Facts do not bear such a simple explanation. It is possible for agriculture to show increasing returns to a certain point if methods of organization and knowledge of scientific agriculture improve.

The optimum size of a business may increase as knowledge increases or inventions are made. Because after all a business will show, after a particular point, diminishing returns, even although inventions are being made use of to an increasing extent.

THE SPIRIT OF FREEDOM

In the industrial and commercial spheres the incentives to action are fostered by the spirit of freedom. The last hundred years has been a period of emancipation from restrictions which fettered individual activities, and it is believed by many that this freedom is essential to development. Evidence of this is discernible in certain directions—freedom to compete in industry and commerce, freedom of selection of livelihood, choice in morals, and in matters religious. The principle of freedom of competition, of the free conflict of interests in the division of the national income is the basis of the modern industrial system, and the belief in it is the determining force in business activities.

While it is quite true that this freedom is a reality, there are limitations to its general application in practice. Thus, the principle of freedom to compete is exploded as a bedrock idea in industry where the State has imposed many restrictions on the individual. It must also be remembered that restraints on freedom have to be imposed in other directions in certain respects.

RESTRAINTS ON FREEDOM

The principle of free competition has, however, never been worked out to its logical conclusion, since restraints have always existed. These restraints are partly the result of natural hindrances to the free transference of demand and supply and of difference in economic bargaining power, and to that extent are at present inevitable.

There are also certain restraints which have been consciously imposed, such as the various forms of combination and legal limitations to freedom of action. This process of the limitation of freedom in competition by means of such conscious restraint has grown very rapidly during the last hundred years. This is the result of the realization by the State, by employers, by workers, and by consumers of the harmful effects of too great freedom on the efficiency of production and on the welfare of the people.

This may be illustrated from the example of the Great Wars

and the demand for munitions with the necessity for increased output and the tightening up of industry generally, particularly in regard to engineering and shipbuilding. From the reports of the Welfare Department of the Ministry of Munitions, the State realized that in its own interest, to get a satisfactory output, it was necessary to place a restraint upon the length of time which men and women were allowed to work. This was further proved after the spell of seven days per week which followed the evacuation from Dunkirk in 1940. This restraint on freedom is also apparent in great movements like the trade unions, where a limitation on output is often imposed on the worker with a view to his benefit.

FORMS OF RESTRAINT

The restrictions which have developed may be grouped under three headings—

1. Combinations between the members of economic groups.
2. Interference by Public Action: State and local authorities.
3. Joint action between opposing groups.

1. Combinations between Members of Economic Groups. These combinations may take three principal forms—

(*a*) Consumers against sellers of goods, e.g. consumers' co-operative societies.

(*b*) Workers against controllers of capital, e.g. trade unions.

(*c*) Controllers of capital, e.g. trusts.

(*a*) COMBINATIONS OF CONSUMERS AGAINST SELLERS OF GOODS. As an illustration of this may be mentioned the co-operative societies. This movement will be dealt with later. It is sufficient at this point to remember that the distributive co-operative societies are handling the problem of controlling consumption on the one hand, and regulating the output on the other by means of a system through which people combine to obtain a controlling interest in production and in distribution. Not only has the movement a very strong tendency in this direction, but, in many ways, the associations can regulate markets, as far as possible in the interests of the great body of consumers. Whether these societies are satisfactory in that respect will be considered later. They are, however, a very strong combination of members of a large economic group, viz., the body constituting the working classes of to-day.

(*b*) COMBINATIONS OF WORKERS. There are also the combinations against the controllers of capital which constitute the main function of the trade union. The restraint exists principally on the part of the trade unions of workers, although there are

trade unions of employers. The restraining factor which is generally considered is the association of workers to restrain the controllers of capital.

(*c*) COMBINATIONS OF CONTROLLERS OF CAPITAL. This type of combination arises in two main forms—

(*a*) Amalgamation, or Trust;

(*b*) Associations of employers within an industry.

(*a*) The amalgamation can be through the formation of a new company, or the adaptation of one of the existing companies, to acquire the individual businesses which are to be amalgamated or, alternatively, through the formation of a holding company to acquire the shares in the individual concerns, each still retaining its identity.

(*b*) There are a considerable number of industries to-day organized by some form of association incorporated for purposes of restricting prices and for arranging output. The following are typical of the powers employed by these associations—

(i) Fix minimum prices;

(ii) Fix quota of output for each firm—
Firms with a surplus paying a penalty;
Firms with a deficit receiving a bounty;

(iii) Arrange for all inquiries to be reported and firms instructed at what price to quote;

(iv) Pooling of profits under agreed formula.

In addition, there are the associations of employers, whose main object is to deal with trade unions.

It will be noticed in the three cases given—co-operation, trade unions, and the capitalist combinations—there is a selfish element about them. There is no consideration for the community as a whole, rather a consideration for the immediate industry or the class which may be benefited. That is the restraint which has been built up as time went on and which has entered into the free play of competition and which is considered as essential for the modern development of industry.

2. Interference by Public Action. Interference by the State or local authorities with freedom of competition operates in four directions—

(*a*) The provision of public services.

(*b*) The indirect transference of wealth from one group to another.

(*c*) The regulation of the distribution of wealth, through the normal channels, between the factors of production.

(*d*) The encouragement of joint action between employers and employed.

(*e*) The regulation of price, etc., e.g. Milk Marketing Board.

(*a*) PROVISION OF PUBLIC SERVICES. The provision of public services by the central and local government must not be confused, in this connection, with national and municipal trading operations. In the latter case, the whole body of taxpayers or ratepayers, as consumers, undertake to satisfy directly certain of their demands which are social in character by means of the common purchase or production of goods through Parliament or through the local authority on a commercial basis, i.e. on the principle that income should govern expenditure. The Post Office and the telephone service are instances of such operations. In the former case, i.e. the provision of public services in the sense in which the phrase is here used, the Government or the local authority sets out to provide services which would not be supplied by private commercial enterprise, because the demand is ineffective. Public expenditure in these directions is in reality an indirect method of transferring wealth from one section of the population to another, since funds are raised by taxation, and are spent on services most largely used by the poorer classes.

There must be included here public provision for education, public health, public assistance and the provision of housing schemes. In each case local government machinery is used, and this is assisted by means of Government grants-in-aid.

It must be remembered, however, that before the beginning of the nineteenth century the State had taken a share and a certain interest in the development of industries. For instance, Queen Elizabeth instituted the Post Office, which encouraged the growth of turn-pike roads. It was to the Postmaster of the day that we owe the improvements in construction which took place, and resulted ultimately in the building of the Great Road to Holyhead. The question was first discussed by reason of the complaints of the Irish legislators who came over in 1801. The road was built by Thomas Telford. The Navigation Laws of the early period of the mercantile theorists were another result of the action of the State in regard to industry, and even under the extraordinarily lax King Charles II, we find that a Committee of the Privy Council was formed for the purpose of the development of trade with the plantations, as our Colonies were then called. The Imperial Conference is the natural successor of the first Committee of the Privy Council on Trade.

(i) *The Post Office.* The Post Office is an example of how income is regulated by expenditure. That is to say, the rates for the postal services, the telephone services, and the telegraphic services are fixed according to the estimated expenditure in order to provide a surplus. In these cases a different principle applies. The value and the utility of such services are considered, and

that public service is provided no matter what the cost may be, so long as a public-spirited community is willing to recognize its value.

Sometimes the community may refuse to recognize the value of trading services, which results in a poor form of local government. For example, in a progressive community, these public services which are provided by the State in this way, are of advantage to everyone.

(ii) *Key Industries.* The State accepted the theory of state management in another way. Some of the important industries in time of peace acquire even greater importance during war. Essential or key industries will be fostered, e.g.—

1. Protection by restricting competing imports.
2. Direct or indirect subsidies, e.g.—
   (*a*) Department of Scientific and Industrial Research.
   (*b*) Bounties which are essential to encourage exports.
   (*c*) Nationalization to prevent profiteering.
   (*d*) Fostering of the agricultural industry by de-rating, marketing boards, etc.

Early on the State developed what was known as the Theory of the Key Industries. Our present views on key industries are no new ideas. It was recognized very early in the period of industrial development that there were certain forms of industry which the State should encourage, and the key industry which was accepted in the first place was the obvious one of agriculture.

Agriculture. Under the influence of Arthur Young an effort was made to deal with the Open Field System. Arthur Young's *English Agriculture*, William Cobbett's *Rural Rides*, and John Wesley's *Journal*, all give interesting accounts of the condition under which agriculture was carried on in the eighteenth century. Sir Edward Gonner's book on *Common Lands and Enclosures* is probably the classical work on the subject, and Hammond's *Agricultural Labourer* gives a very good account of conditions at that time.

(iii) *Dockyards.* Another development took place in regard to dockyards. The original idea of the Navigation Laws was to favour the construction of British ships by British labour, and that all goods imported or exported were to be carried in British ships. In other words there was developed a very highly intensified form of protection so far as navigation was concerned. The idea was to cripple the Dutch. Just as, at the same time, we encouraged the revolting colonies of Spain and South America, so we tried to encourage and to protect British shipping. This protection has been very successful. When the Navigation laws fell into disuse the State naturally looked to the development of her war-

ships by actual construction. The later method of contract for the construction of warships, particularly in France and the United States of America, has been an absolute departure from the earlier theory of State control as regards ships of war. It was one of the principles laid down by the League of Nations that where possible the manufacture of munitions of war and equipment should be entirely in the hands of the State. This development from the dockyards ultimately gave place to a further extension in regard to other industries. During the Great War, 1914–18, the State encouraged not only key industries for peace, but also key industries for war. It is not always possible to interrelate the two, and this is more particularly so, for example, in the case of the dye industry.

(iv) *Dye Industry.* Its importance as a key industry was not brought home to the majority of people until the Great War, 1914–18, was well advanced. The War affected not only the Dye Industry but also in a particular sense the manufacture of other chemicals. Even long before the War—during the period of the Crimean War—the State encouraged to a great extent such firms as Sheridan Muspratt and those which have now become the United Alkali Company (now a branch of Imperial Chemical Industries). These were encouraged to develop and lay down plant which might be used in the case of an outbreak of war.

(v) *Other Industries.* In order to supplement the State management of war, and the manufacture of munitions, Vickers and Armstrong-Whitworth's and other firms were encouraged more and more. The State was accepting this responsibility, and this development was taking place on the part of the State, which either encouraged private enterprise or managed the undertaking itself. In addition the local authorities were undertaking certain functions such as sanitary legislation, controlling it by enforcing by-laws and regulations of various kinds.

Municipal trading, State management, and control of industry naturally result in a development of a protective policy. This ultimately means that we become freer in regard to interchange of goods and commodities and in industry generally but that we are getting more restricted in our actions. When dealing with the cartels and trusts, which practically dominate every type of industry, and when considering the growth of our trade unions, which are now so much inter-related in their functions, in all directions protective measures are found. Whether it is desirable that they should be further extended and given further support, or whether, on the other hand, it would be better to return to the conditions advocated by Adam Smith and those who support his economic principles, is a subject for consideration.

(*b*) INDIRECT INTERFERENCE BY TRANSFERENCE OF WEALTH. The second direction in which the State interferes with freedom of enterprise is indirectly by the transference of wealth from one group to another, in the interests of the economically weaker sections of the population. Six principal methods of doing this have so far been adopted in this country.

(i) *Public Assistance.* The provision of poor relief from funds raised through the local rates and administered by the councils of counties and county boroughs, acting under the central direction of the Ministry of Health.

The Poor Law administration came to us during the reign of Elizabeth, culminating in the Poor Relief Act, 1601, and enunciated the principle that in a Christian Community no person should be allowed to die of starvation. Consequently it was the duty of the State, acting through bodies which in 1834 became known as the Boards of Guardians, and since 1930 as Public Assistance Authorities, to make provision for those unable to maintain themselves, being either too young, too old, impotent, or unemployed. Here again is a restraint upon free competition and protection from the effect of the Darwinian Theory of the survival of the fittest. Assistance is given to the bottom dog. It has been recognized that the State should interfere in this direction.

The subjects of *Public Assistance and Unemployment Assistance* are treated fully in the work of that title. (Pitman.)

(ii) *Taxation.* In the second place the system of taxation operative in this country provides some measure of social equality by enabling certain possessions of the individual to be passed to the State for the benefit of the community generally. This principle operates in the case of Income Tax, Sur-tax, Death Duties, and the Entertainment Tax as direct taxes. Indirect taxation, such as customs and excise duties, also has a share in this connection.

(iii) *Employers' Liability.* The creation of a legal liability on the part of employers to pay compensation to workmen injured in the course of their employment, under the Employers' Liability Act, 1880, and the Workmen's Compensation Acts, 1897 to 1943. Since 1880 a recognition of a sense of Employers' Liability which previously did not exist has been admitted. In the Employers' Liability and Workmen's Compensation Acts we have direct interference by the State by the introduction of the legal aspect. Where a man may meet with his death or with an accident arising out of or in the course of his employment, it is held by the State to be the duty of the employer to meet a certain amount of the risk incurred or the damage which has been sustained.

(iv) *Old Age Pensions.* In the fourth place we have the recog-

nition of a further social duty, viz., the old age pension. This was an extension of the State's interference in freedom of action on the part of the individual. So far as the community are concerned it is recognized that the aged cannot benefit so well in the advantages of the present as the younger people. It is recognized further that each individual who has led an honest and industrious life, has made a contribution to the accumulated wealth of the country, which justifies the payment of the pension. An old age pension is not a charitable gift. What is really done is to hand back again to these people some portion—it may be a very limited portion—of the wealth which they have aided the State to accumulate. It is not charity but merely an economic return. It is, however, a direct interference by the State to divert wealth in the interest of the poorer classes of the community.

(v) *National Insurance.* Another form of interference is that known as National Insurance. Here the State has gone further than in previous legislation. It not only diverts a certain part of the accumulated wealth of the nation towards maintaining a system of Public Health services, but it requires the employer and the workman to join as partners with it in building up funds out of which both Unemployment Insurance and Health Insurance shall be paid. This principle is a departure from the earlier methods where either the State or the local authority made the contribution through the taxes or rates, or where the employer made the contribution, as in the case of the Employers' Liability and Workmen's Compensation. In the insurance scheme contributions are made by the State, supplemented by large contributions of both employers and workpeople. In this way can be seen a very marked increase in the State's social activities.

(vi) *Widows' Pensions.* Another form has developed in the provision of Widows' Pensions and Orphans' Allowances as introduced by the Act of 1925. These have been developed by Supplementary Pensions introduced in 1940 and assisted under the Determination of Needs Acts as hereafter explained. Note also the Blind Persons Acts.

(*c*) REGULATION OF THE DISTRIBUTION OF WEALTH. Through the normal channels between the factors of production, i.e. between the workers and the owners and controllers of capital, the regulation of the distribution of wealth takes the form of the legal regulation of wages, of hours and times of work, and of conditions of work. This is principally for the protection of those classes of workers who are in a weak bargaining position owing to lack of independent organization. Examples of this are to be found in the Trade Boards Acts, 1909 and 1918, Coal Mines

(Minimum Wage) Act, 1912, and the Corn Production Act, 1917, the last named, however, being repealed by the Corn Production Acts (Repeal) Act, 1921.

The Agricultural Wages (Regulation) Act, 1924, set up a wages board and local wages committees for each county. These committees fix the minimum wages for time work, and, if it is deemed expedient, for piece-work also.

(i) *Factory Legislation.* In great measure the legislation relating to factories which is dealt with in subsequent chapters has had a direct bearing on the distribution of wealth. It was the first stage in the progressive legislation which culminated in the passing of the Trade Boards Acts and the Coal Mines (Minimum Wage) Acts.

(ii) *Trade Boards.* The best example of the regulation of the distribution of wealth is to be found in the trade boards. These have been established as the result of the recognition that free competition is not desirable, particularly where the workers are badly organized and are poorly developed as an industrial unit. Whereas it is more desirable to have trade boards in sweated industries, in highly-skilled industries like engineering or the building trade there is no need because they are so well organized as to be able to look after their own interests. The State steps in to restrain free competition, and provides that, because these sweated industries exist, and because there is nothing else to prevent the continuance of these conditions, the free play of competition which demoralizes and degrades shall be restricted. Thus was introduced the Trade Boards Act, 1909, amended in 1918.

(iii) *Coal Industry.* The value of this has been recognized in another industry, viz., coal mining. In 1912 was passed the Coal Mines (Minimum Wage) Act. Unfortunately, the War interfered with its proper development, and it has not had that success which might have attended it. But it recognizes that it is desirable in the interests of the community that the State should restrain this freedom of competition.

An effort was made to deal with the coal industry, by the adoption of the principle of royalties. Although the system of royalties may be said by many to be pernicious at this particular time, it had the very useful effect of encouraging landowners to allow their land to be experimented upon so that the royalty system was of considerable advantage.

Proposed Nationalization of mines is due to—

1. Low real wages.
2. Unsatisfactory housing conditions.

Expected results—

1. Power of the State to substitute the best methods of production.

2. Produce a strong and lasting hopefulness in the workers.

The Coal Mines Act, 1938, makes provision for the acquisition of royalties by the State.

SHOULD INDUSTRIES BE NATIONALIZED?

It is an important question for consideration whether it is a desirable proposition that we should further extend the nationalization of industries. Another point is how far this historical outlook has affected present-day conditions. In the first place the need of economic thought should be considered; secondly, the reaction in favour of State control; thirdly, whether this ultimately results in a development of a protective policy. It has been observed that particularly since the Industrial Revolution there have been growing up two schools of thought among economists. There are those who have been applying certain theories obtained, for example, from Adam Smith and Ricardo. Another school of thought have taken their lead from writers like Karl Marx. Has that influence been reflected to any great extent on the legislation of the past hundred years? If we will go far enough we can see that it has. For instance, there has been the influence of Bentham and his school; Robert Owen; Francis Place and his school; mingled also with the influence of the Christian Socialists. There has been also a growing tendency during the last sixty or seventy years in favour of state control. Water is supplied by many local authorities, light and power are supplied by municipal gasworks and electric power stations, people live in municipal-owned houses, their children are cared for in municipal hospitals during sickness, they travel on municipal trams or motors, municipal ferry-boats, and trains, not State-owned but State-controlled, and are buried in municipal cemeteries. No matter where we go we find the intervention of the Board of Trade, and latterly the Ministry of Transport. Although we pretend to be free, nevertheless at the same time, we are probably controlled from early morning till late at night, and from the cradle to the grave. The greater the amount of freedom the greater is the amount of control which unconsciously grows up round about us, just the same as the greater the man becomes the more he becomes the servant of the community, the less he is free, and the more he must become a slave to the circumstances in which he lives.

REASON FOR TENDENCY TOWARDS NATIONALIZATION

Two reasons for the tendency towards nationalization of industry may be given. This applies particularly to the coal-mining industry, where we get the best illustrations. It is claimed that it is desirable to nationalize coal-mining because the State

realizes that the coal-mining industry is demoralizing to the worker as it exists at present. The conditions of labour are such as to be unsatisfactory to a civilized community, and therefore in order to introduce better types of machinery and improved conditions in industry generally, the only alternative to the present system is the further interference with free competition by State action. The second and probably strongest claim in favour of nationalization is that the living conditions of the miner, his housing conditions, social conditions, and environment generally are such that they can be improved adequately only by State action. Interference by the State with the free play of competition will be the only solution of this problem of the mines.

It is recognized that there has been to a great extent interference with free competition, and that interference has been generally by means of legislation.

State ownership may be considered from various standpoints—

(i) Essential or not to the comfort of life, e.g. coal-mining.
(ii) Inherently monopolistic or competitive, e.g. transport.
(iii) Products standardized or not, e.g. electricity.

PRINCIPLES OF STATE INTERVENTION

The principles of State intervention in regard to social legislation may be summarized as follows—

1. Upon the theory that the individual is unable to safeguard his own actions to the same extent as the State. Thus, a citizen may know that he is receiving short measure for his daily supply of milk, or short weight for his bread. He may not, however, have the time, desire, or power to take action; and, what is everybody's business becomes nobody's business unless the State or the local authority provides the machinery and officials for the purpose.

2. The opinion has grown that there should be a certain minimum of leisure both for recuperation and for relaxation, and this can be enforced only by Factory Acts, Shop Acts, and the like.

3. Individuals and voluntary associations of individuals should be encouraged to undertake social work, even if this is done less efficiently than by the State, to enable them to develop their character. For example, friendly societies, trade unions, and the co-operative movement, besides fostering thrift, afford valuable training for their members in the conduct of affairs and the management of men. Such action should be protected by means of legislation which should ensure security to members individually and collectively, as well as to society generally.

It should prevent fraud by requiring registration, statistical returns, valuations, and audits by recognized public auditors.

DEVELOPMENT OF VOLUNTARY ACTION

Broadly speaking, it may be claimed that our social legislation has developed out of voluntary effort. In this respect this country differs from those of the Continent.

Our friendly societies, trade unions, and co-operative societies, are not the result of statutory legislation. They are the result of the individual efforts on the part of the working classes of this country, guided in the early stages by such men as the Christian Socialists and others. The collective effort of the individual is followed later by the co-operation on the part of the State as a secondary and not a primary consideration.

It will be admitted that, taking trade unions as examples, the average trade union manned by a staff of Civil Servants could be far better administered than by the servants whom the trade union selects for its own officials. We might, if we were critical, even suggest that want of education in many ways prevents such a broad outlook upon the whole of the industrial problems that arise, that blunders occur, and that irregularities arise by reason of the want of efficient control.

Considered from another point of view, it may be doubted whether the average Civil Servant would understand the character or the technique of the trade. Would he be sufficiently conversant with the technical details so as to be able to apply a broader and more efficient mentality than that which is found in the average trade union official? Or would he not, as a result of his added culture, rather form a stumbling-block to the progress which that trade union might make?

But more important is another aspect of the question. The development of these voluntary organizations, the encouragement they have received from the State in the form of legislation, have resulted in the development of character, in training for citizenship and in the growth of a sense of responsibility which nothing else would be able to give to these men and women. Regarded thus it must be admitted that there is every justification for the principles which the State has adopted in legislating for the industrial and social agencies.

There are two principles which arise in this connection. In the first place, the State allows freedom of action. It does not compel a man to join a trade union, a friendly society, a building society, or a co-operative society. But when a man joins, the State protects both the society and the member.

Even here there is freedom from State intervention. It is

possible to join an organization which may have nothing whatever to do with the State. It may be an unregistered trade union, friendly society or co-operative society, but immediately it comes under the State, then the State says "Very good, you offer to register your society and your members, and we, the State, will offer you a certain element of protection on the one hand as a society, and a certain element of protection to you on the other hand as a member." This is the encouragement to the society and to the member to register.

The advantages include exemption to some extent from income tax and stamp duty; opportunity to endorse mortgages instead of the ordinary costly form of transfer; the right to hold land; and the right of appointment of trustees, etc.

DEPARTMENTS OF STATE

The direction of action is believed to be best exercised by means of Government departments, the principal of which are as follows—

The Privy Council is a body of nominated persons whose names are approved by the Sovereign. The Council has played a most important part in the administrative development of industrial and social legislation. Several of the Government departments originated as committees of the Privy Council. Orders in Council make provision for bringing into operation many new statutes. In 1915 there was established a Committee for the Organization and Development of Scientific and Industrial Research.

The Board of Trade is the oldest of the committees of the Privy Council. It was first established in 1622. The present department owes its origin to an Order in Council of 1786. It was reconstructed from time to time, and in 1918 was divided into two main divisions, viz.—

(i) Department of Commerce and Industry, sub-divided into sections dealing with commercial relations and treaties; overseas trade; industries and manufactures; industrial property; transport; statistics.

(ii) Department of Public Services Administration, engaged primarily in the work previously performed by the Marine, Railway, Harbour, Companies and Bankruptcy Departments.

The Board of Trade has fostered and encouraged other Departments which, when their functions have become of sufficient importance, have been constituted separate Government Departments. A good illustration is the—

Ministry of Labour and National Service, which was established in January, 1917, by the New Ministries and Secretaries Act, 1916. There have been transferred to this Department the powers and

duties of the Board of Trade under the Conciliation Act, 1896, the Labour Exchanges Act, 1909, and the Trade Boards Acts, 1909 to 1918, and the Unemployment Insurance Acts. It is responsible for the issue of the Cost of Living Index figures, and Retail Prices Index. The Defence (Functions of Ministers) Regulations, 1941, transferred to the Minister from 7th June, 1940, the functions of the Secretary of State (Home Office) under the Factories Act, 1937.

Ministry of Transport was created by the Act of 1919 for the purposes of improving the means of and the facilities for locomotion and transport. For this purpose there were transferred to the Minister all powers and duties of any Government department in relation to railways, light railways, tramways, canals, waterways, and inland navigation; roads, bridges and ferries, and vehicles and traffic thereon; harbours, docks and piers. There is attached to the Ministry a separate department charged with dealing with road construction, improvement, maintenance and development.

Ministry of Agriculture and Fisheries was established in 1919, replacing the Board of that name which had existed since 1889. The work of the Ministry is divided into five divisions, and there is an Advisory Committee, and County Agricultural Committees have also been established.

Post Office, besides the ordinary business, collects certain local taxation licences for the county and county borough councils, and sells National Insurance Stamps on behalf of the Ministry of National Insurance, as well as National Saving Stamps and Certificates. It also pays old age pensions, navy, army, and air force separation allowances and pensions.

Charity Commissioners were established in 1874 "for the better administration of charitable trusts in England and Wales." In 1879, the powers previously exercised by the Endowed School Commissioners were permanently transferred to the Charity Commissioners. By Orders in Council the powers of the Commissioners over all endowments for purely educational purposes were transferred in 1899 to the Board of Education. Their work has been brought into close relation with the local authorities and thrift organizations under the War Charities Act, 1916.

Registry of Friendly Societies. The State operates through what is called the Registry of Friendly Societies. It has already been observed that the Industrial Revolution resulted in the working classes combining for their material and social protection. Their efforts were assisted by the State endeavouring to safeguard their interests. A barrister was appointed in 1828 to certify the rules of savings banks, and in 1829 to certify those of

friendly societies. In 1846 he was constituted Registrar of Friendly Societies, the office being filled by Mr. Tidd-Pratt, the subsequent holders including Edward Vansittart Neale, Judge Tom Hughes, and Frederick Harrison. Each of these gave to the discharge of the duties of the office that wonderful evidence of individual action, and extraordinary strength of character which influenced most of the institutions which came under their control.

The Registry of Friendly Societies for England consists of a central office, composed of the Chief Registrar of Friendly Societies and three Assistant Registrars for England, and the staff of the office.

Officers called public valuers, who are appointed from year to year by the Treasury, exercise certain functions under the Friendly Societies Act, without in any way forming part of the Registry of Friendly Societies, though they report yearly to the Chief Registrar.

The Registrar of Friendly Societies exercises functions in respect of the following classes of bodies—

(*a*) Friendly societies and their branches, including shop clubs.
(*b*) Cattle insurance societies.
(*c*) Benevolent societies.
(*d*) Working-men's clubs.
(*e*) Special authorized societies.

All the above are governed by the Friendly Societies Act, 1896 (as amended by the Friendly Societies Act, 1908), and some of them by the Collecting Societies and Industrial Assurance Companies Act, 1896, the Assurance Companies Act, 1909, and, when approved, the National Health Insurance Acts. Shop clubs are also governed by the Shop Clubs Act, 1902. Certain specially authorized societies come within the Societies Borrowing Powers Act, 1898.

(*f*) Schemes of compensation for workmen.

These are regulated by Section 3 of the Workmen's Compensation Act, 1925.

(*g*) Unincorporated benefit building societies, governed by 6 and 7 William IV, c. 32; 10 George IV, c. 56; and 4 and 5 William IV, c. 40, and now brought within Section 40 of 37 and 38 Victoria, c. 42.

(*h*) Building societies, incorporated under the Building Societies Acts.

(*i*) Industrial and provident societies, incorporated under the Industrial and Provident Societies Acts, 1893 to 1913.

(*j*) Loan societies, governed by the Loan Societies Act, 1840.

(*k*) Trade unions, governed by the Trade Union Acts, 1871 to

1913, and the Trade Union (Provident Funds) Act, 1893, and when approved, the National Health Insurance Acts.

(*l*) Societies established exclusively for the promotion of literature, science, and the fine arts, desiring to be certified for exemption from rates under the Scientific Societies Act, 1843.

(*m*) Industrial assurance companies and unregistered Friendly Societies, so far only as regards certain powers of prosecution under the Friendly Societies Act, 1896, the Collecting Societies and Industrial Assurance Companies Act, 1896, and the Insurance Companies Act, 1909.

(*n*) Trustee savings banks, so far as regards the certification of rules under the Trustee Savings Bank Act, 1863, and the settlement of disputes, under the same Act, amended in each case by the Savings Bank (Barrister) Act, 1876.

(*o*) Post Office savings banks, so far only as regards the settlement of disputes under the Savings Bank Act, 1844, amended by the Savings Bank (Barrister) Act, 1876.

(*p*) Certain railway savings banks, under the provisions of the special Acts relating to them.

(*q*) Certain superannuation, etc., funds under the provisions of the special Acts relating to them.

(*r*) So far only as relates to the settlement of disputes, the Savings Bank Insurance and Annuity System.

The duties of the central offices may be enumerated as follows—

(*a*) Registration or certification of rules and amendments of rules of—

Societies and branches under the Friendly Societies Act, 1896; Industrial and provident schemes; Building societies; Loan societies; Scientific and literary societies (for exemption from rates only); Trustee and railway savings banks;

and registration or recording cases of change of office, appointment of new trustees, change of name of building societies, amalgamation or union of societies, transfer of engagements, conversion into companies, dissolution, schemes for discontinuing of ballot in building societies and notice of various kinds.

(*b*) Confirming schemes under the National Health Insurance Acts, affecting contributions and benefits of members of societies and employers' funds who become insured persons.

(*c*) Ascertaining views of workmen and considering objections raised by them to the certifying of shop clubs, under the Shops Act, 1902, and certifying such clubs.

(*d*) Ascertaining views of employers and workmen, and, when satisfied, certifying schemes in accordance with the provisions of the Workmen's Compensation Acts.

(*e*) Receiving complaints from workmen as to certified schemes

under the Workmen's Compensation Acts; examining into them and requiring the cause, if well founded, to be removed, or in default revoking the certificate.

(*f*) Making inquiries and requiring accounts from employers in regard to certified schemes under the Workmen's Compensation Act, 1906.

(*g*) Determining as to distribution of funds where a certificate under the Workmen's Compensation Act is revoked or has expired.

(*h*) Getting in and examining the annual returns from societies and branches.

(*i*) Getting in and examining valuations of friendly societies and branches.

(*j*) Circulating forms and information amongst societies, and preparing tables, circulating to societies instructions in respect of various matters and observations on new statutes.

(*k*) Adjudicating in disputes as to building societies, and disputes as to deposits in the Post Office, trustee, or railway savings banks.

(*l*) Making orders for transfer of stock in respect of building societies.

(*m*) Prosecuting for offences against the Acts, and for misapplication of funds.

(*n*) Authorizing inspection of books under the Industrial and Provident Societies Act, 1893, and the Building Societies Act, 1894.

(*o*) Appointing inspectors and calling special meetings under the Building Societies Act, 1894.

(*p*) Cancelling and suspension of registry under the Building Societies Act, 1893.

(*q*) Cancelling of registry under the Friendly Societies Act, 1896, in the case of societies converting into branches.

(*r*) Investigating the affairs of societies with a view to compulsory dissolution, and directing the manner of winding-up under the Building Societies Act, 1894.

(*s*) Applying to transfer proceedings in winding-up from the County Court to the High Court under the Building Societies Act, 1894.

(*t*) Dispensing with the fee for the inspection of documents under the Building Societies Acts.

(*u*) Modifying forms and dispensing with forms of duplicates under the Building Societies Regulations, 1895.

(*v*) Revising and editing the *Guide Book*, published by the office.

(*w*) Communicating monthly records and statistics to the Ministry of Labour for publication in the *Labour Gazette*.

The special duties of the Chief Registrar are as follows—

(*a*) Oversight of the Assistant Registrars. Appeals from the Assistant Registrars for Scotland and Ireland under the Friendly Societies Act, 1896, and the Industrial and Provident Societies Act, 1893.

(*b*) Annual report to Parliament and, in the case of proceedings under the Building Societies Acts, to the Secretary of State also.

(*c*) Determining what information shall be published and prescribing forms of returns and valuations.

(*d*) Performing the duties set out in head (*a*) of the work of the Central Office, so far as the same relate to trade unions.

(*e*) Granting certificates for exemption from the provisions of the Collecting Societies and Industrial Assurance Companies Act, 1896.

(*f*) Cancelling or suspending registry, under the Friendly Societies Act, 1896, and cancelling or withdrawing registry of trade unions where such societies or unions are registered in England or do not do business exclusively in Scotland and/or Ireland.

(*g*) Appointing inspectors and calling special meetings in the case of societies under the Friendly Societies and Industrial Provident Societies Acts registered in England or not doing business exclusively in Scotland and/or Ireland.

(*h*) Approving changes of names of such societies and trade unions registered in England or not doing business exclusively in Scotland and/or Ireland.

(*i*) Making orders for transfer of stock, in the case of societies registered under the Friendly or Industrial Provident Societies and Registered Trade Unions.

(*j*) Making awards for dissolution or distribution of funds under the Friendly Societies Act, and for distribution of funds under the Industrial and Provident Societies Act.

(*k*) Dispensing with valuation of societies and branches under the Friendly Societies Act.

(*l*) Dispensing with certain consents in cases of amalgamation and transfer of engagements under the Friendly Societies Act.

(*m*) Adjudicating on disputes in respect of societies under the Friendly Societies and Industrial and Provident Societies Acts.

(*n*) Authorizing in certain cases reduction of the fee payable on registration of an industrial and provident society.

(*o*) Dispensing with the fee for the inspection of documents under the Friendly Societies, Industrial and Provident Societies and Trade Unions Acts.

(*p*) Modifying forms and dispensing with duplicates under the

Friendly Societies and Industrial and Provident Societies Regulations.

(*q*) Making regulations under the Workmen's Compensation Act, 1925.

(*r*) Examining and reporting on private bills at the request of the Treasury.

(*s*) Duties under the Trade Union Act, 1913—

(i) To consider, on the registration of a trade union, whether the principal objects of it are "statutory objects" (Section 2 (2)).

(ii) To hear applications for the withdrawal of a certificate of registration on the ground that the principal objects are no longer statutory objects (Section 2 (2)).

(iii) To consider the application from unregistered trade unions for a certificate that their principal objects are statutory (Section 2 (3)).

(iv) To hear applications for the withdrawal of such certificates (Section 2 (3)).

(v) To prepare the material for contesting appeals to the High Court from refusals to register or give a certificate or from withdrawals of a certificate of registration or a certificate of an unregistered trade union (Section 2 (4)).

(vi) To consider and approve rules of trade unions, whether registered or unregistered, certified or uncertified, providing for the application of the funds to political objects (Section 3 (1)).

(vii) To consider and approve rules regulating a ballot on the conditions laid down in the Act, for the purpose of applying the funds to political objects (Section 4).

(viii) To consider and approve rules for giving notice to members of their right of exemption from contributing to the political fund (Section 5 (1)).

(ix) To hear complaints from members of trade unions, whether registered or unregistered, certified or uncertified, that they are aggrieved by a breach of any rule approved as above, and to make any order, as thought fit, without appeal.

(x) To grant a certificate of such order, pursuant to County Court Rules Order XLI*b*, Rule I.

(*t*) Administering the Treasury Grant in aid of schemes under the National Insurance Acts.

(*u*) Appointed as a member of the National Health Insurance Commission, of the National Health Insurance Commissions for Scotland, Ireland, and Wales, and of the National Health Insurance Joint Committee.

(*v*) Adjudicating on disputes as to War Loan Stock on the Post Office Register.

(*w*) Receiving and examining the yearly reports of business done by the public auditors and public valuers.

Home Office was created in 1782. The Home Secretary's duties include—Preservation of the King's Peace through magistrates and police. Relations with other subjects in approval of by-laws, other than those relating to nuisances, certificates of naturalization, prevention of cruelty to children and animals. Inspection of Institutions, including prisons, reformatory and industrial (now Approved) schools. Protection of citizens, by administering Air Raid Precaution Act and Civil Defence Acts.

Ministry of Health. The object of the Ministry of Health Act, 1919, was to consolidate in one department, and under one Minister, all the powers and duties of the Local Government Board; all powers and duties of the Insurance Commissioners and the Welsh Insurance Commissioners; all the powers of the Board of Education with respect to attending to the health of expectant mothers and nursing mothers, and of children who have not attained the age of five years and are not in attendance at schools recognized by the Board of Education; the medical inspection and treatment of children and young persons; all the powers of the Privy Council and the Lord President of the Council under the Midwives Acts, 1902 and 1918, and such powers of supervising the administration of the Children and Young Persons Act, 1933, including Part I of the Children Act, 1908 (which relates to infant life protection), as have heretofore been exercised by the Secretary of State (now Public Health Act, 1936). The Act of 1919 also contains powers to bring, at a later date, under the control of the new department, the care of sick soldiers (now possessed by the Ministry of Pensions), and the control of lunacy. An important feature of the Ministry is the establishment of consultative councils, of which four have been constituted.

Ministry of Education was established in 1944 to take over the work previously undertaken by the Board of Education. It is responsible for primary, secondary, and further education, and educational trusts.

Ministry of National Insurance is dealt with in Chapter XXXIX.

Ministry of Fuel and Power Act, 1945, has placed this Department on a permanent foundation.

Ministry of Pensions deals not only with war pensions but also Hospital and After Care of wounded and disabled men and women, including schemes of rehabilitation and employment.

CHAPTER IV

THE GROWTH OF VOLUNTARY ASSOCIATIONS

NOTHING is finer in the history of this country than the growth of the spirit of social service which has inspired so much of our social and economic legislation and has called into being so many of our voluntary organizations for uplifting the workers of the country. Its value is manifold both to the nation and to the individual. A man or woman dragged down by poverty has not infrequently lost something else besides wealth, in the ordinary meaning of the term. His position is damaged; he has lost heart and energy; and sometimes, but by no means always, even self-respect; and the necessities of his family may best be met by other agencies than that of the Poor Law. For, notwithstanding legislative provision, there are many needs which can be met only by personal service. These facts have led, step by step, to the gradual drawing together of the work of voluntary organizations, and that of the organized staffs of local authorities.

THE SPIRIT OF SOCIAL SERVICE

For a long time interchanges of help and information have taken place between these bodies which have resulted in great benefit to those who stand in need of assistance. The local authorities always welcome co-operation, and no one would be slow to perceive the value of organizing the co-operation of voluntary workers, tried, experienced, and closely in touch with the real conditions of life of the struggling masses of the people, and the local authorities.

Openings readily present themselves, as, for example, in connection with the nation's children. The children constitute the section of the community which has the strongest claims, and, at the same time, present the most promising field for combined action. Simple health rules for school children are equally applicable to the brothers or sisters, younger or older, who might not be at school.

For many years prior to the passing of the Education (Medical Inspection) Act, 1907 (incorporated in the Education Act, 1944), which imposed the duty of medical inspection on the local education authorities, a very large share of the attention of the Health Committees of the more progressive local authorities had been given to the welfare of children, and so far as

special legislation allowed, the interests of that section of the community had been safeguarded. Still more recently, the local authorities, acting through the Maternity and Child Welfare Committees, have been enabled to adopt beneficent and useful measures long before the child attains the age of school life. The condition of the child is commonly an index to the condition of those at home. The voluntary agencies, acting through after-care committees, can render valuable service in following up those school children whose parents have neglected to comply with notices given to them by the school medical inspectors. The visitors can keep in touch with children whose school life is ending, and who leave with defects still not fully remedied.

An entirely different matter in which co-operation of the visitor can be of very great value to the local authorities, who realized the value of housing from a national standpoint, was the sanitary condition of the home. Whilst the general inquiries were being made, there might be instances where the visitor would consider it necessary to inform the Medical Officer of Health of certain cases of sickness, which might have occurred in the home. In giving relief in kind, special attention might be given to the condition of infants, and the Health Committee apprised of any exceptional conditions. The operations of the voluntary organizations have thus been directed to the uplifting of the masses, not only by seeking-out deserving cases and the giving or withholding of relief, but in many other ways.

Health Conditions in Factories. In other directions, also, the value of organized social service is apparent. The health conditions of factories and workshops became more urgent as the activities of the Ministry of Munitions developed, giving further stimulus also to the welfare work which enlightened employers had undertaken for many years before the Great War, 1914–18. With this was also developed the care and training of the juvenile workers, as illustrated by the work of the local education authorities under the Choice of Employment Act, 1910, and of the Juvenile Advisory Committees in connection with the Employment Exchanges under the Ministry of Labour. No less important also has been the work under the Trade Boards Acts, with the consideration of the wages of women in industry, the consequent necessary amendments of the Factory and Workshops Acts, and the reduction of the hours of work and the limitation of overtime. In another sphere, also, the social worker has found his opportunity. The juvenile delinquent requires attention and guidance in order to make a useful citizen of him. To do this properly, attention must be given to the beginnings and causes of juvenile delinquency. The effects of imprisonment on the criminals,

alternatives to imprisonment, and modification of prison treatment require consideration also. The effects of heredity, in regard to both feeble-mindedness and inebriety, as factors in the development of potential criminals, have been subjects which have engaged the attention of the social worker.

CO-OPERATION IN SOCIAL WORK

More than seventy years ago the Education Act, 1870, was placed on the Statute Book, and the consequence has been a very marked change in the social outlook of men and women. To-day there is another form of co-operation absolutely unknown, say, thirty years ago. This co-operation by the workers is the natural result of the system of national education. Men and women are no longer content to accept charity. They help to administer it, either locally or nationally, and decide the form that charity shall take. The very marked change which took place, although slowly growing over about one hundred years, probably dates from Dr. Thomas Guthrie's work at Glasgow, on which the Germans modelled their Elberfeld System of Relief, and from which, years afterwards, Guilds of Help developed such as function to-day at Wallasey and other towns.

This feature is fostered by the principle of co-optation which first appeared in the Local Government Act, 1894, Section 56 (1), and which has since been extended in subsequent social and economic legislation. The principle seems to have been established by the desire to secure services from two sources which may or may not be already represented by elected persons, viz., the expert and the vocational interest as in the case of teachers on education committees; and persons directly affected, as in the case of allotment committees.

CO-OPERATION IN LEGISLATION

Alongside of this has grown the co-operation of charities with the aid of such institutions as Councils of Social Service. It has taken a century for this to come to fruition. This form of co-operation in administration practically started with the Unemployed Workmen Act, 1905, which gave the opportunity for experimental action and for placing the result of the experience gained on the Statute Book. Here a definite change was made in legislation. The employer and the workpeople sit round a common table with the experts in administration of relief and charity—not forgetting incidentally the wonderful amount of work performed by the Salvation Army. Here is found a system of co-operation which would have surprised our forefathers. From this there followed the Old Age Pensions Act,

1908, which extended the principle of co-operation, as did also the National Insurance Acts. The same idea has been extended to industry, as is evidenced in the Trade Boards Acts, 1909 and 1918, and the Agricultural Wages Regulation Act, 1924. Thus, it is conceded that the workers may co-operate with the employer, and both of them with the social worker.

One advantage of this co-operation is in the introduction of the expert element. Questions are not left to the decision of those immediately concerned—the producer, the consumer, or the person who supplied the money on the one hand, and the person who is going to expend it on the other. A charity, for example, originally could be instituted in such a way that the revenue derived came from endowments easily collected and without any difficulty in regard to administration, and the beneficiaries of that charity were very easily accessible. Where there is money there are generally to be found persons who are willing to accept its benefits despite the advantages which education should have wrought. But to go further and suggest—as has been done since 1905—that the whole question must be considered not only from the point of view of statistics, as for example, the amount of coal distributed, or the number of persons relieved; that consideration should be given not so much to the annual meeting, and the annual reports, but, what is more important, to the effect on the individual character of the recipient, then the necessity for co-operation arises. Thus, it can be seen that the introduction of this expert element has done a very useful service.

On the other hand, there are certain disadvantages which may result from this co-ordination. Among these may be included the development of a rigid form of administration and a weakening of the personal touch. The nearest analogy to what is meant may be found in a consideration of the question from the point of view of industry. Presume that charitable and social administration is analogous to the administration of industrial concerns—that it is considered on parallel lines with industry. One of the disadvantages of the growth of the factory system has been that employees are now known more as "hands" and "units" in a great scheme, and are completely out of touch with their employers and shareholders, many of whom never see anything at all of the particular craft or factory in which they have sunk their capital. The same thing may apply to our charities. There has developed a type of administration which has resulted in a weakening of the personal touch, with the result that some are more or less operating not from the centre where they ought to function, by means of the personal influence, but rather from a

committee room, which is very much out of touch with the actual circumstances of the particular cases under consideration. The consequence is that many of our charities may be in danger of becoming more and more supplementary to Public Assistance. They are almost a natural outcome of Public Assistance administration, and this interrelation which is helpful and useful may, at the same time, produce so rigid a form of administration that many of our people—the poor people—are unable to realize where charity ends and where Public Assistance begins, a factor which is not altogether desirable. Another disadvantage is that the recipients themselves are inclined to accept these charities as a matter of course. This is the natural consequence of the inter-relation between Public Assistance on the one hand and the charity register on the other.

DEFINITIONS

Social is derived from "socius," which means an ally, friend, or companion; and "social" is defined as "living in companies—not practising the solitary life—concerned with the mutual relation of men." We may, therefore, say that social services are the services which a community provides for its own members, and to which the members of a community are entitled, to a greater or less degree, by reason of belonging to that community.

Classification of Social Sciences. Social sciences are sometimes classified as follows—

1. *Ethics*—the science of the conduct of man—what a man *ought* or *ought not* to do. It has to do with moral considerations and discusses the right standard of living and duty.

2. *Law or Jurisprudence*—the science dealing with laws and regulations imposed by the State.

3. *Economics or Political Economy*—the science dealing with wealth from the human standpoint: its nature, production, distribution, and consumption, and the laws which regulate and govern these.

4. *Politics*—the science dealing with man in his relation to the State. The art of government or the administration of public affairs.

5. *Sociology*—the science of the constitution, evolution, and phenomena of human society, dealing with the general principles underlying man's thoughts and actions in all ages and in every relation of life.

The word "sociologie" was invented by Comte, in his *Philosophie Positive*, and it has gone through several phases. It is the study of human beings in their relations which forms the subject-matter of sociology. It is the application of science to the

purpose of life. Probably "social study" is a better term than "social science."

Many sciences, especially those that are closely allied (e.g. social sciences) overlap, and merge one into the other. There can be no hard and fast dividing line between them, and the fuller the study of any one of them, the greater the tendency to delve into the others. There are, however, distinct advantages to be gained by studying these sciences in isolation, e.g.—

1. The amount of available material relating to social subjects is so great that specialization is absolutely necessary. It is only by "division of labour" that this material can be systematized into what may be called "science," and this separation carries out the principle of "one thing at a time."

2. Specialization results in greater thoroughness and accuracy, and the generalizations of the science are more thoroughly tested.

3. The separation of the sciences conduces to clear thinking, and to a better understanding of the complexity of social relations.

4. The isolation of groups of facts makes it easier to trace casual relations.

Economics. Economics is a science, and is classed among the social sciences. Science is generalized and systematized knowledge, and consists of many branches. There are, however, some main divisions, e.g.—

1. Mathematical sciences—mathematics, astronomy, etc.

2. Physical sciences—the phenomenon of nature, magnetism, electricity, etc.

3. Natural sciences—botany, etc.

4. Social sciences—ethics, economics, etc.

Scope of Economics. Economists, in defining the scope of economics, differ somewhat in their opinions. Some limit the subject-matter to goods that have exchangeable value; others extend it to all goods and services; others go still further so as to include mankind and his welfare—individual and social. One economist states that the subject of economics is man's activity in supplying the needs of himself and his family. It is frequently asserted that economics is the science of wealth, but what is studied is not wealth, but man. Economics deals primarily with man as wanting, working, getting, spending; and secondarily, with the wealth which can satisfy his wants.

The scope of economics may thus be summarized—

1. It treats of wealth from the human standpoint.

2. It analyses human wants and man's efforts to obtain satisfaction of his wants.

3. It inquires how commodities become fit for exchange, how wealth is exchanged, and how wealth is employed.

4. It inquires upon what terms people combine their efforts in order to produce commodities.

5. It inquires into the causes affecting the organization of industry and trade, the money market, foreign trade, etc.

6. It observes certain kinds of social facts, classifies them and discovers causal relations.

7. It describes what has happened in the past, and infers what may happen in the future under similar conditions.

Economics is a positive science dealing with facts, and not with ideas. It does not lay down moral precepts, nor does it deliver moral judgments. Economics may then be defined as the science which investigates the nature and causes of the wealth of nations, and seeks to discover the laws affecting the production, distribution, and exchange of wealth.

HISTORICAL

At one time or another some particular problem of poverty has taken on so threatening or urgent a form as to elicit some new effort which has ever since persisted under varying forms.

It is not only the appearance of some particular problem of poverty which elicited a new effort, but still more the recognition of some old problems in new and changing conditions. This is particularly true in regard to unemployment, which is the greatest of all causes of poverty at the present time. This effort may be classified under two heads, (*a*) Legislation, and (*b*) Voluntary Effort.

(a) **Legislation.** The earliest social and economic legislation is that which dealt with vagrancy which constituted then, as it does now, one of the most important aspects of the Poor Laws. Blackstone in his Commentaries quotes "ancient statutes," and of those probably the 12th Richard II, 1388, which distinguished those "impotent to serve" from others, may be said to constitute the beginning of our modern Poor Laws.

The history of the Justice of the Peace dates from the Statute of Westminster, 1285, when they were constituted Conservators or Keepers of the Peace, and their origin as Justices from the reign of Edward III, 1360. There has been a long line of statutes giving to them administrative powers. As Sir Edward Coke says: "And it is such a form of subordinate government for the tranquility and quiet of the Realm, as no part of the Christian world hath the like, if the same be duly executed" (4th Inst., cap. xxxi).

And this "subordinate government" survived the criticism of Shakespeare in verse, and Addison and Fielding in prose, until the Local Government Act, 1888, transferred the local government

administration of the County Justices to the newly constituted county councils. But the existing law against vagrancy, which may be claimed to be the forerunner of our Poor Laws, is the outcome of more than three centuries of legislation, and cannot be fully understood without some reference to the previous legislation and the circumstances, social and economic, which gave rise to it.

Some account of the statutes dealing with vagrancy as a criminal offence is given in the third volume of Stephen's *History of the Criminal Law*. He remarks: "In the times when serfdom was breaking down and when the statutes of labourers provided what might be regarded as a substitute for it, provisions as to vagrancy were practically punishments for desertion. The labourer's wages were fixed; his place of residence was fixed; he must work where he happened to be. If he went elsewhere, he must be taken and sent back. By degrees the order of ideas which this view of the subject represented died away. The vagrant came to be regarded rather as a probable criminal than as a runaway slave."

(b) **Voluntary Effort.** The great movements have always been encouraged by men and women who have developed the service for purely philanthropic and idealistic reasons, e.g.—

1. Education: Robert Raikes, Joseph Lancaster, Andrew Bell.
2. Reformatory and industrial (now approved) schools: John Pounds; Philanthropic Society.
3. Trade unions: Francis Place; Thomas Hughes.
4. Building societies: Thomas Duncan.
5. Friendly societies: John Malcolm Ludlow.
6. Co-operative societies: Charles Kingsley.
7. Public health: Jeremy Bentham.
8. Poor Law; Edwin Chadwick.
9. Housing: Earl of Shaftesbury (Lord Ashley).
10. Prisons: Thomas Howard.
11. District nursing: Florence Nightingale; Agnes Jones.

The origin and development of the Charity Organization Society will further illustrate the point.

The Charity Organization Society. So far back as 1818 the Society for the Suppression of Mendicity was founded in London, and in 1820 a society was projected in Liverpool "for the purpose of collecting reports and records of charitable institutions," but nothing came of it. In 1868, a paper was read by the Reverend Henry Solly before the Society of Arts which resulted in the formation of the Charity Organization Society of London. The movement under the able guidance of Mr. (afterwards Sir) C. S. Loch, spread, and at its zenith embraced similar societies in over one hundred towns who met annually in conference.

Soon after came the famous circular to Boards of Guardians of Mr. Goschen, then President of the Local Government Board, on the relation of Poor Law relief to charitable effort, but comparatively little resulted from that circular, owing to the fact that there were only two ways of bringing those direct lines of work into co-operation. One was the line adopted by Mr. Vallance, Clerk of the Whitechapel Guardians, which practically abolished the giving of out-relief by the guardians, leaving that to the charitable voluntary efforts, and the guardians confining themselves to institutional relief. That policy had worked with extraordinary success, but there had not been many examples of that sort. It was a bold thing to do, requiring a very strong man and a perfect organization to separate out-relief entirely from the Poor Law. The alternative, which had not been adopted until lately, was to institute a round-table conference, where the representatives of the different agencies could meet face to face and treat things in consultation. That was the spirit which could give new life to the circular of Mr. Goschen, supplemented in more recent years by circulars which the Ministry of Health has issued, arising out of the Report of the Royal Commission on the Poor Law, 1905–1909.

CLASSIFICATION OF SOCIAL SERVICES

The Social Services provided in England to-day may be classified as follows—

(i) *Relief of Distress*—

(*a*) Public Assistance.
(*b*) Voluntary Relief.
(*c*) Unemployment Assistance.
(*d*) Supplementary Pensions.

(ii) *Public Health*—

(*a*) Hospitals, including Hospitals for Infectious Diseases, and Tuberculosis Sanatoria.
(*b*) Mental Treatment.
(*c*) Housing.
(*d*) Maternity and Child Welfare.
(*e*) Nursing.
(*f*) National Health Insurance.
(*g*) Welfare of the Blind.

(iii) *Education*—

(*a*) Primary, Secondary, and Further Education.
(*b*) Reformatory and Industrial (now Approved) Schools.
(*c*) Public Libraries and Art Galleries.
(*d*) Physical Training and Recreation.

(iv) *Administration of Justice and Rescue Work*—

(*a*) The Law Courts.
(*b*) The Police Force.

(c) Prisons.
(d) Retreats for Inebriates.
(e) Probation.
(f) Remand Homes.
(g) Poor Man's Lawyer.

(v) *Industry and Employment*—
(a) Factory and Mines Inspection.
(b) Employers' Liability and Workmen's Compensation.
(c) Regulation of Child Employment.
(d) Regulation of Wages.
(e) Employment Exchanges.
(f) Trade Boards.
(g) National Unemployment Insurance.
(h) Unemployment Assistance (Unemployment Act, 1934).
(i) Welfare Work.
(j) Juvenile Advisory Committees.

(vi) *Pensions*—
(a) Non-contributory Old Age Pensions.
(b) Great War Pensions.
(c) Widows', Orphans' and Old Age Contributory Pensions.
(d) Blind Persons Pensions.
(e) Supplementary Pensions.

(vii) *Miscellaneous*—
(a) Settlements and Clubs.
(b) Boy Scouts, Girl Guides, etc.
(c) National Savings.
(d) Youth Hostels.
(e) Youth Service Centres.

Comparison with Treasury Return. This classification may be compared with the Return published by the Treasury of Public Social Services which is as follows—

Service—
(a) Unemployment Insurance Acts.
(b) National Insurance (Health) Acts.
(c) Widows', Orphans' and Old Age Contributory Pensions Act.
(d) Old Age Pensions Acts.
(e) War Pensions Acts and the Ministry of Pensions Act.
(f) Education Acts.
(g) Acts relating to Reformatory and Industrial (now Approved) Schools.
(h) Inebriates Act.
(i) Public Health Acts so far as they relate to—
(i) Hospitals and Treatment of Disease.
(ii) Maternity and Child Welfare Work.
(j) Housing of the Working Classes Acts.

(*k*) Acts relating to the Relief of the Poor.
(*l*) Unemployed Workmen Act (Repealed by the Local Government Act, 1929).
(*m*) Lunacy Acts.
(*n*) Mental Deficiency Acts.
To this list may be added (*o*) Mental Treatment Act.

PROCEDURE OF SOCIAL AND ECONOMIC LEGISLATION

Creation of Public Opinion. 1. The course which has almost invariably been followed in this country has been that of natural evolution, which is so typical of everything English. Each service has been allowed to grow independently. The immediate want has been met, but no comprehensive, scientific, or logical scheme has been prepared for the development of the service or for the co-ordination of the scheme in the most efficient and economical manner with the existing services. An exception to this rule is seen in the Local Government Act, 1929, Sect. 5, which provides for a degree of unification of service.

Efforts are being made to remedy the effects of this method of action by the publication of White Papers as a preliminary to the reorganization of services, e.g. the White Paper on Public Health, 1944.

There are many decided advantages in such a system, and there are also many disadvantages, but it is doubtful if a more suitable system could be devised for this country.

Reforms are obtained, therefore, not by party legislation, but as the result of the creation of a public opinion which, by force of circumstances, obtains expression in some form in either or both Houses of Parliament.

2. This results in the appointment of—
(*a*) A Royal Commission, e.g. Poor Law, or Local Government; or (*b*) A Select Committee, e.g. Home Work; or (*c*) A Departmental Committee, e.g. Maternal Mortality; or (*d*) An Advisory Committee, e.g. Welfare of the Blind.

3. Consideration is then given to the report by the Government departments concerned.

4. This is followed by the preparation of a bill which ultimately becomes an Act of Parliament.

It results, therefore, that the legislation of one Parliament is usually the result of the deliberations of its predecessors. Consequently, therefore, social legislation originates not from political motives but in the interests of the whole community. Much legislation is the result of compromise.

It may be suggested therefore that—

1. The pioneer work—the discovery and trial of new forms of

service—is peculiarly the sphere of voluntary effort, e.g. District Nursing.

2. The services depending for their value on variety of personal treatment are more suitably left to voluntary effort, so long as voluntary effort is able to provide them, e.g. After-care Work, Discharged Prisoners Aid.

3. The services which should be available to the whole community are essentially the sphere of the local authorities, e.g. Public Assistance.

PRINCIPLES OF ADMINISTRATION

There would seem to be five main alternative methods of the administration of social services for local authorities—

(1) Assist the voluntary association, usually financially but sometimes by other means, to continue their service and extend it without taking an active part in the administration beyond exercising supervision commensurate with the financial and other interests of the public. e.g. care of the mentally defective.

(2) Absorb the voluntary service entirely, or replace it by a new service administered wholly by the public body, e.g. education.

(3) Collaborate with the voluntary association and carry on the service by joint action of the voluntary associations and the public body, e.g. clinics.

(4) Inaugurate a service without the initial preliminary stage of voluntary effort, e.g. pensions.

(5) Leave the service entirely in the hands of local voluntary effort. This is necessary in services where the personal touch is of special importance, e.g. discharged prisoners aid.

Machinery for Social Service. Of recent years voluntary effort has become so varied and extensive that the field of social work may now be said to be fairly completely mapped out, and to consist of several well-defined sections. In some of the large towns societies will be found operating in each of these sections. At present, however, there is scarcely a single town in the country which can be said to have its machinery complete in each of the sections. Some towns are far more advanced than others. Some towns have excellent machinery in one section while the machinery for another is simply non-existent.

The situation has sufficiently developed at the present time for a framework to be drawn up outlining the machinery of social agencies which should be in operation in every town and village in England, and also the general lines along which such agencies should work. It is also possible to work out the constitution and functions of an adequate central national organization

which it is essential to have if one locality is to benefit from the experience of another and if the appropriate local agents are to be put in effective operation throughout the country.

In the less well organized towns the citizens are at great disadvantage as compared with their neighbours in more active towns. It is, therefore, advisable that everyone interested in the general question of social well-being should at least be aware of the main outline of what might be regarded as the adequate machinery of social organization for his particular town or village, and with this end in view the outline set out in the following paragraphs has been prepared.

CENTRAL MACHINERY

All the framework of an adequate central organization is to be found in the National Council of Social Service.

National Council of Social Service. The National Council of Social Service (Incorporated) was formed in March, 1919, as the result of a series of informal meetings held at the Ministry of Health. It consists of the appointed representatives of central voluntary agencies and local government associations with representatives of the principal Government departments concerned sitting in an advisory and consultative capacity, the object being to promote systematic co-operation in the sphere of social service. Thus, there are representatives of the following Government departments, viz., the Ministry of Pensions, Ministry of Agriculture and Fisheries, Ministry of Labour, Ministry of Health, Charity Commissioners, Development Commission, Ministry of Education and National Savings Committee. Associations of local government authorities and local government officers represented include the Association of Municipal Corporations, County Councils Association, National Association of Local Government Officers, National Union of Teachers.

It has the following objects—

(*a*) To promote the systematic organization of voluntary social work, both nationally and locally, with a view to securing the co-ordination of voluntary agencies and their co-operation with the official agencies engaged in the same sphere of work.

(*b*) To assist in the formation, for this purpose, of organizations in each local government area, representative of both voluntary and statutory administration.

(*c*) To collect, register, and disseminate information relating to all forms of social service in this and other countries, including legislation and the regulations of Government departments.

Since it was formed in 1919 the Council has—

1. Promoted the formation of Local Councils of Social Service

and Personal Service Societies or Guilds of Help (of which over one hundred are now at work in such centres as Bournemouth, Chester, Edinburgh, Halifax, Leeds, Liverpool, Manchester, Reading, Portsmouth, and Scarborough) and of Rural Community Councils in twenty-five counties of England, Wales, and Scotland.

2. Arranged national Conferences on a variety of subjects and assisted in promoting the national organization of various branches of work (e.g. boys' clubs, young farmers' clubs, the Youth Hostel Movement, voluntary occupation during unemployment, etc.).

3. Issued memoranda on social organization in urban and rural areas, a handbook of information on "Public Social Services," and a monthly *Social Service Review*, containing, amongst other regular features, notes on the development of co-operation in social service and on new legislation and administration changes, bills before Parliament, Government reports, new books, etc.

4. Undertaken inquiries into various subjects and published reports.

5. Acted as a central bureau of information and advice on social services in co-operation with Citizens' Advice Bureau.

The Council is representative of four elements—

(i) Local Councils of Social Service and Community Associations and Centres; and in a consultative capacity of—

(ii) national voluntary associations;

(iii) associations of local public administrators;

(iv) Central Government departments.

The Council publishes—

(*a*) A monthly organ—the *Social Service Review* (annual subscription 5s.), and

(*b*) Handbooks of information on social services, public and voluntary, and papers and reports on various special subjects.

The Council invites individuals to become associates, the annual subscription being £1 1s.

The British Institute of Social Service. The British Institute of Social Service was formed in 1905, since when it has—

(i) Built up a valuable library of books, periodicals, reports and pamphlets on subjects connected with social progress.

(ii) Arranged conferences and undertaken inquiries into various specific questions.

(iii) Established an information bureau through which 30,000 inquiries have been dealt with.

(iv) Published *Progress*, a quarterly review of civic, social, and industrial developments.

Other Central Bodies and Organizations. There are many other specialized national associations or central bodies, such as the National Savings Committee; the British Hospitals Association;

the Central Association for Mental Welfare; the Central Council for Infant and Child Welfare; Midwives' Institute; the Boy Scouts Association; Church Lads' Brigade; Girl Guides; Central Discharged Prisoners' Aid Society; Standing Conference on Personal Service; Soldiers', Sailors' and Airmen's Families Association; Union of Boys and Girls Clubs.

These are the concern of those social workers engaged upon the particular branches of work and are not directly used by the ordinary citizen. Full particulars as to these various bodies can be obtained from the National Council of Social Service.

LOCAL MACHINERY

The local machinery required is somewhat different in urban and rural areas. Both need stating in order that the general situation may be understood. The main features of the machinery, whether rural or urban, are the same, namely—

1. A representative council of the agencies at work in the locality which is also a general centre for information.
2. An association for the welfare of juveniles (boys and girls).
3. An association for the welfare of adults (those over 18).
4. An association at the service of the citizen or villager in difficulty.

The local organizations may be said to have developed during the first decade of this century following the work of the Guilds of Help.

Guilds of Help. By 1906 the Guild of Help movement had developed as a result of the efforts in Bradford and other northern towns in England, modelled to some extent upon the Elberfeld system of relief. The movement spread more rapidly in the individual towns of North and Central England. It embraced some seventy towns, and to stimulate the work a National Association of Guilds of Help was formed. This movement, and the Charity Organization Society movement, to which reference has already been made, gradually drew closer together. In 1914 they admitted the first Councils of Social Service—Hampstead, Liverpool and London—to their Annual Conference.

Councils of Social Service. This movement was further stimulated by the publicity given to Mr. Hancock Nunn's Memorandum on the Report of the Poor Law Commission of 1909. The first embryo Council was that formed in one of the London suburbs, by the energy of Mr. Hancock Nunn, and known as the Hampstead Council of Social Welfare. There are some fifty Councils of Social Service now existing.

The Liverpool Council of Social Service. The work of the Councils of Social Service may be illustrated from that of the

Liverpool Council of Social Service. On 25th October, 1909, acting on a recommendation of the Poor Law Commission, 1905–1909, a representative meeting took place in the Liverpool Town Hall, when it was moved by the Lord Mayor (Mr. H. Chaloner Dowdall), seconded by Mr. H. H. Hornby, then Chairman of the Charity Organization Society, supported by Mr. Ralph Brocklebank, and others, and agreed that "A council should be established to form a centre of communication between the charitable institutions in the city and also between them and the Poor Law Societies." No fewer than one hundred of the principal charities of the city joined the Council, and the number has since grown to 180, and the area served has been extended to the whole of Merseyside. Each of those affiliated organizations has a representative on the General Council, and benefits from grants from funds accumulated by the Council. Members of the General Council *ex officio* include the Lord Mayor of Liverpool and the Mayors of Bootle, Birkenhead, Wallasey, Crosby, and Bebington, and representatives of the Committees of the City and Borough Councils concerned with the Social Services, and officers of those Councils, and representatives of Government Departments similarly concerned. Thus, the Council is in a position to maintain touch and co-operation between all concerned with the local services, statutory and voluntary.

The work of the Liverpool Council of Social Service was for many years under the inspiring guidance of Mr. F. G. D'Aeth, who had for some years been Lecturer in the School of Social Studies in the University of Liverpool. To him, more than to any other organizer, is due the credit which the Liverpool Council of Social Service has justly earned among the various organizations for co-ordinating the work of social service in urban areas.

Registration Schemes. One of the most important objects contemplated in the formation of Councils of Social Service was a general register of persons receiving charitable relief, whether from voluntary agencies or from public bodies. Many of the principal cities and boroughs possess these schemes, which originated in Manchester and in one of the London suburbs. The pioneer work in this direction was undertaken by the Charity Organization Society which, in most of its distinct offices, if not in all, had elaborate schemes of registration in working order many years before any Council of Social Service had been dreamt of. In fact registration was an integral part of the original idea of the founders of the Charity Organization Society.

It is very difficult to prevent overlapping of relief. There is a strong temptation to those who belong to the "submerged tenth" to sacrifice opportunity and principle, to trade upon

the generosity of charitable organizations. The system of registration, together with the co-operation of the expert, has resulted in a marked decline in the amount of overlapping which existed previously, and has resulted in the elimination of much waste. Many charities had been very wastefully administered. This was very difficult to prevent, because of lack of co-ordination. Many smaller charities may now be collected into divisions and centrally administered in such a way as to afford the maximum of expenditure on the charity itself and the minimum of expenditure in regard to administration.

The nature of the work may be understood by taking the registration scheme of the Liverpool Council of Social Service. The urgent necessity of such a register not merely to prevent overlapping, but to facilitate co-operation in relieving distress, had long been felt and was demonstrated by the difficulty in administering the Town Hall Unemployment Fund in the winter of 1908–9, when the problem confronted was one affecting the town as a whole. The expense of administering such a register is necessarily considerable, and, as the Council does not desire to compete with individual charities in applying for subscriptions, the difficulty might have been insuperable, had it not been for the generous support of the Public Assistance Authorities concerned, which, with the sanction and encouragement of the Ministry of Health, make annual grants for that purpose. The Finance Committee of the Corporation of Liverpool have parliamentary power to contribute an annual grant to the same object.

The register contains items of information concerning the individuals or families assisted, together with a record of the form of help or care rendered by the body co-operating. As soon as two bodies are found to be interested in the same case the particulars are noted, and a memorandum is promptly sent to each.

An essential feature of the register is its strictly confidential character. By means of a special system of filing, information becomes available only when a second agency is interested in the case. Further, the memoranda sent out are for the use of the contributing bodies only.

Owing to the cost of the register being borne by public money, the bodies participating are supplied with forms, envelopes, and the necessary postage stamps, free of any charge. Some bodies notify the register of the case after their assistance has been given, others inquire of the register before they assist. The latter procedure is to be preferred, wherever possible.

Social workers and those engaged in the administration of assistance are invited to visit the register, and have its general working explained to them. It must, however, be very carefully

noted that the register is not open to the public, and these visits will not permit of the visitors seeing the actual records.

To religious organizations the register is of particular service. It has often been brought to the notice of the register by clergy and ministers that valuable time, which would otherwise be occupied by parochial duties, is taken up by cases requiring help or advice. When the applicant is not intimately known there has been, previous to the existence of the register, always a danger of needless overlapping with other organizations, resulting in more harm than good. In many instances, parochial funds do not permit of assistance for an extended period, and the clergy are thus compelled to restrict their efforts to the exigencies of the immediate crisis. This position is intensified in the poorer neighbourhoods, where a large proportion of the population is forced, for various reasons, such as unemployment or ill-health, to seek help.

The scheme of registration has proved to be of benefit both to the body helping and also to the person assisted, or cared for. With regard to the former, a saving of time in making inquiries is often effected; information already obtained is confirmed or supplemented; the personal interest of the individual visitor deepened; unnecessary overlapping stopped, and needless expenditure prevented. With regard to the latter, the information received from the register often indicates new lines for future action, and facilitates co-operation, where advisable, on the part of the bodies interested. The applicant, too, is saved investigation by several bodies—a process which is demoralizing, no less than annoying. Co-operation between different bodies is at times facilitated if the register arranges for them to meet at the office of the register. This can always be arranged by request.

Hospitals Contributory Funds. Within recent years there have developed, in various parts of the country, schemes for providing hospital treatment for contributing members, some of which are described as Penny in the £ Funds. These were originated in Sheffield in 1921. The methods of contribution are (*a*) through place of employment, and (*b*) through Receiving Depots.

(*a*) *Through Place of Employment.* Employees of firms with more than three employees may have their contributions collected by their wages office on the following basis—

Under £2. One penny per week.
Under £3. Two pence per week.
Under £4. Three pence per week.
Under £5. Four pence per week.
Under £6. Five pence per week, etc.

The employer usually adds 33 to 50 per cent of the employees' contributions. Manual workers are entitled to the privileges of

the Fund whatever their income may be. Non-manual workers whose incomes exceed the following limits are not entitled to the free privileges of the scheme, viz.: Single persons, £4 per week; married persons without families, £5 per week; married persons with dependants, £6 per week.

(*b*) *Through Receiving Depots.* Employees of establishments with three or less number of employees, unattached workers, domestic servants, small traders, and others, may contribute to the fund on the penny in the £ basis through one of the Council's registered depots. Contributors through Receiving Depots are not entitled to the free privileges of the scheme until a period of six months has elapsed from the date of their first contribution.

CONTRIBUTORS' PRIVILEGES. 1. Contributors to the fund and their dependants are entitled to—

(*a*) Free maintenance at least for a fixed period on admission as in-patients;

(*b*) Free out-patient service,

at the voluntary hospitals under the scheme.

In addition, the various schemes usually provide—

2. Convalescence and after-care.
3. Special hospital treatment for rheumatism, etc.
4. Ambulance transport.
5. Home nursing service.

Only cases medically eligible for admission to a Voluntary Hospital come within the scope of the funds. Thus, the fund will not accept responsibility for chronic and senile cases, while infectious diseases are fully provided for under the Public Health Acts. Reference should also be made to the local Hospital Sunday Funds and Edward the Seventh Fund.

LOCAL CONDITIONS

Urban Areas. Urban areas vary in size and may be roughly grouped under three headings—

1. The very large centres of population.
2. The large town.
3. The small town.

The very large centres of population have in the main three distinguishing features—

(*a*) The special problem of organization arising from their size (e.g. Liverpool has a population of some 830,000 and consists of forty municipal wards varying in population from 43,000 to 600, but with an average of over 21,000);

(*b*) The presence of certain institutions which serve the surrounding areas and so render unnecessary the provision of such institutions in those surrounding areas;

(*c*) The particular problems which seem inseparable from the congregation of huge populations which are largely conditioned by local history.

Rural Areas. The rural areas also have their own special problems. In particular that of isolation and the need of grouping villages for the purposes of organization either round their market town or other neighbouring towns, or in some form of county organization.

In recent years the work has been developed on the lines of Rural Community Councils which have been co-operating with the County Councils on the lines which originated in Oxford. Growing recognition of the value of a central body in each county which is in touch with local opinion and is representative of the principal bodies already at work locally is shown by the desire of such national organizations as the British Empire Cancer Campaign, the National Playing Fields Association, the Council for the Preservation of Rural England, and the Fund for the Preservation of Ancient Cottages to work in concert with the rural community councils. Every council has found it necessary to appoint special groups of representatives and co-opted members to deal with particular aspects of work, notably education, young people, and public health, and to co-operate with the Development Commission in endeavouring to foster the isolated craftsman in country districts. The work of Rural Community Councils has been assisted and organized by a special Committee of the National Council of Social Service.

Isolated Districts. There are also certain areas in which it is difficult to provide any facilities, as in the upland mountain areas of Wales and Scotland and the isolated districts on the Fens.

The importance of creating some kind of village council which could help to give unity to village life, manage the village hall where one exists, and act generally as the channel through which the needs of the village could be satisfied has been recognized by the Government since the passing of the Local Government Act, 1894. The importance of fostering communal village life is recognized also by the Third and Final Report of the Royal Commission on Local Government which was issued in 1929. The problem of the isolated areas, however, is to bring together the requirements of the groups of citizens in relation to such matters as public health, education, libraries, housing and planning, rural industries, village industries and medical health services. The method adopted in Scotland with reference to these matters may be illustrated from an outline of the Highlands and Islands Medical Service Fund, which was constituted by Act of Parliament in 1913.

The Highlands and Islands Medical Service Fund. County

councils in Scotland for the efficient discharge of their statutory obligations towards the aged and sick poor, persons suffering from tuberculosis, mothers and young children and children of school age, require to have at their command the services of a staff of nurses throughout their area. For this purpose, co-operation with the district nursing associations is very valuable, and it can be greatly facilitated by the existence of county federations of the local associations. The abolition of parish councils and district committees by the Local Government (Scotland) Act, 1929, has concentrated on the county councils much of the local responsibility for the maintenance and development of the medical and nursing services of the area. The services are—

1. Medical service.
2. Nursing service.
3. Hospital and ambulance service.
4. Provision, improvement, and maintenance of doctors' and nurses' houses.
5. Specialists' services.
6. Extension of telegraphs and telephones.
7. Special emergency scheme.
8. Special tuberculosis scheme.

REPRESENTATIVE COUNCILS

These local councils under various names (though most commonly called Councils of Social Service) are at present to be found in some fifty towns, but the movement is spreading rapidly. In rural areas the proposal is to develop by means of county associations, known as County Rural Community Councils (e.g. the Oxfordshire Rural Community Committee), and active steps are being taken in this direction.

The local council consists of representatives of various voluntary agencies already at work in any locality, and their formation is thus at the present time possible everywhere. Representatives of local authorities are usually *ex-officio* members of these councils. Their object is threefold—

(*a*) To strengthen and increase the efficiency of existing local voluntary effort.

(*b*) To assist in initiating any new effort required.

(*c*) To be in possession of the latest information with regard to all forms of social administration and to be able to secure skilled advice on any problem or scheme.

This last object can already be secured for any locality by means of the staff of the National Council of Social Service, and the issue of their monthly publication *The Social Service Review*. The first step forward, therefore, is to secure in each locality, whether

urban or rural, such a council; or failing that, the appointment of a local correspondent as an interim measure. The effect of this action will be to secure a channel by means of which local social workers can obtain such information and advice as they may desire with regard to any aspect of social work.

FUNCTIONS

In towns the predominant element in the work of local authorities is the relief in one form or another of suffering and distress.

The various services may be classified as follows—

1. Juvenile welfare as in the case of juvenile organization committees.

2. Adult welfare including clubs and social institutes.

Juvenile Welfare. In 1916, the Home Office formed a Standing Committee of representatives of voluntary organizations, of public bodies and of school teachers to encourage and develop the work of voluntary organizations for boys and girls. In 1919, the work of this Juvenile Organizations Committee was transferred to the Board of Education. In 1937, it was further transferred to the National Advisory Council for Physical Training and Recreation. A feature of this Committee has been to encourage the formation in each locality of local Juvenile Organizations Committees and by the end of 1920 some hundred of these committees had been formed.

The chief voluntary organizations for boys are Boys' Clubs, the Boys' Brigade, the Church Lads' Brigade, and the Boy Scouts' Association; and for girls, the Girls' Friendly Society, the Girls' Guildry, and the Girl Guides' Association; while the two local public authorities intimately concerned are the local Education Authority and the Juvenile Advisory Committee of the Local Employment Exchange. In many localities the work of the latter has been taken over by the local Education Authority.

Whether any local Juvenile Organizations Committee be formed or not, it is obviously an advantage for all those interested in work among young people in any one locality to have opportunity to meet together from time to time to consider if the needs of young people in their locality are fully met, and whether any further steps require to be taken in that locality. Many of the local Juvenile Organizations Committees have developed into permanent committees and are doing excellent work. This has particular reference to the Youth Service Centres established during the 1939–45 war.

Adult Welfare. Social organizations for adults (i.e. those over 18 years of age) are in the main a more recent growth but are now rapidly increasing in number. Individual men's clubs and women's

clubs were to be found in various towns, but the mixed club movement, started during 1914–18, has created a popular demand for social clubs which is now being met in the towns by the formation of Citizens' Institutes Associations and Townswomen's Guilds (or similar bodies) and by social clubs in works; and in the rural areas by the Women's Institutes Association and the Village Clubs Association.

More recently the Community Centres Movement, which commenced on new Housing estates developed by Local Authorities, is being rapidly extended. It is fostered by a special Committee of the National Council of Social Service.

This movement possesses very great potentialities, and being in its infancy will doubtless prove itself attractive to many social workers.

During 1937, under the auspices of the National Council for Social Services, there were 85 Associations for the promotion of community centres functioning. There were 900 clubs for workless men and 500 for women. In the first three months of 1938 there were 22,000 classes in such various spheres as craft work, drama, music, and physical training. There are now twenty-two Rural Community Councils in operation.

It may be considered surprising that with so extensive a system of public provision against the evils consequent upon injury through loss of health, lack of employment, or old age, there should still be a place, and a large place, for voluntary agencies. But no official machinery can be so complete as to cover every human need, and the sympathy, patience and understanding of a voluntary worker are able to supply something that can never be provided by statute. This is particularly so in such problems as the citizen in difficulty.

THE CITIZEN IN DIFFICULTY

The meaning of this phrase can be better understood by summarizing the various "difficulties" in three natural groups—

(*a*) Sickness and incapacity.
(*b*) Poverty.
(*c*) Failure in character.

The work of assisting individuals in such difficulties is now, in many places, specially undertaken by Guilds of Help or Personal Service Societies.

(*a*) *Provision for Sickness and Incapacity* includes the various institutions for dealing with—

(i) Maternity and child welfare (ante-natal clinics, schools for mothers, day nurseries, etc.).

(ii) Sickness (hospitals and dispensaries, homes for incurables,

convalescent homes, district nursing associations, invalid children's associations).

iii) The blind.

(iv) The deaf and dumb.

(v) Cripples.

(vi) Mentally defective.

(vii) The inebriate.

(*b*) *Provision against Poverty* includes—

(i) Pensions funds and societies for granting temporary financial relief.

(ii) Homes for children (orphanages, etc.) and homes for the aged.

(*c*) *Failure of Character* is guarded against by the societies and institutions for—

(i) Police court work, probation, after-care of prisoners, etc.

(ii) Prevention of cruelty to children; and to animals.

(iii) Rescue work: homes for unmarried mothers, and babies of unmarried mothers, rescue homes, etc.

(iv) The homeless: night shelters, etc.

(v) Poor man's lawyer.

To each of these groups there are constantly being added other forms of assistance. None of the groups is entirely independent of another, and in many instances they are interlocking and in many ways overlap.

But though the relief of distress still occupies a large part of the work of many local authorities in towns it is also true to say that a broader view of the meaning of social service is steadily gaining recognition.

In a number of towns, local authorities are co-operating with Councils of Social Service or similar organizations in work for children and young people in organizing play centres, in promoting the formation of clubs for the unemployed, in arranging camps, and providing the necessary bridge to cover the gap between voluntary aid and public assistance. Yet, in a properly balanced community, there should be a complete co-operation of these interests designed to bring to the large wage-earning population opportunities to enjoy new aspects of the wider horizon of life and to find delight in the discovery of unexpected powers and opportunities for service in the interest of their fellow men.

Citizens' Advice Bureaux. The National Council of Social Service run these voluntary services which in 1943 answered more than two million questions.

PART II

PUBLIC HEALTH, HOUSING & PLANNING

CHAPTER V

PUBLIC HEALTH

PUBLIC health services include services relating to maternity and child welfare, lunacy, and mental deficiency, and the welfare of the blind (Local Government Act, 1929, Sect. 134).

This is in addition to environmental services such as sewerage and refuse removal.

EARLY HISTORY

Public Health administration is of comparatively recent growth, although much of the Mosaic law was really health law.

After the suppression of the smaller monasteries in 1536, and the larger ones in 1539, general hospitals for the sick hardly existed till a new social conscience began to appear about 1700. Sanitary laws had begun long before that. Chartered boroughs dealt with nuisances under by-laws. Some of these, as early as 1298, dealt with cleansing streets, flaying horses in streets and keeping pigs in houses. As early as 1388, Parliament passed an Act against pollution of rivers. But such laws were seldom enforced from about the fourteenth century, but were concerned primarily with land drainage. The Manor Courts dealt with nuisances. It is recorded in the Manor Rolls of Stratford-on-Avon that Shakespeare's father was required to cleanse his drains. However, after 1700, a few advanced spirits saw that public health is in itself a worthy ideal. Howard, the methodical and scientific philanthropist, was followed by Robert Owen who showed at New Lanark that factory children work better if taught dancing and music and other things which even now many people consider absurd.

Modern movements may be said to date from the efforts of Dr. Percival, at Manchester, which resulted in the passing in 1802 of an Act for the Preservation of the Health and Morals of Parish Apprentices and others employed in cotton and other mills. As late as the first quarter of the nineteenth century public provision of a sanitary or public health description was virtually nil. A Quarantine Act was passed in 1802 which contemplated that the

Privy Council would keep watch over the risk of transmarine infection, and would take any necessary steps in the event of danger arising. But lulled by the absence of destructive visitations of infection, no progress had been made either in sanitation or in general public health administration.

BOARD OF HEALTH

The growth of a population crowded into confined urban areas raised new problems which the older organs and functions of local government were incapable of solving, but this seems hardly to have been recognized before the passing of the Reform Act, 1832.

Upon this condition of affairs supervened, in 1831, the first of an alarming series of visitations of Asiatic cholera. The Quarantine Act was immediately made applicable; a medical commission was sent to Russia to investigate; and soon after it had reported an *ad hoc* consultative Board of Health was appointed consisting partly of officials and partly of prominent medical men. This body drew up and recommended certain regulations which were promptly made. Regulations were also made in 1832 under the Quarantine Act, 1802, requiring reports to be made to local boards by medical practitioners, and empowering local boards to secure the establishment of hospitals and the removal of nuisances at the expense of the poor rate; but as the validity of these regulations was impugned, definite emergency legislation to the same effect was carried early in the following year.

REGISTRAR-GENERAL APPOINTED

In 1834 the office of Registrar-General was created on the recommendation of Edwin Chadwick, together with the system of registration of births, marriages, and deaths; and the foundations were thus laid of an important intelligence service in the future war with disease. This inaugurated Dr. William Farris' outstanding work of "convincing statistics."

ACTION BY POOR LAW COMMISSIONERS

In 1838 the Poor Law Commissioners, constituted under the Poor Law Amendment Act of 1834, inspired by Edwin Chadwick, took up the question of the further legislation which was requisite to give authority for the new items of expenditure shown by experience to be necessary. In a memorable letter to the Home Secretary the Commissioners urged the importance of sanitary or preventive health provision from the economic point of view. They wrote: "The most prominent and pressing of the first class of charges for which some provision appears to be required are

for the means of averting the charges upon the poor rates which are caused by nuisances by which contagion is generated and persons reduced to destitution. In general, all epidemics and all infectious diseases are attended with charges, immediate and ultimate, on the poor rates. Labourers are suddenly thrown by infectious disease into a state of destitution for which immediate relief must be given. In the case of death the widow and children are thrown as paupers on the parish. The amount of burthens thus produced is frequently so great as to render it good economy on the part of the administrators of the Poor Laws to incur the charges for preventing the evils where they are ascribable to physical causes, which there are no other means of removing."

From this particular angle, therefore, of interest and tradition, the Poor Law Commissioners sought in 1838 legislative authority to regularize the expenditure upon sanitation, which was no doubt already being incurred by guardians. To the letter quoted above were annexed reports by their medical inspectors relative to the sanitary condition of London. The whole document immediately excited public interest.

Medical Inquiry. In 1839, the House of Lords moved an instruction to the Commissioners to undertake as regards the whole of England and Wales a medical inquiry similar to that upon which the reports regarding London had been based; and a further instruction was moved extending the scope of this inquiry to Scotland. The inquiry was accordingly undertaken; and in 1842 the Report on the Sanitary Conditions of Labouring Classes was presented, together with a closely-reasoned and convincing analysis of the manner in which defective sanitary conditions contribute to death, destitution, and immorality, and with recommendations for reform.

EARLY PUBLIC HEALTH ACTS

The force of this report could not be withstood; but in order to fortify themselves for the necessary far-reaching legislation which the case required, the Government referred the matter to a Royal Commission on the Health of Towns and Populous Places, which was appointed in 1843. This Commission reported in 1844 and 1845 in terms which fully supported and confirmed the findings and recommendations of the Poor Law Commissioners. The Royal Commission recommended that water supply, drainage, and the paving, repairing, and cleansing of streets should in each area be performed by only one authority subject to some degree of central administrative control. Legislation was accordingly decided upon; but the Government Bill suffered delays and encountered objections.

THE PIONEER WORK IN LIVERPOOL

The early sanitary legislation of Liverpool, notably the Liverpool Sanitary Amendment Act, 1846, was incorporated in the later Public Health Acts. Not only so, but the first appointments of a Medical Officer of Health, of Sanitary Officers, of a City Bacteriologist, and of Women Health Officers were made in Liverpool. It was in Liverpool also that voluntary effort not only set on foot but firmly established the great work of district nursing and the training of nurses for employment in workhouses; the earlier day-nurseries, too, the forerunners of the welfare clinics, the Society for the Prevention of Cruelty to Children, a "police-aided" clothing association to clothe destitute children, the Child Welfare Association, and the first training school for the blind, all had their birthplace in Liverpool.

In the meantime, however, two temporary Acts were passed, viz., the Nuisance Removal and Diseases Prevention Acts, 1846, to deal with the removal of nuisances and the prevention of epidemics. The original Bill, which relied mainly on the "clauses consolidation" expedient, was dropped. This was a characteristic feature of the legislation of the eighteen-forties. It enabled progressive towns by the passing of a resolution, usually with a two-thirds majority, to adopt certain Acts which were valuable in promoting the health and well-being of the community. Such Acts included the Baths and Washhouses Act, 1846; the Town Police Clauses Act, 1847; the Towns Improvement Clauses Act, 1847; and the Land Clauses Consolidation Act, 1845. It is interesting to observe that sections from the two Clauses Acts of 1847 referred to are still incorporated by reference in the Public Health Act, 1936.

PUBLIC HEALTH ACT, 1848

The cholera of 1848 resulted in a new Government Bill for which Edwin Chadwick was responsible. The Bill became the Public Health Act, 1848.

This Act (which was limited in operation to a term of five years) established a new central authority, a General Board of Health, consisting of three persons, of whom the President was to be a Minister responsible to Parliament. Several Boards of Health working under the General Board were constituted either on the petition of one-tenth of the ratepayers or on the Board's own initiative if the rate of mortality was unduly high. As regards actual sanitary provision, it instituted a system whereby local Justices might have summary jurisdiction over health nuisances on complaint by specially authorized local authorities. There was also provision whereby, in case of a serious epidemic,

the General Board could assume, on an order made by the Privy Council, special powers of direction and confer special powers upon local authorities. This Act did not apply to London, which presented quite a different problem; but legislation was passed at the same time which effected a very necessary consolidation of the several Commissions of Sewers so as to constitute a metropolitan sanitary authority.

An acute controversy raged over the renewal of the Public Health Act, 1848, upon the expiration of the original five years in 1854, and though it was proposed to place the General Board of Health under the control of a Minister responsible to Parliament, the Bill was defeated. A new Act was passed renewing the Public Health Act on an annual basis, but a new Board took the place of the old. This was a Board in name only, consisting of a President holding ministerial office, and other Ministers.

This was a decided victory for the "no-central interference" party and their policy. The first president of the new Board was one of the opponents of the old. But the new Board, having been annually renewed till 1858, was then disbanded. To quote *The Times* of that year: "Mr. Chadwick and Dr. Southwood Smith have been deposed. The people of England prefer to take their chance with cholera and the rest rather than be bullied into health." Its medical functions, together with its medical staff, were transferred to the Privy Council by the Public Health Act, 1858, while its other functions were transferred by the Local Government Act, 1858, to the Home Secretary, who administered them through a separate department, the Local Government Act Office. In the same year the Medical Act, the charter of the medical profession, was passed.

In 1851, the first Acts to deal with the sanitary conditions in houses were passed. These are dealt with later. The Burials Act, 1852, provided for new and more appropriate methods of burying the dead.

SANITARY ACT, 1866

In breaking up the General Board the Public Health Act of 1858 had in effect created a Medical Department under the Privy Council, and while this department had no executive powers, and only acquired a permanent footing by a narrow majority in the Commons, its investigations and reports exposed considerable deficiencies in the existing character of public health legislation. The result was that in 1866, when cholera was again very prevalent, an important Sanitary Act was passed. This Act largely extended the sanitary subject-matter and purview of the powers of local authorities, which were now enlarged to cover,

inter. alia, overcrowding and the sanitary control of tenements and workshops. It also comprised an important provision that certain functions should be statutory duties of the local authority, enforceable on complaint by a Secretary of State to the Queen's Bench Division of the High Court. But in other respects it did not alter the disposition of powers or the general administrative and constitutional position.

Reference should be made to the pioneers of preventive medicine and surgery, including Sir Humphry Davy; anaesthetics, Edward Jenner; innoculation, Louis Pasteur; bacteriology, Lord Lister; antiseptic surgery; and Röntgen X-ray.

LOCAL GOVERNMENT BOARD, 1871

Once again legislative reform received impetus from the visitation of alarming epidemics. An outbreak of smallpox, and the westward movement of Asiatic cholera in 1869–71 threatening a fifth invasion of this country, added extraneous weight to the proposals of the Royal Commission, which reported in 1871. Its recommendations were directed mainly to securing the consolidation and uniformity of the system of local government in matters of health, so that every area should have one authority, and one only, for all public health purposes. It proposed the re-creation of a central authority by the concentration and consolidation of the supervisory functions of central government, now dispersed through several departments. It was inevitable, however, since the problem, though primarily concerned with the public health, had been approached from the standpoint of facilitating local government, that the scope of the necessary legislation should be enlarged to cover the whole subject of local government; and the Bill actually prepared was accordingly a Local Government Bill. It was not, however, proceeded with; but a new short Bill comprising that portion of the previous measure which provided for the creation of a Local Government Board, became law in 1871.

PUBLIC HEALTH ACT, 1872

The Public Health Act of 1872 was subsequently passed and made the first distinction between rural and urban administration. It gave power to local authorities to set up hospitals and instituted the system of Medical Officers of Health under an arrangement whereby half the cost was to be defrayed by the Exchequer on condition that the appointments to these offices were made under the Local Government Board's regulations and with its approval.

REVISION OF CONTROL

It has been seen that from early days the Privy Council took

a special interest in health matters, and that for a period it could claim to be the only central health authority. The Local Government Act of 1871 did not, however, transfer to the Local Government Board all the health or medical functions of the Privy Council. The Medical Act of 1858, establishing the Medical Register and the General Medical Council, and the subsequent legislation for the regulation of the medical profession related the General Medical Council to the Privy Council. Similarly, the functions of the statutory Pharmaceutical Society of Great Britain in the control of poisons are exercised under the general supervision of the Privy Council. And lastly, the Privy Council remained until 1919 in a similar supervisory relation to the Central Midwives Board, charged with duties in connection with the training and professional conduct of midwives.

The Home Office suffered in the course of its development a very considerable accretion of health or medical functions, all of which at the end of the period under review were highly centralized. No less than seven separate staffs are still employed by or under the Home Office for the purpose of coping with prisons, reformatories and industrial (now approved) schools, and matters respecting the Aliens Act and the Inebriates Act. Certain aspects of health administration are also carried out by the Ministry of Agriculture and Fisheries, relative to diseases of animals; Food and Drugs; Board of Trade, relating to the mercantile marine; and the Ministry of Labour and National Service.

PUBLIC HEALTH ACT, 1875

The Public Health Act, 1875, consolidated the previous Acts and with its numerous amendments remained, until the Public Health Act, 1936, the principal sanitary code.

It is sufficient here to refer to some of the Acts which have been passed subsequently as indicating the trend of this type of legislation.

LOCAL GOVERNMENT ACT, 1888

This Act brought county councils into the local health organization. They were empowered to make by-laws and appoint county Medical Officers. The latter were made compulsory in 1909.

THE MINISTRY OF NATIONAL SERVICE

The re-creation in the autumn of 1917 of the Ministry of National Service, for the discharge of functions acknowledged to be of the greatest importance, still further complicated the tangle of health administration. As the need for military drafts continued, it became appreciated that every man recruited for

the forces was a man demobilized from the civil army engaged in the prosecution of the War; and the process of recruiting was accordingly entrusted to a civil department, as better able to hold the balance between the civil and military needs. But the functions of the Ministry necessarily included the medical examination of recruits; and in view of the magnitude of the undertaking an extensive medical department was inaugurated, comprising under centralized control a complete network of medical officers throughout the country for the purpose of organizing medical boards of part-time local practitioners.

Incidentally, however, the Ministry became involved in functions more directly concerned with the national health. In no province of recruiting was there greater need for attention to civil as against military needs than in the case of doctors; and as the authority responsible for providing the medical service of the armed forces with sufficient medical men, the Ministry could not avoid responsibility for so conducting its operations as not to endanger the medical service of the civil community. In the process of recruiting, and later in the process of demobilizing medical men, the Ministry accordingly undertook the duty of focusing and balancing the needs of the several service departments as against the needs of the innumerable (by this time) civil authorities, central and local, concerned with the public health. Thus, the function pre-eminently appropriate to a Ministry of Health, that of making adequate provision for the medical attendance of the civil community, was, on the first occasion when it was discharged by any single authority, entrusted to a temporary war department primarily concerned with recruiting, working, however, in close co-operation with the Local Government Board, now the Ministry of Health. Note now the Ministry of Labour and National Service.

DISABLED SOLDIERS AND SAILORS

The Ministry of Pensions introduced even greater complications. Royal Pensions Warrants had invested both that department and its predecessors, the Statutory War Pensions Committees, with powers and duties in relation to the medical treatment of disabled soldiers and sailors. But these disabled men have been entitled, as ratepayers and taxpayers, to access to whatever suitable medical provision had independently been made by local sanitary authorities; while the great majority, as insured persons, were also entitled to certain medical services under the Insurance Scheme. In addition, however, to these rights, they acquired new rights by virtue of their disability due to war service. These rights are referred to in Chapter XXXV.

WELFARE WORK

The Ministry of Munitions, called into existence in 1915 by the national peril due to shortage of war material, was of necessity gravely concerned with the supreme question of output, and prosecuted a series of the most valuable inquiries into the physical consequences of industrial fatigue and other questions affecting the physical efficiency of workers in its factories. A Health of Munition Workers Committee was appointed which, in a series of important reports, laid stress upon the new aspects of industrial health which their investigations had disclosed. Thus, in addition to the Home Office, a new department with a widespread administrative organization laid claims to functions in the province of industrial health.

CARE AND TREATMENT OF THE SICK POOR

It must not be forgotten, however, that the advance in connection with public health administration owes much to the initiative of the former Boards of Guardians. Of all the services entrusted to Boards of Guardians, in no direction had greater development taken place since 1834 than in connection with their great and humane work of ameliorating the lot of the sick and suffering. This branch of their work had been inaugurated and developed very largely as a result of the direct initiative and foresight of members of the Boards of Guardians, as has been illustrated by the work of the late Mr. William Rathbone, of Liverpool. Thus, this important work of the care and treatment of the sick poor grew and developed into a completely organized hospital service at the hands and instigation of Boards of Guardians, and practically without legislative incentive. The foundation for the treatment of the sick poor was the inauguration, by the Metropolitan Poor Law Act, 1867, of the Metropolitan Asylums Board. The movement spread to the provinces, where a great stimulus was concurrently given to the general improvement of institutional and hospital provision. It is to the credit of the former Boards of Guardians that the progress thus initiated continued with the advance of medical science, and, coupled with the growth of reasoned public opinion, has to-day imparted to the expressions "actual necessity" and "destitution" a meaning which was quite unknown to the Poor Law Commissioners of 1834. In no direction does this apply with more force than in respect to the hospital branch of Poor Law administration.

The position has been altered since the Local Government Act, 1929, came into operation, as a number of County Borough Councils have "appropriated" the old Poor Law Hospitals as

public health hospitals under the Public Health Acts. The London County Council have taken the same action with a number of the former hospitals of the Metropolitan Asylums Board and Boards of Guardians. In other cases local authorities have made declarations under Sect. 5 of the Act and decided to deal with all needs under alternative powers outside the poor law.

Thus, whilst local sanitary authorities had been directly empowered for a great many years by statute to provide general hospitals for the sick, including medical assistance for the poorer inhabitants, they had been content to allow these powers to remain dormant, leaving this most essential work to be carried out by the Boards of Guardians, who had thus made good the shortcomings of the local sanitary authorities. The 1,800 local sanitary authorities who were specially authorized to provide hospitals for the sick, as well as for infectious cases, had managed to provide approximately 40,000 hospital beds (or an average of but 20 beds each, and these practically wholly for infectious diseases), whereas the 637 Poor Law authorities prior, of course, to the transfer of functions in 1930, had provided 94,000 hospital beds. In the case of several services covered by recent Acts (viz., sanatorium provision, accommodation for the feeble-minded, maternity, child welfare work, etc.), the Boards of Guardians of the country anticipated legislation and dealt with these matters in an active and progressive manner, as described in *Public Assistance and Unemployment Assistance* (Pitman).

MEDICAL INSPECTION OF SCHOOL CHILDREN

The Board of Education acquired powers under the Education (Administrative Provisions) Act, 1907, to require local education authorities to provide for the medical inspection of children, and by the Local Education Authority (Medical Treatment) Act, 1909, to empower them to recover the cost of medical treatment. This provision, though prompted by the important bearing upon education of the health of the educational subject, could not fail to develop into a health function proper, as concerned with the general health of a particular age-group of the population. Though efficiently administered, it contributed to the subsequent complications, and rendered more difficult the task of unification of health functions relating to other sections of the population.

DISEASE AND POVERTY

The truth that disease created poverty had been recognized and enunciated many years before. It formed, as has been seen,

the basis of the Poor Law health activity of 1838. The complementary truth that poverty creates disease, thus completing the vicious circle, was a more recent recognition, and owed its acceptance to the developments of interest in general social reform rather than to any activities primarily concerned with health itself.

The outstanding landmark of this development was the Reports of the Poor Law Commission of 1909. While the Majority and Minority Reports diagnosed different causes and recommended different remedies, the whole Commission united in a strong condemnation of the operation of the Poor Law, and advocated almost unanimously a clean sweep of Poor Law principles. The Minority Report, in particular, excited much public interest; it became clear that the whole province of social reform relating to poverty, its causes and effects, needed to be dealt with on principles wholly different from those of the Poor Law.

TUBERCULOSIS

The National Health Insurance Act, 1920, Section 4, provided that sanatorium benefit should, except as regards Ireland, cease to be included among the benefits conferred by Part I of the National Insurance Act, 1911. The Minister of Health was empowered, in connection with the discontinuance of sanatorium benefit, to make provision by regulations for the necessary financial and other dislocations thus occasioned.

The Public Health (Tuberculosis) Act, 1921, became exceedingly important for preventing the machinery for the provision of sanatorium benefit from coming to a standstill. On 30th April, 1921, the responsibilities of insurance committees for providing institutional treatment for tuberculosis ceased, and their work had to be carried on by other public bodies. That work, in regard to both insured and non-insured persons, was taken over completely by the county and county borough councils, who had already been responsible for a large amount of work in connection with tuberculosis by the provision of dispensaries, sanatoria, and other institutions. The Act was designed to sanction by law a system which had already been agreed upon, and was necessary in order to get a smooth transfer. Of 145 county and county borough councils in England and Wales, 124 had already made their arrangements, and the Act imposed no fresh obligation on these councils. Of the remaining twenty-one councils all but one had made some provision. The powers of the councils may be exercised by committees, sub-committees or joint committees of county and county borough councils. Such committees may include co-opted members of the insurance committees and other

persons of experience, provided that not less than two-thirds of the members of such committees are members of the council. Such a scheme as is contained in this Act is also in operation in Scotland.

Mention should be made of After Care work including sun-parlour houses, and village settlements, e.g. Pepworth. Also recent mass radiography schemes; the Report of the Dawson Committee on Tuberculosis in War Time; Home Maintenance Grants by Public Health Authorities.

It is now claimed that tuberculosis is a preventable disease and ought not to exist in any civilized country, and that in its early stages it is a curable disease. It should be possible to aim at the entire elimination of the disease in the course of the next two or three generations. This is possible, according to medical science, if only the Government and the people are willing to undertake the task.

As a result of increased attention paid to tuberculosis, the mortality rate has fallen from nearly 3 per cent in 1871 to a little over 1 per cent.

MATERNITY AND CHILD WELFARE

War needs have been responsible for some activity in the field of maternity and child welfare. A Notification of Births Bill of 1915 had proposed to empower local authorities to make arrangements for attending to the health of expectant and nursing mothers and of children under five years of age; but as it appeared in the course of the passage of the Bill through Parliament that, so far as related to England and Wales, this provision trespassed upon the medical province of the Board of Education, it was restricted to the case of local authorities in Scotland by the Act finally passed. Its provisions are explained in a later chapter. In the Report of the Chief Medical Officer of the Ministry of Health for 1931 it was disclosed that since the beginning of the present century, while the general death rate has been reduced by a third, and the infant mortality by more than a half, the maternal mortality rate has remained stationary. A list is given of eighteen towns in which the maternal mortality has consistently been far above the normal. This is contrasted with eleven maternity hospitals, which in 1931 had an average of 1·5 per 1,000 as against 4 per 1,000 for England and Wales as a whole, in spite of the fact that the hospitals had a relatively high proportion of abnormal cases. From these figures it was evident that many of the cases of maternal mortality are preventable. Subsequent efforts have reduced the mortality rate from 4·12 in 1914 to 2·47 in in 1942.

INFANT LIFE

What has been accomplished can best be illustrated by studying the question of infant life. This work has been dealt with principally through the Notification of Births Acts, 1907 and 1915, the Children Act, 1908, and the Maternity and Child Welfare Act, 1918, now incorporated in the Public Health Act, 1936.

The death rate of infants under one year of age per 1,000 births has been reduced from 106·62 in 1914 to 49 in 1942, the lowest rate recorded.

The average at the beginning of the century was about 150 per 1,000. As the result of this improvement the expectation of life at birth has been increased from 41 to 56 years for a boy, and from 44 to 60 years for a girl.

PUBLIC HEALTH ACT, 1936

The Public Health Act, 1875, was considerably amended by the Local Government Act, 1933, and a Departmental Committee presided over by the late Viscount Chelmsford, and subsequent to his death by the Right Hon. the Lord Addington, has considered the question of the consolidation of Public Health legislation.

As a result, the Public Health Act, 1936, and the Public Health (London) Act, 1936 (applying to the administrative County of London) were passed. A detailed consideration of the Public Health Act, 1936, and its amendments is not appropriate to this work. Those who are interested are referred to *Local Government of the United Kingdom* (Pitman).

WELFARE AUTHORITIES

Part VII of the Public Health Act, 1936, deals with the constitution of welfare authorities being the council of a county borough, county, or county district (Sect. 200).

A MATERNITY AND CHILD WELFARE COMMITTEE must be appointed by every welfare authority which may, if the authority think fit, be a committee of the authority appointed for other purposes or a sub-committee of such a committee. Two members, at least, must be women (Sect. 201).

Notification of Births. Notification of births must be made by the father or other person in attendance within thirty-six hours, to the medical officer of health of the council who are the welfare authority for the area in which the birth takes place (Sect. 203).

Maternity and Child Welfare. A Welfare Authority is authorized to make arrangements for the care of expectant and nursing mothers, and of children who have not attained the age of 5 years and are not being educated in schools recognized by the Ministry of Education (Sect. 204).

The employment of women in factories within four weeks after childbirth is prohibited (Sect. 205).

INFANT MORTALITY

Public health measures for improving child health are more fruitful than any others in securing adult fitness for useful life.

There is a high death rate among infants under one year of age, in spite of the fact that a big percentage of all infants is born free from obvious disease. It should be noticed that the greatest number of deaths occur in the first three months and especially in the first few weeks. Furthermore, since the conditions that kill infants injure others, a high infant mortality rate denotes not only a large number of deaths, but implies a great deal of illness amongst the infants who survive.

Factors Influencing Infant Mortality. 1. Infant mortality is highest among the poor and lowest amongst the well-to-do.

2. Infant mortality is higher in industrial districts. Thus it is excessive in counties in which mining, textiles, and metal working industries predominate, in spite of the fact that wages are higher and the standard of comfort is higher than in agricultural counties.

3. An excessive number of persons per room increases infant mortality.

4. A large proportion of infant deaths are due to troubles arising from disturbances of the alimentary system owing to wrong feeding. The majority of mothers are ignorant of the relative nutritive value and the digestibility of foods. The substitution of artificial for natural feeding is a great evil, as it deprives the infant of essential fat, which is not present even in cow's milk.

5. The mortality of illegitimate infants is much higher than that of children born in wedlock. Syphilitic infection is ten times more frequent amongst illegitimate than legitimate infants.

Prevention of Infant Mortality. 1. At present an occupier of a factory may not knowingly employ a woman within four weeks after childbirth. This is good as far as it goes, but leaves out the critical weeks immediately preceding motherhood during which period all women should be relieved of hard work. This has not been economically possible for many working-class mothers, but a good deal can be done by organizing voluntarily or municipally a service of domestic helpers for this period. Many mothers are insufficiently or improperly fed before confinement. Where the husband has not been able to provide adequate and proper food during this period it should be forthcoming from other sources. It is fairly easy to arrange for the

supply, through a maternity centre, of milk (either free or at a cheap rate) to expectant and nursing mothers. The question of repayment of cost can be followed up later, if necessary.

2. Infant management. Investigation of the causes of death of infants shows that the common assumption that women know by instinct how to feed and manage infants is a complete illusion. These things require training and experience. Education of the elder girls in elementary schools is necessary. Young mothers can also be instructed in maternity and infant welfare centres, where milk and advice and medical attention can be given. Although there are a number of these centres already organized by Social Service Societies and local authorities, they should be multiplied. Diphtheria immunization has eliminated this disease in Toronto.

CHILD LIFE PROTECTION

This part of the Public Health Act, 1936, is in substitution for the Infant Life Protection provisions originally contained in Part I of the Children Act, 1908, which, although amended by the Children and Young Persons Act, 1932, was not consolidated in the Children and Young Persons Act, 1933.

Persons Receiving Children Under the Age of 9 Years for Reward for nursing and maintenance apart from their parents, or having no parents, must notify the local authority (Sect. 206).

If residence is changed, or if the foster child dies or is removed by a person who is maintaining the child, notice must be given to the local authority. The notice of death or change or removal must be given at least seven days before to the Welfare Authority (Sect. 207).

PENALTIES FOR FAILURE TO GIVE NOTICES before the latest time specified for giving the notice may be enforced against the person liable (Sect. 208).

Child Protection Visitors are appointed by every welfare authority where there are any persons residing within their area who undertake the nursing and maintenance of foster children (Sect. 209).

PERSONS PROHIBITED FROM RECEIVING FOSTER CHILDREN are named in Sect. 210.

OVERCROWDING WHERE FOSTER CHILDREN ARE KEPT is prevented by the welfare authority fixing maximum numbers and imposing conditions to be complied with so long as the number of children kept in the premises exceeds a specified number (Sect. 211).

EXEMPTIONS from this Part of the Act extend to any relative

or legal guardian of a child who undertakes the nursing and maintenance of the child, or to any person who undertakes the nursing and maintenance of the child under the provisions of any Act for the relief of the poor or of any order made under any such Act, or to any school, hospital, convalescent home or institution named in Sect. 219.

THE MIDWIVES ACT, 1936

In 1928 a Departmental Committee was appointed to inquire into the problem of maternal mortality and morbidity. An Interim Report was issued in 1930 and a Final Report in August, 1932. The Committee would not advocate the holding of inquests in the case of every maternal death but recommended local authorities to arrange for their medical officers to make inquiries into such deaths and furnish confidential reports thereon to the Minister. The Midwives Act, 1936, has for its object the securing of an adequate midwifery service in every area under the control of the local authority. The local authority may act through the voluntary associations or set up a municipal service. The voluntary bodies must be consulted and they may make representations to the Minister on the local scheme. Compensation must be paid to midwives who retire voluntarily before the 30th July, 1939, or who are retired by the local authority owing to age and infirmity. Scales of fees must be fixed for the service of midwives and such fees recovered from the patient or her liable relatives if able to pay. The local authority or nursing association must provide courses of instruction for practising midwives. An Exchequer grant of one-half of the net approved additional expenditure of local authorities is provided, but individual authorities will receive shares scaled up or down according to their relative needs as measured by the block grant formula of weighted population. This grant will be merged in the block grant upon the next revision thereof.

FOOD AND DRUGS

The Sale of Food and Drugs Acts, 1875 to 1899, the administration of which is shared by the Ministry of Health and the Ministry of Agriculture and Fisheries, was the subject of the Third Interim Report of the Local Government and Public Health Consolidation Committee which was published in December, 1937, together with the Draft of a Food and Drugs Bill prepared by the Committee. This subsequently became the Food and Drugs Act, 1938. The functions of the Ministry of Agriculture and Fisheries include administration of the Diseases of Animals

Acts, 1894 to 1911; and the functions of the Board of Trade include responsibility for the sanitation of shipping.

CANCER ACT, 1939

This Act makes it the duty of county and county borough councils to secure adequate facilities for the diagnosis and treatment of cancer. The Ministry state that the death-rate from this disease has practically doubled since the beginning of the present century, and is still rising.

At present, only a quarter of those who would benefit from modern treatment obtain such treatment at centres which are fully equipped and provided with specialist staff.

BEVERIDGE REPORTS AND OTHERS

The Beveridge Report, which is dealt with in Chapter XXXIX considers these problems in Assumption B. The Tomlinson Committee Report on Rehabilitation in Civil Employment in 1943 has been followed by the Act of that title in 1944.

CONCLUSION

The period that has elapsed since the Public Health Act, 1875, has produced remarkable results in the general health of the people. Typhus, typhoid, cholera, smallpox are as good as stamped out; the death-rate has been reduced by one-half; the average life is one-half as long than sixty years ago: infant mortality has been lowered by 50 per cent, while there are fewer cripples in the streets. All these beneficent changes are attributable directly and indirectly to the public health services. In the Report of the Chief Medical Officer of the Ministry of Health for 1933 statistics were given showing the remarkable improvement in the public health during the last fifty years. In this time the death-rate had been reduced from 21 to 12 per 1,000 of the population. Englishmen live, on an average, fifteen years longer than they did half a century ago. The improvement has been general, with a few important exceptions. Maternity, road accidents and suicide have each tended to increase the death-rate. It is noteworthy that all these three causes of death are largely avoidable, although only the first is a matter of public health in the ordinary sense of the term.

In an introduction to the Ministry of Health Eighteenth Annual Report for year ended 31st March, 1937, issued in August, 1937, Sir Kingsley Wood, Minister of Health, states: "It has been a good year for health. . . . Since the formation of the Ministry in 1919, the general standardized death-rate has fallen from 13 to 9·2 per 1,000, the death-rate of infants below

one year from 89 to 59 per 1,000 live births, and the crude death-rate of infants between one and five from 12·4 to 5·5 per 1,000 living.

"Most of the chief killing diseases take year by year a smaller toll of the population, especially of the young. English men and women, and more particularly English children, enjoy a healthier and fuller life than at any time since the industrial revolution.

"The provision of over 3,000,000 new and decent houses, coupled with the reconditioning or destruction of those which are unfit, is probably the greatest contribution which this generation has made to better health."

A sum of £140,000,000 is spent every year to keep the nation fit and make it fitter. Out of every £1 of this total about 11s. 7d. consists of revenues of insurance and pensions schemes, 5s. 9d. goes to local authorities in a block grant for health services, 2s. goes to the authorities for housing, and a modest 3½d. is spent on central administration.

A NATIONAL HEALTH SERVICE

Government White Paper, February, 1944—Summary of Proposals

1. SCOPE OF THE NEW SERVICE

(*a*) A National Health Service will be established. This service will be available to every citizen in England, Scotland and Wales.

(*b*) There will be nothing to prevent those who prefer to make private arrangements for medical attention from doing so.

(*c*) The service will be free, apart from possible charges for certain appliances.

2. STRUCTURE OF THE SERVICE

(*a*) *Central*

(i) Central responsibility to Parliament and the people will lie with the Minister of Health and the Secretary of State for Scotland.

(ii) At the side of the Minister there will be a professional expert advisory body to be called the Central Health Services Council.

(*b*) *Local*

(i) Local responsibility will be based on the county and county borough councils, which are the major government authorities now.

(ii) Areas suitable for hospital organization will be designated by the Minister after consultation with local interests.

(iii) The county and county borough councils in each area will combine to form a joint authority to administer the hospital, consultant and allied services.

(iv) At the side of each new joint authority there will be a consultative body—professional and expert—to be called the Local Health Services Council.

(v) Each joint authority will also prepare—in consultation with the Local Health Services Council—and submit for the Minister's approval an "area plan" for securing a comprehensive Health Service of all kinds in its area.

(vi) County and county borough councils combining for these duties of the new joint authority will also severally be responsible for the local clinic and other services in accordance with the area plan.

3. Hospital and Consultant Services

(*a*) It will be the duty of the joint authorities themselves to secure a complete hospital and consultant service for their area—including sanatoria, isolation, mental health services, and ambulance and ancillary services in accordance with the area plan.

(*b*) The joint authorities will do this both by direct provision and by contractual arrangements with voluntary hospitals (or with other joint authorities) as the plan may indicate.

(*c*) The powers of present local authorities in respect of these services and ownership of hospitals pass to the joint authority.

(*d*) Voluntary hospitals will participate, if willing to do so, as autonomous and contracting agencies; if so, they will observe the approved area plan, and certain national conditions applying to all hospitals, in the new service alike; they will perform the services for which they contract under the plan, and receive various service payments from both central and local funds.

(*e*) Special provision will be made for inspection of the hospital service through centrally selected expert personnel.

(*f*) Consultant services will be made available to all, at the hospitals, local centres, or clinics, or in the home, as required; they will be based on the hospital service, and arranged by the joint authority.

(*g*) Measures for improving the distribution of consultants, dealing with methods of appointment and remuneration, and relating the consultant service to other branches of the new service generally, will be considered after the report of the Good-enough Committee.

4. General Medical Practice

(*a*) Everyone will be free, under the new Health Service, to choose a doctor—the freedom of choice being limited, as now,

only by the number of doctors available and the amount of work which each doctor can properly undertake.

(*b*) Medical practice in the new service will be a combination of grouped and separate practice.

(i) Grouped practice means practice by a group of doctors working in co-operation.

(ii) Separate practice means practice by a doctor working on his own account—broadly similar to practice under the present scheme, but with important changes.

(*c*) Grouped practice will be conducted normally, though not exclusively, in specially equipped and publicly provided Health Centres. In England and Wales, the Centres will be provided and maintained by county and county borough councils—in Scotland, by the Secretary of State with power to delegate to a local authority.

(*d*) General practice in the National Health Service will be in the main organized centrally.

(*e*) The main duties of each Board will be—

(i) To act as the "employer" of the doctors engaged in the public service.

(ii) To ensure a proper distribution of doctors throughout the country.

(*f*) It is not proposed that there should be a universal salaried system for doctors in the new service. Doctors engaged in Health Centres will be remunerated by salary or the equivalent; doctors in separate practice normally by capitation fee.

(*g*) It is not proposed to prohibit doctors in public practice from engaging also in private practice for patients who want this.

(*h*) Young doctors entering individual practice in the public service for the first time will normally be required to serve for a period as assistants to more experienced practitioners, but the Board may require them to give full time to the service if necessary.

(*j*) Compensation will be paid to any doctor who loses the value of his practice—e.g. by entering a Health Centre or because he is prohibited from transferring the practice to another doctor on the ground that there are too many doctors in the area. Superannuation schemes will be provided for doctors in Health Centres.

(*k*) Arrangements for the supply of drugs and medical appliances will be considered and discussed with appropriate bodies.

5. Clinics and Other Services

(*a*) It will be the duty of the joint authority to include in its area plan provision for all necessary clinics and other local services (e.g. child welfare, home nursing, health visiting, midwifery,

and others), and to provide for the co-ordination of these services with the other services in the plan.

(*b*) County and county borough councils will normally provide most of these local services.

(*c*) Child welfare duties will always fall to the authority responsible for child education under the Education Act, 1944.

(*d*) New forms of service, e.g. for general dentistry and care of the eyes, will be considered with the interests concerned.

6. ORGANIZATION IN SCOTLAND

(*a*) The scope and objects of the service will be the same in Scotland as in England and Wales, but subject to certain differences due to special circumstances and the geography and existing local government structure in Scotland.

(*b*) The local organization in Scotland will differ from that in England and Wales and will be on the following lines—

(i) Regional Hospitals Advisory Councils will be set up for each of five big regions. The Councils will be advisory to the Secretary of State on the co-ordination of the hospital and consultant services in each region.

(ii) Joint Hospitals Boards will be formed by combination of neighbouring major local authorities (county councils and town councils of large burghs) within the regions to ensure an adequate hospital service in their areas.

(iii) The joint boards will prepare a scheme for the hospital service in their areas and submit this to the Secretary of State, who will consult the Regional Hospitals Advisory Council before deciding to approve or amend it.

(iv) Education authorities (county councils and town councils of four cities) will retain responsibility for the school health service and clinics, until the medical treatment part of the school service can be absorbed in the wider health service.

(v) Local Medical Services Committees—advisory bodies consisting of professional and local authority representatives—will be set up over the same areas as the Joint Hospitals Boards.

7. FINANCE

It is estimated that the cost of the new National Health Service will be about £148,000,000 a year compared with about £61,000,000 spent from public funds on the present health services. The cost will be met from both central and local public funds.

CHAPTER VI

HOUSING

HISTORICAL

EARLY legislation was the result of the efforts of industrial towns which took up the subject in the early years of the nineteenth century. The first national legislation was concerned with the provision of common lodging-houses. With the recognition of the relations between bad housing and public health came the series of enactments which culminated in the passing of the Housing of the Working Classes Act, 1890, which remained the principal Act until the passing of the Housing Act, 1925.

LEGISLATION, OF 1914–1939

To appreciate what has been done it is necessary to refer back to the Housing, Town Planning, etc., Act, 1919. Before the termination of the Great War of 1914–18 the Government was well aware that the position necessitated special measures, and various expedients were sought to meet the house shortage.

No actual statistics are available for 1919, but two years later the census showed that 9·6 per cent of the population of England and Wales and 16·1 per cent of the population of London were living in over-crowded conditions, as measured by the standard of "more than two persons per room." About one in five of all the private families in England and Wales had no separate home, and were sharing with one or more families. The proportion of families in multiple occupation of dwellings was 63 per cent in the County of London and 32 per cent in outer London for the same year. (*Report of the Valuer to the Housing and Public Health Committee.*)

As in all European countries, the economic conditions subsequent to the War of 1914–18 prevented private enterprise from meeting the demand, and the Government decided to encourage local authorities to build by offering to meet 75 per cent of the annual loss accruing. The offer, however, was felt to be insufficient and in the case of certain local authorities was declined. In 1918 the Ministry of Reconstruction presented a scheme of finance based upon the proposals of Lord Salisbury's Committee, which it recommended on the grounds that, after a term of years, the responsibility for any excessive cost would fall upon those who incurred it. This scheme was set aside in favour of the proposal

that the State should bear all the loss in each area beyond the proceeds of a penny rate. This latter, whilst simpler and possibly more expeditious in its working, possessed the serious defect of containing no incentive to economy on the part of the local authorities concerned.

During 1918 a committee, under the chairmanship of Sir James Carmichael, worked out a scheme for promoting the expeditious and economical provision of building materials throughout the country. The general conception underlying their scheme was that, in the absence of the steps being taken which they had worked out in association with the industries concerned, an extensive plan of purchase would lead to an unnecessary inflation of prices. These proposals were set aside and a large sum of money provided to enable the Ministry of Munitions to make purchases of building material.

This undoubtedly contributed to inflate prices seriously and to increase costs.

THE HOUSING, TOWN PLANNING, ETC., ACT, 1919

On the 6th February, 1919, the Government made its final offer, namely, that the burden of the local authorities should, on the conditions named therein, be not more than the product of a penny rate, the balance being met by the State. Subsequently there were some modifications as to the period during which the financial assistance should operate, and the final result was embodied in the Housing, Town Planning, etc., Act, 1919, which was passed when Dr. Christopher Addison was Minister of Health.

England and Wales was divided into eleven regional areas, for each of which a Housing Commissioner was appointed, a national survey of housing needs was undertaken, housing committees were formed by local authorities, and an immense amount of technical and other information was published.

Under this Act and the Housing (Additional Powers) Act, 1919, the Assisted Housing Scheme gave a considerable impetus to housing. It was assumed that the better-off section of the working classes would move into the new houses, the not-so-well-off section into the vacant houses, and the slum-dwellers into the houses left vacant by the middle section. There would thus be a "filtering-up" process, overcrowding would gradually diminish, and every one would have room to live. In theory, the scheme was excellent, but in practice the weak point of the Act was the financial basis. There was no limit to the Government Grant; and, therefore, no need to economize. Local authorities started immensely expensive schemes, prices rose everywhere while the cost of materials and labour became prohibitive.

The cost of the materials and labour is dealt with in the address delivered before the British Association in 1923, and published as *Some Factors Relating to the Re-housing of Slum Dwellers* (University of Liverpool Press). It may be added that labour in one form or another accounts for 75 per cent of the cost of a house. The cost of the brick-laying output rose to seven times that in 1914, and the average tender price of a house rose from £770 in July, 1919, to £920 in 1920, while in the carefully supervised scheme of the London County Council at Roehampton the cost of a parlour house rose to £1,750. But it appears that on a moderate estimate there was a loss of £60 a house per annum, the difference between the outlay and the rent including the penny rate. Consequently, with a view to limiting the commitments of the country to build houses at the high prices then prevailing, it was agreed in March, 1921, that, for the present, the localities should be rationed on the basis of 250,000 houses, including public utility schemes, on the understanding that before June, 1922, the matter should be reviewed in the light of costs and of the results up to date.

This agreement was never acted upon, and shortly afterwards Dr. Addison ceased to be Minister of Health.

In April, Sir Alfred Mond, the Minister of Health in succession to Dr. Addison, made a statement with reference to the future housing policy of the Government: "Under the present regulation the general housing subsidy only extends to July, 1922. The Government have got to fulfil their obligations in a perfectly straight-forward manner. When the system of subsidy no longer operates, it is obvious that we shall not exercise our powers in any kind of unreasonable or unfair way. It will not be impossible that when we arrive at the end of this housing scheme the Government may be ready to enter into another scheme should it be necessary. The time to consider how far the Act of 1919 will have to be modified will be when the operation of that Act is drawing to a close. The Government do not intend to extend the present system indefinitely. A limitation of the number of houses to be built under the housing scheme will have to be arrived at and the number of rejected schemes will have to be reduced. Our broad problem remains the same. We have to erect houses of a reasonable standard at a reasonable expenditure; we have got to cut our coat according to the amount of cloth we have."

THE EFFECT OF THE 1919 HOUSING ACTS

The halt called by Sir Alfred Mond was justified by the result, the cost of houses dropping practically 50 per cent. But it should

not be forgotten that the "Addison Scheme" effected a marked change in the provision of houses after the War, representing a definite advance in our civilization, and one can only appreciate how great was this advance by examining the changes that followed. In the days immediately before the 1914–18 War, housing had been given careful thought, and work was being carried out on the best modern lines by firms, societies, and a small number of private individuals. But apart from sporadic activities of this kind, housing was at a standstill and the lower-paid workers lived either in inadequately converted larger houses or in the cottage that had been built for them by speculative builders. In the old days, in order to make this class of property yield a barely economic return, it was found financially advantageous to keep the houses, and the plots on which they stood, as small as possible, with the consequence that they were unsuited as homes for the families that were herded in them.

The three great changes that were introduced in the Government Housing Scheme of 1919 may thus be summarized—

1. An increase in the number and size of the rooms;
2. An improvement in the disposition of the rooms; and
3. Increased attention to design to ensure that the houses should be simple but architecturally pleasing.

The first of these changes was based upon the recognition that a man and his wife, with five or six children, could not live decently in a house with only two bedrooms. Hence, as a rule, a small third bedroom was introduced into the new houses. It was further seen that a bathroom was necessary wherever adequate supply of water and drainage facilities were available. In many of the houses intended for large families a parlour was included to make privacy possible. Finally, certain minimum sizes were adopted for all the rooms. That these changes involved an increase in cost is indisputable. It cannot, however, be too strongly emphasized that the grossly excessive cost of the "Addison" house was not due to the improvements in accommodation, planning, or design, but was in the main caused by an artificially stimulated over-demand on skilled labour, materials, and transport.

About 176,000 houses were built under this Act, but they cost an average of £1,011 each, and the total capital cost was approximately £178,000,000. The State is now paying £38 a year in grants and from rates for each house built under this Act. The total cost to the Exchequer is about £5,000,000 per annum and this will continue, decreasing slightly, until the loans expire during the period 1980–1985.

THE HOUSING ACT, 1923

After 1921, the output of houses diminished rapidly and the introduction of Mr. Neville Chamberlain to the Ministry of Health resulted in the passing of the Housing, Etc., Act of 1923, the principles of which may be summarized as follows—

1. The object of the Act was to encourage private enterprise, and the Grants only applied to houses built by local authorities where the local authority satisfied the Minister that the needs of the area could more appropriately be met by the provision of the houses, wholly or partly, by the local authority themselves. The normal procedure was for the local authority to advance a lump sum subsidy to the builders and be recouped by Government Grants. The houses had to come within the prescribed measurements laid down in the Act. They fell within what was known as Part II schemes and ranked for the Government grant of £6 per house for twenty years, subject to various conditions. The subsidy was reduced to £4 in 1926 and withdrawn at the end of 1929, in view of the appreciable decrease in building costs.

2. The provision with reference to these advantages covered both houses coming within the subsidy measurements (and, therefore, ranking for financial aid) and houses of a smaller size with a value not exceeding £1,500. In the latter case the houses did not qualify for subsidy.

3. Local authorities were given special aid (50 per cent of the net loss) in preparing and carrying into effect schemes for the clearance of unhealthy dwellings and the rehousing of the people dispossessed.

4. Local authorities were authorized to advance up to 90 per cent of the value of a house not exceeding £1,200 for the purposes of the Small Dwellings Acquisition Acts.

Under this Act about 440,000 houses were built, mostly for sale and nearly all of too expensive a type for the lower-paid worker; 362,738 houses were built under private enterprise schemes assisted by local authorities; 75,309 under schemes carried out by local authorities themselves; and 11,506 by public utility societies, etc., assisted directly by the Exchequer. The annual Exchequer commitment in respect of these houses is approximately £2,500,000, until 1943, and then gradually falling away until 1949.

HOUSING (FINANCIAL PROVISIONS) ACT, 1924

The primary object of the Housing (Financial Provisions) Act, 1924, which was introduced by the Minister of Health in the Labour Government (the Right Hon. John Wheatley), was

to build houses available for letting at reasonable rents. For this purpose the Act was intended to establish continuity in dealing with the housing problem and, by the adoption of a long and continuous programme of building, to ensure such a development of all the resources of the building industry as would guarantee the production of houses on a scale sufficient to overcome the existing serious shortage and to make adequate provision for meeting the growing need and for the replacement of unsatisfactory accommodation. The Act accordingly provided for the programme extending over a period of fifteen years and aiming at a production, at a gradually increasing annual rate, of approximately 2,500,000 houses in Great Britain.

The Act provided for an increased Government subsidy of £9 per annum (£12 10s. in agricultural parishes) for forty years, on the undertaking that the houses would be let to tenants intending to live in them, but subletting would be prevented, and that in the main the rents would not exceed the usual pre-War rent in the district. This subsidy was reduced to £7 10s. per annum in 1926 (£11 in agricultural parishes), and was withdrawn under the provisions of the Housing (Financial Provisions) Act, 1933.

Negotiations took place with representatives of the building industry with the object of devising means for ensuring that there should be available the labour and materials necessary for carrying out such a programme at reasonable cost.

On the assumption that the full programme of 2,500,000 houses would be carried out, that 7½ per cent of the houses would be built in agricultural parishes, and the full increased Exchequer contribution was payable in all cases, it was estimated that the maximum charge on the Exchequer and on local rates would increase progressively from £278,000 and £135,000 respectively in 1924–5 to £23,156,000 and £11,250,000 per annum from 1940–1 to 1963–4, and then gradually decrease to £645,000 and £314,000 respectively in 1979–80.

It was an essential condition of the scheme, formulated after consultation with the building industry, that the continuance of the Exchequer contributions provided for in the Act should be dependent on the adequate rate of production of houses being maintained. The Act accordingly provided that the Minister of Health and the Scottish Board of Health might make an Order, to be submitted to Parliament, terminating the Exchequer liability (except in so far as houses had already been completed) in the event of the production of houses, as ascertained triennially, falling short of two-thirds of the full programme proposed.

Under this Act, over 520,000 houses were provided.

The annual Exchequer commitment is approximately £4,400,000 continuing until 1965, and then gradually decreasing until 1971.

HOUSING ACT, 1925

"The problem of dealing with unhealthy and insanitary areas is so complicated and difficult that it cannot be solved by any one panacea. To insure success the problem must be attacked from every possible direction by means of every possible power or influence." (Unhealthy Areas Committee.)

The Housing Act, 1925, was a consolidating measure which was, however, followed by amending Acts in 1930, 1935, and a new Consolidation Act in 1936.

HOUSING SUBSIDY

In the House of Commons on the 5th August, 1926, Mr. N. Chamberlain, the Minister of Health, said that the general policy of the Government was to bring to an end the existing housing subsidies as soon as practicable, but that it was recognized that this could be done only gradually and with sufficient notice to enable local authorities and the building industry to accommodate themselves to the position in order to avoid breaking the continuity of house production.

HOUSING ACT, 1930

To make further and better provision with respect to the clearance or improvement of insanitary houses, and the housing of persons of the working classes, a new Act was passed in 1930.

The Act gave local authorities a general power of disposing of land in a cleared area. An area may be cleared either by requiring the owners to demolish the building themselves, or by the local authority purchasing the area and then arranging for demolition.

The method of requiring the owners to demolish is a new one, and it is designed to enable local authorities, where they wish to do so, to secure the removal of a bad slum without being obliged to incur the enormously heavy capital expenditure of purchase and clearance. If a local authority wishes to proceed by this method it may make a Clearance Order, which must be confirmed by the Minister. If objections are made there must be a public inquiry. After the Order has become operative, if the owner fails to demolish the buildings, the local authority is empowered to enter and demolish and recover the cost. The cleared site then remains with the owners. They may do what they like with it subject to the local by-laws and any town-planning scheme which may be in force.

The Act enables the local authority to buy the area. Where they are unable to buy by agreement they may make a Compulsory Purchase Order, of which due notice must be given, and which must be confirmed by the Minister of Health, who must hold an inquiry if there are objections.

When a local authority purchase the land, they must proceed to demolish the buildings, and either appropriate the land for some purpose for which they have statutory powers, or dispose of it in some other way. An area must not be allowed to relapse again into its old condition, and therefore, where areas are dealt with in this way, local authorities should have by-laws to prevent a relapse. For individual houses unfit for human habitation which may be made fit the local authority may have imposed on them the duty of requiring the owner to make the house fit, and if the owner defaults the local authority may do the work and recover the cost. The local authority are also given power to advance money to owners undertaking repairs. If the house cannot be made fit at a reasonable expense the local authority may make an order and enforce its demolition. It was not contemplated that local authorities should proceed to the demolition of individual houses unless alternative accommodation was made available, but there is no specific statutory requirement to make such provision as for improvement and clearance schemes.

The Act also provided that local authorities should in 1930 and in every fifth year submit a programme of housing work for the quinquennial period.

Compensation. As the law stands, when a house is condemned, it is worth nothing. The site is worth something in almost all cases, and the landlord is entitled to that. It seemed right to keep to the broad principle of site values.

Exchequer Grants. In place of the Exchequer grant of one-half the net annual loss on re-housing, provided under the Act of 1923, a new grant-in-aid was provided to assist local authorities in dealing with clearance areas, improvement areas and the demolition of individual houses, based upon the number of persons for whom approved new accommodation was provided through operations in any of those three ways. The grant was made on a unit basis of 45s. per annum per man, woman and child re-housed, payable for forty years. In the case of a family of five, therefore, the grant would be £11 5s. per year for forty years.

For persons displaced in agricultural parishes there was an increased grant of £2 10s. There are certain areas, such as London, where re-housing must take place in tenements on expensive sites where people were living, and in these cases the grant was increased to £3 10s. per person. It was proposed that the

review of the Exchequer grants under the Wheatley Scheme and under this scheme should take place at intervals of three years, and the first revision was in October, 1933. Grants under the latter scheme ceased to be payable under the Housing (Financial Provisions) Act, 1933, and those under the 1930 Act pursuant to the Housing Act, 1938.

Rents. The local authorities are enabled to charge such reasonable rents as they think fit and to differentiate according to the ability of the tenants to pay. This should mean a substantial relief to the hard-pressed slum-dweller.

Part IV of the Act dealt with rural housing and its object was to secure more energetic and comprehensive treatment of the rural housing problem. Where local authorities build houses for agricultural workers or people of substantially the same economic level, the county council is required to pay £1 per house per year for forty years. This will spread some part of the charge over the whole county for the provision of such cottages. The rural district council normally contribute £2 15s. under this Act, a further £1 being paid by the county.

In the case of the experiment of providing smaller houses for aged people the Exchequer undertook to pay two-thirds of the contribution paid under the 1924 Act. The subsidy in respect of these houses was £5 per year for forty years, but was repealed under the Housing (Financial Provisions) Act, 1933.

Approximately 60,000 houses or flats have been built under the provisions of the 1930 Act for the purpose of slum clearances.

MINISTER OF HEALTH'S HOUSING POLICY, 1932

The Minister of Health issued in January, 1932, to local authorities, a circular (1238) with regard to housing policy, in which he suggested that local authorities should concentrate their efforts on the provision of a type of house which can be built at a low cost and can be let at a rent within the means of the more poorly-paid workers. The circular was as follows—

I am directed by the Minister of Health to state that, in consultation with the associations representing the local authorities principally concerned, he has had under consideration the administration of the Acts relating to the housing of the working classes.

The critical period through which the country is now passing and the present financial circumstances make it imperative that all new expenditure on housing should be used to the greatest possible advantage.

It is generally admitted that the outstanding need at the present time is for the building of houses which can be let at rents within the means of the poorer members of the working classes. The Departmental Committee in the Rent Restriction Acts, whose terms of reference led necessarily to a general review of housing conditions, show clearly in their report that on spite of the immense volume and cost of house building since the war,

the needs of the poorer workers are not in fact being adequately met. The evidence available in the reports of medical officers of health and of the Minister's officers leads to the same conclusion.

The Minister has, therefore, suggested to the associations whom he has consulted that local authorities should concentrate their efforts on the provision of a type of house which can be built at a low cost and can be let at a rent within the means of the poorly paid workers.

The type of house which he has in mind is the three-bedroom non-parlour house of about 760 sq. ft., which experience has shown gives adequate accommodation for the ordinary family of children. Houses of this type can, with due regard to economy in lay-out of land and construction of roads and sewers, be built in most parts of the country at an inclusive cost which will allow the rents to be fixed at 10s. a week (inclusive of rates) or less.

The Minister does not suggest that a hard and fast rule should be laid down excluding from subsidy all houses of a larger size. He recognizes that there may be a special need in certain areas for larger houses to accommodate very large families, but he is of the opinion that the provision of these houses should be quite exceptional. It is hoped that the concentration by local authorities on the provision of the small house will widen the field in which private enterprise can operate, and that private enterprise will be induced, without subsidy, to provide houses of other types both for sale and for letting, in substantial numbers.

The Minister is glad to be able to state that the associations have concurred in his suggestion and have expressed their desire to work in the closest co-operation with him in the matter. He asks all local authorities to limit their new building proposals in accordance with the suggestions which he has made, and he thinks that it would be an advantage if they would submit their proposals in a preliminary form with the statement of he facts on which their estimate of need is based, before adopting definite plans and specifications.

THE HOUSING (FINANCIAL PROVISIONS) ACT, 1933

The Housing (Financial Provisions) Act, 1933, Section 1, abolished new subsidies under the 1923 and 1924 Acts.

Section 2 enlarged the scope of Section 92 of the Housing Act, 1925, under which local authorities had power to guarantee the payment to a building society of advances made by the society to its members for the building or acquisition of houses. Normally, building societies advance 70 per cent; with the guarantee of the local authorities behind them the advance will now be 90 per cent —this excess of 20 per cent being guaranteed to the extent of two-thirds by the local authorities (in case of houses intended to be let), while the Exchequer may undertake to reimburse the local authorities up to one-half of any loss sustained.

In effect, therefore, the Act cut down State assistance to the purpose of slum clearance and sought to encourage private enterprise to fill the gap of other accommodation. It was a reversal of the policy followed by successive Governments since 1919 and as such it required justification. The Government's case as explained by the Minister of Health in moving the Second Reading

of the Bill in the House of Commons, was that owing to the fall in building costs and interest rates, it was now possible to provide a non-parlour cottage house at an average economic rent of 8s. 2d. exclusive of rates, as against the ideal rent of 7s. 9d. for that house, and that a subsidy is, therefore, no longer necessary. The Minister of Health contemplated, moreover, a great increase in the building of houses to let at low rents as a result of leaving private enterprise unhampered by the competition of local authorities in the provision of such houses. Undoubtedly a considerable number of houses to let at an inclusive rent of about 15s. or £1—possibly rather less in some areas—were likely to be built, which would be all to the good; but clearly also these would be of no direct assistance to many thousands of families living under the worst conditions of overcrowding, who required houses at 10s. a week or less and whose need had yet hardly begun to be met. Moreover, in introducing the Bill, the Minister emphasized only the cost of cottage houses, whereas in London and in many of the other large urban areas the building of blocks of flats at a far greater cost and on expensive sites has unfortunately become a necessity.

Existing subsidies were only available for re-housing those living in areas scheduled as clearance or improvement areas, or individual unfit houses, and ruled out assistance to the thousands of overcrowded families living outside such areas and houses.

PROBLEM OF OVERCROWDING

The then Minister of Health (the Right Hon. Kingsley Wood) outlined the Government's proposals for slum clearance and re-housing in March, 1934, in an address to the Conference of the Association of Municipal Corporations, in the following terms—

1. Re-housing of overcrowded families at or near the site of the original home.
2. A large measure of building upwards in flats, involving costlier sites and structures.
3. Government subsidy involving a large burden on the Exchequer.
4. Re-development and re-planning of the areas to accompany re-housing.
5. Compulsory powers for housing authorities to acquire overcrowded and other properties in re-development schemes.
6. Compulsory powers for purchase of properties suitable for re-conditioning.
7. Optional powers to local authorities to create special bodies of local commissioners to take over the management of publicly-owned housing estates.

At the Conference of the National Housing and Town Planning Council at Southport in November, 1934, the Minister further supplemented the above outline.

HOUSING ACT, 1935

Most of the Housing Act, 1930, was repealed and re-enacted with modifications in the Housing Act, 1935, which prepared the way for consolidation in the Housing Act, 1936. It also incorporated the Government proposals to deal with the problem of overcrowding as outlined above.

LEGISLATION

THE HOUSING ACTS now mean the Housing Act, 1936, as amended by the Housing (Financial Provisions) Act, 1938, together with the temporary and unrepealed provisions of—

The Housing, Town Planning, etc., Act, 1919;
The Housing, etc., Act, 1923;
The Housing (Financial Provisions) Act, 1924;
The Housing (Rural Authorities) Act, 1931;
The Housing Acts, 1925, 1930, and 1935;
The Housing (Temporary Accommodation) Act, 1944;
The Housing (Temporary Provision) Act, 1944.

Although the Housing Act, 1936, purports to be a consolidating measure, quite a number of provisions are left outstanding in previous enactments. In addition to those mentioned above, there is the Housing Act, 1914, which authorized the provision of houses for persons employed by or on behalf of Government Departments.

There are also the Housing (Rural Workers) Acts, 1926 to 1942, and the Small Dwellings Acquisition Acts, 1899 to 1923.

HOUSING ACT, 1936

The Act is divided into eight parts, 191 sections, and twelve schedules.

Part I. Local authorities for purposes of this Act.
Part II. Provisions for securing the Repair, Maintenance, and Sanitary Condition of Houses.
Part III. Clearance and Re-development.
Part IV. Abatement of Overcrowding.
Part V. Provision of Housing Accommodation for the Working Classes.
Part VI. Financial Provisions.
Part VII. General.
Part VIII. Supplemental.

The Schedules are as follows—

First	Compulsory purchase orders.
Second	Validity and date of operation of certain orders.
Third	Clearance orders.
Fourth	Rules as to the assessment of compensation where land purchased compulsorily under Part III otherwise than at site value or under Part V.
Fifth	Number of persons permitted to use a house for sleeping.
Sixth	Computation of Government contribution towards provision of flats on sites of high value, and of value of sites.
Seventh	Determination of the amount of certain Government contributions payable under Section 7 of the Act of 1919 and Subsection (3) of Section 1 of the Act of 1923.
Eighth	Local authorities' contributions.
Ninth	Local housing bonds.
Tenth	Modification as to London of financial provisions.
Eleventh	Re-housing by undertakers in case of displacement of persons of the working classes.
Twelfth	Enactments repealed.

The Act does not extend to Scotland or to Northern Ireland.

LOCAL AUTHORITIES

The Essential Building and Plant Act, 1939, defines Housing Authority as the council of a county borough, county district or metropolitan borough or the common council of the City of London.

FACILITIES FOR ERECTION OF HOUSES

The shortage of houses after the Great War 1914–18 was not limited to Great Britain, but extended over the whole of Europe. Continental countries relied upon private enterprise to a far greater extent than we did in England, and Public Utility Societies, now known as Housing Associations, were the chief sources tor their supply of houses, governments in the different countries contributing largely to the finances of these societies by cheap loans.

The provisions with respect to the housing accommodation and government assistance towards the cost of re-housing operations are now contained in Part V of the Housing Act, 1936, as amended by the Housing (Financial Provisions) Act, 1938. It should be observed that the financial provisions of former Acts apply to houses constructed within the time limits laid down; e.g. the Housing Act, 1930, the Housing (Financial

Provisions) Act, 1933, and the unrepealed Sections of the Housing Acts, 1923 and 1924.

(1) Provision of housing accommodation by local authority, either urban or rural, without Exchequer subsidies, may be made

(*a*) by the erection of dwelling-houses on any land acquired or appropriated by them (Act, 1936, Sect. 72 (1) (*a*)).

(i) As regards the general type of house, the non-parlour, three bedrooms (A3) house, built by local authorities all over the country, just about meets the requirements.

Under the official classification of houses erected the initial A denotes the non-parlour type; B, the parlour type. The number following the letter indicates the number of bedrooms.

(ii) The Minister, unless he is satisfied that owing to special circumstances some other standard of size or accommodation should be adopted—

(*a*) shall not approve the provision of any house which is not

(i) a two-storied house with a minimum of 620 and a maximum of 950 superficial feet; or

(ii) a structurally separate and self-contained flat or a one-storied house with a minimum of 550 and a maximum of 880 superficial feet (Act, 1923, Sect. 1 (2)); and

(*b*) shall treat a house containing two bedrooms as providing accommodation for four persons; three bedrooms as providing accommodation for five persons; four bedrooms as providing accommodation for seven persons (Act, 1930, Sect. 37).

(*b*) by the conversion of any building into dwelling-houses (Act, 1936, Sect. 72 (1) (*b*)).

(*c*) by acquisition of houses suitable for the purpose (Sect. 72 (1) (*c*)).

(*d*) by altering, enlarging, repairing, or improving any houses or buildings which have, or any estate or interest in which has, been acquired by the local authority (Sect. 72 (1)).

Any such powers as aforesaid may, for supplying the needs of the district, be exercised outside the district of the authority.

(2) The local authority may—

(*a*) alter, enlarge, repair, or improve any house so erected, converted, or acquired.

(*b*) fit out, furnish, and supply any such house with all requisite furniture, fittings, and conveniences (Sect. 72 (2)).

(3) It is the duty of a local authority for the purposes of this Part of this Act to secure—

(*a*) that a fair wages clause is inserted in all contracts for the erection of the house; and

(*b*) that the house is provided with a fixed bath in a bathroom,

except in so far as the Minister may, in any particular case, dispense with the observance of this paragraph.

(4) The provision of housing accommodation includes the provision of lodging-houses and separate houses or cottages containing one or several tenements, and, in the case of a cottage, a cottage with a garden of not more than one acre (Sect. 72).

Contracts under the Housing Acts must be made in accordance with the Standing Orders of the local authority as required by the Local Government Act, 1933.

POWER OF LOCAL AUTHORITY TO ACQUIRE LAND FOR PROVISION OF ACCOMMODATION

A local authority shall have power to acquire under this Part of the Act—

(*a*) any land, including any houses or other buildings thereon, as a site for the erection of houses for the working classes;

(*b*) any estate or interest in any houses together with any land occupied with such houses or other buildings;

(*c*) land for the purpose of—

(i) the lease or sale to other persons to erect dwellings;

(ii) the lease or sale for purposes necessary or desirable for or incidental to the development of the land as a building estate, including the provision of houses and gardens, factories, workshops, places of worship, places of recreation, and other works or buildings for, or for the convenience of, persons belonging to the working classes, and other persons (Sect. 73).

(*d*) by agreement or contract, a lease to them of dwelling-houses, whether built at the date of the contract or intended to be built hereafter.

(*e*) land by agreement for the purpose of this Part of this Act, notwithstanding it is not immediately required, subject to conditions imposed by the Minister.

ERECTION OF HOUSES BY EMPLOYERS

In this country employers of labour have made an important contribution in the provision of houses for the working classes.

This has been of two types—

(*a*) Bournville, as an example of social experiment.

(*b*) Port Sunlight, as an expression of welfare work.

The Housing Act, 1936, gives powers, facilities, and assistance to bodies of persons and private individuals who are interested in providing, or desirous of providing houses for the working classes.

Such bodies and persons may be grouped as follows—

(1) Housing Trusts, e.g. Peabody Trust, Sutton Trust.

(2) Housing Associations, formerly Public Utility Societies.

(3) Any railway or dock or harbour company, or any other company, society, or association established for trading or manufacturing purposes (Act, 1936, Sect. 71), e.g. Great Western Railway.

(4) Any other company, society or association, established for the purpose of constructing, improving, or of facilitating or encouraging the construction or improvement of dwellings for the working classes (Act, 1936, Sect. 90 (5) (*a*)).

(5) County councils and mental hospital boards may provide houses for their employees (Act, 1936, Sect. 97).

(6) The Ministry of Health and Ministry of Works on behalf of themselves or other Government departments or works, also in rural areas the Ministry of Agriculture and Fisheries (Act, 1914, Sect. 1 and 2).

(7) Authorities, companies and others who are under obligation to re-house working classes displaced by the taking of land under statutory power (Act, 1936, Sect. 137).

(8) Private owners and private individuals desirous of providing dwelling accommodation (Act, 1925, Sect. 78 (1)).

(9) Any body corporate holding land may sell, exchange, or lease it for the purpose of the erection of dwelling-houses for the working classes (Act, 1936, Sect. 100).

HOUSING (FINANCIAL PROVISIONS) ACT, 1938

Under the provisions of the Housing Act, 1936 (Sect. 109), most of the housing subsidies payable under that Act were due for review on the 1st October, 1937. In the House of Commons on the 23rd March, 1937, the then Minister of Health (Sir Kingsley Wood) announced his intention of securing the extension of those subsidies.

A review was due to operate from the 31st March, 1938, but the Minister intimated that existing rates of grants would continue until the 31st December, 1938. This announcement, undoubtedly, prevented a rush of building under current contracts with the accompanying economic effects on building costs and rent losses.

The Minister added that as new housing proposals were envisaged, it would be preferable to deal with the matter by legislation rather than an Order. This foreshadowed housing measure was referred to in the King's Speech at the opening of Parliament in October, 1937. The text of the Bill was issued in February, 1938, and received the Royal Assent on the 30th March, 1938. It is "an Act to amend the law with respect to the making of contributions out of the Exchequer and by local authorities in respect of housing accommodation providing for the working classes, and with respect to arrangements between local authorities

and other persons for the provision of housing accommodation; and for purposes connected with the matters aforesaid."

The principal features of the Act are: (1) the establishment of a uniform basis for grants in respect of re-housing tenants displaced from insanitary and unfit houses and the abatement of overcrowding; (2) the more generous Exchequer grants available for providing accommodation for the agricultural population; and (3) the extensions of grants to private enterprise in respect of agricultural accommodation.

Exchequer Grants. In respect of accommodation (houses or flats) provided by local authorities, the new uniform grant is £5 10s. per house or flat per annum payable for forty years.

In the case of county districts (non-county boroughs, urban and rural districts) an increased grant of £6 10s. per house is available where, after consulting the County Council, the Minister is satisfied that rents are substantially less than the average in county districts and an undue burden would otherwise be imposed on the district.

In the case of blocks of flats of three or more storeys built on expensive sites, the grant is according to a scale which commences at £11 per flat where the cost per acre of the developed site exceeds £1,500 but does not exceed £4,000, until a maximum grant of £26 per flat is reached. The cost includes street works, sewers, and other approved expenses incurred in making the site available for building purposes.

Exchequer contributions in respect of approved accommodation provided by a county district for the agricultural population qualifies for a grant of £10. If the Minister is satisfied that an undue burden in respect of construction and rental values will fall on the council the grant may be further increased to £12.

If the council of a county district are satisfied that accommodation for the agricultural population can be more conveniently provided by private enterprise, an Exchequer grant of £10 may be paid to the owner. Houses qualifying for this grant must be let at a rent no greater than that recognized as the appropriate rent payable by agricultural workers, and must be suitable in size and construction and maintained in a proper state of repair.

Exchequer grants payable under the Act are in all cases payable for forty years. The Housing Acts (Review of Contributions) Order, 1942, continues contributions until end of the present war.

Rate Contributions. Where the Exchequer grant is £5 10s. or £6 10s. the equivalent rate contribution will be £2 15s. Where the Minister has undertaken to pay an increased grant of £10 or £12 the rate contribution will be £1, but this only applies to accommodation provided by the county district council. For accommo-

dation provided in blocks of flats on expensive sites, the rate contribution will be one-half the amount of the Exchequer grant.

In all cases where the Minister has undertaken to pay the additional grant of £6 10s.–£10, respectively, the county council will be required to make a contribution of £1 except in respect of private-enterprise houses. Where the Exchequer grant is in excess of £10 the county council will contribute £1 plus a sum equal to the excess. In all cases the rate contributions are for forty years, but payable over a period of sixty years, although the Minister's consent may be obtained for a shorter period than sixty years but not less than forty years.

Arrangements with Housing Associations. The provisions of the Housing Act, 1936 (Sect. 94) which authorize local authorities to make arrangements with housing associations in lieu of direct action themselves, apply to accommodation under this Act.

THE HOUSING (RURAL WORKERS) AMENDMENT ACTS, 1938–1942

The Rural Housing Sub-Committee of the Central Housing Advisory Committee regarded the Housing (Rural Workers) Acts as an essential supplementary part of the machinery of rural housing legislation. The first Act was introduced in 1926 and was continued in 1931.

The Housing (Rural Workers) Amendment Act, 1938, extends the period of the operation of the existing Acts of 1926 and 1931 for a further period of four years up to 30th September, 1942 (Sect. 1)—later extended to 30th September, 1945.

Local authorities are empowered to pay lump sum grants under the Acts by instalments (Sect. 2).

On a breach of the special condition attaching to the grant or voluntary repayment of grant an owner should be required to repay an amount proportionate to the unexpired part of the period during which the conditions applied (Sect. 3).

A local authority is enabled to determine the amount of rent which might be charged by reference to the rent paid by persons of substantially the same economic condition as agricultural workers (Sect. 4).

An additional condition to the grant of money was made providing that during the period of twenty years, during which the grant was being given, all reasonable steps must be taken to secure the maintenance of the dwelling so that it shall be in all respects fit for working class habitation (Sect. 5).

An owner, in cases in which a second grant is given under the Act, is allowed to increase the rent by 4 per cent of the cost of the works in excess of the amount of the grant (Sect. 7).

If a county council have paid grants in the district of a local authority to whom the administration of the Acts is subsequently transferred, they are enabled to include the district in their area of charge in respect of these grants (Sect. 8).

The grant in respect of reconditioning was limited to a maximum of £100. Grants may now be made to abate overcrowding up to the same maximum. The latter may be paid in addition to the former, if necessary, but the maximum for both combined is £150 (Sect. 9).

The Exchequer was authorized to contribute two-thirds instead of one-half towards the expenses of county councils in the Highlands and Islands of Scotland (Sect. 10).

CONCLUSION

This expenditure on housing has been productive of good in many ways. It removes many thousands of our fellow citizens from environments which are productive of evil to environments which elevate. It is enabling the nation to rear better prospective citizens with less probability of their being a charge upon the local and national exchequers. The amount expended on housing and town planning is very small when compared with the total expenditure of our local authorities. If these authorities could be urged to increase their expenditure on housing and town planning there can be no doubt that their expenditure on preventive medicine, public assistance, mental deficiency, and the like, would diminish in greater proportion, while the indirect saving in medical and other relief and in an improved mental outlook cannot be estimated.

From the end of the Great War 1914–18 to the end of March, 1938, over 3½ million new houses were provided in England and Wales, of which over one million were built by local authorities and 2½ millions by private enterprise. This represents an increase of about 45 per cent in the available accommodation. More than 800,000 people were removed from slum areas into new houses under the five years slum clearance schemes. The annual commitments of the Exchequer under all schemes are approximately £15,400,000. The corresponding commitments of local authorities are about £3,500,000.

POST-WAR HOUSING

There has been a cessation of house building during the war. A Directorate of Post-War Building has been constituted. Three Policy Committees have been set up, viz. Design; Structure; Installation. Houses for bombed persons have been erected including "half-houses." Three thousand experimental houses

have been erected for agricultural workers. Prefabrication has been decided upon as a temporary expedient.

A new Housing Manual was issued in 1944 by the Ministry of Health and the Ministry of Works. New standards are suggested —Dwelling for two persons = 420 sq. ft.; for five persons = 800 to 900 sq. ft.; for seven persons = 1,080 sq. ft.

HOUSING (TEMPORARY PROVISIONS) ACT, 1944

I. Contributions out of the Exchequer and by local authorities as provided by the Housing (Financial Provisions) Act, 1938, as amended by any subsequent enactment, *shall* apply in respect of *new* housing accommodation provided by local authorities as respects any new house completed *after* the passing of this Act, viz. 3rd August, 1944, and *before* the 1st October, 1947.

II. **Compulsory Purchase Orders.** Temporary suspension of public local authorities as required by First Schedule to the Housing Act, 1936, in respect of Part V of that Act for *two* years from 3rd August, 1944.

HOUSING (TEMPORARY ACCOMMODATION) ACT, 1944

(1) The Act is designed to assist housing authorities in meeting the immediate shortage of housing accommodation by the speedy provision of temporary houses in large numbers.

(2) The general scheme is that the housing authorities will find suitable sites on land belonging to them or to be purchased by them, where necessary, with the requisite roads and services.

(3) The Ministry of Works, on behalf of the Ministry of Health, will arrange for the manufacture of temporary houses and their transport to, and erection on, the sites provided by the housing authorities.

(4) Terms will be agreed between the Ministry of Health and the housing authorities, under which the latter will be responsible for the letting, management, repair, etc., of the houses, and will pay the Ministry a fixed sum per annum while the houses stand. The houses will be removed, at the instance of the Ministry, when the housing situation warrants that course.

(5) The cost incurred by the Ministry of Works in providing and erecting the houses shall be met out of moneys borrowed by the Treasury and repaid by annuities spread over ten years.

CHAPTER VII

TOWN AND COUNTRY PLANNING

ALTHOUGH public attention in this country has only been directed to the consideration of Town and Country Planning during the past four decades, it must be remembered that the art of planning has been practised for many centuries.

The earliest form of planning is to be seen in the rectangular street in Egypt and Greece. Athens is an example of natural zoning. Every element is in its natural place, every organ of the urban body is in the position where it can best fulfil its normal functions. The chessboard system of plan was introduced by Hippodamus of Miletus, the first town-planning architect, and the modern doctrine of the city arises and finds its first application in the Hellenistic cities. In them the aesthetic and the practical were combined. A regularization of natural zoning system was based on the character of the site and the geographical and commercial factors, and for the first time attention was paid to hygiene, although the provision of a proper water supply had long before been the care of tyrants, such as Peisistratus and Polycrates.

Rome made modifications of the Hellenistic system and was the origin of the modern city. While Greece shows how the city can be adapted to its site, and, like the mediæval city, that urbanism does not depend on regularity of plan alone, Rome teaches the value of organization. The Romans were masters of the methods by which full play was given to each of the varied functions of the urban system, and at the same time every possible attention to the well-being of the whole body.

The whole system was revived at the time of the Renaissance, followed by the planning of Bath, Edinburgh, and the numerous squares in the West End of London, culminating in the planning of Paris by Haussmann.

EARLY LEGISLATION

The first general town-planning powers in this country were given in the Housing, Town Planning, etc., Act, 1909, Part II, an Act primarily relating to the Housing of the Working Classes. The Housing, Town Planning, etc., Act, 1919, removed the necessity for a local authority to obtain the consent of the Local Government Board (now Ministry of Town and Country

Planning) before passing a resolution to prepare or adopt a scheme until re-imposed under the Town and County Planning Act, 1932.

The Town Planning Act, 1925, gave extended powers to local authorities and re-imposed the obligation upon the council of every borough or urban district with a population exceeding 20,000 to prepare and submit to the Minister a planning scheme. This obligation has been withdrawn, but the effect of the Town and Country Planning (Interim Development) Act, 1943, has been to place every area under interim development conditions as from 22nd October, 1943. The Local Government Act, 1929, empowered county councils to act jointly with other local authorities in the preparation or adoption of town-planning schemes.

LEGISLATION

Legislation is now contained in the Town and Country Planning Act, 1932 and the Minister of Town and County Planning Act, 1943. Subsequently there was passed the Town and Country Planning (Interim Development) Act, 1943, and the Town and Country Planning Act, 1944. Other Acts which require consideration include the—

(i) Land Clauses Consolidation Act, 1845.
(ii) Towns Improvement Clauses Act, 1847.
(iii) Public Health Acts.
(iv) Roads Improvement Act, 1925.
(v) The Local Government Act, 1933.
(vi) Restriction of Ribbon Development Acts, 1935 and 1943.

The pertinent sections of the Local Government Act, 1929, have been repealed and are now incorporated in the Town and Country Planning Act, 1932.

STATUTORY RULES, REGULATIONS, AND ORDERS

In addition to the statutory provisions, certain rules and regulations made by the Minister under the Town and Country Planning Acts have the force of law.

The Minister has issued the following documents—

Circular 1305, dated 4th March, 1933, to local authorities and Joint Town Planning Committees (England and Wales).

Summary of the Act, dated March, 1933, referred to in Circular 1305.

Memorandum, dated March, 1933, enclosing Regulations made by the Minister under the Act (T. and C.P. 1).

The Town and Country Planning Regulations, dated 27th July, 1933, made by the Minister under Act (S.R. & O., 1933, No. 742).

Memorandum, dated March, 1933, enclosing the General

nterim Development Order made by the Minister under the Act (T. and C.P. 2).

The Town and Country Planning (General Interim Development) Order, 1933, dated 21st March, 1933, made by the Minister of Health under Section 10 of the Act (S.R. and O., 1933, No. 236,; revoked as from 1st May, 1945, by Order 1945 (see below).

Memorandum, dated March, 1933, enclosing General Transitional Order (T. and C.P. 3).

The Town and Country Planning Additional Regulations were issued 14th August, 1943.

The Town and Country Planning (General Transitional) Order, 1933, dated 21st March, 1933, made by the Minister of Health under the Proviso to Subsection (2) of Section 52 of the Act (S.R. and O., 1933, No. 239). Town and Country Planning (General Interim Development) Order, 1945, dated 27th March, 1945 (S.R. and O., No. 349) came into force on the 1st May, 1945, and shall, unless previously revoked, cease to have effect on the date on which the Emergency Powers (Defence) Act, 1939, expires.

The Town and Country Planning (General Interim Development) Order, 1933, and all special interim development orders made under Sect. 10 of the 1932 Act are revoked.

The Minister has also issued Model Clauses for use in the preparation of schemes, the latest published edition of which is dated 1939.

THE TOWN AND COUNTRY PLANNING ACT, 1932

The Town and Country Planning Act, 1932, consists of the Town Planning Act, 1925, remodelled and with considerable extensions, together with the town planning sections of the Local Government Act, 1929. It was based on a Bill of that title introduced in 1931 by a former Minister of Health, which incorporated the provisions of the Rural Amenities Bill, 1931, which the Minister in charge of the Bill introduced into the House of Commons during the two preceding sessions. The Act constitutes a complete code for town and country planning, all previous statutory enactments being repealed and re-enacted with or without amendments. The Act does not apply to Northern Ireland.

OBJECTS OF THE ACT

It is described as "An Act to authorize the making of schemes with respect to the development and planning of land, whether urban or rural, and in that connection to repeal and re-enact with amendments the enactments relating to town planning, to

provide for the protection of rural amenities and the preservation of buildings and other objects of interest and beauty, to facilitate the acquisition of land for garden cities, and to make other provisions in connection with the matters aforesaid."

SCOPE OF PLANNING SCHEMES

The general purpose of the Act is expressed in Section 1 which provides that: "A scheme may be made under this Act with respect to any land, *whether there are or are not buildings thereon*, with the general object of controlling the development of the land comprised in the area to which the scheme applies, of securing proper sanitary conditions, amenity and convenience, *and of preserving existing buildings or other objects of architectural, historic, or artistic interest and places of natural interest or beauty*, and generally *of protecting existing amenities, whether in the urban or rural portions of the area.*"

(The words in italics indicated the principal changes which have been made by this Section.)

The word "amenity" appears to cover the provision of grass margins for streets, the planting of trees, prohibition of the erection of factories in certain areas, control of advertisements (now dealt with in Section 47 of the Act), and many other matters, some of which are mentioned in the Second Schedule to the Act.

CENTRAL AUTHORITY

The Central Authority is the Minister of Town and Country Planning constituted by Act of that title in 1943. An Advisory Committee was appointed by the Minister of Health in June, 1936, to consider general questions relating to the administration of Town and Country Planning in England and Wales and any other related matters, which may from time to time be referred by the Minister to the Committee, and as occasion may require to make recommendations to him.

LOCAL AUTHORITIES

Local Authority for the purposes of the Act—

(*a*) The City of London: the Common Council.

(*b*) The County of London: the London County Council.

(*c*) Elsewhere: the councils of county boroughs and county districts.

The council of any county district may at any time by agreement relinquish in favour of the county council any of their powers and duties (Sect. 2).

Responsible Authority is specified in the scheme, viz.—

(*a*) Any one of the following, viz.—

(i) The local authority within whose district any land to which the scheme applies or any neighbouring land is situate; or

(ii) A county council; or

(iii) A joint body specially constituted; or

(*b*) Any two or more such authorities as aforesaid.

Where a scheme provides for a joint body being the responsible authority for any of the purposes of the scheme, it shall contain all such provisions as appear to be necessary or desirable in relation to—

(*a*) The constitution and incorporation of the joint body; and

(*b*) For conferring and imposing powers and duties on them; and

(*c*) Making provision with respect to the purposes for which and the manner in which they may borrow money; and

(*d*) The manner in which their expenses are to be defrayed; and may authorize them to co-opt additional members, so, however, that at least three-fourths of the members of the joint body shall be persons who are members of a constituent authority of the joint body (Sect. 11 (3)).

APPOINTMENT OF COMMITTEES FOR PURPOSES OF ACT

(1) A local authority or a county council may appoint a committee for any purposes of the Act, and may delegate to the committee with or without restrictions or conditions any of their powers, except the power to levy a rate or borrow money.

(2) A committee shall consist of such number of persons as the appointing authority think fit, but at least three-fourths of the committee shall be members of the appointing authority (Sect. 48).

Joint Committee may be constituted by two or more authorities or county councils, and the constituent authorities may delegate with or without restrictions to that Committee any powers other than the power to borrow money or levy a rate (Sect. 3 (1)).

Regional Committees can thus be appointed for regional purposes, and the Minister has power to form such a committee where not otherwise constituted (Sect. 4).

Power to Alter Constitution of Joint Committee. An existing joint committee may be enlarged without interfering with the continuity of its proceedings.

The council of any county into which the district of any of the constituent authorities extends, or any local authority whose district adjoins the district of any of the constituent

authorities, may be represented on a joint committee, and may become a constituent authority, without invalidating any previous proceedings of the committee.

If the Minister considers it expedient that any such council or local authority should be represented on a joint committee he may make an order to that effect (Sect. 5).

PROCEDURE WITH RESPECT TO SCHEMES

Preparation or Adoption of Schemes. Schemes may be prepared by—

(*a*) A local authority; or
(*b*) A joint committee duly authorized; or
(*c*) All or any of the owners of land.

The Minister has power to compel an authority to—

(i) Prepare a scheme; or
(ii) Adopt, in certain circumstances, a scheme which he has prepared.

The Minister, in giving his approval, may vary the extent of land to be included in the area to which the resolution is to apply.

In view of the provisions of the Town and Country Planning (Interim Development) Act, 1943, the Notices required under Section 7 of the principal Act relative to resolution to prepare a Scheme are no longer necessary.

STAGES IN THE PREPARATION OF SCHEMES

The combined effect of the Town and Country Planning Act, 1932; the Town and Country Planning Regulations, 1933, made thereunder; the Town and Country Planning (Interim development) Act, 1943; The Town and Country Planning Act, 1944; and the Town and Country Planning (General Interim Development) Order, 1945, would appear to be to make the following Stages essential for the preparation of schemes, viz.—

Stage I. Pre-Interim Development;
,, II. Interim Development;
,, III. Draft Scheme;
,, IV. Scheme;
,, V. Parliamentary Procedure;
,, VI. High Court Procedure.

The Stages are only proposals and are not in any way statutory or binding either by Regulations or otherwise.

APPROVAL, VALIDITY, COMING INTO EFFECT, VARIATION, AND REVOCATION OF SCHEMES

These are provided for by Section 8 and the First Schedule to the Act.

(1) A scheme prepared or adopted by a local authority or

joint committee shall require the approval of the Minister and the Minister may approve any scheme with or without modifications.

(2) A scheme has to be laid before Parliament before becoming operative in accordance with the provisions of Parts I and II of the First Schedule to the Act.

(3) A scheme may be varied, or may be revoked, by a subsequent scheme prepared, or adopted and approved in accordance with this Act and any regulations made thereunder.

(4) The Minister shall not make any variation in the scheme unless he is satisfied that it will not involve substantial additional expenditure by any responsible authority under the scheme which objects to variations being made.

Supplementary Schemes for Area Comprised in Regional Schemes—

(1) Where a regional scheme made by a joint committee is in operation, any local authority or joint committee may by resolution decide to prepare a supplementary scheme with respect to any land to which the regional scheme applies.

(2) A supplementary scheme shall incorporate, with or without modifications, all such provisions of the regional scheme as related to the area, and may include such additional provisions as appear to be necessary or desirable.

(3) A resolution to prepare or adopt a supplementary scheme shall not affect the operation of the regional scheme, but as from the date on which the supplementary scheme comes into operation it shall, so far as respects the area to which it applies, have the effect of revoking the regional scheme (Sect. 9).

This is necessary in order to ensure that two statutory schemes shall not apply concurrently to the same area.

(4) The expression "Regional Scheme" means a scheme made by a joint committee.

INTERIM DEVELOPMENT OF LAND

Town and Country Planning (Interim Development) Act, 1943, provides that as from 22nd October, 1943, all land in England and Wales shall be deemed to be under an Interim Development Order.

(1) The Minister—

(*a*) shall make a General Order with respect to the interim development of land; and

(*b*) may make Special Orders with respect to the interim development of any such land in any particular area.

(2) An interim development order may itself permit the development of land.

(3) Where application for permission to develop land is made to the specified authority, the authority may grant the application or refuse the application.

In order to avoid delay, the Act provides that an application shall be deemed to have been granted if it is not decided within two months, unless extended time is agreed.

An interim development authority may postpone consideration of any application either generally or during a specified period unless the applicant shows that the development would be carried out immediately.

(4) Local authorities are now empowered to contribute towards loss or expenses incurred in consequence of the refusal of an application to develop or of conditions attached to a permission.

(5) There is an appeal to the Minister from a refusal to permit a proposed development.

(6) Where an appeal to the Minister is dismissed on the ground only that the land, though otherwise suitable for immediate development, ought to be reserved for a public open space, the appellant, if owner of the fee simple with vacant possession, may within six months require the authority to purchase the land if the Minister is satisfied that, if the appeal had been allowed, the development for which permission was refused would have taken place within a reasonable period.

(7) Expenditure by any person in anticipation of a proposal not contained in the schemes as eventually approved, which has become abortive, may be recovered from the responsible authority if a claim is made within twelve months, and the expenditure was necessarily incurred.

(8) An interim development order may empower any authority to suspend, with the consent of the Minister, the operation of any enactments contained in local Acts and of any orders, by-laws, or regulations.

(9) The foregoing provisions will not apply in any case where the scheme for the preparation or adoption of which a resolution has taken effect is a supplementary scheme or a scheme varying an existing scheme.

The General Interim Development Order, 1933, has been issued by the Minister in accordance with the above provisions. Its effect is that if an owner develops land without the permission of the Interim Development Authority, he does so subject to the risk that, if the development is not in conformity with the scheme when it comes into operation, the Responsible Authority under the scheme may bring it into conformity at the owner's cost and without compensation.

The Town and Country Planning (Interim Development) Act, 1943, from 22nd July, 1943, made all interim development decisions enforceable if an area was under a resolution to prepare a scheme.

Contents of the Scheme. Section 11 and the Second Schedule to the Act give the matters to be dealt with by schemes, viz.—

1. Streets, roads and other ways, and stopping up or diversion of existing highways, including churchways.
2. Buildings, structures and erections.
3. Open spaces, private and public.
4. The reservation of sites for places of religious worship or for houses for the residence of officiating ministers or for burial and places in connection therewith.
5. The reservation of land as sites for aerodromes.
6. The prohibition, regulating, and control of the deposit or disposal of waste materials and refuse.
7. Sewerage, drainage, and sewage disposal.
8. Lighting.
9. Water supply.
10. Ancillary or consequential. Other works in connection therewith.
11. Extinction or variation of private rights of way and other easements.
12. Dealing with or disposal of land acquired by the responsible authority or by a local authority.
13. Power of entry and inspection.
14. Power of the responsible authority to remove, alter or demolish an obstructive work.
15. Power of the responsible authority to make agreement with owners, and of owners to make agreements with one another.
16. Power of the responsible authority or a local authority to accept any property, whether real or personal, for the furtherance of the object of any scheme, and provision for regulating the administration of any such money or property and for the exemption of any assurance with respect to money or property so accepted from enrolment under the Mortmain and Charitable Uses Act, 1888.
17. Application with the necessary modifications and adaptations of statutory enactments.
18. Carrying out and supplementing the provision of this Act for enforcing schemes, and for that purpose imposing pecuniary penalties for breach of or failure to comply with schemes, and making provision for the recovery thereof in a Court of Summary Jurisdiction.
19. Limitation of time for operation of scheme.

20. Co-operation of the responsible authority with the owners of land included in the scheme or other persons interested.

21. Charging on any land the value of which is increased by the operation of the scheme the sum required to be paid in respect of that increase, and for that purpose applying, with the necessary adaptations, the provisions of any enactments dealing with charges for improvements of land.

The Petroleum (Consolidation) Act, 1928, Section 15, provides that for the purpose of preserving for the enjoyment of the public the amenities of any rural scenery or of any place of beauty or historic interest, or of any public park or pleasure promenade, or of any street or place which is of interest by reason of its picturesque character, the council of any county or borough may make by-laws—

(*a*) Regulating the appearance of petroleum-filling stations; or

(*b*) Prohibiting the establishment of petroleum-filling stations in any part of their area to which the by-laws apply.

Provisions in Schemes with Respect to Buildings and Building Operations. Section 12 provides that the provisions to be inserted in a scheme with respect to buildings and building operations may include the following—

(*a*) prescribing the space about buildings;

(*b*) limiting the number of buildings;

(*c*) regulating or enabling the responsible authority to regulate the size, height, design and external appearance of buildings;

(*d*) imposing restrictions upon the manner in which buildings may be used, including, in the case of dwelling-houses, the letting thereof in separate tenements;

(*e*) prohibiting building operations, or regulating such operations in respect of matters other than those specified in this subsection.

Provided that where a scheme contains a provision enabling the responsible authority to regulate the design of external appearance of buildings, the scheme must also provide that any person aggrieved by any decision of the responsible authority may appeal against the decision either to

(i) a Court of Summary Jurisdiction; or

(ii) a tribunal to be constituted for the purpose of the scheme.

POWER TO ENFORCE AND CARRY INTO EFFECT SCHEMES

The power to enforce and carry schemes into effect is given to the responsible authority by Section 13 of this Act. But detailed rules of procedure are now laid down.

POWERS AS TO MATTERS NOT FINALLY DEALT WITH BY SCHEME—SUPPLEMENTARY ORDERS

By Section 14

(1) Provisions may be inserted in any scheme empowering any—

(*a*) responsible authority; or

(*b*) local authority; or

(*c*) county council concerned who are not a responsible authority,

(i) to make Supplementary Orders; or

(ii) to adopt, with or without modifications, Supplementary Orders proposed by owners of land—

(i) for supplementing the provisions of the scheme;

(ii) as respects any part of the area to which it applies; and

(iii) for varying it in so far as may be necessary or expedient.

(2) The provisions of the Act with respect to—

(*a*) the approval of schemes by the Minister;

(*b*) the laying of schemes before Parliament; and

(*c*) the validity and date of operation of schemes

apply in relation to a Supplementary Order as if it were a scheme.

GENERAL DEVELOPMENT ORDERS

Sections 15 and 16 are closely inter-related, and it is also important to bear in mind Section 19 (1) (*d*), which excludes from compensation provisions restricting building operations pending the coming into operation of a General Development Order. The machinery of General Development Orders is new. Section 12 provides for a scheme, including provisions, *inter alia*, prohibiting building operations, either permanently or pending the coming into operation of a General Development Order.

The responsible authority may, by a General Development Order under Section 15, permit building operations to proceed, subject to such conditions as may be specified in the order on any land as respects which the provisions of a scheme prohibit or restrict building operations pending the coming into operation of a General Development Order. Such an Order requires the approval of the Minister.

Power to Permit Building Operations Pending the Coming into Operation of a General Development Order.

Section 16 provides that—

(1) The responsible authority may permit building operations pending the coming into force of a General Development Order.

(2) The responsible authority shall, in deciding any such application, have regard to any injury likely to be caused to the applicant by the refusal of the application, as well as to the public advantage.

(3) Any person aggrieved by refusal to grant such permission may appeal, within twenty-eight days of notice, to the Minister, who may dismiss or allow the appeal. The decision of the Minister shall be final.

The general effect of Sections 15, 16 and 19 (*d*), (*e*), (*f*), should be to facilitate the preservation of the countryside and to restrain public authorities from wasteful expenditure due to sporadic and scattered building development.

Apparently, building operations can be prohibited or restricted permanently, without compensation, where they would be likely to involve danger or injury to health by reason of the situation or nature of the land, or excessive expenditure of public money in the provision of works, sewers, water supply, or other public services. Also, building operations can be prohibited or restricted temporarily (also without compensation), pending the coming into operation of a General Development Order, when they would be likely seriously to injure the amenity of the locality, or where no public services are available and cannot be provided except by excessive expenditure of public money, and the absence of such services would have the result that building operations would involve danger or injury to health.

ORDERS FOR PRESERVATION OF CERTAIN BUILDINGS

Section 17 provides that—

(1) Where the resolution to adopt a scheme has taken effect

(*a*) the council of the county borough, or county district; or

(*b*) the council of the county comprising the district

may at any time make an order with respect to any building of special architectural or historical interest within the area to which the resolution applies and within the district of the council, directing that, without their consent, that building shall not be demolished, and may at any time vary or revoke an order so made by them.

(2) No such order, and no variation or revocation of such an order, shall take effect unless and until it has been approved by the Minister.

(3) An owner of a building may apply to the council to vary or revoke the order, or to consent to its demolition. Appeal lies to the Minister, whose decision shall be final.

(4) Where an order has been made, the coming into operation of a scheme shall not operate as a revocation of the order.

Reservation is made as to ecclesiastical and other buildings and the powers of the Minister of Works.

THE MODEL CLAUSES

In default of general provisions, and as a more detailed guide to local authorities of the matters that should properly form part of a draft scheme, the Minister issued a set of Model Clauses which cover the majority of the heads in the Second Schedule.

These Model Clauses are subject to revision from time to time, the last issue being dated June, 1939.

The Model Clauses are divided into eight Parts, seven Schedules, and two Appendices. The eight Parts are as follows, viz.—

Part I. General.
II. Reservation of Lands.
III. Streets and Building Lines.
IV. Building Restrictions and Use of Land.
V. General Amenity and Convenience.
VI. Maintenance, Use, Alteration, Extension and Replacement of Existing Buildings and Continuance of Existing Use of Land.
VII. Plans, Approvals, Appeals.
VIII. Miscellaneous.

The 1939 Edition incorporates a number of changes which are either corrections or re castings to secure greater clarity. A number of the explanatory notes have also been re-cast. In addition, the rural coastal and seashore zones and the reservation of public walks suggested in Circular 1750 of the Minister of Health dated 15th December, 1938, have been incorporated.

These are considered in detail in *The Law of Housing and Planning*: Fourth Edition (Pitman).

COMPENSATION

The principal new features of Section 18 are—

(1) Provision for expenditure rendered abortive by a subsequent variation.

(2) Specific reference to injury to trade, business or profession, and

(3) Allowance for additional injurious affection due to refusal of an appeal under an Interim Development Order, or conditions imposed by the Minister on the ground of such an application.

Section 18 (1) provides that subject to the provisions of this Act any person—

(*a*) Whose property is injuriously affected by—

(i) the coming into operation of any provision contained in a scheme; or

(ii) the execution of any work under a scheme; or

(iii) the coming into operation of an order under Section 17 of the Act for the preservation of certain buildings; or

(*b*) who suffers damage by reason of any action taken by a responsible authority, under Section 13 of the Act, to enforce and to carry into effect schemes; or

(*c*) who has incurred expenditure which is rendered abortive by a subsequent variation or revocation of a scheme,

is entitled to compensation from the responsible authority for the amount:

(i) by which his property is decreased in value; or

(ii) by which his trade, business or profession is damaged; or

(iii) of abortive expenditure necessarily incurred.

Power of Minister to Exclude Compensation in Certain Cases.

Section 19 authorizes the Minister to declare that either generally, or as respects all property, except such as may be specified for the purposes of the scheme

(1) No compensation shall be payable in respect of the injurious affection of property by the coming into operation of the provisions of the scheme in respect of matters named in paragraphs (*a*) to (*l*) of the subsection.

(2) In deciding whether to declare that the proposed provisions are reasonable, the Minister is required to take into account certain considerations set out in Subsection 2 of the Section, viz.: "proper and reasonable and expedient having regard to local circumstances."

(3) The responsible authority may prohibit any alteration, extension or substitution by a new building in spite of the preceding subsection.

(4) Where existing buildings are affected by the responsible authority in executing a scheme, compensation will be payable.

(5) The Minister's powers are further limited by this subsection.

Exclusion or Limitation of Compensation in Certain Other Cases.

Section 20 provides that:—

(1) No compensation shall be payable under this Act in respect of any property on the ground that it has been injuriously affected by any provision contained in a scheme, if and in so far as the same provision or a provision substantially to the same effect was, at the date when the scheme came into operation, already in force by virtue of some Act, not being either this Act or an Act repealed by this Act.

(2) No compensation shall be payable in respect of any action taken by a responsible authority to enforce and carry into effect

schemes, as provided by Section 13, except in cases where a building, or work which the authority have removed, pulled down, or altered, was an existing building or an existing work, or a use of a building or land which they have prohibited was an existing use.

(3) No compensation shall be payable greater than that payable under any other Act where such applies.

(4) Provision is made to prevent duplication of compensation.

BETTERMENT

Section 21 (1) raises the amount of betterment claimable from 50 to 75 per cent. New provisos are made for deferring the recovery of betterment as long as the property in question remains agricultural, or, except in case of business or industrial property, until the property is disposed of or there is a change in use (other than from one form of agriculture to another).

MAKING OF CLAIMS FOR COMPENSATION OR BETTERMENT

Section 22 relating to the time for the making of claims for compensation or betterment provides that claims for compensation and betterment are to be made within the time (if any) limited by the scheme, not being less than three months after notice of approval of the scheme is published.

DETERMINATION OF CLAIMS AND RECOVERY OF AMOUNTS DUE

By the Acquisition of Land (Assessment of Compensation) Act, 1919, where land is authorized by statute to be acquired compulsorily by a government department or local authority, any question of disputed compensation is to be referred to the arbitration of a single arbitrator from the panel of official arbitrators appointed in accordance with the rules made by the Reference Committee.

Section 23 provides that any question arising under the Act as to the right of a claimant to recover compensation shall, unless the parties otherwise agree, be determined by arbitration in accordance with the Acquisition of Land (Assessment of Compensation) Act, 1919.

POWER TO WITHDRAW OR MODIFY PROVISIONS AFTER AWARD OF COMPENSATION

Section 24 enables the responsible authority at any time within one month after the date of an award of compensation under this Act in respect of the injurious affection of any property, to give notice to the claimant of their intention to withdraw or

modify all or any of the provisions of the scheme which gave rise to his claim for compensation.

ACQUISITION OF LAND

Acquisition of Land to Which a Scheme Applies.

Section 25 provides that—

(1) The responsible authority may purchase land, compulsorily if need be, for the purposes of the scheme and in particular—

(*a*) for controlling the development of frontages along existing or projected highways; or

(*b*) for securing the satisfactory development of any land where by reason of

(i) the land being held in plots which are inconvenient in size or shape; or

(ii) the arrangement or alignment of the land being inconvenient; or

(iii) the multiplicity of interests in the land; or

(iv) the fact that the land is being used in a manner or for purposes inconsistent with the provisions of the scheme,

it does not appear to be reasonably practicable to secure such development otherwise than by purchase of the land;

or

(*c*) land which forms the site of a highway which has been stopped up under the scheme; or

(*d*) land which they require for the purpose of providing accommodation for persons dispossessed under a scheme.

(2) Where the responsible authority are unable to purchase land by agreement they may be authorized to purchase land (except as regards (*d*) above) compulsorily by means of a Compulsory Purchase Order in accordance with the provisions contained in Part III of the First Schedule to the Act.

Acquisition of Land for Open Spaces and Playing Fields in Area Covered by Planning Schemes. Section 26 is new and facilitates the purchase of land for open spaces or playing fields, as it enables a council to purchase land, whether by agreement or compulsorily, for that purpose in an order where a scheme is in operation, as if that council were the responsible authority and required the land for the purpose of the scheme.

SUPPLEMENTARY PROVISIONS WITH RESPECT TO SCHEMES

Limitation of Street Work Charges.

The scheme shall secure that the cost of the construction, widening, or improvement of any road or street shall not exceed the amount which would have been the cost of the execution of

street works so as to comply with any enactments, by-laws or regulations in operation in the area (Sect. 27).

Power to Contribute Towards expenses of owners in connection with the Proposals of Schemes. A local authority or joint committee may contribute towards the expenses incurred by owners of land in or in connection with the proposal of a scheme which is adopted by the local authority, or in co-operating with them in the preparation of a scheme (Sect. 28).

Further Supplemental Provisions with Respect to Schemes include—

1. Power to the county council to assist in the preparation of schemes (Sect. 29).
2. Contributions by local authorities and statutory undertakers towards expenses of, or in connection with, schemes (Sects. 30 and 31).
3. Application of betterment as capital towards the discharge of any debt of the authority or otherwise (Sect. 32).
4. Power of public departments to make agreements in connection with schemes (Sect. 33).
5. Powers of authorities and owners to enter into agreement restricting use of land (Sect. 34).

This is important as it enables the owners of land, agreed to be scheduled as private open spaces, to avoid augmentation of building value on such land, thereby avoiding excessive land taxes or death duties.

PROVISIONS AS TO GARDEN CITIES

Acquisition of Land for Purposes of Garden Cities.

Land may be acquired by the Minister either by agreement or compulsorily on behalf of—

(*a*) any local authority (including a county council); or

(*b*) two or more local authorities jointly; or

(*c*) any authorized association, i.e. housing association, formerly a public utility society, with a limited dividend concerned in garden cities and housing, to develop it as a garden city, including garden suburb or garden villages, or as an extension of an existing garden city (Sect. 35).

POWERS OF MINISTER

Powers of Minister to Require Preparation or Adoption of Scheme and to Require Execution of Scheme (Sect. 36).

The effect of the Town and Country Planning (Interim Development) Act, 1943, should be noted in this connection.

Regulations as to Procedure. Section 37 and the Fourth Schedule reproduce in general outline the Procedure Regulations

which were issued by the Minister under the authority of the Housing, Town Planning, Etc., Act, 1919. These are dealt with fully in *The Law of Housing and Planning*: Fourth Edition, Chapter XVII.

Local Inquiries. The provisions of the Local Government Act, 1933, Section 290, now apply to all Inquiries.

If the responsible authority fails to do its duty in any respect, the Minister may, after the holding of a local inquiry, enforce compliance by writ of mandamus.

The Minister may himself act, or, in the case of the council of

(*a*) a rural district; or

(*b*) an urban district which for the time being contains a population of less than 20,000,

empower the county council to do so at the expense of the local authority.

LEGAL PROCEEDINGS

(1) Appeal to Quarter Sessions lies from a decision of a Court of Summary Jurisdiction within twenty-eight days after the date of the decision, e.g. under Section 13 (1) or under a scheme (Sect. 39).

(2) Power is given to refer certain disputes to arbitration or to the Minister (Sect. 40).

MISCELLANEOUS PROVISIONS

For the Protection of Statutory Undertakings. No provision contained in a scheme will apply to any land or any building erected thereon which belongs to any statutory undertakers, without their consent. Their consent shall not be unreasonably withheld. Any question whether or not consent is unreasonably withheld shall be determined by the Minister, after consultation with the appropriate government department. (Sect. 41.)

Consultation with Minister of Works is to take place as to a provision in a scheme affecting a building of special architectural or historic interest (Sect. 42).

Land in Neighbourhood of Royal Palaces and Parks. Where a local authority or a joint committee propose to include in a scheme any land situated within the prescribed distance from any of the royal palaces or parks they must communicate with the Minister of Works (Sect. 43).

Works below High Water Mark. No works can be authorized whether of construction, demolition or alteration on, over or under tidal lands below high-water mark except with the consent of the Board of Trade (Sect. 44).

Powers as to the Preservation of Trees. Powers are given

as to the preservation of single trees and groups of trees, and areas of woodland and the replanting thereof (Sect. 46).

POWERS WITH RESPECT TO ADVERTISEMENTS

The Advertisements Regulations Act, 1925, amended the Act of 1907 and prohibited advertisements which disfigured or injuriously affected rural views, amenities of villages, or historic buildings. Exemptions included railway stations and urban docks, harbours, and canals.

Section 47 of the 1932 Act is new and provides that:—

(1) Where it appears to the responsible authority that an advertisement displayed or a hoarding set up in the area to which a scheme applies seriously injures the amenity of land specified to be protected, the authority may serve in the prescribed manner—

(*a*) a notice upon the owner of the advertisement or hoarding requiring him to remove it within not less than twenty-eight days; and

(*b*) a copy of such notice upon the owner and occupier of the land on which the advertisement or hoarding is displayed or set up.

(2) Appeal lies by notice in writing to—

(i) the clerk of the Court of Summary Jurisdiction; and

(ii) to the responsible authority

within twenty-eight days.

(3) The court may allow or dismiss the appeal or postpone the date for compliance.

(4) If the owner of an advertisement or hoarding does not comply with the notice, then the authority may—

(*a*) enter upon the land and remove the advertisement or hoarding; and

(*b*) recover from the owner thereof the expenses of such removal.

By-laws under the Act should be aimed against a class of advertisement which may be objectionable. (*Twickenham* v. *Solosigns, Ltd.* (1939.))

EXPENSES OF LOCAL AUTHORITIES

Any expenses incurred by a local authority or a county council under the Town and Country Planning Act will be defrayed in the case of—

(*a*) the Common Council of the City of London: as expenses of that council chargeable to the general rate of that city;

(*b*) a county council: as expenses for—

(i) general county purposes; or

(ii) special county purposes chargeable upon such part of the county as the county council may determine;

(*c*) the council of the county borough, borough, or urban district: as general expenses; and

(*d*) the council of a rural district: as general expenses unless the council apply to the Minister and obtain an Order declaring the expenses to be special expenses chargeable on some contributory place.

LOANS

A local authority or a county council may borrow for the purposes of the Town and Country Planning Act in the case of—

(*a*) the Common Council of the City of London: under the City of London Sewers Acts, 1848 to 1897;

(*b*) the London County Council: under and in accordance with the London County Council (Finance Consolidation) Act, 1912, as amended by any subsequent enactments;

(*c*) any other local authority: under and in accordance with Part IX of the Local Government Act, 1933.

SPECIAL PROVISIONS AS TO ADMINISTRATIVE COUNTY OF LONDON are provided for in a long Section 50.

COMPENSATION OF OFFICERS

Section 51 reproduces the provisions of Section 23 (3) of the Local Government Act, 1929, and applies the same to the transfer of functions under this Act.

APPLICATION TO SCOTLAND

The Act is applied to Scotland with modifications and it is provided that the provisions relating to Scotland, as modified, shall be printed as a separate Act (Sect. 57).

PLANNING IN WAR TIME

The Ministry of Health wisely decided that a halt should not be called in the work of planning, though activities would necessarily proceed on a modified basis. There is ample evidence that those engaged in planning have not been slow to follow the official lead. Reference should be made to the Report of the Royal Commission on the Geographical Distribution of the Industrial Population (1940); Report of the Departmental Committee on the Utilization of Land in Rural Areas (1942); Reports of the Expert Committee on Compensation and Betterment (1941 and 1942).

Attention should be directed to the Advisory Committee on Hostels for War Workers, and to National Service Hostels Corporation.

TOWN AND COUNTRY PLANNING ACT, 1944

This Act grants powers for the Minister to make an order declaring land to be subject to compulsory purchase for the purpose of:—

(1) dealing with areas of extensive war damage together with land contiguous or adjacent thereto providing he is satisfied that the area should be laid out afresh and redeveloped as a whole;

(2) providing for the re-location of population or industry, or for replacement of open space in the course of redevelopment of an area of extensive war damage. (Applications to be made within five years of such date as the Minister may appoint);

(3) dealing satisfactorily with areas of bad layout and obsolete development together with land contiguous or adjacent thereto providing he is satisfied that the area should be laid out afresh and redeveloped as a whole;

(4) providing for the re-location of population or industry or for the replacement of an area of bad layout and obsolete development.

ROYAL COMMISSION ON THE GEOGRAPHICAL DISTRIBUTION OF THE INDUSTRIAL POPULATION, 1940

The methods recommended by the Report included—

(1) Some restriction on the future location of business premises (work places). Not compulsion, but restriction—by licensing their settlement in over-built or congested areas; an extension of a principle already in the Planning Acts. This restriction is absolutely necessary, but it is an important step and the machinery does require careful working-out.

(2) Promotion of new industrial towns (satellite towns near great cities), country town extensions, and trading estates. This is easier, but also requires careful working-out.

(3) Reduction of building density in congested cities.

(4) A check to the undue sprawl of suburbs at long distances from work.

New proposals (3) and (4) necessitate, as Ministers have recognized, a comprehensive solution of the problem of fair compensation to owners of land where building is prohibited or density reduced.

The subject is treated more fully in *The Law of Housing and Planning*: Fourth Edition (Pitman).

PART III

CHILDREN & YOUNG PERSONS

CHAPTER VIII

EDUCATION

EDUCATION is that function in life which will develop the faculties of the individual in such a way that he will not only be better able to fulfil his allotted task as a worker, but will also become best fitted to serve the community in which he dwells, and to render that service which will enable him to leave the world better than he found it. Education makes or should make the individual as an individual realize his highest potentialities. Briefly, it may be said to be a preparation for complete living.

The Departmental Committee, appointed by the President of the Board of Education to inquire into the position of English in the educational system of England, which reported in 1921, defined Education as "Guidance in the acquiring of experience."

In our modern civilization, which is developing along industrial and commercial lines, we must recognize that no traditional notions of education may be regarded as permanent. If we are to live in the machine age, we must recognize that that age can produce a culture of its own. We must not fear, therefore, continually to revise our educational philosophy.

HISTORICAL

Prior to the eighteenth century the Church was almost entirely responsible for education. Prior to the Renaissance there were three types of schools which developed in this country, viz. monastic, grammar, and gild schools. Each of the cathedral establishments had its school, in which not only the clergy but the laity received instruction. Some of these schools are still in existence and are attended by the boy choristers. The grammar schools for boys which had been founded by private individuals, by religious bodies, or by City companies, spread rapidly over the country and took their form from the cathedral schools. Some of these became known as Public Schools. Though there was provision in many of the endowed grammar schools for the "education of the poor" they did not profess to give

elementary instruction. The main provision of this character took the form of "Dame Schools."

In 1699 a new era commenced with the formation of the Society for Promoting Christian Knowledge, with a three-fold object: the education of the poor at home; the reclaiming of those who had erred from Christianity (this was the origin of Home Missions); and the religious teaching in the Plantations, as the Colonies were called (this was the origin of Foreign Missions). Some of the former took the form of "Charity Schools," and other schools of a parochial character.

In 1703 John Wesley was born, and he, together with George Whitefield and others, awakened the moral conscience of the country from the lethargy into which it had fallen during the previous century, and this found expression in the development of Sunday Schools and voluntary day schools in which children were taught among other things to read and write. In a small number of schools of industry, elementary instruction was combined with industrial training.

In 1769 Hannah Ball started a Sunday School at High Wycombe, which was probably the first in the country. This was followed in 1775 by James Hay, who opened a school at Little Lever, in Lancashire. In 1780 Robert Raikes, who was born in Gloucester in 1736, opened a Sunday School in that town after many years' devoted attention to the prisoners in the two gaols of his native city. Four years later he wrote an account of the movement in John Wesley's *Arminian Magazine*. These Sunday Schools were secular as well as religious, and many of them consisted of adult scholars and constituted the basis for our modern development in Adult Education. They are aptly described by Charles Dickens in *Great Expectations*.

In 1802, Peel introduced the first Factory Act which aimed at the protection of poor law children transferred to work in factories. Amongst other provisions it placed on employers an obligation to make provision for the elementary education of these children in reading, writing, and arithmetic.

The most notable effort made to further popular education was the introduction of the monitorial system, the origin of which was claimed by Andrew Bell and Joseph Lancaster towards the close of the eighteenth century.

In 1808 the Nonconformist followers of Joseph Lancaster founded the Royal Lancastrian Society, later known as the British and Foreign Schools Society. Lancaster was unsuccessful and became bankrupt. He sailed for America, where he died in poverty. The State Church became alarmed at the growth of Lancaster's Nonconformist or British Schools. In 1811 was

established the National Society for the Education of Children according to the Principles of the Church of England, commonly referred to as the National Society, which took over the schools inaugurated by Andrew Bell, which became known as National Schools. In 1818 John Pounds established a ragged school at Portsmouth. In 1836 the Home and Colonial Society was formed, which provided by voluntary means still more schools for the poor.

State support first came in August, 1833, by the Lords Commissioners of the Treasury making a grant of £20,000 towards funds for the erection of school houses, not including residences of teachers. The amount was applied in aiding local effort to an amount of one-half cost of buildings through the British and Foreign Schools Society and the National Society, while in Scotland the fund was administered by the Minister and Kirk Session of each parish.

By 1839 the grant, which had become annual, had increased to £30,000. The Education Department was therefore constituted by an Order in Council, whereby a Special Committee of the Privy Council was established to administer the grant. The Secretary of the Committee was Sir James Kay-Shuttleworth. At the same time inspectors of schools were appointed. In 1846 the first Grants were made in aid of salaries, and in 1853 the first Capitation Grants.

The Treasury Minutes continued until 1856, when an Act of Parliament established the office of Vice-President of the Committee of Privy Council on Education, with the result that the administration of grants came under the control of a minister responsible to Parliament.

The Elementary Education Act, 1870, established the principle of the public provision of education, where there was a deficiency of voluntary schools, at schools established under a representative local authority known as School Boards, such schools being maintained from a compulsory local rate and operating under a conscience clause.

The principles established by the Education Acts, 1870 to 1901, may be said to be—

(*a*) All children should be educated.

(*b*) Education is a quasi local service administered by an *ad hoc* local authority and supervised by a Central Department of the Government.

(*c*) Schools provided by local authorities should be supported by rates and taxes.

(*d*) Voluntary schools should be supported by taxes but not by rates.

(*e*) In schools entirely maintained by ratepayers religious dogmas should not be taught.

(*f*) In voluntary schools which are supported by taxpayers, denominational religion may be taught, but under a conscience clause.

EDUCATION ACT, 1902

Board schools did good work in their time. They brought an elementary school within the reach of the great majority of the child population. A reaction had set in, however, against the *ad hoc* form of administration, and the Act of 1902 abolished the 2,564 school boards and 787 school attendance committees and transferred their functions to new local education authorities. Those authorities were of two types, one for higher education and one for elementary. For higher education the councils of counties and county boroughs were chosen. For elementary education they were the councils of county boroughs, non-county boroughs with a population of over 10,000 (1901 census), urban districts with a population of over 20,000 and the councils of counties for their areas outside those boroughs and urban districts. As the provisions with regard to those boroughs and urban districts are contained in Part III of the Act of 1902, such authorities became known as Part III authorities. Newly created boroughs and urban districts with the requisite populations secured the same right, but the Education (Local Authorities) Act, 1931, prevented this unless the power was expressly granted by a subsequent Act of Parliament.

Local Education Authorities were required to set up an Education Committee to whom all matters relating to their functions with regard to education were to stand referred. Any function might be delegated to the committee, except the power to levy a rate or raise a loan. Persons not members of the council might be co-opted on the committee providing, in the case of councils other than county councils, that a majority consisted of members of the council.

The Act provided for the maintenance, as distinct from the provision, of schools established by voluntary bodies out of local rates in addition to Government grants. It recognized a dual system of school provision by (*a*) provided schools established by the local authority and (*b*) non-provided schools established by voluntary bodies—usually the religious denominations, Anglican, Roman Catholic, Methodist, and Jewish. Each school has a body of managers and in the case of the voluntary schools, those representing the denominational interests, known as foundation managers, predominate. Schools may be grouped under

one body of managers and a great deal of re-organization has proceeded along the lines of grouping schools and making one a primary and the other a senior school.

EDUCATION ACT, 1918

The fundamental purpose of this Act was "the progressive development and comprehensive organization of education available for all persons capable of profiting thereby." Previously, our educational system had merely supplemented voluntary effort, but this Act was intended to establish a system of national education. The "half-time system," under which children worked during one part of the day and went to school during the other part, was abolished. Provision was made for the establishment of nursery schools for children between two and five years, and the financial system of Government grant payments was re-organized. Medical inspection was extended to secondary schools, and provision made for social and physical instruction. Perhaps the outstanding feature of the Act was the provision made for the establishment of Day Continuation Schools but the practical difficulties in the way caused the provisions to be postponed.

EDUCATION ACT, 1921

The history of education between 1902 and 1921 consists mainly of the progress in the development of "special services." In 1906 came the provision of meals, in 1907 the provision of play centres and school camps and the duty to medically inspect school children, in 1909 the provision of medical treatment, in 1910 vocational guidance and in 1913 special treatment for mentally deficient children such as had already been established in 1893 and 1899 for blind, deaf, defective, and epileptic scholars.

The Education Act, 1921, consolidated the greater part of the legislation from 1870, and constituted one of the finest examples of Parliamentary draftsmanship on the Statute Book. It continued the Consultative Committee established by the Board of Education Act, 1899, to advise the Board on any matter referred to them by the Board.

It was becoming increasingly recognized that many schools could not be adapted to the needs of modern educational standards and, in view of the proposals being made to raise the school age, it was obvious that many schools were inefficient. In 1925 the Board of Education compiled a "Black List" of such schools with a view to having them reconstructed or closed and replaced. Out of a total of 698 black-listed schools 495 were non-provided schools. The Education Act, 1936, made provision for the raising of the school age to 15 in September, 1939. Local education authorities were authorized to make building grants to voluntary

bodies to assist them to make provision for the new school places required and the re-organization of their schools to meet the needs of advanced education. The buildings had to be completed by September, 1940. The outbreak of war in 1939 placed an embargo on these building programmes and the raising of the school age was postponed.

The provisions relating to school-leaving were to have come into force on the first day of September, 1939, but by the Education (Emergency Powers) Act, 1939, were postponed to such date as the President of the Board of Education might by Order determine.

THE PHYSICAL TRAINING AND RECREATION ACT, 1937

Although there was no desire to copy the methods of the Hitler Youth Movement in this country, there is little doubt that the attention paid to the organization of the younger generation on the Continent awakened public opinion in this country to this aspect of training which had not received the attention it deserved. The Public Health Act, 1875, gave powers to public health authorities to lay out and maintain pleasure grounds whether provided by themselves or not. The Public Health Acts Amendment Act, 1907, Part VI, authorizes them to set apart such places for organized games and provide any apparatus for the purpose. The Public Health Act, 1925, allows a reasonable charge to be made for such games. The Education Act, 1918, Sect. 17, authorized local education authorities to provide or maintain holiday or school camps (especially for young persons attending continuation schools), centres and equipment for physical training, swimming baths and other facilities for social and physical training. The Education Act, 1921, went much further and enabled local education authorities to provide and maintain camps, equipment for physical training and similar facilities for combined social and physical training during the day or evening. The Housing Act, 1936, Part V, empowers housing authorities to provide and maintain recreation grounds for the benefit of their tenants subject to the consent of the Minister of Health.

The Physical Training and Recreation Act, 1937, gave statutory effect to those parts of the Government's proposals for improving the national physique and extending and developing physical training and recreation which cannot be carried out by administrative methods. Previously the provision of these facilities for the bulk of the population had been hampered by the absence of co-ordinated effort and lack of sufficient funds. The Act endeavours to co-ordinate voluntary effort and bring

it into co-operation with public effort through both public health and education authorities. A National Advisory Council is set up representative of those interested in physical training and athletics. Local committees represent local authorities and voluntary bodies. Their task is to see that publicity is given to facilities provided, to review those facilities with a view to possible developments, and to co-ordinate the work of the voluntary bodies and local authorities. They deal with applications for government grants and make recommendations thereon to the National Grants Committee. There are separate Committees for England and Wales and for Scotland. The National Grants Committee make recommendations to the responsible Minister. The Minister of Education may authorize grants to local authorities or voluntary organizations, and the purposes include the training and supply of teachers and leaders, the provision of playing fields, swimming baths, and camping sites. These facilities extend to persons of any age.

THE EDUCATION ACT, 1944

No more impressive demonstration of the great significance ascribed to education could have been provided than the phenomenon of a nation, engaged in a life or death struggle with a brutal adversary and during the fifth year of the greatest war of history, turning its attention to the problem of the progressive development of its system for the education of its people. The groundwork has been provided by intensive inquiries over many years and following a description of the machinery provided by the Act there is an account of the Reports of several Committees which have considered various problems and made recommendations which have been of inestimable value in preparing the way for legislative action. A White Paper entitled "Educational Reconstruction" was issued in July, 1943, explaining the proposals (Cmd. 6458). The scope of those proposals and the hopes of those responsible for promoting the measure may be realized from the words of the Earl of Selborne in the House of Lords on the 5th August, 1943, who said "When this great conception has been realized this country will possess a system of education superior to that existing in any country in the world at present and beyond the wildest dreams of the pioneers of education."

All previous enactments relating to education are superseded. Among others, the Acts of 1921, 1926, and 1937 are wholly repealed. The principles of the Act may be summarized as follows—

1. Reconstruction of the national system of education in order to make adequate provision for all forms of education—primary, secondary and further education.

2. Provision of nursery schools wherever needed.
3. Raising of the school age to 15 immediately and ultimately to 16.
4. Secondary education for all without payment of fees.
5. Religious instruction to be an essential element in education supplied according to an agreed syllabus.
6. Compulsory part-time continuation education up to 18.
7. Adequate and co-ordinated provision of technical and adult education.
8. Registration and inspection of all independent schools.

The Act is divided into five parts as follows—

I. Central Administration.
II. The Statutory System of Education.
III. Independent Schools.
IV. Miscellaneous; Administration, and Financial Provisions.
V. Supplemental Provisions.

There are nine Schedules—

First	Local Administration.
Second	Transfer to a local education authority of an interest in the premises of an auxiliary school.
Third	Special agreements in respect of certain auxiliary schools.
Fourth	Meetings and proceedings of managers and governors.
Fifth	Supplemental provisions as to powers of courts for enforcing school attendance.
Sixth	Constitution of independent school tribunals.
Seventh	Procedure for preparing and bringing into operation an agreed syllabus of religious instruction.
Eighth	Amendments of Enactments.
Ninth	Enactments repealed.

Parts I and V operate with the passing of the Act. Parts II and IV from the 1st April, 1945, and Part III from a date to be fixed by Order in Council.

Central Administration. The President of the Board of Education now has the status of a Minister and the Board that of a Ministry. The Minister is effectively empowered to secure the progressive development of a national system of education in the words "To promote the education of the people of England and Wales and the progressive development of institutions devoted to that purpose, and to secure the effective execution by local authorities, under his control and direction, of the national policy for providing a varied and comprehensive educational service in every area."

Two Central Advisory Councils replace the Consultative Committee, one for England and one for Wales, "to advise the

Minister upon such matters connected with educational theory and practice as they think fit and upon any questions referred to them by him." It will be observed that, unlike the Committee they displace, their work will not be confined to dealing with matters referred to them only.

The Statutory System of Education. The new local authorities will be the councils of counties and county boroughs only. Although the Part III authorities are abolished, county councils may delegate their functions to "divisional educational executives" representing one or more county districts. Schemes for this purpose had to be submitted to the Minister. Councils of boroughs and urban districts with populations not less than 60,000 (1931 census) or not less than 7,000 elementary school pupils, were authorized to prepare their own schemes of delegation. Divisional educational executives will be financed by the county council. Educational properties held by former Part III authorities are transferred to the county council and their educational officers similarly transferred. Redundant officers will be compensated. In place of the former by-laws of local authorities with regard to school attendance, which cease to operate, there is a statutory obligation on parents to cause their children to be educated. The date for raising the school age to 15 was the 1st April, 1945, but the Minister was authorized to postpone its enforcement if exceptional circumstances make it impossible to provide the necessary school places or teachers in time. This delay was limited to two years at the most. The raising of the age to 16 will be accomplished by an Order in Council as soon as the Minister is satisfied that the time is opportune.

A statutory obligation is placed on local authorities to make adequate provision for primary, secondary and further education in their areas and to have regard to the establishment of separate schools for the three types of education, together with nursery schools or classes for children under five, special educational treatment for those suffering in mind or body and boarding schools or board and lodgings for scholars whose circumstances make such provision expedient. The provision of special educational treatment is now extended to all maladjusted children, not only defective and epileptic pupils, and it is not necessary for a handicapped child to be certified as a defective to receive special educational treatment. The age of compulsory attendance for special school pupils is lowered from 7 to 5. Government grants will be available for assisting voluntary bodies to establish more special schools.

The old terms "provided" and "non-provided" schools are discontinued. Primary and secondary schools maintained by the

local education authority, not being nursery or special schools, will be known as "county" schools. Schools provided otherwise than by the local authority will be known as "auxiliary" schools. The latter will be of three types—"controlled," "aided," and "special agreement" schools. Controlled schools are those where the managers are unable or unwilling to meet at least one half of the cost of the alterations and improvements necessary to bring the school up to the standard required by the Act. The local authority will take over financial responsibility and appoint two-thirds of the managers and appoint and dismiss teachers subject only to the right of the managers to be consulted as to the appointment of the head teacher. The foundation managers will control the appointment of reserved teachers for denominational religious instruction which must be allowed on two occasions each week. Reserved teachers are not to exceed one-fifth of the teaching staff while no reserved teacher can be appointed where the total staff is not more than two. Aided schools are those where the managers are able and willing to meet one half the cost involved. The Exchequer will meet the other half by a direct grant. A grant of 50 per cent. will also be made towards the cost of providing new premises. The managers will retain control of the appointment and dismissal of all teachers and the supplying of denominational religious instruction subject to the rights of parents who so desire to have syllabus instruction for their children. Special agreement schools are those already built under assistance provided under the Education Act, 1936. Religious instruction will be in accordance with the trust deed and under the control of the managers. Independent schools are those, generally known as private schools, where full time education is provided for five or more pupils of compulsory school age (whether or not such education is also provided for pupils under or over that age) not being schools maintained by a local education authority or schools in respect of which grants are made by the Minister to the proprietors of the schools.

Secondary Education. Primary school pupils will pass at the age of 11 to some form of secondary education suitable to their ability. Secondary schools will be of three types—grammar, technical and modern schools. Grammar schools will provide systematic study of an academic character without regard to particular vocational requirements. Technical schools will provide a curriculum closely, although not wholly, directed to the requirements of a particular kind of occupation, though always with outlook and method bounded by a near horizon clearly envisaged. Modern schools will provide a balanced training of mind and body and a correlated approach to the humanities,

natural science and the arts, comprising an equipment varied enough to enable pupils to take up the work of life.

Further Education. This comprises all education other than primary and secondary, and includes education in county colleges, and education in technical, commercial and art subjects for those over compulsory school age.

County Colleges. From a date to be fixed by the Minister by an Order in Council, young people up to the age of 18 and not in full-time school attendance will be required to attend a county college. The required attendance will be one whole day or two half-days a week for 44 weeks each year or continuous attendance for eight weeks or two periods of four weeks. Young people affected will be required to keep the local education authority informed of their address. A similar obligation is placed on employers to inform the local authority when such young people enter or leave their employment. The time in attendance at a college will be treated as hours of employment for both regulations affecting hours of employment and overtime rates of pay.

Technical Education and Vocational Training. Provision is made for a considerable extension of technical, art, vocational and general adult education. Adequate facilities must be provided by the local education authorities therefor, and after consulting universities, educational associations, and neighbouring authorities, they must draw up comprehensive schemes for submission to the Minister who will give directions for the scheme to be brought into operation.

Youth Service. The Minister is authorized to make regulations providing for the payment by him to persons, other than local education authorities, of grants in respect of expenditure incurred or to be incurred for the purpose of educational services provided by them or on their behalf or under their management or for the purpose of educational research.

Special Services. The duty to provide medical inspection and treatment applies to all children and young persons attending maintained schools and colleges. Treatment, other than domiciliary treatment, will be free of direct charges. The provision of meals and milk is made obligatory to such an extent and subject to such conditions as the Minister may order. Local education authorities in England and Wales are now empowered, as those in Scotland have been, to provide boots and clothing to pupils if considered necessary. Parents will be liable to contribute to the cost of providing boarding accommodation or clothing if able to do so without financial hardship except in the case of board and lodging provided on the ground that suitable education could not be provided otherwise.

Development Plans. Within the twelve months from the 1st April, 1945, local authorities are required to estimate their immediate and prospective requirements in the light of these new developments, and to prepare development plans therefor and submit them to the Minister for his approval. These plans will cover the whole field of their activities and specify the alterations necessary to existing buildings, the additional county and auxiliary schools required and the arrangements proposed to be made in respect of nursery schools and special educational treatment.

Statistics and Finance. The publication of certain statistics was suspended during the war; the latest available are those for the year ended 31st March, 1938—

			Schools		Average attendance
Elementary Schools—					
Provided schools			10,363		3,151,893
Non-provided schools—					
Anglican	8,979		1,004,117		
Methodist	119		15,268		
Roman Catholic	1,266		331,086		
Jewish	13		3,973		
Others	176	10,553	20,364		1,374,808
		20,916			4,526,701
Certified Special schools		611			44,553
Nursery schools		103			5,666
Other schools		48			5,087
TOTAL		21,678			4,582,007
Secondary Schools—					
Council schools		773			270,909
Foundation schools (chiefly Anglican)		430			140,792
Roman Catholic schools		92			28,250
Welsh Intermediate schools		103			30,052
On Grant List		1398			470,003
Not on Grant List		758			99,086
TOTAL		2156			569,089

Public Expenditure on Education.—The following table is based upon the assumption that the new scheme came into operation on the 1st April, 1945—

Year ending 31st March	*out of TAXES* £000's	*out of RATES* £000's	*TOTAL* £000's
1833	20	—	20
1914	14,369	14,070	28,439
1943	60,208	51,888	112,096
(estimated) 1945	63,900	59,500	123,400
do. 1946	70,700	58,200	128,900
do. 1952	97,200	73,500	170,700
ultimately	115,100	88,100	203,200

The following table shows the causes of the increases—

	1946 £000's	1952 £000's	*ultimately* £000's
Re-casting full-time education	2,500	24,500	48,500
Reform of the Dual System		1,900	4,600
Young People's College	100	5,500	5,500
Technical and Adult education	2,300	7,300	8,700
Nursery schools	500	5,000	6,000
Medical Inspection and Treatment	100	3,100	6,500
TOTAL Increase	£5,500	47,300	79,800

This chapter is concerned only with the provisions of the Education Acts so far as they relate to Social Administration. The reader who may desire further information will find a complete exposition of the subject in *Local Government of the United Kingdom*: Thirteenth Edition, Chapter XXI (Pitman).

SCHOOL ATTENDANCE

The Elementary Education Act, 1870, established School Boards, with the duty of augmenting the provision of elementary education by the voluntary agencies, resulted in steps being taken to ensure that the provisions so made should not be wasted. Consequently, the Elementary Education Act, 1870, provided that legal proceedings might be taken against parents for not causing a child to attend school. When the parent pleads that the child is in fact attending some school or institution, the defence will fail unless such school or institution is open to inspection by the local education authority or the Ministry of Education, and unless satisfactory registers of attendance are kept at the school or institution.

The Elementary Education Act, 1876, which followed provided for the establishment of School Attendance Committees for those areas which were not under the control of the School Boards. Statutory School Attendance Committees were abolished by the Education Act, 1902.

The Elementary Education Act, 1880, provided for compulsory by-laws in all areas. If this was not done the Education Department was empowered to make them, and the by-laws so made were deemed to have been made by the School Board or School Attendance Committee.

Duty of Parent. The Education Act, 1944, abolishes these by-laws and makes it the duty of the parent of every child between the ages of compulsory school attendance to cause the child to attend school. No exemption from attendance is allowed since the Education Act, 1918.

Duty of the Local Education Authority to take proceedings for

enforcing the duty of the parent. If after due warning the parent still neglects his duty, the local education authority must complain to a Court of Summary Jurisdiction. If the Court is satisfied of the truth of such complaint it may make a School Attendance Order requiring the child to attend some certified school willing to receive him to be named in the Order.

Proceedings on disobedience to Order of Court for attendance at school are as follows—

(*a*) In the first case of non-compliance with the Order:

(i) If the parent of the child does not appear, or appears and fails to satisfy the Court that he has used all reasonable efforts to enforce compliance with the Order, the Court may impose a fine not exceeding, with costs, twenty shillings.

(ii) If the parent satisfies the Court that he has used all reasonable effort to enforce compliance, the Court may order the child to be sent to an approved school.

(*b*) In the second or any subsequent case of non-compliance with the Order, the Court may order the child to be sent to an approved school. The Court may, further, in their discretion, inflict a fine, or they may inflict a fine without ordering the child to be sent to an approved school, or may make an order for committal of the child to the care of a relative or other fit person.

An interim Order may be made in certain circumstances for the detention of the scholar in a place of safety for 28 days although the Order may be extended if necessary. (Children and Young Persons Act, 1938.)

OTHER PROVISIONS FOR EDUCATION

Vacation Schools, Vacation Classes, and Play Centres. The power of a local education authority includes power to provide vacation schools, vacation classes and play centres or other means of recreation for scholars during their holidays or at such other times as the local education authority may prescribe. Play centres are institutions which provide for the recreation and physical welfare, under adequate supervision, of children attending public elementary schools. For this purpose the local education authority may encourage and assist the establishment or continuance of voluntary agencies and associate with themselves representatives of voluntary associations for the purpose.

The powers of a local education authority include the power to aid by scholarships or bursaries the instruction of students over compulsory school age or for the training of teachers. The local authority may provide allowances for maintenance in connection with any scholarships awarded, and pay the cost of conveyance.

The local education authority may maintain any marine school, or any school which is part of, or is held in, the premises of any institution in which children are boarded.

Application to Children in Canal Boats. A child in a registered canal boat and his parents are deemed to be resident in the place to which the boat is registered as belonging. If the parent satisfies the local education authority that the child is actually receiving efficient instruction in the area of another authority, the first-named authority shall grant a certificate to that effect. Such certificate may be rescinded or varied. The Minister of Education has power to make regulations with respect to the form of certificates or pass-books as to attendance at school, to be used by children in canal boats.

TECHNICAL EDUCATION

Historical Review of the Development of Technical Education. The movement for the development in its modern form of technical education arose through the starting, by Dr. George Birkbeck, of classes for working men at Glasgow University in 1800. On his removal to London the classes were continued by his successor. Birkbeck continued the idea in London, with the result that Mechanics' Institutes were founded in most industrial centres. The Adult School movement was a further expression of the Sunday Schools before referred to.

Government grants-in-aid of Schools of Design were made in 1841, and in 1845 the Working Men's College was founded by Frederick Denison Maurice and that brilliant band of Christian Socialists who did so much to link up the learning of Oxford and Cambridge with the working classes. This was, in fact, a movement similar to the more recent one which has found expression in the Workers' Educational Association.

The first International Exhibition in 1851 resulted in the recognition of the inadequacy of our existing system to meet the advancing tide of foreign competition which was growing in all forms.

The Government School of Mines was established at Wigan; in the same year Owens College was founded at Manchester, and the Whitworth Scholarships were endowed.

The Department of Practical Art was founded in 1853; and the Department of Science added. These were handed over to the Education Department, which in 1856 obtained a Minister responsible to Parliament.

The second International Exhibition in 1862 resulted in a further development of voluntary effort in the interest of technical education. Included in this may be mentioned the Y.M.C.A.

under Sir George Williams, and the London Polytechnic under the inspiration of Quintin Hogg.

The City and Guilds of London Institute was incorporated in 1880. The City of London Parochial Charities Act, 1883, enabled the London Livery Companies to contribute funds for aiding technical education.

The Technical Education Act, 1889, was passed as the result of a Royal Commission, which had been appointed in 1881, and issued its report in 1884. This Act enabled certain local authorities to aid or supply higher education at a cost limited to a rate of 1d. in the £, later increased to 1½d.

The Local Taxation (Customs and Excise) Act, 1890, so far as relates to the assignment of a portion of the Excise Duty, popularly termed "whisky money," as a grant-in-aid of technical education, was repealed by the Local Government Act, 1929, the effect being that the grants discontinued are incorporated in the service grant for higher education.

The Education Act, 1902, provided that the work of technical education should be under the control of the local education authority for Part II of the Act, viz. the councils of every county or county borough.

Power to Aid Research. A local education authority for higher education may aid teachers and students to carry on an investigation for the advancement of learning or research in, or in connection with, an educational institution, and with that object may aid educational institutions.

ADULT EDUCATION

The Final Report of the Adult Education Committee of the Ministry of Reconstruction, 1918, contains, in reference to local authorities, the following proposals: The provision of a liberal education for adult students should be regarded by universities as a normal and necessary part of their functions. It is imperative that local education authorities should take a large and important place in the development of adult education. The increasing co-operation of local authorities is a vital need, and non-vocational adult education should be regarded as an integral part of their activities.

The committee recommend that each local education authority in Great Britain should be required to submit to the appropriate Central Department a separate scheme or schemes dealing with the provision of facilities for non-vocational adult education.

The Report commended the general establishment of non-vocational institutes as evening centres for the study of the humanities, co-operating with voluntary agencies and seeking to

establish new traditions. It urged co-operation with voluntary bodies in this connection, and suggested that social recreational activities should be a prominent feature, and that music, drama, dancing, and handicrafts should be an integral part of the programme of the institutes, while students' societies should be formed to participate in the work of the institute. It is recommended also that the local colleges foreshadowed by the Board of Education should be carried on in close co-operation with voluntary organizations, and that the study of the humanities provided at a local college should be the outcome of a demand formulated and organized by a body or bodies in close touch with possible students.

It is essential that local authorities should give substantial assistance to university tutorial classes, to courses of extension lectures, and to the salaries and expenses of resident tutors.

Scholarship schemes should be extended to include scholarships to summer schools and maintenance grants to adults to reside in a university or college for a shorter or longer period. Local authorities should also consider the desirability of contributing annually the proceeds of a penny rate to the provincial university with which they are most closely associated.

Local authorities should, where practicable, combine to establish an Adult Education Joint Committee within the area they jointly cover.

In April, 1921, the President of the Board of Education set up an Adult Education Committee to promote the development of liberal education for adults and in particular to bring together national organizations concerned with the provision of adult education; to further the establishment of local voluntary organizations for the purpose, and of arrangements for co-operation with local education authorities; and to advise the Board on any matters which the Board might refer to the committee. The committee have issued various Papers on subjects relating to Adult Education.

EDUCATION AND INDUSTRY

There is little doubt that the demand which is now so urgent for the linking together of education and industry was largely commenced by the Association of Teachers in Technical Institutions. For some time the Association had pressed upon the Board of Education the necessity of inquiring into the relationship of technical education to other forms of education and to industry. The Board was not prepared then to embark on the task, but had no objection to its being commenced by the Association. The latter, together with the other technical

associations (the Association of Principals of Technical Institutions, and the Association of Technical Institutions, 1923), drew together the chief professional and teaching bodies of the country (including the Federation of British Industries and the General Federation of Trade Unions) and commenced the work under the chairmanship of the late Rt. Hon. Lord Emmott.

THE EMMOTT COMMITTEE, 1927

The Emmott Committee was composed of representatives of practically all the important professional and teaching bodies in the country and the General Federation of Trade Unions. It was particularly powerful, since it included the Federation of British Industries.

It set out to inquire into the relationships of technical education to other forms of education and to industry. It stressed the brief period in which the world has passed from the non-scientific to the scientific age. It showed that the conditions of international trade, all in our favour in the Victorian age, had altered: mention is made of the effect of the War; the development of finance; the growing intensity of competition in foreign markets; the organization of salaried experts and graded stratification of subordinates which have in so many cases displaced the old family business tradition. "Quality," it said, "has been the basis of British trade, and in its earlier days technical education laid much emphasis on the training of the skilled workman. While quality remains, the search for markets and the growth of large organizations point more to the dependence of success or failure upon the efficiency of men charged with management."

The inquiry produced a mass of information as to the work of technical and art schools; gave the views of local education authorities, and included a special report made by the Federation of British Industries as a result of a special inquiry made by the Federation among its members. Finally, it asked the Board to accept its findings as strong evidence for a very much wider and deeper inquiry than had previously been made. When its report was presented the President of the Board of Education issued his reply, in which he adumbrated his future policy which included the establishment of two Committees of Inquiry into Engineering and Salesmanship. These Committees duly presented their Reports.

Co-ordination of Results of these Committees. The President of the Board of Education stated that he would decide on his policy when he had before him at least the results of the Hadow, the Malcolm, and the Emmott Committees.

These reports were finally placed before the Minister, and he outlined his policy as mentioned above.

Meanwhile the Consultative Committee of the Board of Education was completing its survey of the education of the adolescent.

In 1926 a committee was appointed by the President of the Board of Education and the Minister of Labour, under the chairmanship of Mr. Dougal Malcolm—

"To inquire and advise upon the public system of education in England and Wales in relation to the requirements of trade and industry, with special reference to the adequacy of the arrangements for enabling young persons to enter into and retain suitable employment."

The terms of reference thus fell into two distinct parts, of which it was most convenient to deal first with the questions arising out of the latter part. It is with this portion of the inquiry that the report, which was issued in 1927, dealt.

Chapter I of the Report opens with a brief history of the steps which led up to the existing position. That position, briefly, was the existence of a dual system which divided responsibility between the Ministry of Labour and such local authorities as avail themselves of powers conferred upon them by the Education (Choice of Employment) Act, 1910. Thus, choice of employment and unemployment insurance might be administered by an education authority receiving grants from the Board of Education for the former duties and from the Ministry of Labour for the latter; or both services might be conducted by the Ministry of Labour through their officers or local juvenile advisory committees. With this dual arrangement the committee did not seriously quarrel. Indeed it considered that local option in the matter should be continued.

But while no drastic changes were recommended in regard to local administration, the committee was very definitely of opinion that one Government Department should be ultimately responsible for the whole service. This was expressed in a recommendation, to which there was one dissentient.

"The present system under which the responsibility for the administration of Choice of Employment and Unemployment Insurance for juveniles is shared by the Board of Education and the Ministry of Labour should be terminated, and the Ministry should assume central responsibility for the two services."

With regard to the suggestions for improving the existing system, the following are selected from the thirty-four recommendations made—

(*a*) A National Advisory Council for Juvenile Unemployment to be set up.

(*b*) The statistics now periodicaly compiled to be amplified.

(*c*) Closer co-operation between neighbouring areas in regard to placing juveniles.

(*d*) Psychological test to be encouraged provided skilled investigators are available.

(*e*) Closer co-operation between statutory committees and voluntary organizations concerned with the welfare of juveniles.

(*f*) "While the raising of the school-leaving age to 15 and ultimately to 16 would remove the existing difficulties as regards unemployed juveniles of 14 and 15, the change, if made, should be for educational and social rather than industrial reasons."

(*g*) Organization of classes for unemployed juveniles.

(*h*) Necessary legislation to give effect to a scheme of working certificates, under which, before engaging juveniles who have passed school-leaving age and are under the age of entry into unemployment insurance, employers would require them to produce a working certificate, and which would make it compulsory on every juvenile seeking employment to attend a Juvenile Unemployment Centre when required to do so.

(Another recommendation dealt with an alternative in case that regarding working certificates proved unacceptable.)

(*i*) Inquiries should be instituted into the possibility of transferring juvenile labour from one area to another and into the question of providing trade training for unemployed juveniles.

A Second Report was issued in 1928 giving the findings of the committee on the public system of education in relation to the needs of trade and industry.

This is a report of considerable importance. It made quite clear that "authoritative industrial opinion does not want specialized vocational training." It recognized the work of junior and senior technical schools, and said that not only should the former be "retained in any new post-primary system," but should act as models for modern schools with a bias toward particular kinds of employment. Further, "well considered experiments should be conducted in the establishment of junior technical schools for industries other than those . . . for which they now prepare." The importance of the schools was doubtless so cordially recognized because employers have learned to regard them so highly that there is never difficulty in placing their pupils, when conditions are normal, and because their curricula are made very liberal, while recognizing the need of linking subjects to study to the scientific and industrial needs of the day. The committee also saw that more secondary school pupils should be absorbed by industry, but directed the attention of industrialists to the difficulty of cases where the age to enter into apprenticeship is lower than the minimum leaving age of 16.

Finally, the committee saw that essential factors of the problem of linking education and industry are to be found in the fact that "Education is organized on the basis of local government areas; industry, in the main, nationally; and trade and commerce, in the main, locally."

These are real difficulties and will be brought out still more clearly as a result of local inquiries which the Board of Education have made. The committee wisely thought that "the Board should establish a small special body representative . . . of employers, workers, local education authorities, and teachers to undertake national negotiations; to inform trade and industry of the educational system; to assist trade and industry in the formulation of their views . . . to consider with education authorities how far these views can be met."

The work commenced by the Emmott and Malcolm Committees has been vigorously pursued, and presents probably the most striking phenomena in modern education. Since then Committees on Engineering and Salesmanship have been set up by the Government and have presented their Reports.

The interdependence of countries in this matter has been shown by special visits of Board of Education Inspectors to study methods adopted in Belgium, Sweden, Holland, and Germany to harmonize industrial and commercial needs to their satisfaction by school and colleges. Absorbing reports on technical education on the Continent have been issued in addition to many Board of Education booklets on special aspects of industry and commerce. The Manchester City Council sent a deputation to Europe, and published a Report on Higher Technical Education in Europe. In connection with the Centenary of Belgian Independence in 1930, a Conference on Technical Education was held at Liége at which twenty-two countries were represented, The English delegation was composed of A. Abbott, C.B.E., H.M. Chief Technical Inspector (representing H.M. Government), A. E. Evans, B.Sc., President of the Association of Teachers in Technical Institutions, J. Wickham Murray, M.A., the Secretary, and Stanley Price, M.A., Yorkshire Council for Further Education.

Further Conferences, arranged by the body now set up to deal with technical education, viz. the Bureau International de l'Enseignement Technique (2 Place de la Bourse, Paris), have been held in Brussels, Paris, Barcelona, Rome, and Berlin, and an International Bureau on Technical Education has been set up in Paris. The British Government is a supporter of the Bureau.

REPORTS OF THE CONSULTATIVE COMMITTEE

The Consultative (Hadow) Committee of the Board of Education considered several problems connected with the administration of education in recent years. The first, published in 1927, dealt with the education of the adolescent and advised the re-grading of Higher Education of Childhood.

1. Primary Education: Education of Childhood.

2. Post-primary Education: Education of Adolescence—(*a*) Higher Classes. (*b*) Modern Schools (present Central Classes). (*c*) Grammar Schools (present Secondary Schools).

Subsequent Reports dealt with Primary Schools, Infant Schools and post primary education (excluding secondary schools).

INFANT AND NURSERY SCHOOLS

The Third Report of the Hadow Committee was published in December, 1933, under the title of "Infant and Nursery Schools." This Report proposed a big step forward towards the proper organization of infant and nursery schools. The Committee considered that there is no good reason for modifying the existing law with regard to the compulsory attendance of children at school at the age of five. Where it is possible there should be separate schools or departments for children under the age of seven. There is optional power to provide for children from the age of two years.

THE EDUCATION OF THE ADOLESCENT

In January, 1928, the Report was issued of the Consultative Committee on the Education of the Adolescent, which had been presided over by Sir W. H. Hadow, C.B.E.

The committee were given the following terms of reference by the Board of Education on 1st February, 1924—

(i) To consider and report upon the organization, objective and curriculum of courses of study suitable for children who will remain in full-time attendance at schools, other than secondary schools, up to the age of 15, regard being had on the one hand to the requirements of a good general education and the desirability of providing a reasonable variety of curriculum, so far as is practicable, for children of varying tastes and abilities, and on the other to the probable occupations of the pupils in commerce, industry, and agriculture.

(ii) Incidentally thereto to advise as to the arrangements which should be made (*a*) for testing the attainments of the pupils at the end of their course; (*b*) for facilitating in suitable cases the transfer of individual pupils to secondary schools at an age above the normal age of admission.

It will be seen that these terms of reference laid upon the committee the responsibility of research into a question of wide application and of the greatest national importance, and the report issued after nearly three years of study and research furnished a basis for much-needed co-ordination and reform in our national system of post-primary education.

Elementary schools were framed to meet the conditions when the period of compulsory attendance at school was shorter, and the need for introducing more advanced instruction for the older pupils had therefore not arisen. The lengthening of the school age has necessitated reconsideration of the method of organizing educational provision from the age of 5 to that of 15 and over.

Experiments in reorganization have been made by many authorities, and the Report in effect surveys the experience thus gained, deduces certain general principles, and constructs a reasoned scheme of reorganization upon them for the guidance of those responsible for the administration of education throughout the country.

An important point to be decided was whether education was to be "successive" as in the United States of America, or "parallel" as in France.

The Report pointed out that of 2,943,822 children between 11 and 15, 221,373, or only 7·5 per cent, were in 1922–23 being educated in grant-aided secondary schools, junior technical schools, pupil-teachers' centres, and as rural pupil-teachers, in addition to about 10,000 in schools of art, technical classes, etc., and 107,565 in advanced classes in elementary (including central) schools. The number of children over 11 in the elementary schools who were not receiving "advanced instruction" in the meaning of the Education Act, 1921, was over 1,800,000, and the problem, in the view of the Committee, was to secure that facilities for post-primary education may be made available for as many of them as possible, and, further, that an increasing proportion of the children whose school life now ends soon after their fourteenth birthday may continue their full-time education until a later age. With reference to this latter point, one of the most important recommendations of the committee was that legislation should be introduced extending the school-going age to 15, the reform to take effect after a lapse of five years, i.e. from the beginning of the school year 1932.

The problem of providing full-time post-primary education for children between 11 and 15 years of age, who are not proceeding to "secondary" schools in the narrower sense of the word is neither new nor confined to England and Wales. The experience already gained as a result of the work done in central schools,

junior technical schools, and the senior classes of elementary schools justifies the conclusion that, both on educational and on social grounds, it is of urgent importance to ensure that, with due allowance for the varying requirements of differing pupils, some form of post-primary education should be made available for all normal children between the ages of 11 and 14, and as, soon as possible, 11 and 15. Progress must necessarily be tentative and experimental, but the objective—a universal system of post-primary education—should be held clearly in view, and the measures necessary to attain it should go steadily forward.

Primary education should be regarded as ending at about the age of 11. A second stage should then begin, and this stage, which for many pupils would end at 16, for some at 18 or 19, but for the majority at 14 or 15, should, as far as possible, be regarded as a single whole within which there will be a variety of types of education, but which will generally be controlled by the common aim of providing for the needs of children who are entering and passing through the stage of adolescence. Primary education is thus the education of childhood; secondary education the education of adolescence.

All normal children should go forward to some form of post-primary education. It is desirable, having regard to the country as a whole, that many more children should pass to "secondary" schools in the current sense of the term. But it is necessary that the post-primary stage of education should also include other types of post-primary schools, in which the curricula will vary according to the age up to which the majority of pupils remain at school, and the different interests and abilities of the children. In selecting post-primary schools, the course should be designed to cover the period from the age of 11 to that of 15. In non-selective post-primary schools, so long as the leaving age is 14, the course should be framed to cover the period from the age of 11 to that of 14, but provision should be made for the needs of pupils who remain at school to the age of 15.

A humane or liberal education is not one given through books alone, but one which brings children into contact with the larger interests of mankind. It should be the aim of schools belonging to the last three types to provide such an education by means of a curricula containing large opportunities for practical work, and closely related to living interests. In the earlier years the curriculum in these schools should have much in common with that provided in the schools at present commonly known as "secondary"; it should include a foreign language, but permission should be given to omit the language in special circumstances; and only in the last two years should a "practical" bias

be given to the courses of instruction provided. The object should be to teach ordinary subjects in a vocational manner, e.g. commercial geography.

At the age of 11, pupils from primary schools should normally be transferred to a different school, or, failing that, to a different type of education from that given to pupils under the age of 11; but provision should be made in exceptional cases for the transfer of children at a later age, provided that the course which they pursue after such transference lasts sufficiently long to be of value to them.

It is desirable that education up to the age of 11 should be known by the general name of primary education, and education after that age by the general name of secondary education, and that the schools mentioned above, all of which are concerned with the secondary stage of education, should be called by the following designations—

(i) Schools of the "secondary" type most commonly existing to-day, which at present pursue in the main a predominantly literary or scientific curriculum, to be known as "grammar schools."

(ii) Schools of the type of the existing selective central schools, which give at least a four years' course from the age of 11, with a "realistic" or practical trend in the last two years, to be known as "modern schools."

(iii) Schools of the type of the present non-selective central schools, with a curriculum on the same general lines as that of the modern schools just mentioned, and with due provision for differentiation between pupils of different capacities, also to be known as "modern schools."

(iv) Departments or classes within public elementary schools, providing post-primary education for children who do not go to any of the three previous types of schools, to be known as "senior classes."

Modern schools and senior classes should, as a rule, give a practical bias to the curriculum in the third or fourth year of the course. This bias should be introduced only after careful consideration of local conditions and upon the advice of persons concerned with the local industries. It should not be of so marked a character as to prejudice the general education of the pupils. Adequate provision should be made for the needs of such pupils as may gain greater advantage by following a more general course of study.

Adequate arrangements should be made for transferring children, who show ability to profit by "secondary" education beyond the age of 15, from modern to grammar schools at the

age of 12 or 13. Conversely, similar arrangements should be made for transferring pupils from grammar schools to modern schools, or to junior technical schools, as need may be.

Administration. In theory there are four main lines on which the local administration of education might be reorganized with view to improving the position of a secondary education in the broadest sense of the word—

(i) Legislation might be introduced abolishing authorities for elementary education only, and transferring all their powers and duties in respect of education to existing authorities for higher education.

(ii) Legislation might be introduced for transferring to authorities for higher education all the powers and duties of those authorities for elementary education only which are concerned with areas that do not reach a certain minimum standard of population, and vesting with full powers in respect of higher education those authorities which are concerned with areas that attain such a minimum standard.

(iii) Legislation might be introduced creating new provincial authorities in which the authorities for elementary education only and the authorities for higher education were merged together.

(iv) There might be further co-operation between existing authorities for elementary education only and authorities for higher education, with the object of securing by mutual agreement that the authority for higher education should be fully consulted before modern schools or other forms of provision for post-primary education were introduced by an authority for elementary education only.

The Committee recommended, therefore, as an interim arrangement for the immediate future, the general adoption of methods of co-operation between the two sets of local education authorities such as those suggested in (iv) of the Committee's recommendation.

The Committee recommended that at as early a date as possible legislation should be introduced for the transference to authorities for higher education of all powers and duties of those authorities for elementary education only which are concerned with areas that do not reach a certain minimum standard of population, and for the vesting of full powers in respect of higher education in those authorities for elementary education only which are concerned with areas that attain such a minimum standard.

Finally, the Committee recommended that consideration should be given to the question whether it may not be a desirable objective of educational development that provincial authorities

for education should be instituted, in which the authorities for elementary education only and the authorities for higher education shall both be ultimately merged.

YOUTH ADVISORY COUNCIL

In 1942, the President of the Board appointed a Youth Advisory Council under the Chairmanship of Mr. J. F. Wolfenden, Headmater of Uppingham. For the first time a single body functions containing representatives of all type of work among youths both professional and voluntary. Every local authority for higher education has a Youth Service Committee, and this Council becomes the central body for co-ordinating the various activities of those engaged in this work.

FLEMING COMMITTEE ON PUBLIC SCHOOLS

At the request of the Headmasters' Conference and the Governing Bodies Association of the Public Schools, a Committee was set up on the 2nd July, 1942, under the Chairmanship of Lord Fleming, to inquire into the possibility of extending facilities for boarding school education to those desiring to profit thereby irrespective of their means, and the initiation of representative meetings to review industrial and commercial training including the apprenticeship system. On the 7th November, 1942, the President of the Board requested the Committee to make a separate report on the Abolition of School Fees in Grant Aided Schools. The Committee reported in favour of the abolition of fees including fees in Direct Aided Schools. They recommended that the loss of income should be made up to the direct-grant schools in order to enable them to maintain their educational standard. Seven members of the Committee, including the Chairman, were unable to agree with the majority chiefly on account of the possibility of undermining the independence of these secondary schools. The principal reasons advanced by the majority for their decisions were that if every pupil was to receive the form of secondary education most suitable it must not be dependent on the parents' ability to pay for it, and also that children attending modern schools would be seriously handicapped if those schools had to compete for staffs and pupils with fee-charging schools.

McNAIR COMMITTEE ON RECRUITMENT AND TRAINING OF TEACHERS

In 1942 a Committe under the Chairmanship of Dr. (now Sir) A. D. McNair, Vice-Chancellor of the University of Liverpool, was appointed to investigate the question of the recruitment of

teachers and the appropriate methods of training them, including the supply and training of youth leaders. The Report is now under consideration of the Minister of Education.

LUXMOORE REPORT ON AGRICULTURAL EDUCATION

A Committee set up in 1941 under the Chairmanship of the Rt. Hon. Sir Arthur Luxmoore, Lord Justice of Appeal, issued its Report in April, 1943. The Committee recommended the setting up of a National Council for Agricultural Education to be charged with the duty of providing agricultural education and composed of representatives of the farming industry, the Ministry of Agriculture, the Board of Education, the Agricultural Research Council and the Universities. Instruction in agriculture should not be restricted to rural schools but provided equally in urban schools.

The Committee also recommended that the provincial and county advisory services which have for their object the improvement of the efficiency of those engaged in the agricultural industry should be formed into an unified national service.

These services should be financed wholly by the Exchequer.

On the 20th January, 1944, the Minister of Agriculture and Fisheries made a statement in the House of Commons, in which he said that the Government had decided to accept the Luxmoore Committee's recommendation with regard to the unification of the advisory services, but, having regard to the provisions of the Education Bill, then before Parliament, the provision of agricultural education would remain a function of the local authority, but in their capacity as a local education authority and on a mandatory basis instead of permissive as at present. The service will continue to be grant-aided through the Ministry of Agriculture. A joint advisory committee would be set up as permanent machinery by the Ministry of Agriculture and the Ministry of Education to advise on general educational policy and methods of training at farm institutes.

NORWOOD REPORT ON SECONDARY EDUCATION

The President of the Board of Education (the Rt. Hon. R. A. Butler) requested the Committee of the Secondary Schools Examination Council in October, 1941, "to consider suggested changes in the secondary school curriculum and the question of school examinations in relation thereto." The Chairman of the Committee was Sir Cyril Norwood, President of St. John's College, Oxon, and the Report was issued in July, 1873.

The Committee considered the purpose of secondary education to be to provide for the pupils' special interests and aptitudes by the kind of education most suited to them, and it should contain

both diagnosis and prognosis and special treatment adapted to the particular case. The curriculum should make provision "for satisfying the intellectual, aesthetic, spiritual and physical wants of the pupils, and must look forward to their needs as citizens and as workers with hand and brain in a society of fellow citizens and fellow workers. But personality is of great variety, differing both in kind and degree, so that the curriculum must be varied and flexible it it is to offer the nurture of the most benefit to each individual." As a special curriculum cannot be provided for each pupil it must be assumed that they have enough in common to justify certain groupings. Three main types of curriculum have appeared suitable. First, one which treats the various fields of knowledge as suitable for study for their own sake without consideration of future vocation. Second, one bounded by a near horizon clearly envisaged, therefore closely related to industry, trade, and commerce. Third, one providing a balanced training of mind and body and a correlated approach to the humanities, natural science and the arts varied enough to prepare pupils for the work of life. Existing secondary education already provides this variety by means of the special courses offered to pupils. The curriculum of existing secondary schools has been closely linked with the School Certificate Examination. Evidence shows that the Examination requirements cast their shadow over all secondary education, and this needs correcting. The curriculum has been expanded to meet such a variety of needs that the range of subjects is now too wide. Existing curricula, being based on the Grammar School tradition of a liberal education, has become outmoded by the great need for vocational studies. Although based on the assumption that the student will proceed to a University career, only a small percentage of pupils reach their objective and the others leave school ill-prepared for future life and work.

The "Form Master" tradition should be revived and introduced into all secondary schools. Study of English, art and handicrafts should be prominent and foreign languages should not be excluded, particularly Spanish and Russian.

The selection of children at the age of 11 for the appropriate secondary school will be based on the parents' wishes and the pupils' school records supplemented, if necessary, by intelligence or other tests. The school certificate examination system should be altered. The higher certificate examination should be abolished and its place taken by an examination without a syllabus at the age of 18. State scholarships should meet the full cost of University education and life according to parents' resources.

The Committee consider that some work of national importance should be undertaken by pupils during the six months' interval

between secondary school and University. Such work should have social and educational advantages and promote a sense of common purpose throughout the community.

The Committee recommended that greater encouragement should be given to research into educational matters.

IMPROVED ORGANIZATION

The latest type of elementary school contains a nursery playground for children under five, a completely furnished flat for training senior girls in housewifery, a prefects' room, a school library, a cinema, a pool for nature studies, a gymnasium equipped with changing rooms and shower-baths. In the sphere of post-primary education, many small units might be closed by providing transport facilities to reach improved schools.

WIRELESS

The newest of educational instruments is the "wireless," and already the evidence of the vast educational work done in this way is overwhelming. The British Broadcasting Corporation have not been slow to discover the enormous influence of broadcasting in education of all kinds.

It set up definite machinery: the Council for School Broadcasting. The Chairmen of this Council have included The Rt. Hon. Lord Eustace Percy and Dr. Vaughan, and the present Chairman is Sir Henry Richards, late of the Board of Education.

The council is subdivided into various committees, which prepare educational policies and programmes of talks to organized listening groups, etc., and to schools.

The Council's organ is *The Listener*, which devotes a great deal of its space to the reproduction of talks.

FILMS

Films, too, have become a potent instrument. The British Film Institute incorporates educational opinion of all descriptions. It exists to encourage the rise and development of the cinema as a means of entertainment and instruction. It was incorporated on 30th September, 1933. The Board of Governors has been so constituted as to give equal representation to the public interest, the cinema industry (in its three branches of producers, renters, and exhibitors) and educational and cultural interests.

The Commission on Educational and Cultural Films was established in November, 1929, at a conference of educational and scientific bodies. The following Government Departments are represented on the Commission, viz. Ministry of Education; Colonial Office; Scottish Education Office; Ministry of Agriculture and Fisheries; and the War Office.

COMMUNITY CENTRES

In December, 1944, the Minister of Education published a report recommending a large-scale development of community centres on a neighbourly basis where both sexes of all creeds and political opinions could meet for social, educational and recreative purposes.

The Minister issued simultaneously to local education authorities Circular 20 intimating that the provision of community centres would come within the scope of the education service administered by those authorities. Other local authorities retain power to provide centres for athletic, social and educational objects under the Physical Training and Recreation Act, 1937. Housing authorities retain their power of providing centres, but these should be exercised in consultation with the local education authority.

The powers of local education authorities under the Education Act, 1944, include the provision and structural maintenance of buildings for these purposes and approved expenditure thereon ranks for grant from the Ministry. Members should be required to make the maximum contribution compatible with their means in the form of a small enrolment fee and specific payments for the use of the facilities provided with a view to making the centres as self-supporting as possible.

To meet the social and cultural needs of a neighbourhood in this way fosters a sense of community. The activities which may be provided include bowls, tennis, whist drives, social evenings, classes for dressmaking, mending, first-aid and nursery, music, drama, and as the centre develops, lectures on such subjects as economics and international relations. A good canteen should be provided. To serve a population of 15,000 to 20,000 a building to hold 500 is required. The provision should include a large hall with stage and dressing room, gymnasium, a small hall, a large common room, kitchen, craft rooms (2), games rooms, quiet rooms (3), and a library and reading room.

A centre serving 2,000 families requires a well-qualified, properly trained, adequately paid, full-time warden. Larger centres require additional staff, paid and voluntary. On a large new housing site a hostel for resident workers might be provided. A caretaker would be needed for every centre.

To control the centres a community centre sub-committee of the education committee is recommended, although the government of individual centres should be left, largely, to a management committee of members.

CHAPTER IX

THE CHILD

MATERNITY AND CHILD WELFARE

THE loss of life caused by two Great Wars has turned the attention of all thinking people to the problem of rebuilding the population (which is the real wealth of a nation) upon far saner lines than those of the past.

It cannot be too strongly emphasized that of every thousand babies born in this country 11 die in the first 24 hours, twice this number in the first week, and 36 in the first month. Forty-nine of every thousand die before reaching their first birthday. It is estimated that with proper attention and care at least half of these babies who now die every year could be saved.

It has been recognized for some years that work which is specially directed to reducing the mortality of infants and improving the health of expectant and nursing mothers and young children should form part of the public health work of local authorities, combining with it the social service of voluntary workers. The Midwives Act, 1902, laid it down that after 1905, no woman not certified under the Act should use the name of midwife and that, after April, 1910, no woman should habitually and for gain attend women in child-birth, other than under the directions of a qualified medical practitioner, unless she were so certified. The Central Midwives Board was established. Even before the passing of the Notification of Births Act, 1907, local authorities had begun to appoint health visitors to give advice as to infant care and management, and to inquire into the sanitary condition of homes in which births had occurred, and by March, 1914, about six hundred officers were employed by them. In that year what was then the Local Government Board were authorized to make a grant in aid of the expenditure of local authorities and voluntary agencies in respect of institutions or other provisions for maternity and child welfare. This grant, which was 50 per cent of the net approved expenditure of the local authorities, gave a great impetus to the work. Under the provisions of the Local Government Act, 1929, these percentage grants were discontinued and incorporated in the General Exchequer Contribution. The Minister continues to pay grants for the training of midwives and health visitors, and the increased cost of new expenditure on the domiciliary midwives service.

In June, 1917, the Industrial Women's Organizations framed the following requirements which still hold good and cannot be allowed to fall out of sight—

1. That it be made compulsory on public health authorities: (*a*) to establish maternity committees; (*b*) to adopt a scheme, suitable to their locality, making adequate provision for the health of mothers (including treatment as well as advice) before, at, and after confinement, and for children up to school age.

2. That the powers of local health authorities should be extended so as to enable them to provide dinners and milk for mothers and young children and any other developments deemed desirable in the interests of maternity and sanctioned by the Local Government Board (now Ministry of Health).

3. That steps should be taken to enable local health authorities to supply pure milk at a cost within the reach of all classes.

4. That a Ministry of Health based on the public health work of the Local Government Board, with a Maternity Department, partly staffed by women, should be immediately created.

Maternity and Child Welfare Act, 1918. This Act widened the powers of local authorities in the matter of maternity and child welfare. It enabled them to make such arrangements as might be sanctioned by the Ministry for attending to the health of expectant mothers and nursing mothers, and of children who have not attained the age of five years, and are not being educated in schools recognized by the Ministry of Education. The Act was repealed and the provisions re-enacted in Part VII of the Public Health Act, 1936.

WELFARE AUTHORITIES. The welfare authority in a county borough is the council and in a county district is the county council, or the district council if it was the local authority for the Notification of Births Act, 1907 and 1915, immediately before the passing of the Public Health Act, 1936.

MATERNITY AND CHILD WELFARE COMMITTEE. Every welfare authority must appoint a Maternity and Child Welfare Committee. This committee may be specially appointed for this purpose or may be an existing committee, and it must include at least two women. Subject to two-thirds of the members of the committee being members of the local authority, persons specially qualified by training or experience in subjects relating to health and maternity, who are not members of the local authority, may be appointed as members of the committee. The committee may also appoint sub-committees, consisting wholly or partly of members of the committee. The Minister of Health considers that it is important that women of the working class should be represented on the committee.

In order to encourage the extension of the services, the Minister of Health extended the scope of grant-earning expenditure to include—

(*a*) Hospital treatment for children up to five years of age.
(*b*) Lying-in homes.
(*c*) Home helps.
(*d*) The provision of food for expectant and nursing mothers and for children under five years of age.
(*e*) Crèches and day nurseries.
(*f*) Convalescent homes.
(*g*) Homes for the children of widowed and deserted mothers and for illegitimate children.
(*h*) Experimental work for the health of expectant and nursing mothers and of infants and children under five years of age.

As a general rule, county councils have adopted comprehensive schemes for all the districts in their counties, except those which, by reason of their population and number of births, can properly form separate units for these services. Some smaller districts are still carrying on separate schemes, but the most advantageous course usually lies in the amalgamation of these schemes with the county scheme, and the local authorities of many of the smaller districts have agreed to amalgamation and are co-operating with the county council in this work. Where this has occurred the county council have generally continued the work of the local sanitary authority with the staff previously employed by the smaller authority, and have availed themselves of the assistance of that authority and of their Medical Officer of Health in carrying it out.

The work to be done is of a composite character, and, while some parts of it may in certain cases be satisfactorily undertaken by the smaller authorities, other parts should be undertaken by the county council, and it is, therefore, desirable that the council of the smaller county district should in all cases consult the county council before considering the provision of separate services.

Where the county council are not the welfare authority for all the county districts within the county, the expenses incurred are special expenses chargeable only upon those county districts for which they are the welfare authority.

The provision of crèches, day nurseries, and convalescent homes has been expedited under these provisions. There were extended to England and Wales powers previously exercised in Scotland and Ireland, which is a step forward in public health reform.

Notification of Births. The Public Health Act, 1936, requires

notification of births to be made by the father or other person in attendance or mother within thirty-six hours to the medical officer of health of the council who are the welfare authority for the area in which the birth takes place (Sect. 203).

Expectant and Nursing Mothers. A welfare authority is authorized to make arrangements for the care of expectant and nursing mothers, and of children who have not attained the age of five years and are not being educated in schools recognized by the Ministry of Education (Sect. 204).

The Employment of Women in factories or workshops within four weeks after child-birth is prohibited (Sect. 205).

The Midwives Act, 1926, imposed a fine of £10 for acting as a midwife without a certificate except in the cases of sudden or urgent necessity or training purposes. Where a midwife is suspended, for causes not brought about by her own default, compensation is payable by the local authority. The local authority may pay the expenses of attendance and arrange to recover the cost by instalment repayments from the patient.

The Local Government Act, 1929, Sect. 101, provides that it shall be the duty of the council of every county (other than the County of London) and of every county borough six months at least before the beginning of each fixed grant period to prepare and submit to the Minister of Health for his approval, a scheme for securing the payment by the council of annual contributions towards the expenses of voluntary associations, if any, providing maternity and child welfare services in or for the benefit of the county or county borough. This was necessary because the grants formerly paid directly by the Minister were discontinued and incorporated in the General Exchequer contribution. Sect. 60 provided that where any services were provided by a council which is not a local education authority for the district the Minister, by Order, might transfer the service to the council being such local education authority. Sect. 62 provides that the council of any district having a Maternity and Child Welfare Committee and employing a full-time medical officer of health may apply to the Minister to be made the local supervising authority under the Midwives Acts, 1902 and 1926.

The Nurses Registration Act, 1919, established a General Nursing Council. This council must compile a Register of Nurses, consisting of a general register and a supplementary register for male, mental, and sick children's nurses. The Council must draw up rules with regard to the register, including the conditions of admission. These rules must first be approved by the Minister of Health. The unlawful assumption of the title of registered nurse is subject to penalties.

THE MIDWIVES ACT, 1936

The Midwives Act, 1936, has for its object the securing of an adequate midwifery service in every area under the control of the Local Supervising Authority, who may act through voluntary associations or set up a municipal service.

Compensation must be paid to midwives who retired voluntarily before 30th July, 1939, or who are retired by the local authority owing to age and infirmity.

Scales of fees must be fixed for the service of midwives and such fees recovered from the patient or her liable relatives if able to pay.

The local authority or nursing association must provide courses of instruction for practising midwives. The Central Midwives Board have now promulgated revised Rules relating to the training and examination of midwives which have been approved by the Minister of Health.

ABORTION

In 1939, the Report was issued by the Inter-Departmenta Committee of the Ministry of Health and Home Office.

CHILD LIFE PROTECTION

Part I of the Children Act, 1908, dealt with Infant Life Protection, repealing the Infant Life Protection Act, 1897, and re-enacting it with additions. It has been amended by Part V of the Children and Young Persons Act, 1932, which was framed to give substance to the recommendations made in the third Report of the Child Adoption Committee. It was left outstanding by the Children and Young Persons Act, 1933.

The Public Health Act, 1936, Part VII, has repealed the former provisions and re-enacted them with minor amendments.

The Central Administration of this part of the Act was handed over to the Ministry of Health by Order in Council as from 1st July, 1919.

The local authorities, since 1st April, 1930, are the councils of counties and county boroughs who appoint Child Protection Visitors, and, in addition, or in lieu thereof, may authorize persons, male or female, to exercise the powers voluntarily (Sect. 209). The visitors must satisfy themselves as to the proper nursing and maintenance of the infants, and advise and give directions as to their treatment. Amendments in the Second Schedule to the Act of 1932 provide that where one person only is so appointed or authorized, that person shall be a woman, and if two or more persons are so appointed or authorized, one of them shall be a woman.

Persons receiving one or more children under the age of nine years to nurse for reward are required to give notice to the local authority within forty-eight hours (Sect. 206).

The penalty for not giving notice is imprisonment not exceeding six months, or fine not exceeding £25, together with the forfeiture of lump sum (if any) paid, or such less sum as the Court may deem just.

Overcrowding of Children under the age of nine years who may be kept in any dwelling, is to be prevented by the welfare authority fixing the maximum numbers and imposing conditions to be complied with so long as the number of children kept in the premises exceeds a specified number (Sect. 211).

On the complaint of the local authority a Court of Summary Jurisdiction may make an order directing the removal of infants kept in unsuitable premises, or by unsuitable persons.

It is unlawful to publish any advertisement indicating that a person whose name and address is not disclosed will undertake, or will arrange for, the nursing and maintenance of an infant under the age of nine years.

No person having care of a child for reward has an insurable interest in the life of such child under the Assurance Companies Acts. This is an entirely new provision, which had never before received the attention of the legislature.

This provision was, however, in force for many years in respect of children boarded-out by Poor Law Authorities; and was inserted in the Orders made under the Poor Law Acts by the Local Government Board, notably the Boarding-out Children Order, 1911; and by the Minister of Health in the Public Assistance Order, 1930.

NURSERY SCHOOLS

The power to establish or aid nursery schools was first given to local education authorities by the Education Act, 1918. The object in view is a well-conducted nursery, and medical inspection and treatment are matters which receive particular attention. Provided these schools are open to inspection by the local education authority, and at least one of the managers is appointed by them, grants will be made by the Ministry of Education. Some local authorities prefer to place these schools under the control of the Maternity and Child Welfare Committee.

The Education Act, 1944, requires local education authorities to have regard to the need for securing that provision is made for pupils who have not attained the age of five years by the provision of nursery schools or nursery classes in other schools (Sect. 8 (2)).

PREVENTION OF CRUELTY TO CHILDREN AND YOUNG PERSONS

Part I of the Children and Young Persons Act, 1933, in which is consolidated Part II of the Children Act, 1908, as amended by the Children and Young Persons Act, 1932, is concerned with the Prevention of Cruelty to Children and Young Persons and Exposure to Moral and Physical Danger.

For the purposes of the Children and Young Persons Act, 1933, the expression "young person" means a person who has attained the age of fourteen years and is under the age of seventeen years.

The local authority in respect of a child is the local education authority; and, for other purposes, the council of the county or county borough.

A local authority or a Poor Law authority may institute proceedings under Part I of the 1933 Act for any offence in relation to a child or young person.

The pioneer movement in this connection was made in Liverpool by prominent Nonconformists, including Roman Catholics. It resulted, in 1881, in the formation of the first Society for the Prevention of Cruelty to Children, the Chairman of which was Mr. Frederick Agnew. This was the basis of the National Society founded in 1884 by the Rev. Benjamin Waugh. In the same year the Liverpool Corporation framed by-laws under Section 23 of the Municipal Corporations Act, 1882, under which no child under the age of 13 could sell anything in the streets after 9 p.m. in the summer, or 7 p.m. in the winter, and no child under 9 could sell at all. In 1889 the first Prevention of Cruelty to Children Act was passed, followed by an amending Act in 1894. In the following year Liverpool established, during the Lord Mayoralty of Alderman W. H. Watts, the Police-aided Clothing Association, to provide clothing for poor and destitute children selected by the police. In 1897 the question was again under the consideration of a Special Committee, and in 1898 Liverpool obtained a private Act of Parliament which prohibited children under 11 years of age from trading in the streets. All boys under 14 and all girls under 16 were to be licensed, and no child could trade after 9 p.m. They were to be properly clothed, must not obstruct passengers nor enter a public-house. The last-mentioned provision was inserted by the House of Lords. In 1902 further recommendations were approved and embodied in a Bill which became the Employment of Children Act, 1903, a general measure which did not, however, contain many of the sections of the Liverpool Act, and was not, therefore, a success. In 1904 the Prevention of Cruelty to Children Act was passed, amending and consolidating the previous Acts.

By the Children Act, 1908, the Act of 1904 was in certain particulars repealed with amendments and additions. These provisions are now incorporated in Part I of the 1933 Act and include the following—

Provision is made for the punishment of any person who has attained the age of 16 and who is guilty of cruelty to any children or young persons under that age, including direct ill-treatment, assault, abandonment, or exposure (Sect. 1).

It is made penal to cause the death of infants by suffocation by persons over 16 years.

Other offences in relation to children and young persons include allowing them to beg, or under any pretence of singing, playing, performing, offering anything for sale, or otherwise asking or receiving alms (Sect. 4).

Punishment is provided for any person for allowing children to reside in or frequent a brothel (Sect. 3).

If any person having the custody or care of a girl under the age of 16 causes, or encourages, or favours the seduction or prostitution of or unlawful carnal knowledge of or the commission of an indecent assault upon such a girl, he shall be guilty of a misdemeanour (Sect. 2).

If any person gives, or causes to be given, intoxicating liquors (except for medicinal purposes or urgent cause) to children under the age of 5 years, he is liable to a fine not exceeding £3 (Sect. 5).

If the holder of a licence allows children under 14 years in the bar of the licensed premises, except during the hours of closing, he shall be liable to a penalty of £2 for the first and £5 for every subsequent offence (Sect. 6).

The sale of tobacco or cigarette papers to a person apparently under the age of 16 is forbidden, unless he happens to be in the employment of a tobacco firm, or is a boy messenger in uniform employed by his company to make such purchases.

The sale of tobacco in any other form is likewise forbidden, except that the seller will not be guilty of an offence if he did not know and had no reason to believe that the tobacco was for the use of the person to whom it was sold.

It is made the duty of a policeman and of a park-keeper being in uniform to seize any tobacco or cigarette papers in the possession of any person apparently under 16 years of age whom he finds smoking in any street or public place.

If it can be proved to the satisfaction of a Court of Summary Jurisdiction that any automatic machine for the sale of tobacco kept on any premises is being largely used by persons apparently under the age of 16, the owner of the machine or the person on

whose premises the machine is kept may be ordered either to remove the machine or to prevent its being used as may be specified in the Order (Sect. 7).

Marine store dealers and traders of that class are prohibited from the purchase of old metal from any person apparently under 16 years of age (Sect. 9).

If a pawnbroker takes any article in pawn from any person apparently under 14 years (in London and Liverpool under 16 years of age) he will be guilty of an offence against the Pawnbrokers Act, 1872 (Sect. 8).

If a child under 7 loses its life by being left in a room containing an open fire grate, not sufficiently protected, the person who has charge of it is liable to a fine not exceeding £10 (Sect. 11).

Penalties are imposed for failing to provide for the safety of children attending entertainments where the number exceeds 100 (Sect. 12).

Any constable may take into custody without warrant any offenders under the First Schedule of the Act; or any person whom he has reasonable grounds for believing has committed such an offence (Sect. 13).

The Secretary of State may cause to be visited and inspected by persons appointed by him, any institution supported by voluntary contributions for the reception of poor children or young persons. These visitors may be voluntary.

EMPLOYMENT OF CHILDREN

Part VIII of the Education Act, 1921, empowered the local education authority to act as Local Authority under the Employment of Children Act, 1903, which was repealed by the 1921 Act. Former provisions are repealed and re-enacted with minor modifications in Part II of the Children and Young Persons Act, 1933. They are now as follows—

Section 28 is repealed by the Education Act, 1944, which provides that for the purpose of this Part of this Act a person who is attending a school and who attains the age of 15 years during a school term shall not be deemed to cease to be a child until the end of that term.

Section 18 of the Act provides that:

(1) Subject to the provisions of this section and of any by-laws made thereunder, no child shall be employed—

(*a*) so long as he is under the age of 12 years; or

(*b*) before the close of school hours on any day on which he is required to attend school; or

(*c*) before 6 o'clock in the morning or after 8 o'clock in the evening of any day; or

(*d*) for more than two hours on any day on which he is required to attend school:

Provided that this subsection shall not prevent a child from taking part in an entertainment under and in accordance with the provisions of a licence granted and in force under this Part of this Act; or

(*e*) for more than two hours on any Sunday; or

(*f*) to lift, carry or move anything so heavy as to be likely to cause injury to him.

(2) A local authority may make by-laws with respect to the employment of children, and any such by-laws may distinguish between children of different ages and sexes, and between different localities, trade occupations and circumstances, and may contain provisions—

(*a*) authorizing:

(i) the employment of children under the age of 12 years (notwithstanding anything in paragraph (*a*) of the last foregoing subsection) by their parents or guardians in light agricultural or horticultural work,

(ii) the employment of children (notwithstanding anything in paragraph (*b*) of the last foregoing subsection) for not more than one hour before the commencement of school hours on any day on which they are required to attend school;

(*b*) prohibiting absolutely the employment of children in any specified occupation;

(*c*) prescribing—

(i) the age below which children are not to be employed;

(ii) the number of hours in each day, or in each week, for which, and the times of day at which, they may be employed;

(iii) the intervals to be allowed to them for meals and rest;

(iv) the holidays or half-holidays to be allowed to them;

(v) any other conditions to be observed in relation to their employment;

so, however, that no such by-law shall modify the restrictions contained in the last foregoing subsection, save in so far as is expressly permitted by paragraph (*a*) of this subsection, and any restriction contained in any such by-law shall have effect in addition to the said restrictions.

(3) Nothing in paragraph (*c*) or in paragraph (*d*) of subsection (1) of this section, or in any by-law made under this section, shall prevent a child from taking part in an entertainment under and in accordance with the provisions of a licence granted and in force under the provisions of this part of this Act.

POWER OF LOCAL AUTHORITY TO MAKE BY-LAWS WITH RESPECT TO EMPLOYMENT OF PERSONS UNDER 18 OTHER THAN CHILDREN.

Section 19 is as follows—

(1) Subject to the provisions of this section, a local authority may make by-laws with respect to the employment of persons under the age of 18 years other than children, and any such by-laws may distinguish between persons of different ages and sexes, and between different localities, trades, occupations and circumstances and may contain provisions prescribing:

(*a*) the number of hours in each day or in each week for which, and the times of day at which, they may be employed;

(*b*) the intervals to be allowed to them for meals and rest;

(*c*) the holidays or half-holidays to be allowed to them;

(*d*) any other conditions to be observed in relation to their employment.

(2) Nothing in this section shall empower a local authority to make by-laws with respect to—

(*a*) employment in or about the delivery, collection, or transport of goods, except in the capacity of van boy, errand boy, or messenger;

(*b*) employment in or in connection with factories, workshops, mines, quarries, shops, or offices, except in the capacity of van boy, errand boy, or messenger;

(*c*) employment in the building or engineering trades, except in the capacity of van boy, errand boy, or messenger;

(*d*) employment in agriculture;

(*e*) employment in domestic service, except as non-resident daily servant;

(*f*) employment in any ship or boat registered in the United Kingdom as a British ship or in any British fishing boat entered in the fishing boat register.

(3) This section shall not come into operation until such date as may be appointed by an Order of the Secretary of State, and the Secretary of State shall not make such an Order until a draft thereof has been laid before both Houses of Parliament and has been approved by resolutions passed in the same session of Parliament by both Houses. This Order has not yet been issued.

STREET TRADING

This includes the hawking of newspapers, matches, flowers, and other articles, playing, singing, or performing for profit, shoe blacking, and other like occupations carried on in streets or public places; and a person who assists in a trade or occupation carried

on for profit shall be deemed to be employed, notwithstanding that he receives no reward for his labour (Sect. 30).

Section 20 provides that—

(1) No person under the age of 16 shall engage or be employed in street trading—

Provided that by-laws made under this section may permit young persons who have not attained the age of 16 to be employed by their parents in street trading.

(2) A local authority may make by-laws for regulating or prohibiting street trading by persons under the age of 18, and by-laws so made may distinguish between persons of different ages and sexes and between different localities, and may contain provisions—

(*a*) forbidding any such person to engage or be employed in street trading unless he holds a licence granted by the authority, and regulating the conditions on which such licences may be granted, suspended and revoked;

(*b*) determining the days and hours during which, and the places at which, such persons may engage or be employed in street trading;

(*c*) requiring such persons so engaged or employed to wear badges;

(*d*) regulating in any other respect the conduct of such persons whilst so engaged or employed.

ENTERTAINMENTS AND PERFORMANCES

Restrictions are placed on children taking part in entertainments. A local authority may grant a licence for a child who has attained the age of 12 years and is residing in their area to take part in any specified entertainment or series of entertainments, subject to restrictions and conditions laid down by the Ministry of Education (Section 22).

On the other hand, licences for training juveniles to take part in or to be trained for dangerous performances under Section 24 may be granted by a Petty Sessional Court, not by local authorities. Power of entry to prevent breaches of by-laws is given in Section 28. Section 24 re-enacts the substance of the Dangerous Performances Acts, 1879 and 1897, which are repealed. Section 25 makes various amendments of the Children (Employment Abroad) Act, 1913, as amended by the Children (Employment Abroad) Act, 1930. The functions of local authorities under this Part consist mainly of making by-laws and granting licences.

The expression "Performance of a dangerous nature" includes all acrobatic performances and all performances as a contortionist.

Section 30 is repealed by the Education Act, 1944, which provides that for the purposes of this Part of this Act and of any by-laws made thereunder—

A person who is attending a public elementary school and who attains the age of 15 years during a school term shall not (except for the purposes of the provisions relating to employment abroad) be deemed to cease to be called a child until the end of that term.

DEFINITIONS

Section 107 provides that in this Act, unless the context otherwise requires, the following expressions have the meanings hereby assigned to them—

"Young person" means a person who has attained the age of 14 years and is under the age of 17 years.

"Child" means a person under the age of 14 years.

"Guardian" in relation to a child or young person, includes any person who, in the opinion of the Court having cognisance of any case in relation to the child or young person or in which the child or young person is concerned, has for the time being the charge of or control over the child or young person.

Penalties and legal proceedings in respect of general provisions as to employment are contained in Section 21.

As from the 1st January, 1921, it became illegal to employ any child under 14 in any industrial undertaking (as defined in the Employment of Women, Young Persons, and Children Act, 1920), unless the child was already so employed at that date.

HOMES SUPPORTED BY VOLUNTARY CONTRIBUTIONS

Part V of the Children and Young Persons Act, 1933, gives effect to the recommendations made by the third Report of the Child Adoption Committee in 1926 and provides for the registration and inspection of voluntary homes. The expression "voluntary homes" means any "home and other institution for the boarding, care, and maintenance of poor children or young persons, being a home or institution supported wholly or partly by voluntary contributions, but does not include any institution, house, or home certified or approved by the Board of Control under the Mental Deficiency Acts, 1913 to 1927, unless children or young persons who are not mental defectives within the meaning of those Acts are received therein." (Sect. 92.)

The Secretary of State must be notified of any voluntary home and must require the person in charge to send particulars with respect to the institution as may be prescribed. The Secretary of State may cause any such institution to be inspected from time

to time unless the institution is one which is, as a whole, otherwise subject to inspection by, or under the authority of, a Government department. If the Secretary of State is satisfied that the management or accommodation or the treatment of the children and young persons is such as to endanger their welfare he may serve on the persons responsible for the management of the institution such general or special directions as he thinks expedient for the welfare of the children or young persons in the institution. Where such direction is not complied with, a Court of Summary Jurisdiction may on complaint of any person appointed for the purpose make an order for the removal of all children or young persons from the institution. Any persons aggrieved may appeal to quarter sessions against such an order.

The Secretary of State may, with the consent of the council of any county, county borough, or county district, appoint officers of that council to conduct inspections on his behalf.

YOUNG PERSONS (EMPLOYMENT) ACT, 1938

This Act fills the last gap in the regulations of the hours of employment in unregulated trades and carries out the recommendations of the Departmental Committee set up for the purpose.

PROVISIONS UNDER OTHER ACTS

Under the Factories Act, 1937, there are other safeguards relative to women, children and young persons. (See Chapters XV and XVI, *post.*)

The Adoption of Children Act, 1938, was brought into operation on 1st June, 1943.

CHAPTER X

SUPERVISION OF THE ADOLESCENT

WHAT is said about the welfare worker for adults is equally true of the welfare supervisors of the adolescents, who have become an important factor in the industrial world. The supervisor is an official appointed by the management of the works, and his or her duty must be determined by the management. In a factory the boys and girls are part of the labour force, and are engaged, transferred, taught, and their careers watched, with a view to future promotion as part of good business.

THE SUPERVISOR'S POSITION

The position of the supervisor may be justified on many grounds. In the first place, he represents to the worker that relationship which should in some form or other exist between employer and employed, but which modern industrial conditions have made it difficult, if not impossible, to maintain.

However anxious an employer may be to know his work-people and to familiarize himself with their individual interests, conditions of labour often make it impossi . Under the stress of industrial organization the old direct contact between employer and employed has largely disappeared, and, even if such close relationships could still exist, it is open to question whether the time and energy of the management could profitably be diverted towards their maintenance from the important work of direction and control. Here, then, is the opening for the supervisor. He is appointed by the firm, not as an inspector for the management nor as a mere friend for the worker, but as an important factor in the business who will represent a humanizing influence in the industrial economy.

In the second place, the supervisor will unconsciously establish in the worker's mind a sense of continued supervision. The worker leaves school at the age of 14 or 15 and faces, without adequate preparation, the greatest crisis of his life. At an age when he is undergoing violent changes, both physical and mental, he is suddenly removed from the shelter of his school and from the influence of school discipline into the turmoil and complicated routine of a factory. What individuality he developed at school is lost, since he now becomes a mere unit in a vast crowd; he is

filled with a sense of bewilderment and unrest. The feeling of freedom does not come to him until he begins to handle his money, for it is only then that he realizes that he is a wage-earner, with a definite value in the family circle. He is now able to earn money for himself and is no longer dependent upon others for chance gifts. Up to now he has been used to supervision and is ready to accept it still, and the supervisor should regard it as one of his most important duties to see that such supervision is provided on the worker's entry into industry, and maintained, so that the best may be made of the worker's services in the present and of his possibilities as a worker and a potential citizen in the future.

The importance of this will be appreciated from the statement made in the Annual Report of H.M. Chief Inspector of Factories and Workshops for 1937, wherein it is recorded that over 16 per cent of the accidents happen to young persons, many of which would doubtless not have taken place if the boys and girls had been trained in the use of the machines.

RECREATION

While the more important duties of the supervisor will lie within the factory, his work will not be complete unless he studies the use which the workers make of their off time, and he will probably find it necessary to assist them to organize their recreation. In this connection the work will be far more valuable even than in the welfare work on behalf of the adult. He should therefore acquaint himself with the working and the scope of the various agencies—clubs, boys' brigades, scout troops, etc., existing in the district, and, where it is possible, he should endeavour to attach the boys to one or other of these. If local agencies, however, are unable to assist or are insufficient to deal with the boys under his charge, it may be possible for the supervisor to suggest to the management the provision of a club, or gymnasium, in connection with the works, where the boys could enjoy sane and healthy relaxation at the end of the day or during their spare time in the dinner-hour.

EDUCATION, ETC.

The supervisor should keep in touch with such agencies as After-Care Committees, and also with local education authorities. The importance of education, both general and technical, cannot be over-estimated as a factor of success in international competition, and the supervisor would do well to keep in mind the educational needs of his workers and the possibilities of meeting

them. The fullest possible use should be made of existing continuation or technical classes. Arrangements may be made for the payment of the cost of books and fees by instalments. Advice should be given as to the most suitable class and all arrangements made. Copies of school reports received should be sent to the head of the department and the board of directors. Adolescents are frequently engaged on mechanical processes calling for little manual skill and leading to no mental development. It is important to see that the worker does not merely mark time mentally, or, what is worse, allow such capabilities as he has developed to become atrophied. Some firms, by special concessions as to hours, have encouraged their workers to continue their general education or enabled them to obtain some skilled technical training. The actual arrangements for the provision of instruction should not, of course, rest with the supervisor, who should advise attendance, not enforce it, for the whole problem is one of considerable difficulty until attendance becomes compulsory throughout the country. The supervisor might, with advantage, arrange courses of lectures in first aid, hygiene, simple political economy, citizenship, etc. Prizes are often offered by firms for attendance and successes obtained in commercial schools and technical institutes.

HOURS OF WORK OF JUVENILES

In April, 1932, the National Advisory Council for Juvenile Employment (England and Wales) published their Fourth Report.

This Report contains the results of an inquiry made at the instance of Miss Bondfield, when Minister of Labour, into the employment of young persons under 18 "in occupations whose hours of employment are not at present limited by statute."

In carrying out the inquiry the assistance was sought of the Juvenile Employment Committees (Education) and the Juvenile Advisory Committees (Employment Exchanges) in the various areas, and there were three former inquiries which were used for purposes of comparison, those into hours and conditions of van-boys and warehouse boys in 1912 and 1913, and of the catering trade in 1929, and of shop assistants in 1930-31. The Committee appointed to consider the position of van-boys found that this was satisfactory in the case of railway employees, but that private companies and persons employed such boys for excessively long hours, cases being quoted of hours up to 100 per week.

That Committee recommended that powers should be given to local authorities to frame by-laws to regulate the employment of van-boys up to the age of 18, but so far the Liverpool Corporation is apparently the only one that has obtained such powers.

The recommendations made in the Report were—

1. That further steps should be taken to regulate the hours of employment of boys and girls in unregulated occupations.

2. That a maximum working week for such boys and girls should be fixed by Parliament (48 hours was suggested by a few members).

3. That powers should be given to local authorities to make by-laws prescribing shorter hours and additional conditions.

On the first recommendation the Council think that in most occupations the hours worked by the majority of boys and girls are not open to serious criticism, but the hours are sufficient to justify action. The longest hours given show that 708 errand boys (1 per cent), 167 van-boys (1·3 per cent), 93 petrol pump boys (4·8 per cent), and 105 ice cream sellers (boys) (17·4 per cent), were employed over 72 hours per week, including meal times and rest periods.

An appreciable proportion of the 127,000 juveniles dealt with in the returns were covered by the Shop Acts, and therefore subject to some regulation of hours, but "the maximum limit of hours for juveniles under those Acts is as high as 74 per week."

Among the "Observations" submitted was the following: "Although there has probably been some improvement in the general conditions of these occupations as compared with those prevailing before the War, the progress made has in our opinion been slow. It may be that with the diminishing supply of juvenile labour during the next few years, due to the low war-time birth-rate and the falling birth-rate in more recent years, boys and girls may be able to secure better conditions by the ordinary laws of supply and demand, but it must be remembered that the occupations in which those boys and girls are employed are not only unregulated, but also largely unorganized and outside the scope of collective action. The force of public opinion is in consequence slow to make itself felt, because the facts are difficult to discover and escape public attention. Boys and girls under the age of 18 are still in the formative stage of their lives. They should have leisure to devote both to continued education and to healthy recreation."

The majority of boys and girls, it is pointed out, were employed in subsidiary occupations, and it could not be claimed that some limitation of their hours of employment would have any appreciable effect on the cost of production or the competitive power of British industry.

A Minority Report drawn up by the five employers' representatives dissents entirely from the view of the majority of the Council, which is composed of representatives of local education

authorities, trade union representatives, and those of the teaching profession, and representatives of the London Advisory Council and Juvenile Advisory Committees.

It states that the grave national emergency demands that the whole energies of the nation should be concentrated on matters of urgent importance, and "does not permit of public effort, time and money being devoted to matters of this order."

"Nothing is more calculated to destroy a true perspective of our national difficulties than the fostering of an impression that this country can afford in these times to indulge in elaborating refinements to a system of social legislation which is already superior to that of any other country in the world."

JUVENILE ORGANIZATIONS COMMITTEE

The welfare supervisor, the probation officer, the juvenile employment superintendent, the after-care worker, the Sunday School teacher, and the club or brigade worker, all need to be aware of each other's activities and to co-operate. In particular, those various workers (should they not be acting in that capacity) should be in touch with the friendly visitor, who may be personally acquainted with the family, and, what is perhaps even more important, the friendly visitor should be aware of all these other forces, so that he or she may put in the right word at the right time. This requirement has resulted in the creation of the Juvenile Organizations Committee, with its local Committees.

Appointment of Committee. The Home Secretary, acting upon the suggestion made at a conference held on 23rd October, 1916, at the Home Office, of some forty representatives of boys' and girls' organizations, to discuss Juvenile Crime and possible remedies, appointed on 2nd December, 1916, a Standing Committee called the Juvenile Organizations Committee. This committee consisted of some sixteen persons connected with such organizations as brigades, scouts, girl guides, etc., under the chairmanship of Mr. C. E. B. Russell, of the Home Office. The purpose of the committee was "to consider (1) what steps can be taken to attract boys and girls to become members of brigades and clubs; (2) the possibility of transferring a boy or girl from one organization to another, when this seems desirable; (3) the steps to be taken to prevent overlapping of work; (4) the strengthening of weaker units; (5) the difficulty of obtaining officers; (6) difficulties in securing the use of school premises as club rooms or play centres; and (7) other matters relating to the effectiveness of clubs and brigades."

The Board of Education, after issuing early in December, 1916,

a short circular (No. 975), encouraging the local education authorities to afford facilities in their schools for the evening meetings of recognized boys' and girls' organizations, on the 19th January, 1917, took a step forward and issued their Regulations for Evening Play Centres (Cd. 8453) with an accompanying circular, No. 980. Under these regulations the Ministry of Education will make grants in aid of evening play centres, "which provide after school hours and on Saturdays for the recreation and physical welfare, under adequate supervision, of school children. The accompanying circular outlined a far-reaching and comprehensive scheme which, combined with the still more recent Medical Grant Regulations (Cd. 8473), Part III (which makes grants for the salaries of competent persons to organize and supervise the physical training of school children), may bring about almost an entire reconstruction of social work among children of school age. This, again, is a matter of considerable difficulty, for care must be taken to avoid the danger of the ex-army drill sergeant methods.

In 1920 the administration of the Juvenile Organizations Committee was transferred from the Home Office to the Ministry of Education, in order to meet the possible developments under the Education Act, 1921. The combined result of the action of the Board of Education and the Home Office has been the creation of local Juvenile Organizations Committees in various towns throughout the country.

Until the establishment of the Juvenile Organizations Committees there was practically no co-operation between the various organizations and forces at work. Bodies worked independently of each other. Little if any attempt appears to have been made by one institution even to recognize the work of another, much less to co-operate in its work or to strengthen it by mutual support. At times organizations appeared to work against each other. There seems little doubt that this lack of relation hindered the efficiency of the present activities and checked development.

In some instances (e.g. in the Girl Guides and Boy Scouts) members upon changing their residence were transferred from one branch of an organization to another. This practice did not obtain in all organizations, while the transfer from one organization to another was practically unknown. The situation became worse, because, owing to there being several different organizations, there was less likelihood of there being a branch of any one particular organization in any one particular place.

There was no body in a town responsible for seeing that organizations existed in each district. The initiative rested with individuals in the district. Someone in a locality felt something

should be done for an organization, heard from a friend or by some other means, and set it on foot, often regardless of its particular fitness for the locality. Some districts might be well supplied, others might be very short. In some places the scouts might be strong, in others a boys' brigade might be of importance.

When, after a temporary existence, an effort fell through, there was no central body to whom reports could be sent and who would take steps either to revive it or set up another organization in its place. Either it quite died out, or, after lying dormant for a year or two, another attempt was made to revive it locally. In this connection it may be noted that the local headquarters of brigades, scouts, etc., record the changes, but up to the present have been unable to do much more.

The Juvenile Organizations Committee is in no sense a body introducing forms of recreational activity for children and young persons in competition with existing agencies. The function of the Committee is to co-ordinate the activities of existing organizations for boys and girls and to extend their work. Co-operation is maintained with the Government Departments, the committees of the local authority, and other public or voluntary bodies caring for the social interests of young people. The Juvenile Organizations Committee at the Board of Education was dissolved and the work taken over by the National Fitness Council, and the situation is now completely altered.

Hours of Work of Juveniles. The National Advisory Council for Juvenile Employment (England and Wales) in their Fourth Report issued in April, 1932, submitted the result of an inquiry made at the instance of the Minister of Labour into the employment of young persons under 18 "in occupations whose hours of employment are not at present limited by statute." This is considered on page 181 *ante*.

CHOICE OF EMPLOYMENT

This subject first received statutory force by the Labour Exchanges Act, 1909, and the Education (Choice of Employment) Act, 1910. By the latter Act, as amended by the Education Acts, 1918 and 1927, and as now contained in the Unemployment Insurance Act, 1935, Section 81, it is provided that the powers of a local education authority include power to make arrangements, subject to the approval of the Minister of Labour, to give boys and girls under 18 years of age assistance with respect to the choice of suitable employment by means of collecting and communication of information, and the furnishing of advice.

This subject had also received the attention of the Employment Committees established under the Labour Exchange Act, 1909.

In many centres Juvenile Advisory Committees had been set up which, with the After-Care Committees, were undertaking similar functions to those of the Education Committees. In October, 1921, Lord Chelmsford was asked by the Government to inquire into the position. He reported in favour of the Education Authorities exercising their powers under the Choice of Employment Act, and taking over the general administration of the Unemployment Insurance Acts as they affect boys and girls under 18 years of age. Sect. 76 of the Unemployment Insurance Act, 1935, gives power to the Minister of Labour with respect to Courses of Instruction. Sect. 81 imposes duties in connection with the administration of unemployment insurance benefit claimed by any person under the age of eighteen years. Such an authority shall not after the 31st March, 1924, exercise their powers under Sect. 107 of the Education Act, 1921, except where such a scheme is in operation. An Order was issued in 1927 transferring the responsibility for the Choice of Employment Schemes from the Board of Education to the Ministry of Labour from 1st September, 1927. Since 1st September, 1934, instead of separate Grants for the two services, a single combined Grant of 75 per cent of approved expenditure on Choice of Employment and on administration of Unemployment Insurance has been made. The aggregate amount of Unemployment Insurance benefit paid out by Local Education Authorities is returned to them. (See S.R. & O., 1936, No. 333.)

The Chapters on Unemployment Insurance *post* give particulars of further provisions relating to the duties of local education authorities under the Unemployment Insurance Acts and the provision of authorized courses of instruction for unemployed juveniles under the age of eighteen years.

AFTER-CARE OR VOCATIONAL GUIDANCE

After-care work is undertaken either in connection with the work of the local education authorities, or by juvenile employment committees as described above.

The system of after-care visiting is intended to supplement the work of the juvenile employment exchanges by providing continuous help and supervision for children during the earlier years of their industrial career. In some areas the work is undertaken by voluntary workers. Each after-care helper is asked to undertake to see a certain number of children and to keep in touch with them until they are 18 years of age. It is desirable to encourage the visitor to accept one or more cases and to do it effectually. The helper should point out the advantages of skilled trades and the disadvantages of casual or blind-alley employment.

He or she should discourage unnecessary changes of occupation. The child's responsibility to the employer as well as his own interests may be emphasized in this connection. It is important also to encourage continued education, membership of some recreational institute or club, and to keep the child in touch with the Juvenile Employment Committee or Juvenile Advisory Committee. The essential feature of the relationship of the helper with the parent or child is that it should be entirely personal and unofficial.

Working Methods. The methods by which the after-care helper carries on the work of the after-care naturally varies with the particular circumstances of each case. The best introduction is probably a friendly visit to the home and a chat with the parent or guardian. It is of special importance that parents should be made to feel that any such visit is the outcome of a desire to be helpful and friendly, and that it is not in any way due to mere curiosity, or an official duty.

The helper is asked to keep in friendly touch with the child; and, if possible, to obtain from the child a promise that if difficulties arise or the work is uncongenial, the child will come and consult him before he gives notice to leave.

The helper is asked to make every effort to encourage the child to attend continuation and technical classes. It is especially important that the visitor should make a point of seeing the child just before the classes begin, usually in the autumn, and should urge the importance of joining them. Another visit is desirable after the Christmas vacation, when the interest of the child is apt to require stimulating.

The helper should report as to the child's progress at least twice a year. The report should include information as to the following points—

(*a*) General welfare, including home circumstances.

(*b*) Conditions of employment, wages, hours, etc., with note of any change.

(*c*) Continued education—the school attended or any special reasons for non-attendance.

(*d*) Any special needs which it may be within the power of the committee directly or indirectly to meet.

(*e*) Clubs (thrift, social or other) to which the boy or girl belongs.

In cases where the child is in an employment of a blind-alley type the helper should inform the Secretary of the Committee of this fact, so that every effort may be made to secure work of a more satisfactory character. If the child is out of work, information should be sent to the Secretary and the child should be urged to

re-register at the Juvenile Employment Exchange. If the child has left the district a report should be made to this effect, stating, if possible, the address to which he or she has moved. If the helper is obliged for any reason to give up a case, he should at once notify the fact to the Juvenile Employment Committee.

While it is of importance that the helper should keep himself informed as to the industrial progress of the child, it is essential that all negotiations with employers should be carried on through the Juvenile Employment Exchange.

In areas where the system of home visitation has not been adopted, the usual practice is to hold weekly meetings, called "Open Evenings," to which boys and girls who are in employment are invited at intervals to attend and report upon their progress in employment. These Open Evenings are usually conducted by members of the After-care Committee or the Juvenile Employment Committee assisted by the Juvenile Employment Officers. Parents are welcomed and frequently attend. This method has the advantage of securing that the young person makes contact with the Juvenile Employment Officer, whereas in the case of home visitation, it is not always possible for the visitor to see the juvenile unless the visit is paid in the evenings, and reliance must be placed upon what information the parent is able to impart.

CENTRAL AFTER-CARE COMMITTEES

The work of after-care varies in its detailed administration, but the following may be taken as typical of a large industrial and commercial centre.

All visitors form a Central After-care Committee, working directly with the Juvenile Employment Exchange. The secretarial work is carried on by Exchange officers, with possible help from "District Registrars." Economy of time and labour is thus effected and closer touch obtained between visitors and exchange.

Meetings of this Central Committee are held in the evening, at the Juvenile Employment Exchange, at intervals of one or two months.

The meetings are of a social character, with an address on a topic connected with after-care work or with industrial and educational questions. Visitors' reports are brought to the meeting, but are read only in cases of special difficulty. Reports on urgent cases are sent to the Juvenile Employment Exchange, without waiting for the general meeting of the visitors.

The Exchange refer to the visitors only those cases in which after-care is urgently required. For purposes of allocation to

visitors, these are divided according to wards, and grouped into three main districts, North, Central, and South, each under a District Registrar.

Representatives of Ward Juvenile Organizations Committees, Ward Personal Service Committees, Social Service Societies, or similar organizations, are invited to join the Central After-care Committee, as a link between these various organizations. The Central Care Committee is represented upon the Juvenile Employment Committee and the proceedings of the former are reported to the latter for approval.

A new emphasis has been lent to this work by the institution of the Juvenile Transference Scheme: Importing areas "after care" the juveniles from the supply areas.

CHAPTER XI

THE DELINQUENT

PART IV of the Children and Young Persons Act, 1933, deals with Remand Homes, Approved Schools, and persons to whose care children and young persons may be committed. The coming into force and full use being made of its provisions are claimed in the ten years' review of the Children's Branch of the Home Office published in January, 1938, as "the most important date in the recent history of the treatment of delinquent and neglected children of the country."

The Children and Young Persons Act, 1933, provides for children beyond the control of their parents, for refractory children in a workhouse, and for the enforcement of school attendance orders under the Education Act, 1944. The period of detention in an approved school must not be beyond the age of 16, while they remain under the supervision of managers until the age of 18. Children liable to be sent under the old Acts were those found wandering or not under proper guardianship.

REMAND HOMES

Places of detention which were so named under the Children and Young Persons Act, 1933, Sections 77 and 78, are now known as Remand Homes. These must be provided by every council of a county and county borough (Sect. 77). This provision supersedes Sect. 108 of the Children Act, 1908. To these Remand Homes a child or young person who is on remand or committed for trial may be committed (Sect. 77 (3)). A child or young person may be sent for punishment to these Remand Homes instead of to prison (Sect. 78 (2)). Such homes must be either specially established or the local authorities may arrange with the occupiers of already existing premises or institutions for their use. Grants are made by the Treasury on the Certificate of the Secretary of State towards the expenses of the local authority in respect of Remand Homes. Where a Remand Home cannot be provided it is considered that the cheapest method is in the use of voluntary homes, police officers' houses, or other similar arrangements.

The local authority may delegate the management of a Remand Home to the Local Education Authority. This removes the criminal taint from the institution and those sent there.

APPROVED SCHOOLS

The Children and Young Persons Act, 1933, also deals with the changes recommended by the Young Offenders Committee in the administration of the schools which were previously certified under the Children Act, 1908, for the training of neglected and delinquent children and young persons. Section 7 and the Fourth Schedule to the Act provide that, instead of the distinction between reformatory and industrial schools, there shall be one group of schools known as "Approved Schools," which are to be classified by the Secretary of State according to the needs and circumstances of the pupils. They must comply with the provisions contained in the First Schedule to the Act.

It is now provided that the normal period of detention in an approved school shall be three years, but that children sent to an approved school before reaching the age of 11 may be detained until they reach school-leaving age. In the case of young persons it is also three years, but not in any case till beyond the age of 19. The Home Secretary is empowered to order a further detention for six months for vocational training.

The Education Act, 1944, enables a Juvenile Court to send a child to an Approved School (a Certified Day Industrial School or a Certified Industrial School) on his failure to comply with a school attendance order (Sect. 43 (3)).

Historical. Ragged Schools were the first type of these institutions. In 1756 the Marine Society founded an institution for the protection of the children of convicts. In 1776 the Philanthropic Society were given charge of boys sentenced to transportation or long terms of imprisonment who had been granted a conditional pardon. In 1803 John Pounds founded a Ragged School at Portsmouth, followed by Dr. Guthrie, in Glasgow, the Rev. (afterwards Canon) Major Lester and Father (afterwards Monsignor) Nugent, in Liverpool. These efforts resulted in the establishment of certified schools throughout the United Kingdom.

Reformatory Schools. A Reformatory School meant a school for seniors, to which were sent for industrial training youthful offenders, being between the age of 12 and 16, convicted of an offence, punishable, in the case of an adult, with penal servitude or imprisonment, and who would have otherwise served a term in prison. In those schools the actual delinquents were lodged, clothed, fed, and taught. The period of detention was from three to five years, but could not continue after the delinquent had attained the age of 19. If under 19 on discharge the delinquent remained under the supervision of the school managers until 19 years of age. In 1854 the Young Offenders Act, providing for vagrants under 15, was passed, and the Home Secretary was

empowered to certify Reformatory Schools. In the same year the Redhill Farm Colony was founded by the Philanthropic Society. In 1856 the Reformatory and Industrial Schools Act was passed, which provided that young persons should not be sent to a school to which the parents objected if another was available. This was followed in 1866 by the Reformatory Schools Act, which repealed, consolidated, and amended the previous Acts. In 1893, Lord Leigh's Reformatory Schools Act raised the age from 10 to 12 and the term of admission from two to three years as a minimum. This Act was followed by the Reformatory Schools Act, 1899, which rendered it illegal to sentence a youthful offender to penal servitude. The Youthful Offenders Act, 1901, made certain regulations, tending to reduce the number of very young offenders sent to reformatories rather than to industrial schools, and gave powers to a Court to make an order on the parent or guardian for contribution to the child's support, which was enforced summarily "as an order of affiliation."

Industrial Schools. An Industrial School meant a school for juniors, in which industrial training was provided and children were lodged, clothed, fed, and taught up to the age of 14. Those schools were intended for children who may not actually have committed an offence, but whose circumstances were such that if left in their surroundings they were likely to join the delinquent population. The legislation relating to industrial schools commenced with the Young Offenders Act, 1854, which enabled a Sheriff or Magistrate to commit vagrant children, although they were not charged with an offence. The Industrial Schools Act, for England and Wales, 1857, provided that children above 7 and under 14, convicted of vagrancy, might be committed to a certified school. The inspectors were appointed by the Home Office. In 1860 and 1861 was passed the Consolidating Act, which enlarged the scope of the previous Acts. In 1866 the Industrial Schools Act was passed, which embodied most of the previous provisions, and by new regulations provided that a child under 14, being a destitute orphan, or with a surviving parent undergoing penal servitude or imprisonment, could also be sent to these schools. The age limit was raised from 15 to 16 years. A contribution order could be made on the parent or guardian as above, also enforceable "as an order of affiliation."

Day Industrial and Truant School. A Day Industrial and Truant School meant a school where the children did not reside, but where they received one or more meals per day, their elementary education, and a certain amount of industrial training. The system was introduced by the Elementary Education Act, 1876. The majority of these schools were owned and managed

by voluntary bodies. The responsibility of finding and bringing the children before the Court rested with the local education authority and the police.

Part IV of the Children Act, 1908, defined an Industrial School as a school for the industrial training of children in which children were lodged, clothed, and fed as well as taught. A Certified School meant a reformatory or industrial school which was certified in accordance with the provisions of that part of the Act. Children were committed by the Justices of the Peace who, in conjunction with the local authority, decided to which school the child should be sent. A Day Industrial School was a school in which industrial training, elementary education, and one or more meals a day, but not lodging, were provided. A Certified Day Industrial School was deemed to be a certified efficient school within the meaning of the Education Act, 1921. Section 170 (1) of that Act defined a Certified Efficient School as a public elementary school, a school certified by the Board of Education as suitable for providing elementary education for blind, deaf, defective, or epileptic children, and any workhouse school certified to be efficient by the Ministry of Health, and any public or State-aided elementary school in Scotland, and any national school in Ireland. It included also any elementary school not conducted for private profit, and open at all reasonable times to the inspection of His Majesty's inspectors, and required the like attendance for its scholars as is required in a public elementary school. Such a school was required to keep such registers of those attendances as might be for the time being required by the Board of Education, and was certified by the Board of Education to be an efficient school.

Part IV of the Children Act, 1908, dealt with Reformatory and Industrial Schools, and was the backbone of the whole Act. It repealed the existing Reformatory and Industrial Schools Acts and re-enacted them with amendments and additions.

Administration of Approved Schools. As already indicated, these schools are now known as "approved schools." An approved school is one approved as such by the Home Secretary. The local authority is, in the case of children, the local education authority; and in other cases the council of a county or county borough.

The approved schools of Great Britain are inspected by inspectors appointed by the Home Secretary. Both classes of schools are voluntary, and are established and conducted by private associations or local authorities. The schools are maintained by Treasury grants-in-aid on the recommendation of the Secretary of State, contributions from local authorities, payments by parents and guardians, and are regulated by the Children and

Young Persons Act, 1933. Other sources of income include profits from industrial work, and charitable subscriptions and donations.

FIT PERSONS

Sections 75, 76, 84, and 86 of the Children and Young Persons Act, 1933, as amended by the Children and Young Persons Act, 1938, make provision as to orders committing a child or young person to the care of a Probation Officer or some other person appointed for the purpose by the Court, or a fit person whether a relative or other person willing to undertake the care thereof.

The expressions "child" and "young person" mean a person with respect to whom such an order is in force, irrespective of whether at the date of the making of the order, or at any subsequent date while the order is in force, he was, or is, a child or young person (Sect. 84 (1)).

Previously, managers of industrial schools could board out children under 8 with foster parents. The Act provides that, in future, children under 10 shall not as a rule be sent to these Approved Schools, and gives the Courts power to commit these younger children to the care of the local education authority, who will be responsible under the new provisions for boarding them out with suitable foster parents.

Every order shall embody a declaration—

(*a*) as to the age; and

(*b*) as to the religious persuasion

of the child or young person (Sect. 75 (2)).

Every order shall, subject to the provisions of the Act, remain in force until he attains the age of 18 years (Sect. 75 (3)).

The person to whose care the child or young person is committed shall, whilst the order is in force, have the same rights and powers and liabilities as if he were his parent (Sect. 75 (4)).

Power is also given by this Act to commit a child or young person to the care of the local authority (Sect. 76 (1)).

Power is further given to commit any child or young person to the care of the Minister of Pensions in cases where it is the duty of the Minister of Pensions under Section 9 of the War Pensions (Administrative Provisions) Act, 1918, to commit such child or young person to his care (Sect. 76 (2)).

The Secretary of State may, if he thinks fit, make rules as to the manner in which children and young persons so committed are to be dealt with and as to the duties of the persons to whose care they are committed and may cause any children or young persons committed to the care of a local authority to be visited from time to time (Sect. 84 (2)).

A local authority may board out children and young persons

committed to their care for such periods and on such terms as to payment and otherwise as they think fit (Sect. 84 (3)).

A local authority may apply to a Juvenile Court to have any boy or girl who has been committed to their care sent to an approved school (Sect. 84 (5)).

The Secretary of State may at any time in his discretion discharge a child or young person from the care of the person to whose care he has been committed, and any such discharge may be granted either absolutely or subject to conditions (Sect. 84 (4)).

The Secretary of State in any case where it appears to him to be for the benefit of a child or young person may empower the person to whose care he has been committed to arrange for his emigration (Sect. 84 (5)).

PROTECTION OF CHILDREN AND YOUNG PERSONS IN RELATION TO CRIMINAL AND SUMMARY PROCEEDINGS

Part III of the Children and Young Persons Act, 1933, constitutes probably the most important Part and holds the same position in the 1933 Act as the Part dealing with the Reformatory and Industrial (now Approved) Schools did in the 1908 Act. This Part has been grouped as follows—

(1) General Provisions as to Preliminary Proceedings (Sect. 31 to 35).

(2) General Provisions as to Proceedings in Court (Sect. 36 to 39).

(3) Special Procedure with regard to Offences specified in First Schedule (Sect. 40 to 43).

(4) Principles to be observed by all Courts in dealing with Children and Young Persons (Sect. 44).

(5) Juvenile Courts (Sect. 45 to 49).

(6) Juvenile Offenders (Sect. 50 to 60).

(7) Children and Young Persons in need of Care or Protection (Sect. 61 to 63).

(8) Refractory Children and Young Persons (Sect. 64 to 65).

(9) Supplemental (Sect. 66 to 76).

(1) GENERAL PROVISIONS AS TO PRELIMINARY PROCEEDINGS

Section 31 provides that arrangements shall be made for preventing a child or young person, while detained in a police station or while being conveyed to or from any Criminal Court or while waiting before or after attendance in any Criminal Court, from associating with an adult (not being a relative) who is charged with any offence other than an offence with which the

child or young person is jointly charged, and for ensuring that a girl (being a child or young person) shall while so detained, being conveyed, or waiting, be under the care of a woman.

Section 32 provides for bail where a person apparently under the age of 17 years is apprehended, with or without a warrant, in all cases unless—

(*a*) the charge is one of homicide or other grave crime; or

(*b*) it is necessary in his interest to remove him from association with any reputed criminal or prostitute; or

(*c*) the officer has reason to believe that his release would defeat the end of justice.

Section 33 provides that any Court, on remanding or committing for trial a child or young person who is not released on bail, shall, instead of committing him to prison, commit him to custody in a Remand Home named in the commitment. Such a commitment may be varied in cases of unruly or depraved characters.

Section 34 provides for the attendance at Court of parent or guardian of a child or young person charged with an offence.

Section 35 provides that notice of charges against and applications relating to children and young persons shall be sent to the

(*a*) probation officer for the probation area; and

(*b*) local authority for the district in which the child or young person is resident.

Under Section 35 this will not be necessary where a local or public assistance authority proposes to bring him before a Court. The local authority notified may be a district council where it is an elementary education authority. But, in all cases where a public assistance authority brings a child before a Court they shall, except in cases which appear to them to be of a trivial nature, make such investigations and render available to the Court such information as to the home surroundings, school record, health, and character of the child or young person as appears to them to be likely to assist the Court. Where the Court so direct, they shall also inquire and report as to available approved schools. This clearly is a new duty for relieving officers.

(2) GENERAL PROVISIONS AS TO PROCEEDINGS IN COURT

Section 36 provides that no child (other than an infant in arms) shall be permitted to be present in court during the trial of any other person charged with an offence, or during any proceedings preliminary thereto, except during such times as his presence is required as a witness or otherwise for the purpose of justice.

Section 37 gives power to clear a court where a person, who, in the opinion of the Court, is a child or young person, is called as a witness.

Section 38 provides that where, in any proceedings against any person for any offence, any child of tender years called as a witness does not in the opinion of the Court understand the nature of an oath, his evidence may be received, though not given on oath, if, in the opinion of the Court, he is possessed of sufficient intelligence to justify the reception of the evidence, and understands the duty of speaking the truth.

Section 39 gives power to the Court in relation to any proceedings in any Court which arise out of any offence against, or any conduct contrary to, decency or morality, to prohibit the publication of certain matter in newspapers.

(3) SPECIAL PROCEDURE WITH REGARD TO OFFENCES SPECIFIED IN FIRST SCHEDULE

Section 40 enables a justice of the peace to issue a warrant authorizing any constable named therein to search for the child or young person if it appears to the justice on information on oath laid by any person who, in the opinion of the justice, is acting in the interests of the child or young person, that there is reasonable cause to suspect—

(*a*) that the child or young person has been or is being assaulted, ill-treated, or neglected in any place within the jurisdiction of the justice, in a manner likely to cause him unnecessary suffering or injury to health; or

(*b*) that any offence mentioned in the First Schedule to the Act has been or is being committed in respect of the child or young person.

Section 41 gives power to the Court to proceed with cases in any proceedings with relation to any of the offences mentioned in the First Schedule to the Act if the Court is satisfied that the attendance before the Court of any child or young person in respect of whom the offence is alleged to have been committed is not essential to the just hearing of the case.

Section 42 extends the power to take depositions of a child or young person where a justice of the peace is satisfied by the evidence of a duly qualified medical practitioner that the attendance before the Court of any such child or young person in respect of whom any of the offences mentioned in the First Schedule to this Act is alleged to have been committed would involve serious danger to his life or health.

Section 43 provides for the admission, as evidence either for or against an accused person, of a deposition of a child or young

person taken under the conditions set out in the previous section without further proof thereof, if it purports to be signed by the justice by or before whom it purports to be taken.

(4) PRINCIPLES TO BE OBSERVED BY ALL COURTS IN DEALING WITH CHILDREN AND YOUNG PERSONS

Section 44 lays down as general considerations that every Court, in dealing with a child or young person who is brought before it, either as being in need of care or protection or as an offender or otherwise, shall have regard to the welfare of the child or young person and shall in a proper case take steps for removing him from undesirable surroundings, and for securing that proper provision is made for his education and training. It is further provided that a Court shall not order a child under the age of 10 years to be sent to an Approved School unless for any reason, including the want of a fit person of his own religious persuasion who is willing to undertake the care of him, the Court is satisfied that he cannot suitably be dealt with otherwise.

(5) JUVENILE COURTS

One of the most noteworthy features of Part V of the Children Act, 1908, is the provision of Juvenile Courts. This is amended by Part III of the Children and Young Persons Act, 1933, and the Children and Young Persons Act, 1938.

In certain States of America there are magistrates for the purpose, as at Denver, Colorado. The first Children's Court, with a Probation Officer, in this country was established at Birmingham. The Juvenile Courts (Metropolis) Act, 1920, secured an advance both in the treatment of children and in the co-operation of women in public affairs.

(1) Juvenile Courts constituted under the Acts must sit as often as is necessary—

(i) to hear charges against children and young persons (Sect. 46);

(ii) to hear applications, the hearing of which is by rules assigned to Juvenile Courts (Sect. 47 (e));

(iii) to exercise any other jurisdiction conferred on Juvenile Courts, and such Courts shall be deemed to be Petty Sessional Courts (Sect. 45).

(2) A Juvenile Court may not without the approval of the Secretary of State sit—

(*a*) in a building mainly or exclusively used as a police station, or for the holding of Courts not being Juvenile Courts;

(*b*) in a room ordinarily used for the holding of Courts not being Juvenile Courts.

Provision is also made for preventing persons under 17 from associating with adults charged with offences.

Constitution of Juvenile Courts is provided by the Second Schedule to the 1933 Act as follows—

Outside the Metropolitan Police Court Area and the City of London.

It is provided that a panel of justices specially qualified for dealing with juvenile cases, shall be formed for the purposes of the Act in every petty sessional division, and no justice shall be qualified to sit as a member of a Juvenile Court unless he is a member of such a panel.

In the Metropolitan Police Court Area.

His Majesty may by Order in Council specify the places in which Juvenile Courts are to sit, and assign to each such place such portion of that area as may be specified in the Order. The provisions have been amended by the Children and Young Persons Act, 1938, Sect. 7.

Every Juvenile Court in the metropolitan police court area must be constituted of a metropolitan police magistrate nominated by the Secretary of State to act as chairman of Juvenile Courts within the said area and two justices of the peace for the county of London, both of whom must be selected, in such manner as may be directed by Order in Council, from a panel of such justices nominated from time to time by the Secretary of State.

In the City of London.

The Court must be constituted in such a manner and shall sit at such a place or places as the Court of the Lord Mayor and Aldermen of the City may from time to time determine.

Procedure in Juvenile Courts. A Juvenile Court may sit on any day for the purpose of hearing and determining a charge against a child or young person in respect of an indictable offence.

The Lord Chancellor may make rules for regulating the procedure in Juvenile Courts (Sect. 46 (3)).

No person must be present at any sitting of a Juvenile Court, except—

(*a*) Members and officers of the Court;

(*b*) Parties to the case before the Court, their solicitors and counsel, and witnesses and other persons directly concerned in that case;

(*c*) *Bona fide* representatives of newspapers or news agencies.

(*d*) Such other persons as the Court may specially authorize to be present.

Provisions are made with respect to remands and bail in cases where a Juvenile Court has remanded a child or young person

for the purpose of considering the manner in which he shall be dealt with.

(6) JUVENILE OFFENDERS

The two principal changes made by Part V of the Children Act, 1908, were that juvenile offenders were distinguished from the adult, and that the parent or guardian is made responsible for the offences of the child. This has been supplemented by the Children and Young Persons Act, 1933, Part III, and the provisions are summarized as follows—

(1) It shall be conclusively presumed that no child under the age of 8 years can be guilty of any offence (Sect. 50).

(2) No conviction or finding guilty of a child or young person shall be regarded as a conviction of felony for the purposes of any disqualification attaching to felony (Sect. 51).

(3) Restrictions on punishment of children and young persons include—

(*a*) a child shall not be ordered to be—
(i) imprisoned; or
(ii) sent to penal servitude for any offence; or
(iii) committed to prison in default of payment of a fine, damages, or costs;

(*b*) a young person shall not be sent to penal servitude for any offence;

(*c*) a young person shall not be ordered to be—
(i) imprisoned for an offence; or
(ii) committed to prison in default of payment of a fine, damages, or costs,
unless the Court certifies he cannot be detained in a Remand Home.

(4) Sentence of death shall not be pronounced or recorded against any person under the age of 18 years (Sect. 53 (1)).

(5) Substitution of custody in a Remand Home for imprisonment (Sect. 54).

(6) Power to order parent to pay fine, etc., instead of child or young person (Sect. 55).

(7) Any Court by or before whom a child or young person is found guilty of an offence other than homicide, may, if they think fit, remit the case to a Juvenile Court (Sect. 56 (1)).

(8) The Secretary of State has power to send certain juvenile offenders to Approved Schools.

(9) Additional powers of any Court with respect to a child or young person found guilty of an offence punishable in the case of an adult with imprisonment include power—

(*a*) to order him to be sent to an approved school;

(*b*) to commit him to the care of a fit person whether a relative or not, who is willing to undertake to care for him (Sect. 57).

(10) The word "conviction" and "sentence" shall cease to be used in relation to children and young persons (Sect. 59).

(11) The general power is retained of Courts of Summary Jurisdiction to punish by whipping any male child convicted summarily of any indictable offence (Sect. 60 and Schedule III).

Effect is given to the recommendation of the Young Offenders Committee that where a child or young person is for any reason tried by a Court which is not a Juvenile Court, there should be power to send the case to a Juvenile Court to decide what method of treatment should be applied.

Information as to the home life of children before the court is to be obtained either through probation officers or education officers. The most general form of treatment will be supervision under probation, sending to residential schools, or boarding out by committal to the care of the local authority.

(7) CHILDREN AND YOUNG PERSONS IN NEED OF CARE OR PROTECTION

The Children and Young Persons Act, 1933, Section 62 (2) provides that any local authority, or any constable or any authorized person may bring before a juvenile court a child or young person whom they have reasonable grounds for believing comes within any of the descriptions hereinafter mentioned, that is to say—

(*a*) A child or young person who,

(i) has no parent or guardian; or

(ii) has a parent or guardian who is unfit to exercise care and guardianship; or

(iii) has a parent who is not exercising proper care and guardianship; and

(iv) is falling into bad associations; or

(v) is exposed to moral danger; (this includes children or young persons who are found begging or receiving alms; are found wandering; are found destitute, not being orphans); or

(vi) is beyond control; or

(*b*) A child or young person who—

(i) being a person in respect of whom any of the offences mentioned in the First Schedule to the Act, has been committed;

(ii) being a member of the same household as a child or young person in respect of whom such an offence has been committed;

(iii) being a member of the same household as a person who has been convicted of such an offence in respect of a child or young person;

(iv) being a female member of a household whereof a member has committed an offence under the Punishment of Incest Act, 1908, in respect of another female member of that household;

requires care or protection; or

(*c*) a child in respect of whom an offence has been committed under Section 10 of this Act (which relates to the punishment of vagrants preventing children receiving education).

Decision of Court. The Juvenile Court, if satisfied that the child or young person comes within any of the descriptions mentioned in the Act may either—

(*a*) order him to be sent to an approved school; or

(*b*) commit him to the care of any fit person, whether a relative or not, who is willing to undertake the care of him; or

(*c*) order his parent or guardian to enter into a recognizance to exercise proper care and guardianship; or

(*d*) without making any other order, or in addition to making any order under either of the two last preceding paragraphs, make an order placing him for a specific period, not exceeding three years, under the supervision of a probation officer, or of some other person appointed for the purpose by the Court.

The expression "authorized person" in Section 62 (4) of the Children and Young Persons Act, 1933, means any officer of a society which is authorized by general or special order of the Secretary of State to institute proceedings under this section, and any person who is himself so authorized.

Power is given (*a*) by Section 64 of the Act, as amended by the 1938 Act, to a parent or guardian; and (*b*) by Section 65 to a Poor Law authority, to bring a child or young person who is refractory before a juvenile Court with a view to his being sent to an approved school or committed to the care of a fit person.

The Act enables authorized persons to take before the Juvenile Courts any child under 17 who is falling into bad associations or in moral danger or getting out of control.

For example, in the case of children whose mothers were prostitutes, since the children were often well fed and clothed, it was impossible previously to take any action to counteract this bad influence on the child without recourse to the High Court. Now the child could be placed under the supervision of an inspector to a specially-approved school on the authority of the magistrate.

The purpose of hearing such cases in camera is to prevent

the name or address of the child being commonly known, and so casting a stigma on one who was not an offender, but offended against. Parents had the right to appeal to Quarter Sessions, and magisterial decisions are subject to the supervision of the Home Secretary, who will undoubtedly intervene if necessary.

Child Vagrancy. On the 24th July, 1936, the Home Secretary issued a circular to local authorities aiming at a diminution of child vagrancy by drawing their attention to their powers. The Master of a Casual Ward should immediately notify the local education authority and police of a child received whose parents are thought likely to have prevented the child from receiving education, and the local education authority only where the child is considered to be otherwise in need of care and protection.

If Vagrancy Authorities were required to keep a register of children passing through their wards, a valuable check would be provided on this serious aspect of vagrancy administration. Useful experience would also be afforded as to the utility of the extension of compulsory registration to other vagrants. In Circular 1472, dated 5th April, 1935, the Minister of Health requested vagrancy authorities to keep such a register, together with available information in respect of each child and to forward to him quarterly returns of the particulars collected.

(8) REFRACTORY CHILDREN AND YOUNG PERSONS

The provision of Section 58 (5) of the Children Act, 1908, with regard to refractory children maintained in or boarded out from a school or other institution belonging to a poor law authority will now be found in Section 65 of the Act of 1933, with some slight amendments.

Section 65 provides that children beyond the control of their parents or guardians may by Order of a Juvenile Court be sent to any approved school, or placed for a specified period, not exceeding three years, under the supervision of a probation officer or of some other person appointed for the purpose by the Court.

The main effect on probation officers is the enforcement of the principles that a full report should be provided to the Courts on the circumstances of juvenile offenders, and that a supervision order should be made when suitable and the conditions enforced.

(9) SUPERVISION BY PROBATION OFFICERS

Where a Court makes an order under the provisions of Part II of the Act, placing a child or young person under the supervision of a probation officer or of some other person, that officer or person shall, in accordance with Section 66, while the order remains in force—

(*a*) visit, advise and befriend him, and

(*b*) when necessary, endeavour to find him suitable employment, and

(*c*) may, if it appears to his interests so to do, at any time while the order remains in force, and he is under the age of 17, bring him before a Juvenile Court, and the Court may, if they think it desirable in the interests of the child or young person:

(i) order him to be sent to an approved school; or

(ii) commit him to the care of a fit person, whether a relative or not, who is willing to undertake the care of him.

The main changes are—

(1) The Juvenile Court has jurisdiction to deal with all cases of neglect up to the age of 17, instead of 14 as previously.

(2) An ordinary Court by which a person has been convicted of cruelty or any of the various sexual offences against a child or young person may direct that the child shall be brought before a Juvenile Court as needing care or protection.

(3) It is the *duty* of the local education authority, instead of the police, to bring neglected children before a Juvenile Court, unless they are satisfied that proceedings are undesirable in the interest of the child or some of the persons taking the proceedings.

PLACES OF SAFETY

The Children and Young Persons Act, 1933, Section 67, provides for the removal or remand of any child or young person to a place of safety. This has particular reference to those—

(1) in respect of whom any offence mentioned in the First Schedule to that Act has been or is believed to have been committed; or

(2) who are about to be brought before a Juvenile Court in accordance with the provisions of Part III of the Act of 1933.

Any child or young person who has taken refuge in a place of safety may be detained there until he can be brought before a Juvenile Court (Sect. 67 (1)).

A child or young person may be detained by a Juvenile Court under an Interim Order operative for not more than twenty-eight days (Sect. 67 (2)).

METHODS OF DEALING WITH JUVENILE OFFENDERS

There are many ways of dealing with juvenile offenders, although the really hopeful way is by putting them, when possible, under a Probation Officer. The main thing, however, is to endeavour to link up the work of the Probation Officer with that of social administration.

The question of juvenile delinquents under 16 is one which demands that suitable arrangements should be made with the

Probation Officer and the regular organization, so that the delinquent should have the opportunity of joining some social club. This can be done through the agency of the Juvenile Organizations Committee, who can notify the after-care visitors. Each visitor should volunteer to see each delinquent so referred, and, after finding out his interests and wishes, to arrange with the most suitable organization in the district to effect his membership.

It will, of course, be optional for the leader of the organization to accept the delinquent. Care will be taken to see that those definitely belonging to religious denominations be referred to organizations of that denomination if available. No one, save the head of the organization, should be aware of the delinquent's record. The leader of the organization taking the delinquent could obtain further particulars from the Probation Officer.

It is obvious that the success of these proposals turns upon two factors: (*a*) the visitor who will be the link between the delinquent and the heads of the organizations; (*b*) the readiness of the organizations to accept these delinquents.

The boy or girl rejected by several organizations constitutes a special problem. These are the boys and girls who are most likely to become a danger to the State, either by drifting into general bad habits, or by becoming young criminals. The problem has two aspects: (*a*) the boy who is wild and rough; and (*b*) the definitely bad character.

The rough boy is merely a boy who needs to be in a special club, and the problem might largely be solved by the formation in the rougher districts of special clubs of this character. For this rougher boy a somewhat different type of leader is required to whom this problem more particularly appeals.

The bad character presents greater difficulty. The matter demands consideration in connection with the question of juvenile crime. It is most important that the matter of the rejected boy shall not end with his rejection from a club; he ought to be notified or put in touch with some organization which could take the matter up and thus prevent the boy (or girl) drifting lower.

There should be a recognized official (or officials) in our towns, whose particular work should be the care of this type of boy or girl. He (or she) must be an educated trained social worker to whom this subject appeals. He (or she) should be in touch with the Children's Courts on the one hand, and on the other with the various boys' and girls' organizations. The official might also have general control of probation work or even be the Probation Officer.

To such an official should be notified the cases of all the boys

or girls ejected from the various organizations for definitely unsatisfactory behaviour. They would then not drift out of notice.

The official should have available for all parts of the town a list of individuals who would act as "elder brothers," and who would take a friendly personal interest in one or two of these lads; certainly not more than three should come under the notice of any one worker. These workers, both for the boys and for the girls, might be drawn largely from ex-members of brigades and clubs. The St. Vincent de Paul Society, which has organized a scheme of "Elder Brothers" to meet this particular need, is working very well. The "elder brothers" are very carefully chosen, and by no means all the volunteers for this work are accepted.

PROBATION

The Report of the Departmental Committee on the training, appointment and payment of Probation Officers was issued on the 10th March, 1922. The Committee state that probation under the Probation of Offenders Act, 1907, is of great value as a means of reformation and is economical. The Committee are further of the opinion that probation should be used at an early stage in the offender's career, but where it has definitely failed, its use should not, as a rule, be repeated. Probation could, with advantage, be used much more freely in many Courts and every Court should have a probation officer at its disposal. Women officers should be appointed, as a rule, to supervise women probationers. The appointment of a Probation Officer was made compulsory by the Probation of Offenders Act, 1925.

PROVISIONS AS TO ORDERS COMMITTING JUVENILES TO CARE OF A FIT PERSON

The Children and Young Persons Act, 1933, makes provision as to orders committing children and young persons to the care of a fit person. Every order must embody a declaration as to the age of the boy or girl, and must, subject to the provisions of the Act, remain in force until he or she attains the age of 18 years. The person to whose care the boy or girl is committed shall, whilst the order in in force, have the same rights and powers and liabilities as if he were his or her parent.

Power is also given by this Act to commit a child or young person to the care of the local authority. A local authority may board out boys and girls committed to their care for such periods and on such terms as to payment and otherwise as they think fit. A local authority may apply to a Juvenile Court to have any boy or girl who has been committed to their care sent to an approved school.

Power is further given for any child or young person for the care of whom it is the duty of the Minister of Pensions under Section 9 of the War Pensions Act, 1918, to provide, to be committed to the care of the Minister.

Consideration shall be had to the religious persuasion of the person to whom the child or young person is committed.

WOMEN POLICE

The principle that women in the hands of the police needed the care of women was first recognized in 1883 when two women were appointed in London to supervise women convicts on licence. As time passed, enlightened Police Authorities realized that women and little children found it difficult to make statements to men concerning sexual offences against them. In 1905, in the Metropolitan Force, and shortly after in Liverpool and other big cities, women were specially appointed for this work. In 1920, Sir Nevill Macready, Metropolitan Commissioner of Police, said "I have no doubt in my own mind that the matter ought to be taken over by Women Police."

In nearly all large cities it became the custom to appoint Police Matrons to supervise women in custody and generally to look after their physical welfare. Police Matrons form a valuable part of the Service but they are given no training for official police duties and cannot act for women and children who come into the hands of the police as policemen act for men and boys. In 1908, the Home Secretary issued a circular to all Police Authorities saying he would hesitate to certify a Force as satisfactory unless arrangements had been made for the attendance of Police Matrons so as reasonably to assure their presence when required. After that, conditions greatly improved.

Efforts were being made by social welfare organizations all over the country to secure the appointment of official Women Police to every Force, and in 1914 the way had been prepared and the War provided the opportunity of proving the value of officially appointed police-women.

In October, 1914, the National Council of Women organized bands of Women Patrols to work in streets and in the neighbourhood of camps. These workers were welcomed by Chief Constables and had the support of the Home Office, the War Office, and Admiralty. In Liverpool they were allowed to bear the Special Constables badge as well as the card signed by the local Chief Constable and the armlet provided for all Women Patrols. The 5,000 voluntary Women Patrols working in Great Britain proved the need for uniformed women to do continuous work as part of the Police Service.

In 1918, Sir Nevill Macready, the Metropolitan Commissioner of Police, took over the voluntary patrols under their leader, Mrs. Stanley, and formed the Metropolitan Women Police Patrol Divisions. The passing of the Sex Disqualification (Removal) Act, 1919, made it possible for these patrols to be sworn in as full members of the Force: when the Police Pensions Act was passed in 1921 they became eligible for pensions.

After the War (1914–18) most of the voluntary patrols organized by the National Council of Women were disbanded, and in the large towns and some counties very small numbers of Women Police were appointed to take their place.

In Liverpool, where the work of the voluntary patrols had been valued during the War, the Watch Committee preferred to recommend the City Council to make a grant of £2,000 per annum to the Women Patrols Committee rather than to continue their services as members of the Police Force. These are the only voluntary Women Patrols now working.

Very few appointments were made by Police Authorities in spite of the fact that a Home Office Committee of Inquiry into the work of Women Police reported in 1920, that "there was not only scope but urgent need" for the work of women in large cities and recommended their appointment as mobile policewomen in rural areas. The few women who were appointed were paid at variable rates, and were often employed on duties for which they were not specially needed.

The National Council of Women aroused interest amongst Members of Parliament and organized deputations to the Home Secretary with the result that, in 1931, Statutory Regulations for the work of Women Police were passed (1933, No. 722, H.M. Stationery Office). These did much to standardize the work and conditions of service of Women Police throughout the Country.

Women Police have since been attested in most large Forces such as those of Bristol, Birmingham, Sheffield, Leicester, Nottingham, Gloucestershire, and Lancashire.

The Statutory Regulations defined as duties for Women Police—

Patrol Duty.

Duties in connection with women and children reported missing, found ill, injured, destitute or homeless, and those who have been victims of sexual offences, or are in immoral surroundings.

Taking statements from women and children in cases of sexual offences.

Escorting women and children; attendance on them in Court, etc.

The pay of recruits begins at 56s. per week and they are eligible for pensions.

Candidates must be between the ages of 23 and 35 years, minimum height 5 ft. 4 in., and must have reached a good standard of education.

The weakness of the position of Women Police lies in the fact that the Statutory Regulations still leave it to the discretion of local authorities, not only to appoint, but also to attest Women Police. This is unsatisfactory as it means that a local authority may appoint a woman and employ her as an unattested woman to do police work, but that her duties, pay and pensions need not be those laid down by the Statutory Regulations.

If she is not sworn in she cannot arrest even women and girls behaving in a disorderly manner or search women's lodgings when necessary or execute warrants.

Unattested women are at a grave disadvantage in working with male colleagues as they have not the prestige that the status of a full member of the Force would give them.

In 1929, the work of the Metropolitan Women Police was reorganized and Miss D. O. G. Peto, O.B.E., the Director of the Liverpool Women Police Patrols, was made Superintendent. She had previously worked in the Birmingham C.I.D. The value of a trained and experienced woman officer is evidenced by the fact that in December, 1936, the Metropolitan Police Commissioner authorized an increase in the number of Women Police from 68 to 142.

In September, 1937, the Home Office recognized the Metropolitan Police Force and the Birmingham Police Force as Training Centres for Women Police.

Advocates for Women Police hope that the recognition of these Training Centres will encourage Chief Constables to appoint Women Police and suitable candidates to offer themselves for work in a pioneer service where the skilled help of women is a most obvious and essential need.

In the Report of His Majesty's Inspector of Constabulary for 1936, it was stated that in the provinces there were 89 fully attested and 19 unattested policewomen working in 39 Forces; this means that 142 of the Provincial Police Forces have no policewomen.

In February, 1945, Miss de Vitré of the Kent Constabulary was appointed a Woman Assistant Inspector of Constabulary who will act as Director of the Training Centre for the Provinces and represent provincial policewomen on the Police Council as is done by the Woman Superintendent of the Metropolitan Women Police.

BORSTAL SYSTEM

The "Borstal System" for the treatment, with a view to their reclamation, of selected persons of both sexes, technically termed "juvenile adults," was established under rules made by the Secretary of State for Home Affairs on the 24th January, 1902, and has since been extended. The system was set up through the initiative of Sir Evelyn Ruggles-Brise, who was Chairman of the Prison Commission from 1895 until his retirement in 1922. Shortly after his appointment as Chairman, Sir Evelyn Ruggles-Brise obtained leave to go to the United States to study at Elmira the working of the New York State Reformatory system. On his return, a beginning was made for the special care of young London prisoners between 16 and 21 by the formation of a small society known as the London Prison Visitors Association. The system was devised to meet the case of offenders between the ages of 16 and 21, who were too old for admission to industrial and reformatory schools (now approved schools), but not so old as to preclude hope of their reclamation under proper treatment.

The experiment was tried first by transferring a number of these lads to buildings once used as a manse to Chatham Convict Prison, situated high up on the hills above the village of Borstal. It is an exceptionally healthy position on the downs near Rochester, overlooking the River Medway. Other prisons are now in use for the same purpose. The system was not devised primarily for the case of first offenders, or novices in crime, in which the help of the Probation Officer is generally more suitable, but for young recidivists, guilty for the most part of acts of larceny, and rough and undisciplined lads of the lounging or "hooligan" type, who are apparently drifting towards a career of crime. This material, as the Home Secretary has pointed out, is often painfully unpromising and difficult, but the object of the system is to arrest the growth of the crime habit, and by a system of hard but attractive work, educational instruction, both mental and moral, and strict discipline tempered by contrivances of reward and encouragement, to inculcate habits of industry, self-respect, and self-control, and lay the foundation for thorough and lasting reform.

As it was necessary at first to work within the limits of the existing penal law, the system could only be applied with any prospect of usefulness to young persons sentenced to imprisonment for six months and upwards. It was soon found, however, that little real good could be accomplished unless a longer period of detention was possible, modified, however, by liberation on licence and under supervision. It was not until the passing of the Prevention of Crimes Act, 1908, that legislative effect was

given to the system of Borstal detention. By Part I of that measure, if it is deemed expedient that a person convicted on indictment "not less than 16 and more than 21" is one who by reason of "criminal habits or tendencies or association with persons of bad character" should be subject to detention and under such instruction and discipline as appears most conducive to his reformation and the repression of crime, the Court may pass a sentence of detention under discipline in a Borstal institution for a term of not less than one or more than three years.

Features of the System. The following are shortly the principal features of the system—

1. Instruction in some useful trade or handicraft.

2. Education is given special attention. A library is available. Lectures and addresses are given from time to time, and steps are taken to bring prominently before the "patients" the effects of over-indulgence in alcoholic liquor.

3. Drill. Every lad who is medically fit is exercised regularly during his sentence in physical and military marching drill.

4. A scheme of rewards and encouragement to industry and good conduct. Upon earning a certain number of marks, the juvenile adult passes into a special grade, where he enjoys better cell furniture, an iron bedstead and spring mattress instead of a bed board, a strip of carpet, and looking-glass, and—what is generally appreciated most of all—association in the reading-room, under supervision of the Chaplain, for one hour after labour ceases each day for the purpose of amusement—playing chess, draughts, and other games, reading magazines, and conversing. A prisoner with twelve months' good conduct in this Special Grade may be selected for employment on an adjacent farm or elsewhere. Remission of his sentence may follow upon continued good conduct.

Procedure. By the Criminal Justice Administration Act, 1914, the principles of Borstal detention were extended considerably. Section 10 (1) gives powers to magistrates to remit to Quarter Sessions cases of youthful delinquents between 16 and 21 who, though not charged with indictable offences, have been previously convicted or have failed to observe the condition of recognizances when discharged on probation. The minimum limit of detention is raised by Section 11 from one to two years, and the period of after supervision is extended from six months to twelve. An offender who gets into trouble while yet under supervision may be recalled to the institution for a year, instead of three months as provided by the Act of 1908.

As an adjunct quite indispensable to any scheme for the reclamation of young criminals there must always be effective

means of supervision and rehabilitation after discharge from prison. This work of after-care was provided by a small nucleus of visitors who had got into touch with young offenders in London prisons. Later, as a voluntary association, called the Borstal Association, working in many cases through the local Discharged Prisoners' Aid Societies, their efforts obtained a grant from the Treasury.

A youthful offender may be unsuitable for Borstal treatment by reason either of his character or of his health. If he is of good antecedents, he is more likely to be affected adversely by association with inmates of bad character than to derive benefit from the system, and if he is mentally deficient, subject to epilepsy, or suffering from defects which are likely to render him unemployable on discharge, then he is considered unsuitable. Careful rules were laid down by the Home Secretary at the end of 1919 as to the persons likely to be most benefited by Borstal treatment, and in all cases where this treatment is proposed, the Prison Commissioners cause inquiries to be made, before conviction, as to the suitability of the offender therefor. Report is then made to the Court before sentence.

Prominence has been given in the Press to allegations of unsatisfactory conditions at Borstal Institutions. Undoubtedly mistakes are made, but one feels sure that the principles are right and proper, and if care is taken in the choice of the places and persons required to carry them out, a large measure of success will attend the efforts which are made. It may well be that in the course of time our present prison system may be influenced to a great extent by the fruits of the experience gained in Borstal Institutions, and by the Borstal Association.

DEPARTMENTAL COMMITTEE, 1938

In the ten years' review of the work of the Children's Branch of the Home Office, issued in 1938, it was announced that investigation is to be made into the relative percentages of "dull" boys in the ordinary school population and in the juvenile court population. In addition, the Home Secretary has decided to make a general inquiry into the problem of juvenile delinquency.

HOME OFFICE COMMITTEE ON JUVENILE DELINQUENCY, 1944

The Home Secretary announced in March, 1944, that he had appointed a Standing Committee to advise and assist the Home Office in developing a comprehensive policy for reforms and to maintain a constant touch with the implementation of policy.

PART IV

NATIONAL HEALTH INSURANCE

CHAPTER XII

THE INSURANCE ACTS

ORIGIN OF NATIONAL HEALTH INSURANCE

IT was natural that the National Health Insurance Act, 1911, should turn definitely and finally away from the Poor Law principle, and, in its new endeavour to break the vicious circle, should take the great voluntary thrift organizations as a model for a new system. Its objects were, first, to provide an adequate and ubiquitous medical service which could and would be freely resorted to by the wage-earner, and which might thus protect him so far as possible from disability due to disease; and secondly, in the event of his becoming incapable of work owing to sickness, to provide a money allowance (during such periods of incapacity) which would render unnecessary any recourse to the Poor Law. The necessary funds were to be raised partly by compulsory contributions from worker and employer, and partly from the Exchequer; and were, subject to central supervision, to be administered by voluntary associations of the workers themselves, the approved societies, organized on the lines of the friendly societies, etc. In the course of the passage of the Bill through Parliament, pressure from the medical profession led to the administration of the medical service under the scheme being entrusted to a new series of bodies locally organized, the Insurance Committees, which, with a majority of approved society representatives, also contained a carefully apportioned representation of other interests and specialist experience. Approved societies were thus left free to develop on non-territorial lines, their duties being to administer, with or without any local agencies, the "cash" provisions of the scheme. To the insurance committees, as a new series of local authorities (without any power of raising money by rates) for each county and each county borough, was entrusted the administration of all the health provisions of a medical nature.

The scheme, together with the interlocked Contributory Pensions Scheme introduced in 1926, is the largest of all the British systems of Social Insurance, though comparatively new.

LEGISLATION

The National Insurance Act, 1911, so far as it applied to Health Insurance, and its amendments were consolidated in the National Health Insurance Act, 1924. The Act has been subsequently amended, particularly in 1928 and 1932, and has now been further consolidated by the National Health Insurance Act, 1936.

The scheme was under detailed consideration for three years before its introduction to Parliament, and it came into full operation two and a half years after it had been placed on the Statute Book. The actuarial experience of the Manchester Unity of Oddfellows, one of the largest friendly societies, proved invaluable in fixing the premiums. There was a large body of people already accustomed to contributing to insurance, and the application of the larger scheme was less difficult than it otherwise might have been. In a short time the approved societies had succeeded in enrolling about 13,000,000 members, and within six months various kinds of benefits were brought into operation by degrees.

OBJECTS OF THE ACTS

The objects of the National Insurance Acts are "to provide for insurance against loss of health, and for the prevention and cure of sickness, and for insurance against unemployment, and for purposes incidental thereto."

The principles of the Acts are the protection of the health of the individual and community, and the provision of a weekly sum to safeguard the home during sickness. The Acts are compulsory and universal (with very few exceptions) in their application to the working classes. They are contributory by employers, workpeople, and the State, and are worked principally through the approved societies.

THE NATIONAL HEALTH INSURANCE ACT, 1936

The Act is divided into twelve parts, 229 Sections, and six Schedules. It came into operation on 1st January, 1937. The Parts and Schedules are as follows—

Part I. Insured Persons and Contributions.
Part II. Benefits.
Part III. Approved Societies and Insurance Committees.
Part IV. Financial Provisions relating to Approved Societies and Insurance Committees.
Part V. Special Classes of Insured Persons.
Part VI. Central Finance.
Part VII. Central Administration.
Part VIII. Legal and Miscellaneous.
Part IX. Application of Act to Scotland.

Part X. Application of Act to Northern Ireland.
Part XI. Application of Act to Wales.
Part XII. Interpretation, Savings, and Repeal.
The Schedules are as follows—
First Schedule—
Part I. Employment within the meaning of the Act.
Part II. Exceptions.
Second Schedule—
Part I. Rates of Contributions in respect of Employed Contributions.
Part II. Power to apply Provisions as to Low-wage Earners to Special Cases.
Third Schedule. Additional Benefits.
Fourth Schedule. Accounts of Insurance Committees.
Part I. England and Wales.
Part II. Scotland.
Fifth Schedule. Provisions of Act authorizing Regulations in respect of which Special Powers are given.
Sixth Schedule—
Part I. Enactments Repealed.
Part II. Northern Ireland Enactments Repealed.

The Act has been extended by the National Health Insurance (Juvenile Contributors and Young Persons) Act, 1937.

ADMINISTRATION

The Acts are administered in England and Wales under the supervision of the Ministry of Health, to which the powers and duties of the National Health Insurance Commission were transferred on 1st July, 1919. The Ministry is assisted by Consultative Councils. The finances are administered by H.M. Treasury. The Welsh Board of Health and the Department of Health for Scotland are responsible for their respective countries. A Joint Committee secures co-ordination for Great Britain.

INSURED PERSONS

Insured persons are all manual workers whatever their earnings (subject to certain exceptions) between 16 and 65 (women 60) years of age, and persons who are engaged in non-manual work at a rate of remuneration not exceeding £420 per annum in the United Kingdom—

(*a*) (i) Under any contract of service or apprenticeship, written or oral, whether expressed or implied.

(ii) Whether they are paid by employer or some other person; and whether they are employed under one or more employers.

(iii) Whether they are paid by time or by the piece, or partly

by time and partly by piece, or otherwise; or, except in the case of a contract of apprenticeship, without money payment.

The following are also insurable—

(*b*) Persons in employment under contract as aforesaid as master or member of crew of any ship—registered in the United Kingdom; or of any other British ship or vessel of which the owner or managing owner resides or has his principal place of business in the United Kingdom.

(*c*) A person employed as an out-worker, unless excluded by special order.

(*d*) Certain persons employed under any local or public authority, unless excluded by special order, or by certificate of exemption.

(*e*) A person employed in plying for hire with any vessel or vehicle, the use of which is obtained from the owner under any contract of bailment by payment of fixed sum, share of earnings, or otherwise.

The two following classes became insurable as from 1st January, 1929, by virtue of the Amending Act of 1928—

(*f*) A person employed by way of manual labour under a contract for the performance of such labour for the purposes of any trade or business (usually referred to as "a manual labour contractor").

(*g*) A person employed as master or member of a crew of a fishing vessel where the remuneration is by way of a share in the profits or gross earnings of the vessel (usually referred to as "a share-fisherman").

NATIONAL HEALTH INSURANCE (JUVENILE CONTRIBUTORS AND YOUNG PERSONS) ACT, 1937

This Act came into operation on 4th April, 1938.

Its object is to amend the National Health Insurance Act, 1936, so as to make certain persons under the age of 16 eligible for Medical Benefit and to facilitate the provisions of Medical Benefit to such persons and to other young persons.

Under this Act, a juvenile between 14 and 16 years of age, who becomes employed within the meaning of the National Health Insurance Act, 1936, becomes entitled to Medical Benefit and continues to be so entitled until the end of the half-year in which the age of 16 years and 6 months is attained. If before that date he becomes an ordinarily insured person, his title to Medical Benefit will continue under the ordinary provisions of the National Health Insurance Act, 1936.

Contributions. The rate of contribution payable in respect of

juvenile contributors is 4d. per week, of which 2d. per week is payable by the contributor and 2d. by the contributor's employer.

Eligibility to Join Approved Societies. Juvenile contributors will be eligible to join approved societies in the same way as insured persons over 16 years of age. If they fail to join an approved society within a prescribed time, contributions paid in respect of them will be credited to a special fund called "the Juvenile Deposit Contributors Fund."

Duty of Education Authorities. Provision is made under Section 6 of this Act whereby local education authorities will furnish to a doctor such particulars as to the school medical record of any young person whom he has accepted for treatment, as the doctor may deem necessary. Under this section, "young person" means a person under the age of 18 years.

VOLUNTARY CONTRIBUTORS

Persons other than married women who have been employed within the meaning of the Act and insured as employed contributors for a period of 104 weeks or more, and have ceased to be employed contributors, are entitled to become voluntary contributors, for health insurance, provided notice is given within a certain time.

EXCEPTED PERSONS

Certain classes of persons set out in Part II of the First Schedule of the 1936 Act are excepted from the provisions of the Acts. These include—

(*a*) employment in naval, military and air service, except as otherwise provided;

(*b*) employment certified by the Minister as providing benefits in respect of sickness, disablement, and superannuation not less favourable than the corresponding benefits under the Act, to persons in the service of the Crown, public authorities, certain statutory companies and undertakings, teachers;

(*c*) agents not mainly dependent on the earnings from the agency; or from any one agency;

(*d*) agricultural holding employees without money payments;

(*e*) employment otherwise than by way of manual labour at a rate of remuneration exceeding £420 per annum;

(*f*) casual employees otherwise than for purposes of the employer's trade or business or of games or recreation;

(*g*) subsidiary employments specified in Special Orders;

(*h*) outworkers being wives of insured persons and not wholly dependent on earnings as such;

(*i*) masters and crews of British ships registered outside the

United Kingdom and not engaged in regular trade with ports outside the British Isles;

(*j*) crews of fishing vessels remunerated by shares covered by a Special Order; and

(*k*) employment in the service of the husband or wife of the employed person;

(*l*) teachers under Teachers (Superannuation) Act, 1925, and pupil student teachers;

(*m*) persons receiving no money payment and the children of maintained by employers;

(*n*) persons employed outside United Kingdom.

EXEMPTED PERSONS

Exempt persons are persons who come within the provisions of the Act of 1936 but prove that they are either—

(*a*) in receipt of any pension or income of the annual value of £26 or upwards not dependent upon their personal exertions; or

(*b*) ordinarily and mainly dependent for their livelihood upon some other person; or

(*c*) ordinarily and mainly dependent for their livelihood on the earnings derived by them from an occupation which is not employment within the meaning of the Act; or

(*d*) persons intermittently employed for less than thirteen weeks per year.

Certificates of exemption are obtained from the Ministry of Health, and, as a general rule, remain in force for twelve months, and are renewable.

One important difference between "excepted" and "exempt" persons is that in the case of exempt persons the employer must still pay his contribution. There is no contribution for excepted persons.

CONTRIBUTIONS

The Widows', Orphans' and Old Age (Contributory) Pensions Acts, 1925 to 1940, contain provisions for the payment of contributions under those Acts which are similar to the conditions appertaining to the payment of contributions under the National Health Insurance Act. The contributions are payable under both schemes by means of one combined contribution.

The contributions are paid in the first instance by the employer who is liable to stamp a card of his employee with Health Insurance and Pensions stamps and who deducts the employed person's share of the contribution from the wages. The rates per week for health insurance are in the case of ordinary contributors: employer, 5½d.; contributors: men, 5½d.; women, 5d.; a total of 11d. for men and 10½d. for women.

In the case of foreign-going seamen and women the rates per week are: employer, 2½d.; contributors: men, 5½d., women, 5d.; a total of 8d. for men and 7½d. for women.

Boys and girls under 16: employers 2d.; contributors 2d.; a total of 4d. Contributors are entitled only to medical benefits.

In the case of employed contributors of either sex, 18 years and over, whose remuneration does not include the provision of board and lodging by their employer, and the rate of whose remuneration does not exceed 4s. a working day, the following rates apply—

Not exceeding per Working Day	Employer		Insured Person	
	Men	Women	Men	Women
s d.	*d*	*d.*	*d.*	*d.*
3 -	11	10½	nil	nil.
4 -	6½	6½	4½	4

Contributions of voluntary contributors where income does not exceed £420 per annum are at the employed rate and medical benefit is given. Where income is over £420 per annum no medical benefit is provided and contribution is reduced by 3d. weekly.

Voluntary Contributors	*Men*	*Women*
Income under £420 . . .	11d.	10½d.
Income over £420 . . .	8d.	7½d.

In the case of employees to whom Certificates of Exemption have been granted or employees who are over 65, the employer's rate, 5½d., only is payable.

Parliament provides in the case of men one-seventh and in the case of women one-fifth of the funds required to provide and administer the benefits under the Acts.

Employer's contributions in respect of serving seamen, marines, soldiers and airmen are now paid entirely from naval or military funds. No deduction is made from men's pay.

All matters, such as the mode of payment of contributions, by means of adhesive or other stamps, or otherwise; the entry in books or cards of contributions paid; and the issue, sale, custody, production, etc., of books or cards are dealt with by the Minister, who makes regulations from time to time thereon (Sect. 8).

DEPOSIT CONTRIBUTORS

Deposit contributors are insured persons who are not members of an approved society. Their contributions are paid into the

Post Office Fund and they can draw upon that fund when qualified for benefit to the extent of the credit and one-seventh more (or, in the case of a woman, one-fifth)—the balance being the contribution paid by Parliament. But when the balance in the fund is exhausted, then benefits cease.

Deposit Contributors' Insurance Section. Deposit contributors who are unable, by reason of ill health, to obtain admission to an Approved Society, are admitted to this section. Members of this section are entitled, in the same way as members of Approved Societies, to the ordinary benefits of the Act, and are not limited to the amount standing to the credit of their individual accounts.

Exempt persons are entitled to either medical benefit or a contribution towards the cost of medical treatment.

A person ceasing to be insurably employed remains insured for all benefits for a certain period, which on the average is 21 months from the date on which he ceases insurable employment.

ARREARS

A certain number of contributions are required to be paid or excused each year, otherwise the insured person falls into arrears and is then subject to a reduction or suspension of monetary benefits in accordance with the table set out on the insured person's record card.

Arrears are excused for all periods of sickness and proved unemployment. Unemployment is generally proved by insured persons having their contribution cards "franked" at the Employment Exchange.

Provision is made for insured persons to pay arrears by means of stamping arrears cards at the end of the year so as to avoid loss of benefits.

BENEFITS

These are two classes, viz., ordinary and additional.

Ordinary Benefits, viz.—

(*a*) *Medical Benefit* consists of medical treatment and attendance, except in respect of a confinement, from date of entrance, including the provision of proper and sufficient medicine and such medical and surgical appliances as may be prescribed by regulations of the Ministry of Health. Juvenile contributors are entitled to this benefit only.

(*b*) *Sickness Benefit* consists of periodical money payments in accordance with the scale set out below, commencing on the fourth day of incapacity, whilst the insured person is unable to work owing to specific disease, or bodily or mental disablement.

(*c*) *Disablement Benefit* consists of periodical money payments in accordance with the scale set out.

(*d*) *Maternity Benefit* consists of payment normally of 40s. to the wife or widow of an insured person or an unmarried woman who is an insured person. A married woman who is herself insured and whose husband is also insured is entitled to an additional benefit, normally 80s. in all. It belongs in every case to the mother (Sect. 14). Forty-two weeks' contributions are payable before this benefit is receivable.

It is difficult to conceive of the success of Health Insurance in this country without the existence of an efficient and ubiquitous medical service, extending even to the remotest locality.

Sanatorium Benefit, except as regards Ireland, ceased under the National Health Insurance Act, 1920; all necessary treatment is now provided by local authorities. The position is explained later.

MEDICAL BENEFIT

Medical Benefit consists of—

(*a*) Medical attendance and treatment by qualified doctors.

(*b*) The provision of proper and sufficient drugs, medicines and prescribed medical and surgical appliances by doctors or chemists.

(*c*) The issue of medical certificates.

Persons entitled to Medical Benefit. All persons insured under the National Health Insurance Act are entitled to receive the above benefit subject to the following—

Exceptions. Persons who are not entitled to medical benefits are—

(*a*) Voluntary contributors whose total income exceeds £420 per annum.

(*b*) Persons who are, or become, resident (either permanently or temporarily) in Ireland, the Channel Islands, or abroad.

(*c*) Persons serving in the Navy, Army, or Air Forces.

Exempt Persons. A person who holds a certificate of exemption with an income which exceeds £420 per annum is required to make his "own arrangements" for obtaining medical treatment and attendance.

Married Women. A woman who marries and continues to be an insured person is entitled to receive the same medical attention and treatment as any other insured person. The only case in which the medical benefit applicable to a married woman differs from that of any other insured person is where a woman is unemployed for 8 consecutive weeks immediately before or during the period of 12 months following marriage, and is suspended from the ordinary benefits of State Insurance.

Qualification for Benefit. There is only one qualification necessary to establish an insured person's title to medical benefit, viz. residence in England, Scotland, Wales, or the Isle of Man.

Medical benefit differs from the other benefits conferred by the National Health Insurance Act inasmuch as—

(*a*) There is no "waiting period" required to be completed.

(*b*) There is no minimum number of contributions required to be made.

(*c*) There is no penalty imposed through arrears of contributions.

(*d*) Generally, it does not cease at the age of 65 if the person is still insured at that age.

Commencement of Benefit. A person becomes entitled to medical benefit immediately on becoming insured under the Act.

Termination of Benefit. Although a person may cease to be liable to pay contributions under the National Health Insurance Acts, he nevertheless remains entitled to free medical treatment and attendance for at least 18 months from the date of his last payment. This period (which is the minimum) may, in ordinary circumstances, be extended to two years, whilst in exceptional cases it may continue for an indefinite time. The actual date up to which such a person is entitled to receive medical benefit is 30th June or 31st December, whichever comes next before the end of a period of two years reckoned from the end of the last week of insurable employment.

SICKNESS AND DISABLEMENT BENEFIT

Sickness and Disablement Benefit as from 5th July, 1920—as amended by the National Health Insurance and Contributory Pensions Act, 1932.

Insured Person who has been insured and has paid contributions for.	Sickness Benefit for 26 weeks			Disablement Benefit, so long as rendered incapable of work by disease or disablement		
	Men	Unmarried Women	Married Women	Men	Unmarried Women	Married Women
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Over 104 weeks . .	18 –	15 –	13 –	10 6	9 –	8 –
Under 104 weeks . .	12 –	10 6	10 6	Nil	Nil	Nil
Under 26 weeks . .	Nil	Nil	Nil	Nil	Nil	Nil

Sickness benefit is payable as long as incapacity continues up to a maximum period of 26 weeks, after which, if 104 contributions have been paid and the insured person has been in insurance for 104 weeks, he becomes entitled to Disablement Benefit, which continues to be payable as long as he remains incapable of work.

Definition. Sickness Benefit is defined as periodical payments

during incapacity for work caused by some specific disease, or by bodily or mental disablement of which notice has been given, commencing ordinarily on the fourth day of such incapacity and continuing for a period or periods not exceeding 26 weeks in all.

Disablement Benefit is a continuation of the periodical payments at a lower rate in respect of incapacity after the period of Sickness Benefit has been exhausted.

Administration. Sickness and Disablement Benefits are administered by the approved society of which an insured person is a member; by the appropriate Insurance Committee if the person be a deposit contributor; or by the Navy and Army Fund in the case of sailors and soldiers.

Qualification for Benefit. There are three *main* qualifications for Sickness or Disablement Benefit—

(1) The insured person must have paid a required number of contributions.

(2) The insured person must have been in insurance for a required number of weeks.

(3) The insured person must, normally, be resident in Great Britain or Northern Ireland.

It will be seen that an insured person is *not entitled* to Sickness Benefit until he has been insured for 26 weeks and 26 weekly contributions have been paid in respect of him, or to Disablement Benefit until he has been insured for 104 weeks and 104 weekly contributions have been paid. Further, until the insured person has been insured for 104 weeks and 104 contributions have been paid in respect of him, a *reduced* rate of Sickness Benefit is payable.

Commencement of Benefit. As previously stated, Sickness Benefit is not normally payable until the *fourth* day of incapacity, but when an insured person, having received Sickness Benefit in respect of an illness, recovers from that illness and again falls ill *within 12 months of his recovery* the latter illness is treated as a continuation of the former, and benefit is therefore payable from the *first day* of the latter illness. For the purpose of determining the date of commencement of Sickness Benefits, the first day on which a person is prevented by the illness from doing any *effective work* is considered to be the first day of incapacity, but Sunday is not included as a day of incapacity in determining the waiting period *unless the insured person would, if he had not been ill, have worked on that day.* It should be noted that the period of 12 months which must elapse between two illnesses, in order that the latter should not be treated as a continuance of the former, runs from the date of the member's *recovery from*

the former illness, and not from the date on which he ceased to receive benefit for that illness.

Notice of Illness. An insured person is required to give notice to his approved society (or Insurance Committee if a deposit contributor) within three days from the commencement of his incapacity. If notice is not given within this time, benefit will not commence until the day *following* that on which notice is given, or, if the illness is treated as a continuation of a previous illness, benefit will commence on the next but one day before the day on which notice is given. If, however, the society is satisfied that he could not reasonably have given notice either—

(*a*) before the date on which it was in fact given, or

(*b*) before some earlier date which is more than three days after the commencement of the illness,

benefit will be payable from the *fourth day* of incapacity, or, in the case of a linked-up illness, from the first day of incapacity. In cases under (*b*), however, i.e. where the member was unable to give notice within three days of the commencement of incapacity, but *delayed giving it after he was reasonably able to do so*, benefit will not be payable for the period commencing on the day next after which he could reasonably have given notice and ending on the day on which notice was actually given.

Termination of Benefit. The right to Sickness and Disablement Benefits *ceases* when an insured person reaches the age of 65.

MATERNITY BENEFIT

Maternity Benefit is in all cases the mother's benefit, and her receipt, or her husband's receipt if authorized by her, is a sufficient discharge to the society for the payment of the benefit. Where the benefit is paid to the husband, he is required to pay it to his wife. The benefit must in all cases be dealt with in the interests of the mother and child, and where a society thinks it desirable to do so, it may provide the benefit otherwise than in cash.

A woman to whom Maternity Benefit is payable is entitled to decide whether she shall be attended on her confinement by a doctor or a certified midwife, and she has complete freedom of choice in the selection of the doctor or midwife by whom she is attended. She must make her own arrangements for paying the doctor or midwife. Maternity Benefit consists of the payment of a sum of 40s. on the confinement of the wife (or, in the case of aposthumous child, of the widow) of an insured man, or of a woman (whether married or unmarried) who is herself insured.

The benefit is administered by the approved society of which the person is a member, or by the appropriate Insurance Committee if the person be a deposit contributor.

The qualifications for this benefit are—

(1) That the person in respect of whose insurance the benefit is claimed has been insured for at least 42 weeks and 42 contributions have been paid.

(2) That the member or his wife is resident in Great Britain or Northern Ireland at the time of the confinement (except in the case of serving Sailors, Soldiers, and Airmen).

Where Maternity Benefit is payable by the *husband's society* it will be paid if *either* he *or* his wife is in the United Kingdom at the time of the confinement. Benefit is still payable if the husband is at the time of the confinement temporarily living in the Isle of Man or the Channel Islands, even though the wife is resident abroad.

Where benefit is payable by the *wife's society* it will be paid if at the time of the confinement she is in the United Kingdom or temporarily living in the Isle of Man or the Channel Islands, *but not if she is abroad.*

There are special provisions concerning "residence" in respect of serving sailors, soldiers, and airmen.

Where a woman is herself insured, a double benefit (i.e. £4 in all) is payable, but only £2 is payable if the husband alone is insured.

Maternity Benefit may be reduced or suspended on account of arrears of contributions. The same provisions as in the case of Sickness and Disablement Benefits usually apply to Maternity Benefit in any case where a woman is an inmate of a hospital or similar institution at the time of her confinement. If two Maternity Benefits are payable, only one may go to dependants.

ADDITIONAL BENEFITS

Certain specified additional benefits, such as increased sickness, disablement, or maternity benefit or the provision of dental, surgical, or ophthalmic treatment and appliances, may be declared by an approved society showing a surplus after each quinquennial actuarial valuation, but no provision can be made for death benefits (Third Schedule to the Act).

The members of the approved society at a general meeting are entitled to select the benefits under a scheme sanctioned by the Ministry of Health.

EXTENDED BENEFITS

Under the original scheme extended benefits might be declared after the process of the equalization of the contributions of persons entering the insurance one year after the commencement of the 1911 Act was complete.

CONTRIBUTORS RECOVERING COMPENSATION OR DAMAGES UNDER OTHER ACTS

It may happen that a contributor sustains an injury, or incurs a disease, in respect of which he is entitled to recover compensation or damages under other Acts, e.g. the Workmen's Compensation Acts or the Employers' Liability Act, or at common law. In such cases the contributor is entitled to the greatest benefit obtainable, i.e. if the weekly sum, or the weekly value of any lump sum payable, would be equal to or greater than the benefit which he would receive under the National Health Insurance Act, he may abandon his claim under the latter Act, and receive the advantages of the increased benefit obtained under the other Acts, etc. But if the sum receivable by him under the Insurance Act is greater than the weekly sum, etc., receivable under the other Acts, etc., then he will be entitled to receive under the Insurance Act, e.g. under the Workmen's Compensation Act, 18s. per week; under the Insurance Act, 18s. per week; total 36s. per week (Sect. 51).

If an insured person refuses or neglects to take proceedings as above when he is entitled to, the society or committee concerned (as to which see later) may do so (Subsect. (3) of Sect. 53).

CONTRIBUTORS RECEIVING TREATMENT IN HOSPITALS

While a contributor is an inmate of a workhouse, hospital, asylum, etc., he receives no payment on account of sickness, disablement or maternity, but the amounts of any benefits go towards the relief of his dependants (if any), or towards his maintenance in the hospital, etc. (Sect. 55 of the Act).

EFFECT OF MARRIAGE OF WOMEN CONTRIBUTORS WHO CEASE TO BE EMPLOYED

A woman who marries and gives up work either before marriage or within one year thereafter is suspended from the ordinary benefits of the Act, but is entitled to "special benefits." She is deemed to have ceased work when, being capable of work, she has done no work for eight *consecutive* weeks. If this period of eight weeks does not expire within a year after marriage, she continues as an ordinary employed contributor. If, having ceased work within the time stated, she returns to employment, she is treated as if she had entered insurance for the first time on so becoming employed; but if this takes place within two years of her marriage, she continues entitled to the "special benefits" during the qualifying periods for the ordinary benefits.

A woman who has not returned to work within two years after her marriage ceases to be insured.

THE "SPECIAL BENEFITS" REFERRED TO ABOVE

These are—

(*a*) Sickness benefit at the normal rate for not more than six weeks in all during twelve months after ceasing work, or the balance of such twelve months after the marriage.

(*b*) Maternity benefit of 40s. on the first confinement after ceasing work and after marriage, provided that the confinement occurs within two years after the marriage.

(*c*) Medical benefit until the 30th June or 31st December next, following after the expiration of twelve months from the ceasing work.

(*d*) Any additional benefits provided by the approved society.

NATIONAL HEALTH INSURANCE CONTRIBUTORY PENSIONS AND WORKMEN'S COMPENSATION ACT, 1941

This Act increased both contributions and benefits. It raised the standard of exemption for non-manual workers from £205 to £420 per annum.

Sickness and Disablement benefits were increased by three shillings per week from 1st January, 1942

Contributions of employers and contributors were increased by one penny per week from the same date.

The amount of National Health benefit which must be disregarded in the determination of income was raised from 7s. 6d. to 10s. 6d. per week.

These provisions are incorporated in the text, *ante*.

CHAPTER XIII

NATIONAL HEALTH ADMINISTRATION

APPROVED SOCIETIES

APPROVED Societies were constituted in accordance with the National Insurance Act, 1911, Sections 23 to 41. The provisions are now contained in Part III of the Act of 1936, some sections of which are as given below.

CONSTITUTION AND GOVERNMENT OF APPROVED SOCIETIES

73.—(1) Any society, that is to say, any body of persons corporate or unincorporate (not being a branch of another such body), registered or established under any Act of Parliament, or by Royal Charter, or, if not so registered or established, having a constitution of such a character as may be prescribed, may if it complies with the requirements of this Act relating to approved societies, be approved by the Minister, and, if so approved, shall be an approved society for the purposes of this Act.

Provided that, where any society establishes for the purposes of this Act a separate section consisting of insured persons, whether with or without honorary members not being insured persons, and so constituted as to comply with the requirements of this Act relating to approved societies, that separate section may be approved by the Minister, and, if so approved, shall be an approved society, and the provisions of this Act relating to the conditions of approval of societies and to approved societies shall apply only to such separate section of the society.

(2) No society shall be approved by the Minister unless it satisfies the following conditions—

(*a*) That it is not a society carried on for profit;

(*b*) That its constitution provides to the satisfaction of the Minister for the affairs of the society being subject to the absolute control of its members being insured persons or, if the rules of the society so provide, of its members whether insured persons or not, and for the election and removal of the committee of management or other governing body of the society, in the case of a society whose affairs are managed by delegates elected by members, by delegates, and, in other cases, in such manner as will secure absolute control by its members;

(*c*) That, if the society has honorary members, its constitution provides for excluding the honorary members from the right of voting in their capacity of members of the society on all questions and matters arising under this Act.

(3) The Minister may grant approval either unconditionally or subject to the condition that the society shall within such time as the Minister may allow take such steps as may be necessary to make the society comply with the requirements of this Act relating to approved societies.

MEMBERSHIP OF APPROVED SOCIETIES

87.—(1). Subject to the provisions of this Act, any insured person and any person entitled to become an insured person may apply to an approved society for membership.

(2) An approved society shall be entitled, in accordance with its rules, to admit or reject any person so applying for membership, or to expel any of its members being insured persons:

Provided that no such application shall be refused solely on the ground of the age of the applicant.

(3) If any approved society to which or to the duly appointed agent of which, being a person receiving applications for admission to the society, any person not being a member of any approved society delivers an application in proper form for admission to the society, does not within a period of three months after the date on which the application is so delivered, deliver or send by post to that person a notification in writing that his application has been rejected, that person shall be deemed to have been admitted a member of the society as on the date of the delivery of the application.

For the prevention of the misuse of the funds of any society, it was essential that the members themselves should be interested in their protection. There are approved societies representing trade unions, churches, and insurance companies. One society was known as the Comical Fellows—a small society of genial fellows who had banded themselves together and founded their own approved society. Some societies made a point of selecting their own members; for example, the Rechabites desired only total abstainers. Some societies had been able to increase their statutory benefits by 50 per cent, while others, owing to a greater amount of sickness, could not increase theirs.

FUNCTIONS OF APPROVED SOCIETIES

The functions of approved societies include the admission or rejection of any insured person or any person entitled to become insured. They issue and collect contribution cards; pay sickness,

maternity, and disablement benefit direct to members; administer their additional benefit schemes, and control the investment of one-half of the total reserve fund.

They are also required to comply with all regulations issued by the Minister, and to keep their books and accounts relating to National Health Insurance apart from all other books and accounts, and in such form as may be approved, and when required submit them to auditors appointed by the Treasury. An important part of the work of the approved societies has been the formation of the schemes of additional benefits.

The outstanding financial feature of the scheme is that which provides approved societies with credits (in the form of a special "debt" known as "Reserve Values" to be liquidated over a term of years) necessary to enable them to start in a position of solvency. The insurance risks fall, as far as the pecuniary benefits are concerned, upon the approved societies, and therefore by reversion, upon the members themselves. Thus, the participation of the societies is essential to the welfare of the scheme.

OBLIGATIONS OF APPROVED SOCIETIES

Approved societies have to carry out certain duties, i.e. to keep proper accounts in the prescribed form, and submit them to audit when required; to have their assets and liabilities under the Act valued at intervals of not less than five years; to deal with any surplus or deficiency by any such valuation as provided; and to render such returns as the Minister may require (Sects. 101, 103, 104).

DISPUTES BETWEEN APPROVED SOCIETIES AND THEIR MEMBERS

These are decided in accordance with the rules of the Society, and there is a right of appeal to the Minister (Sect. 163).

DECISION OF DISPUTES

Section 163. (1) Subject to the provisions of the last preceding section of this Act—

(*a*) Every dispute, relating to anything done or omitted by that person, society or branch (as the case may be) under this Act or any regulations made thereunder, between—

(i) an approved society or a branch thereof, and an insured person who is a member of the society or branch or any person claiming through such a person;

(ii) an approved society or branch thereof, and any person

who has ceased to be a member for the purposes of this Act of the society or branch, or any persons claiming through such a person;

(iii) an approved society and any branch thereof;

(iv) any two or more branches of an approved society; and

(*b*) every dispute between an approved society and any person as to whether that person is or was at any date a member of that society for the purposes of this Act,

shall be decided in accordance with the rules of the society, but any party to such dispute may, in such cases and in such manner as may be prescribed, appeal from the decision to the Minister.

(2) Every dispute between—

(*a*) an insured person and an insurance committee;

(*b*) two or more approved societies;

(*c*) an approved society and an insurance committee;

(*d*) two or more insurance committees;

relating to anything done or omitted by such person, society, or insurance committee under this Act or any regulations made thereunder shall be decided in the prescribed manner by the Minister.

(3) The Minister may, subject to the provisions of this Act, authorize referees appointed by him to decide any appeal or dispute submitted to him under this section.

(4) Regulations may be made providing for the procedure on any such appeal or dispute, and any such regulations may apply to any of the provisions of the Arbitration Act, 1889, but except so far as it may be so applied, that Act shall not apply to proceedings under this section, and any decision given by the Minister or a referee under this section shall be final and conclusive.

OFFENCES AGAINST THE ACT

The penalties prescribed in cases where employers fail to pay contributions under the Act, or otherwise contravene its provisions, are contained in Section 170.

BENEFITS IMPROPERLY PAID

If it is found that benefits have been improperly paid to any person, there is a right to recover against him, or in the case of his death, against his personal representatives. Any such debt ranks as one due to the Crown (Sect. 71).

BENEFITS UNDER THE ACT NOT ASSIGNABLE

No benefits conferred by the Act can be assigned, and any agreement purporting to assign such a benefit is void (Sect. 68).

POWERS OF INSPECTORS

An inspector appointed under the Act has the following powers—

(*a*) To enter at all reasonable times any premises or place—but not a private dwelling-house which is not used as a workshop—where he has reasonable cause to believe any employed contributors or workmen in an insured trade are employed;

(*b*) to examine and inquire whether, as regards any such premises or place, the provisions of the Act are being complied with;

(*c*) to examine every person whom he finds in any such premises or place, or whom he has reasonable cause to believe to be insurable and to require a signed declaration from such person;

(*d*) to exercise such other powers as may be necessary to carry out the Act.

INSURANCE COMMITTEES

The local administration is in the hands of the Insurance Committee, which is set up for each county and county borough. It is a body corporate with perpetual succession and a common seal.

The constitution of the Insurance Committee is by the National Health Insurance Act, 1936, a minimum of 20, and a maximum of 40 members, elected in the following proportions of—

(*a*)	Insured Persons and Deposit Contributors		three-fifths
(*b*)	County or County Borough (at least two women). If total of Committee is less than 35, one woman.		one-fifth
(*c*)	(i) Medical Practitioners	2	one-fifth
	If total of Committee is less than 30	1	
	(ii) Doctors appointed by local authority	1	
	If total of Committee exceeds 30	2	
	If total of Committee is 40	3	
	(iii) Remainder by Ministry of Health—		
	Medical Practitioners, if total Committee over 25, at least	1	
	Women, if total Committee over 35	2	
	Women, if total Committee less than 35	1	

The Insurance Committee usually appoints sub-committees. The following may be considered as typical, viz.—

Finance Sub-Committee;
Medical Benefit Sub-Committee;
Medical Service Sub-Committee;
Pharmaceutical Service Sub-Committee;
Joint Services Sub-Committee;
Allocation Sub-Committee.

The duties of the Insurance Committee include the administration of medical benefit, the formation of panels of doctors and pharmacists, and the determination of the income limit for contract.

The Insurance Committees undertake the management of affairs of approved grouped societies. The benefits of deposit contributors are administered through them. They also issue rules respecting these benefits.

The Acts provide that the Insurance Committee should undertake the collecting of information and statistics respecting the health of insured persons and the making of reports and returns, as may be required, by the Ministry of Health.

The Insurance Committee has power to demand inquiry by the Secretary of State for the Home Department or the Ministry of Health as to excessive sickness, and to arrange lectures and publish information relating to health.

The finance of the Insurance Committee includes the receipt and disbursement of all funds for medical benefit and for general purposes. It possesses a fund for general purposes, and an administration fund. The National Health Insurance Acts, as amended by the Economy (Miscellaneous Provisions) Act, 1926, provide that there shall be paid in each year to Insurance Committees in Great Britain (out of the funds from which health insurance benefits are payable on account of the cost of medical benefit) in respect of each insured person, a sum not exceeding 13s. as may be prescribed, of which sum not exceeding 6d. is applied for administration purposes of Insurance Committees, and not exceeding 3d. for the expenses of the Ministry of Health. The normal annual rate of payment to doctors is 9s. per insured person, and chemists are paid the cost of ingredients and dispensing fees upon an agreed scale.

ACCOUNTS AND AUDIT

The accounts of the approved societies and insurance committees are prescribed in detail and are subject to audit by Treasury auditors who have power of surcharge.

SPECIAL PROVISIONS

Special provisions are made with respect to naval, military and air services, mercantile marine, seasonal trades, certificated and other teachers, married women, deposit contributors, etc.

MATTERS FOR DETERMINATION BY THE MINISTER

Questions which arise as to the undermentioned matters are determined by the Minister of Health—

(*a*) Whether any employment or class of employment is insurable;

(*b*) whether a person is entitled to become a voluntary contributor;

(*c*) the rate of contribution payable in respect of any insured person;

(*d*) the proportion to be borne by the employer and the contributor respectively;

(*e*) as to who is the employer of an employed contributor.

Appeal from Decision of the Minister. If any person feels aggrieved by a decision of the Minister on the question of whether any employment or class of employment is insurable or whether a person is entitled to become a voluntary contributor he may appeal to a judge of the High Court (Sect. 161).

REGULATIONS

Part VI of the Act of 1936 deals with Central Administration. Section 167 provides that

(1) Regulations may be made under this Act for any of the following purposes, viz.—

(*a*) for any purpose for which regulations are expressly authorized to be made by any of the provisions of this Act;

(*b*) for prescribing anything which under this Act is to be prescribed; and

(*c*) generally for carrying this Act into effect.

(2) All regulations made under this Act shall be laid before both Houses of Parliament as soon as may be after they are made, and shall have effect as if enacted in this Act, and if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, His Majesty in Council may annul the regulation, and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

(3) Any regulations made under any of the provisions of this Act specified in the Fifth Schedule to this Act may contain such incidental, supplemental, and consequential provisions as appear necessary for modifying and adopting the provisions of this Act to the provisions of the regulations and otherwise for the purpose of the regulations.

THE FIFTH SCHEDULE gives the Provisions of the Act authorizing regulations in respect of which Special Powers are given, viz.—

Section of Act	
13 (3)	Administration of medical treatment and attendance.
43 (*a*)	Issue of certificates by medical practitioners.

Section of Act

64 (4) Persons of unsound mind.
83 (2) Withdrawal of approval.
84 (2) Dissolution of societies.
85 Amalgamation, transfer of engagements, etc., of societies.
86 (1) Secessions, expulsions, and dissolution, etc., of branches.
118 (1) Provision of funds for insurance committees.
112 (2) Deposit contributors.
131 (2) Navy, Army, and Air Force Insurance Fund.
131 (4) Persons of unsound mind entitled to benefits out of the Navy, Army, and Air Force Insurance Fund.
146 (8) Crediting, variation, and cancellation of reserve values.
180 (2) Provisions as to death certificates.

NATIONAL HEALTH INSURANCE REGULATIONS, 1936

The consolidation of Health Insurance legislation has necessitated the review of the Regulations and Orders issued under the previous Acts and the following are among the more important principal Regulations and Orders, which are from time to time amended—

S R & O. No.	Regulations	Date
1847	Approved Societies, 1939	13th Dec., 1939
408	Insurance Committees, 1937	28th April, 1937
1163	Medical Benefit, 1936	26th Oct., 1936
1658	Deposit Contributors, 1938	29th Dec., 1938
1653	Deposit Contributors Insurance Section, 1938	31st Dec , 1938
1467	Navy, Army and Air Force, 1938	21st Nov , 1938
886	Exempt Persons, 1937	13th Sept., 1937
591	Voluntary Contributors, 1938	1st June, 1938
281	Valuations, 1938	26th March, 1938
1508	Reserve and Transfer Values, 1938	8th Dec., 1938
1023	Arrears, 1937	8th Nov., 1937
773	Collection of Contributions, 1938	25th Feb , 1938
1061	Additional Benefits, 1930	19th Dec., 1930
1466	Dental Benefit, 1938	6th Dec., 1938
530	Seamen's Medical Benefit, 1937	31st May, 1937
696	Unclaimed Proceeds of Stamp Sales, 1938	7th July, 1938
668	Inspectors' Certificates, 1937	13th July, 1937
884	Investment Account (Rate of Interest), 1937	8th Sept., 1937
1032	Duration of Insurance, 1937	15th Nov , 1937
1114	Decision of Questions, 1937	3rd Dec., 1937
	ORDERS	
1062	Share Fishermen, 1937	21st June, 1937
965	Outworkers, 1937	21st June, 1937

S.R. & O. No.	Regulations	Date
1061	Employment under Local and Public Bodies, 1937	15th Sept., 1937
1060	Contractors for Manual Labour, 1937	9th July, 1937
684	Subsidiary Employment, 1937	13th March, 1937
880	Subsidiary Employment (No. 2), 1937	22nd Sept., 1937
76	Subsidiary Employments, 1938	31st Jan., 1938
651	Special Order Inquiry Rules, 1937	26th June, 1937

NATIONAL HEALTH INSURANCE, DENTAL BENEFIT REGULATIONS, 1938

The National Health Insurance Joint Committee, acting jointly with the Minister of Health and the Department of Health for Scotland, in exercise of powers conferred on them by the National Health Insurance Acts, 1924 to 1932, issued regulations regarding the conditions governing the allowance of Dental Benefit by Insurance Companies. The regulations cover the appointment and constitution of the Dental Benefit Council, and give its terms of office.

With a view to securing uniformity in the provision of dental treatment under the regulations throughout Great Britain, there is a Standing Joint Committee for England and Wales and the Chairman and Vice-Chairman of the Executive Committee for Scotland and the member of the Council appointed by the Department of Health for Scotland, and it is open to either Executive Committee to refer any matter to the Standing Joint Committee for consideration.

The service of a Regional Dental Officer is available for—

(i) Aiding societies, dentists, and the Council on questions arising in connection with estimates furnished or treatment given by dentists.

(ii) Advising the Minister and the Council on matters arising in connection with the administration of Dental Benefit.

In addition to the general conditions set out in the Additional Benefit Regulations relating to the receipt of Additional Benefit, it is a condition for the receipt of Dental Benefit that a member shall—if required by his society—prior to determination of his application submit himself for examination by a Regional Dental Officer.

The regulations also contain—

General arrangements for the administration of Dental Benefit, and the proportion of cost of benefit to be paid by the society.

Guidance in the choice of a dentist by the member.

Arrangements to be made between the dentist and the societies.

Three Schedules giving—

(1) conditions of service of the dentist;

(2) the scale of fees and conditions with respect to items in the scales of fees;
(3) copies of dental letters;
(4) rules for procedure at inquiry.

CERTIFICATES OF BIRTHS, DEATHS, AND MARRIAGES (REQUISITION) REGULATIONS, 1935

The Minister of Health and the National Health Insurance Joint Committee issued the Certificate of Births Deaths, and Marriages (Requisition) Regulations, 1937, which came into operation immediately, and entitled any person to obtain a certified copy of an entry in a register of births, deaths, or marriages under the provisions of the Factories Acts, 1937, the Unemployment Insurance Act, 1935, the Education Act, 1921, and the National Health Insurance Act, 1936, respectively.

Copies of the prescribed forms for application are given in a schedule at the end of the regulations.

PART V

THE STATE AND LABOUR

CHAPTER XIV

FACTORIES ACTS—(*a*) HEALTH

FACTORIES including workshops are buildings erected or adapted and maintained for special industrial activities to be carried on therein. They are the inevitable result of the great expansion of industries due to the discoveries and inventions of the eighteenth and nineteenth centuries which necessitated the transfer from the domestic system of industry to the modern factory system. During the rapid evolution of these industries the conditions under which work was carried on were, more often than not, far from satisfactory, and many Acts of Parliament were passed to remedy specific evils and to protect the workers.

OBJECT OF THE FACTORY ACTS

The disregard shown for the human element a century ago was bound inevitably to lead to conflict and there is no doubt that legislation was needed to give effect to the protests that were already being made by far-sighted employers, workers, and public philanthropists. The purpose of legislation, in Great Britain at any rate, is to enforce on all that which by voluntary effort has proved to be socially beneficial. The history of the Factory legislation in the concern shown for the workers exemplifies this principle.

The object of the Factory Acts is to protect the health of employees from injury by overwork, unwholesome or dangerous conditions of labour, and especially the younger and weaker employees.

Bodily and mental health and strength are influenced by industry. Some occupations are healthful in themselves, e.g. agriculture and open-air pursuits generally, others are distinctly unhealthy, e.g. lead-glazing, file-making, and certain chemical manufactures. Between these extremes many graduations of employment exist, the healthiness or unhealthiness of which depends largely on the sanitary conditions of the workshop or factory, hours of labour, etc.

HISTORICAL

The Industrial Revolution brought its own evils, one of which was the terrible condition of the factories which the system had created. Child and women labour was exploited in the rush for wealth. About 1784 infectious fever broke out among children in cotton mills at Radcliffe. Investigation drew attention to the conditions under which children were working. A few years later fever broke out in the factories of the Manchester district. The Manchester Board of Health under the leadership of Dr. Percival held an inquiry into the results of the factory system. They reported, *inter alia*, that the large factories were injurious to the constitutions of those employed in them by reason of the close confinement of the workers, hot and impure air, and the lack of active exercise. Night labour and excessive hours during the day were condemned, and it was pointed out that children employed in the factories generally were debarred from all opportunities of education and moral and religious instruction. The fevers generated by dirt and misery spread to the upper classes also, and the safety of the rich was intimately connected with the welfare of the poor.

HEALTH AND MORALS OF APPRENTICES ACT, 1802

As the result of the labours of the Manchester Board of Health and other social workers, the First Factory Act ("Health and Morals of Apprentices Act, 1802") was passed by Parliament under the guidance of the elder Sir Robert Peel (father of the Prime Minister), himself a wealthy manufacturer. In the rapid change-over of textile industries from a cottage to a factory basis, which was the outstanding feature of the Industrial Revolution at the end of the eighteenth and the beginning of the nineteenth century, hard commercial considerations had outpaced those of humanity in many cases, and in particular the lot of the "parish apprentices" employed in the mills was often a very hard one. These were pauper children who, in pursuance of an Act of Elizabeth's reign, were apprenticed by the Poor Law overseers to various trades, often, it would appear, to get rid of them and with little regard for their welfare.

This Act required that the apprentices should not be employed by night nor for more than 12 hours by day in cotton and woollen mills, and embodied certain sanitary regulations. Pauper apprentices were to be taught reading, writing and arithmetic. Proper sleeping accommodation was to be provided and a suit of clothes every year, and the apprentices were to be sent to church at least once per month, during the first four years of their work. Justices of the Peace were empowered to appoint

two inspectors, one of whom was to be a clergyman. The Act also applied certain simple sanitary requirements to all cotton and woollen factories in which twenty or more persons were employed, whether these included apprentices or not.

This Act was the beginning, but was in itself a failure, because employers ceased to employ pauper apprentices as there were plenty of free children. The system of the inspection was also inadequate.

ROBERT OWEN

Between 1802 and 1819 Robert Owen, a Socialist mill owner, whose mills at New Lanark were run on what was regarded, rightly in his day, as model lines, proving that character was largely determined by environment, that high wages were more economical than low wages, that co-operation was for the good of all, and that it was in the manufacturer's own interest that factory legislation should be extended, proposed to the Royal Commission appointed in 1815 that there should be a good system of inspection, that no child under 10 should be employed and that no person under 18 should work more than 10½ hours. Previous to this the children were being deformed and were ill-nourished. Even children of 5 were working in factories. The argument against Owen's proposals was that if restriction of the labour of the younger children was attempted work could not be carried on and they would starve.

Owen secured the co-operation of the elder Sir Robert Peel, a prominent member of Parliament and himself a millowner. By an Act of 1819 Owen's proposals were met half-way. The Act applied only to cotton mills, but to all children under 16 whether apprentices or not. It provided that no child under 9 was to be employed. It prohibited their employment at night and provided that the working hours of those under 18 should not exceed 12½ hours per day. This was reduced to 12 hours per day by an amending Act of 1825.

LORD SHAFTESBURY

About this time two men appeared who fought hard for further legislation. Richard Oastler, Tory democrat, who was keenly interested in the emancipation of slaves, came to realize that there were slaves at home. He gave the first impetus and subsequent strenuous support, to the Ten Hours movement. Thomas Sadler, philanthropist, writer on political economy, and Parliamentary leader of the movement was responsible for Lord Ashley (afterwards seventh Earl of Shaftesbury) taking up the cause of factory legislation. In 1831, an Act applying only to

cotton mills was passed forbidding night work between the ages of 9 and 21. The working day for young persons under 18 was to be 12 hours, 9 hours on Saturdays. In the same year Sadler introduced a Ten Hours Bill. It was referred to a Select Committee of which Sadler was chairman. Sadler, however, lost his seat in the reformed Parliament of 1832, and Lord Ashley (afterwards Lord Shaftesbury) became chairman of the Committee.

FACTORY ACT, 1833

The time for the Ten Hours Bill was not yet, but Shaftesbury did succeed in passing the Factory Act, 1833, which is often called Lord Althorp's Act after the Minister who introduced the Bill. It extended legislation to all textile factories. From 8.30 p.m. to 5.30 a.m. night work was prohibited for children under the age of 9. Children of 9 to 13 years were not to work more than 48 hours per week, young persons from 13 to 18 were not to work more than 69 hours. Provision was made for the attendance of children at school, and a very important innovation was the appointment of four factory inspectors to administer the Act. This Act of 1833 was the turning point in the history of factory legislation.

The Factory Act, 1836, provided for 10½ hours a day for those under 18; children under 14 were not allowed to work at night, and under 9 were not allowed to work at all in textile works.

From 9 to 14 the working day was fixed at eight hours. Holidays were provided for and a medical certificate of physical fitness was required before young people could be set to work.

MINES REGULATION ACT, 1842

In 1842 the mines attracted attention owing to a report on the employment of children therein, showing that children and girls and women of all ages were working there under terrible conditions. The Mines Regulation Act of that year prohibited the work of women as well as that of boys under 14 below ground in mines, and at the same time an Inspector of Mines was appointed.

FACTORY ACT, 1844

The Factory Act, 1844, maintained the hours for young persons at the limits fixed in 1833, but applied them also to women of any age. The hours of children were reduced to 6½ a day and their daily attendance at school was increased to 2½ or 3 hours. This was accompanied by the retrograde step of reducing the minimum age for employment to 8 years.

This Act brought into full being the much discussed "half-time system" of employing children, viz. either morning in the factory and afternoon at school, or vice versa; or, alternate days in the factory and at school. The employment of children under 14 in factories and workshops, and with it the half-time system was brought finally to an end by the Education Act, 1918, and the Employment of Women, Young Persons, and Children Act, 1920. The Act of 1844 was the first which dealt with the safeguarding of machinery. The reporting of factory accidents was also required for the first time in 1844.

In 1845 calico-printing works had their turn when the Printing Works Act was passed by which no child was to be employed in such works under 8 years of age nor women between 10 p.m. and 6 a.m. and all children were to have thirty school days in each half year.

FACTORY ACT, 1847

After a hard struggle with the factory owners, the Ten Hours Act was passed in 1847 due to the combined effect of a change of Government and slackening of opposition consequent upon a slump in trade and short-time in the mills. The passage of the Bill was secured by John Fielden, a Radical manufacturer and Member for Oldham, when Ashley was temporarily without a seat. This reduced the labour of women, children and young persons to 10 hours per day and 58 hours a week, while the legal working day was fixed from 5.30 a.m. to 8.30 p.m. When trade revived the manufacturers avoided this Act by employing the women and young persons in relays. The legality of the system of relays was left in some doubt by the wording of the Act but was upheld by the Court of Exchequer in a test case. In giving this decision, however, Baron Parke "strongly conjectured" that the relays were contrary to the intention of the legislature.

FACTORY ACT, 1850

To stop this, an Act was passed which provided that women, children, and young persons could work only between the hours of 6 a.m. and 6 p.m., or 7 a.m. and 7 p.m. with 1½ hours for meals. This was a compromise, as it entailed an increase of the permissible hours of work to 10½ a day (on Saturday, 7½) and 60 a week. The establishing of a uniform period of employment, with the consequent abolition of relays, was, however, considered such a valuable reform that, to avoid the risk of losing it, Lord Ashley accepted the compromise. In 1853 it was enacted that children should not be employed before 6 a.m. or after 6 p.m. Their

hours were to be 6½ hours per day or 10 hours on each alternate day. In 1860 and 1861 bleach and dye works and lace factories were brought under this Act.

FACTORY ACT, 1867

The Consolidating Factory Act, 1867, defined a factory as any place where fifty or more persons were employed in any manufacturing process. It also defined the hours of labour, space to be allowed for the work in which men and women were employed, and for the first time fixed a half-holiday on Saturdays. It provided also that children employed in workshops and factories should receive elementary instruction to a certain extent on the premises.

WORKSHOPS REGULATION ACT, 1869

The Workshops Regulation Act, 1869, applied to all premises in which fewer than fifty persons, including any child, young person, or woman, were employed in handicraft. In 1874 the minimum age was fixed at 10 years, and the hours for children were limited to 5½, while overtime was prohibited. In 1872 and 1875 further Mines Regulation Acts were passed.

FACTORY AND WORKSHOP ACT, 1878

The Factory and Workshop Act, 1878, which was introduced by the Home Secretary, Mr. Richard (afterwards Viscount) Cross, further consolidated the legislation on the subject. The Act was the first comprehensive Act applying to factories, both textile and non-textile, and workshops. It provided for thorough sanitary accommodation in all factories and workshops, and for the inspection of such accommodation. Fencing of machinery was provided for, and hours of labour in certain industries revised. There were further and more definite provisions in regard to holidays, and the elementary education of "half-timers" and other children employed.

The Act made a distinction between (*a*) factory, (*b*) workshop, and (*c*) domestic factories and workshops ; not, as in the Acts of 1867, on the number employed, but mainly on the use or absence of mechanical power. A factory was defined as an establishment in which steam, water, or other mechanical power is used to work any machinery.

A further distinction was made between textile and tenement factories. A textile factory was defined as premises in which steam, water, or other mechanical power was used in manufacturing cotton, wool, hair, silk, flax, and similar things.

A workshop was defined as an establishment in which any

manual labour is exercised in the making, repairing, or adapting for sale of any article. As defined by the 1901 Act, a tenement workshop means any work-place in which, with the permission of the owner or occupier, two or more persons carry on work which would constitute the place a workshop if they were employed by the owner or occupier. The Act of 1878 recognized the existence of the domestic workshop. The 1901 Act defined a domestic workshop or factory as a private house, room, or place which though used as a dwelling is, by reason of the work carried on there, a factory or workshop within the meaning of the Act.

Provisions under the Factory Acts have taken the form of requirements for the health of the workers, regulations for the safety of the workers, and requirements for special classes of workers. In the first place health is ensured by requirements for cleanliness and sanitation, the prevention of overcrowding, and for a certain system of ventilation in the factories and workshops. Safety is ensured by requirements for fencing of machinery, vats, and dangerous structures, by providing that no children, young persons, or women are to clean machinery when in motion, or clean parts of the machinery whilst it is in motion for the purpose of propelling any part of the manufacturing machinery; and requiring that notice of accidents is to be sent to both the examining surgeon and the factory inspector.

The requirements affecting certain classes of workers referred principally to women and children. No child under 10 could be employed at all. Special requirements were made for women, children and young persons. They could not be employed more than 10 hours per day, and their hours had to be from 6 or 7 a.m. to 6 or 7 p.m., with two hours for meals. On Saturdays their hours had to be from 6 or 7 a.m. to 1 or 2 p.m., with one hour for meals. Children between the ages of 10 and 14 could only be employed for half this time, and in the case of all young persons under 16, a medical certificate of fitness was required. Arrangements for meals had to be regular and taken simultaneously. Holidays were to be given to every woman and young person on Christmas Day, Good Friday, and every Bank Holiday unless in lieu of any of those days another whole holiday or two half-holidays was fixed by the overseer of the factory or workshop.

FACTORY, WORKSHOP AND BAKEHOUSE ACT, 1883

In 1883 an amendment under the Factory, Workshop and Bakehouse Act affected white lead factories. In 1886 attention was drawn to the employment of children and young persons in shops, and by an Act of that year their hours were restricted to 74 hours per week.

FACTORY ACTS, 1891 AND 1895

These two Acts dealt for the first time with the question of means of escape in case of fire, extended the application of the Acts, in part, to laundries, and gave the Secretary of State power to make "Special Rules" applying to processes certified by him to be injurious to health or dangerous to life or limb. Certain requirements were also made applicable for the first time to docks, wharves, and warehouses, the loading and unloading of ships, and building operations.

SHOP HOURS ACTS

Between 1892 and 1895, three Shop Hours Acts were passed; and, in 1897, the provision of seats for female shop assistants was made compulsory.

The law as to hours in shops has been further amended by Acts passed in 1912, 1913, 1920, 1928, and 1936 (see page 282).

QUARRIES ACT, 1894

The Quarries Act, 1894, brought quarries under legislation.

TRUCK ACTS

The Truck Acts, 1837, 1887, and 1896, prohibited (1) the payment of wages other than in currency; and (2) deductions from wages unless made in pursuance of such a contract as is set out in the Acts.

FACTORY AND WORKSHOP ACT, 1901

This Act was passed to consolidate with amendments various preceding Factory and Workshop Acts.

The Act, which came into operation on 1st January, 1902, repealed the Act of 1878 and the subsequent Acts, and embodied their requirements with numerous but not very drastic amendments. A notable provision was the substitution of "Regulations" applying automatically to the dangerous processes in question, wherever carried on, for the "Special Rules," previously referred to, which applied only in individual works in which they had been formally established. These Regulations have become a very important feature of Factory legislation, codes being now in force for over forty processes in which special precautions are necessary for health or safety.

SUBSEQUENT LEGISLATION

Since 1901, amending Acts have been rather numerous. Of these, perhaps the most notable was the Police, Factories, etc. (Miscellaneous Provisions) Act, 1916, which dealt for the first

time with Welfare, that is, the provision of conditions necessary for reasonable comfort and well-being, though not definitely essential on the ground of health. Among other important alterations during this period, were the application of the Acts in full to laundries in 1907, and the requirement of first aid equipment in all factories in 1923.

INDUSTRIAL MUSEUM

Wide fluctuations in the number of accidents in factories occur from year to year. The general accident rate for young workers is higher than for adult workers. Speeding-up of processes, increased mechanisation, the influx of persons lacking skill and alertness tend to increase the number of accidents. The metal, engineering and shipbuilding group of industries show high rates of accident. There has been a large reduction in the number of cases of lead poisoning and cutaneous cancer. These and other factors are considered, diagrammatically and otherwise, in the Industrial Museum, Horseferry Road, London, S.W.1. The Museum was enlarged in 1937. It is an exhibition kept well up to date, of methods and appliances for promoting safety, health, and welfare in premises and processes subject to the Factories Act.

FACTORIES ACT, 1937

The Factories Act, 1937, repeals, and embodies with or without amendments, the whole of five previous Acts and parts of nine others. Consolidating Bills were introduced in 1924 and 1926, but were not proceeded with owing to other demands on the time of Parliament.

The Act has revised the previous law in conformity with modern standards and conditions, and provides for greatly improved arrangements for securing the safety, health, and welfare of factory workers.

The provisions of the Act are the outcome of a careful review of the results of the long experience acquired by the Home Office in the administration of the Act of 1901, of inquiries of numerous Committees which have considered different parts and aspects of the wide field of industrial regulation, of research carried out by scientific bodies, and of experiments and investigations conducted by the industries themselves, and by individual manufacturers. Further, they have been framed in the light of the prolonged discussions which have taken place with representatives of the employers and workers.

The Act consists of fourteen Parts, 160 Sections, and four Schedules.

PARTS OF THE ACT

Part I. Health (General Provisions).
Part II. Safety (General Provisions).
Part III. Welfare (General Provisions).
Part IV. Health, Safety, and Welfare (Special Provisions and Regulations).
Part V. Notification and Investigation of Accidents and Industrial Diseases.
Part VI. Employment of Women and Young Persons.
Part VII. Special Applications and Extensions.
Part VIII. Home Work.
Part IX. Particulars of Piece Work and Wages.
Part X. Miscellaneous.
Part XI. Administration.
Part XII. Supplementary.
Part XIII. Application of Act.
Part XIV. Interpretation and General.

The Act came into operation on 1st July, 1938.

The four Schedules are as follows—

First. Table of Humidity.
Second Procedure for making Special Regulations.
Third. Provisions of the Factory and Workshop Act, 1901, to be administered by District Councils.
Fourth. Enactments repealed.

Orders, Regulations, or Special Regulations. A large number of Sections provide for the Home Secretary to make Orders, Regulations, or Special Regulations.

Definitions—

FACTORY means any premises in which persons are employed in manual labour in any process for (*a*) making (*b*) altering, repairing, finishing, etc., and (*c*) adapting for sale of any article; being premises in which or within the close or curtilage or precints of which, the work is carried on by way of trade or for purposes of gain and to or over which the employer of the persons employed therein has the right of access or control.

It also includes a number of specified trades which might be regarded as falling outside the general definition, the more important of which are yards or dry docks where ships are constructed, repaired or broken up; sorting works; premises in which hooking and lapping and making up of yarn or cloth is carried on; works for the construction of transport vehicles carried on as ancillary to a transport undertaking; letterpress, printing and bookbinding works; premises in which the production of cinematograph films is carried on; and premises incidental to building operations (Sect. 151).

The old distinctions between a factory and a workshop and between a textile and a non-textile factory are abolished.

Woman means a woman who has attained the age of 18.

Young Person means a person who has attained the age of 14 and has not attained the age of 18, but does not include any person whose parent is required to cause him (unless there is some reasonable excuse) to attend school or an alternative course.

District Council means the council of a borough or county district.

ADMINISTRATION

The control of factories and workshops is outside the scope of the Act, and is subject to the building sections of the Public Health Acts, and the by-laws and regulations made under those Acts. Otherwise the Factories Act, 1937, forms an almost complete code of factory legislation.

The Act provides dual control, local and central, for its administration, with "mandatory" powers to the latter.

Since the present War in 1939 the central administration has been transferred from the Home Office to the Ministry of Labour and National Service.

Factory Inspectors appointed by the Minister share with officers of local authorities the responsibility for the enforcement of the provisions of the Acts.

A great majority of the staff is engaged in general administration of the Acts and Regulations, but there are certain "specialists," viz. Medical Inspectors, Electrical Inspectors, and Engineering Inspectors. The last named are selected from the numerous qualified engineers and chemists on the staff to make a special study of the more difficult problems of safety and mechanical ventilation. Women inspectors were first appointed in 1893, during the Home Secretaryship of Mr. H. H. Asquith (afterwards Earl of Oxford and Asquith). They now form about one-third of the inspectorate.

Factory Inspectors are appointed by the Minister of Labour and National Service with the approval of the Treasury. An inspector may conduct or defend before a Court of Summary Jurisdiction or Justice any information, complaint, or other proceeding arising under the Acts.

Powers of Inspector appointed under the Factories Act are to do all or any of the following things, viz.—

(*a*) To enter, inspect, and examine at all reasonable times by day or night a factory and every part thereof when he has reasonable cause to believe that any person is employed therein; and to enter by day any place which he has reasonable cause to

believe to be a factory and in which he has reasonable cause to believe that explosive or highly inflammable materials are stored or used;

(*b*) To take with him a constable if he has reasonable cause to apprehend any serious obstruction in the execution of his duty;

(*c*) To inspect, examine, and copy the registers, certificates, notices, etc., required to be kept in pursuance of this Act;

(*d*) To see that the requirements of the Act, and those relating to public health are complied with;

(*e*) To require any person whom he finds in a factory to give such information, as it is in his power to give, as to who is the occupier of the factory;

(*f*) To examine every person whom he finds in a factory, or who he finds is, or whom he has reasonable cause to believe to be or to have been within the preceding two months, employed in a factory;

(*g*) In the case of an inspector who is a duly qualified medical practitioner, to carry out such medical examinations as may be necessary for the purposes of his duties under the Act;

(*h*) To exercise such other powers as may be necessary to carry out the Act (Sect. 123).

With regard to dangerous machinery he has power to notify to the occupier of a factory such parts as are dangerous. He has also power to make complaints to a Court of Magistrates as to dangerous ways, works, machinery, or plant, etc.

The chief statutes which are administered are the Factories Acts; the Truck Acts; the Employment of Women, Young Persons and Children Act, 1920; and the Children and Young Persons Acts, 1932 and 1933.

LOCAL AUTHORITIES

The sections of the Act with reference to sanitation in factories where mechanical power is not used and the provision of means of escape in case of fire are under the jurisdiction of the local authorities, while factory inspectors administer the remaining sections of the Act. The inspection of factories with a view to securing sufficient means of escape in case of fire is usually delegated by the local authorities to the surveyor, while the general sanitation provisions are under the control of the medical officer of health or sanitary inspector.

In cases where the duties are not carried out by the local authorities, a Factory Inspector may be authorized to take such action as might have been taken by the local authority.

Duties of Local Authorities. Although varying slightly in different districts, they may be summarized as follows—

1. The examination of plans of new factories or additions or alterations to existing ones and the supervision during construction, to see that the buildings are erected in accordance with the Public Health Acts and the building by-laws and regulations in force in the district.

2. The inspection of factories to ascertain whether there are sufficient and suitable sanitary conveniences for the employees.

3. The inspection of all factories, wherein more than twenty persons are employed, to see that they are provided with reasonable means of escape, in case of fire, for the persons employed therein.

4. Inspection with a view to preventing any injurious matters entering public sewers from factories.

5. The inspection of factories where petroleum is stored, with a view to licences being granted by the council.

Items 4 and 5 are dealt with under the Public Health Acts, 1936.

Factories erected in a district must conform to the building by-laws in force therein. These are usually modified "Model By-Laws."

PART I. HEALTH (GENERAL PROVISIONS)

Cleanliness. For the purpose of securing the observance of the requirements of this section as to cleanliness all the inside walls, partitions, and ceilings of rooms, passages and staircases must,

(*a*) if they are of smooth impervious surface, be repainted at least once in every seven years; or

(*b*) in other cases be whitewashed or colour washed at least once in every fourteen months, but if the walls and ceilings have been painted or varnished, they must still be washed with hot water and soap at least once in every fourteen months (Sect. 1).

An inspector may relax these requirements in the case of any factory where mechanical power is not used and fewer than ten persons are employed.

Further exemptions may also be allowed by order by the Secretary of State.

(*c*) accumulations of dirt and refuse must be removed daily from the floors and benches of workrooms, and from the stairs and passages; and

(*d*) the floor of every workroom must be cleaned at least once a week by washing or by other effectual method.

Overcrowding. To guard against overcrowding, it is required that there shall be 400 cub. ft. of space to every person.

The chief inspector may exempt, in special circumstances, workrooms in which explosive materials are manufactured.

In the case of existing "factories," however, the application of this section is postponed for a period of five years, and if,

before the expiration of that period, suitable mechanical ventilation has been provided in the room, its application is postponed for a further period of five years. This latitude ceases, however, if—

(*a*) the room passes into the occupation of a new tenant; or

(*b*) during the first of the five-year periods an inspector requires the provision of suitable mechanical ventilation and default is made in complying therewith; or

(*c*) during the second period mechanical ventilation provided for the room ceases to be maintained.

There must be affixed in every factory a notice specifying the number of persons who may be employed in each room of the factory or workshop by virtue of this section (Sect. 2).

Duties of Local Authorities. It is the duty of local authorities to administer the law relating to public health, including enforcing the provisions relating to sanitary conveniences, cleanliness, overcrowding, temperature, ventilation, and draining of floors, so far as they affect factories in which steam power is not used (i.e. those requirements which are not specifically required under the Factory Acts, to be administered by the Minister (Sect. 4)). If they fail to do so, the Minister can authorize inspectors to take what steps are necessary (Sect. 5).

Temperature. (1) A reasonable temperature must be maintained in each workroom of a factory where persons are employed but this must be done without interfering with the purity of the air within. No general standard is laid down in the Factory Act but it is generally accepted that for a sedentary occupation a temperature of less than 60° F. may not be deemed, after the first hour, to be reasonable.

(2) *Thermometers.* In certain classes of factories it is an important matter to maintain a suitable temperature, and the Minister is empowered to give directions to provide thermometers in these cases *by special order* (Sect. 6).

Ventilation. Proper ventilation—according to standards which are prescribed by the Minister from time to time—must be provided in every room of a factory by the circulation of fresh air in each workroom (Sect. 4).

Furthermore, where dust or fume is given off to such an extent as to be likely to be injurious or offensive, or any substantial quantity of dust of any kind is given off, all practical measures must be taken to prevent their inhalation, and, in particular, where the process makes it practicable, exhaust appliances must be provided and maintained as near as possible to the point of origin of the dust. A new provision with a similar purpose prohibits the use of a stationary internal-combustion engine

unless arrangements are made for conducting the exhaust gases into the open air, and partitioning off the engine from any workroom so as to prevent any injurious fumes from the engine entering the room.

Lighting. Though the provision of adequate lighting has been required in certain codes of regulations, no general requirement applicable to factories as a whole has hitherto been included in any Act of Parliament.

The subject has, nevertheless, received increasing attention during recent years and evidence has accumulated to demonstrate the ill-effects of inadequate lighting on both health and output. The Departmental Committee on Factory Lighting, appointed in 1913, recommended that there should be a statutory provision requiring in general terms adequate and suitable lighting and giving the Secretary of State power to make Orders defining adequacy and suitability. This gap in the factory law has now been made good.

In October, 1937, the Home Secretary appointed a Committee, under the chairmanship of Mr. D. R. Wilson, C.V.O., C.B.E., Chief Inspector of Factories, to review in the light of existing knowledge and practice, the recommendations of the Departmental Committee on Lighting in Factories and Workshops concerning the conditions necessary to secure adequate and suitable illumination in such places or for processes therein, and to advise about standards of sufficient and suitable lighting under the new Factories Act, 1937.

Further, all glazed windows and skylights must be kept clean on both the inner and outer surfaces. It is not generally appreciated how serious is the loss of light from neglect to observe this very elementary precaution (Sect. 5).

The Factories (Luminating Provisions) (Health and Safety) Order, 1942, provided that no person under 16 shall be employed in luminizing unless over 15 and so employed before 3rd May, 1942. No person must be employed more than 48 hours per week.

Drainage of Floors. Where any process is carried on which renders the floor liable to be wet to such an extent that the wet is capable of being removed, means must be provided and maintained for properly draining off the wet (Sect. 6).

Sanitary Conveniences. Every factory must be provided with sufficient and suitable accommodation in the way of sanitary conveniences for the workers engaged, with effective provision for lighting the conveniences. Where persons of both sexes are employed, separate accommodation for persons of each sex must be provided (Sect. 7).

An Order has been made by which it is provided that

(1) where females are employed there shall be one convenience for every 25 females;

(2) where males are employed one convenience for every 25 persons or where sufficient urinals are provided, one for every 25 persons up to the first 100 and one for every 40 thereafter, provided that in works where more than 500 are employed, and special arrangements for supervision are in operation, the inspector may grant a certificate authorizing as sufficient one convenience for every 60 employed;

(3) the conveniences must be kept clean and sufficiently ventilated and lighted, must not communicate with a workroom except through an intervening ventilated space, and must be readily accessible, and so situated as to secure privacy.

Duties of Local Authorities as to enforcement of provisions and regulations relating to sanitary conveniences (Sect. 8). (1) (2) District Council is required to keep a Register of Factories in their district.

Power of Inspection as to Sanitary Defects remediable by District Council. While the general sanitary provisions of the Factories Act are under the control of the medical officer of health or sanitary inspector, the responsibility for the enforcement of sufficient and suitable sanitary conveniences in factories is shared by the factory inspector, and the district council (Sect. 9).

Power in case of Default of a District Council. The factory inspector can give notice to the council where this duty is neglected, and may take proceedings in lieu of the council where it neglects to do so within one month, and he may recover any expenses incurred from the council (Sect. 10).

It would appear that where proceedings are taken by the factory inspector, the Minister is the sole judge of what is to be deemed sufficient and suitable accommodation, the justices having no jurisdiction in the matter.

Power to require Medical Supervision. Where it appears to the Minister that (*a*) cases of illness have occurred which he thinks have been due to the nature or conditions of the work; or (*b*) where there appears to be risk of injury to health through the introduction of new processes or new substances; or (*c*) where young persons are to be employed in works which may cause injury to health, he may make special regulations, or in the case of an individual factory an Order, requiring reasonable arrangements to be made for medical supervision of the persons employed, but such supervision may not include medical treatment other than first-aid treatment and treatment of a preventive character. By such means it will be possible to deal with unexpected and unusual outbreaks of illness (Sect. 11).

CHAPTER XV

FACTORIES ACTS—(*b*) SAFETY AND WELFARE

PART II

SAFETY (GENERAL PROVISIONS)

IN any Factories Act, the provisions relating to safety must always occupy a prominent position. It must be borne in mind too, that greater speed in production, increase in mechanization, and the introduction into industry of persons who, through long inactivity, have lost some of their skill, all tend to increase the hazards of industry. The many new provisions relating to safety are, therefore, much to be welcomed and should prove of benefit not only to the workers but to industry itself.

Part II of the Factories Act, 1937, deals with General Provisions for Safety.

FENCING OF MACHINERY

Little change has been made in the law as regards the protection of prime movers, a new expression which is defined to mean every engine, motor, or other appliance which provides mechanical energy derived from steam, water, wind, electricity, the combustion of fuel or other source.

Prime Movers. (1) Every flywheel and every moving part must be securely fenced whether in an engine-house or not. The only exception to this is that parts of electric generators, motors, and rotary converters need not be fenced if they are in such a position or of such construction as to be as safe as if they were securely fenced. In the case of all other prime movers, secure fencing must be provided.

(2) The head-race and tail-race of every water-wheel and water turbine must be securely fenced (Sect. 12).

Transmission Machinery. The law regarding the protection of transmission machinery (which was known as mill-gearing under the old Act) has been strengthened. Every part of such machinery must be protected unless it is of such construction or in such position as to be as safe as it would be if securely fenced.

There have been a number of High Court decisions as to the interpretation of this section, the general effect of which is to make it plain that no one may approach within reach of moving shafting, etc., unless it is properly fenced. It was held, for example, that a shaft 13 ft. from the floor is not safe by position if approached by a workman using a ladder for the purpose

of replacing a belt. New requirements relating to this type of machinery are as follows—

(1) Efficient devices or appliances must be provided in every room or place where work is carried on by which the power can promptly be cut off and the machinery quickly stopped in case of accident.

(2) No driving belt must be allowed to hang loose on a revolving shaft. Belts so left are a frequent cause of accident and of injury to plant.

(3) Suitable striking gear must be provided and used for fast and loose pulleys and it must be such as will prevent the belt from creeping back from the loose to the fast pulley.

Though these additional safeguards are now required, there has been a slight relaxation of the law to meet exceptional cases where hardship might arise. With this object in view, where the Minister is satisfied that owing to special circumstances any of the three requirements named above are unnecessary or impracticable, he may by order direct that that requirement shall not apply.

And again, in a process where, owing to its continuous nature, the stopping of machinery would seriously interfere with carrying on the process, the Minister may make regulations which will allow approach to the machinery for lubrication or mounting belts, if the work is carried out in accordance with such methods and in such circumstances as may be specified in the regulations (Sect. 13).

Other Machinery. (1) In the case of machinery other than prime movers and transmission machinery, the old requirements, that all dangerous parts must either be securely fenced or be in such position or of such construction as to be equally as safe as if they were fenced, continue. As regards the second alternative, the remarks made above in reference to transmission machinery have equal application here. Similarly, the words "securely fenced" must be interpreted literally. It is not sufficient that the parts are protected so far as practicable, and it has been held that if a machine cannot be securely fenced while remaining commercially practicable or mechanically useful, the statute in effect prohibits its use. There is, however, a proviso in the new Act that in so far as the safety of a dangerous part of any of the operation be secured by means of a fixed guard, the requirements of the section shall be deemed to have been complied with if a device is provided which automatically prevents the operator from coming into contact with that part. A typical case is that of certain power press operations where the hand of the worker must come within the danger zone when placing the article to

be pressed under the plunger, and where a device is provided which will push the hand away from the place of danger before the plunger descends.

(2) Another new provision has been included, too, to require in particular cases the use of other safety devices of a somewhat similar kind. Power is given to the Secretary of State to require by regulations the adoption of devices which

(*a*) prevent the exposure of dangerous parts of machinery while in motion; or

(*b*) stop a machine forthwith in case of danger (Sect. 14).

Such devices were first applied to cotton-spinning machinery, but their use has now been greatly extended, and many examples may be seen at the Ministry Industrial Museum.

Construction and Maintenance of Fencing. Another new requirement is that any part of a stock-bar which projects beyond the head-stock of a lathe must be securely fenced, unless it is in such position as to be as safe as if fenced (Sect. 16).

Construction and Sale of New Machinery. A fresh departure is made, too, in respect of new machinery which is to be driven by mechanical power.

(1) On every such machine

(*a*) every set-screw, bolt, or key on any revolving shaft, spindle, wheel, or pinion must be so sunk, encased, or otherwise effectively guarded as to prevent danger; and

(*b*) all spur and other toothed or friction gearing which does not require frequent adjustment while in motion must be completely encased unless so situated as to be as safe as if completely cased.

(2) This requirement can only apply to machinery constructed after the passing of the Act, but so far as this machinery is concerned any person who sells or lets on hire, or an agent of the seller or hirer who causes to be sold or let on hire, any machine intended to be driven by mechanical power which does not comply with the above requirements, is liable to a fine not exceeding £100.

(3) Power is given to the Minister to extend this principle to other dangerous parts (Sect. 17).

VESSELS CONTAINING DANGEROUS LIQUIDS

(1) All vessels containing any scalding, corrosive, or poisonous liquid, which is less than 3 ft. in height, must either be securely covered or be fenced up to that height, or, where by reason of the nature of the work neither secure covering nor secure fencing can be provided, all practicable steps must be taken by covering fencing, or other means to prevent any person falling into the vessel.

(2) The Minister may by order exempt any particular class of vessel if he is satisfied that the safeguards are unnecessary or inappropriate (Sect. 18).

SELF-ACTING MACHINES

The traversing carriage must not be allowed to run out within a specified distance from other fixed structure, if the space over which it runs is a space over which any person is liable to pass, whether in course of employment or not; but this does not apply to the traversing carriage of any self-acting cotton spinning or woollen spinning machine for which the Act provides otherwise (Sect. 19).

CLEANING OF MACHINERY BY WOMEN AND YOUNG PERSONS

There are certain restrictions as to the employment of "women" and "young persons."

1. A woman or young person shall not clean any part of a prime mover or any transmission machinery while in motion.

2. A woman or young person shall not clean any part of any machine where there is risk of injury from any moving part of that machine or adjacent machinery (Sect. 20).

TRAINING AND SUPERVISION OF YOUNG PERSONS

A quite novel provision has been introduced to ensure that young persons are properly instructed before being put on dangerous work. The accident rate is considerably higher among young persons than among adults, and probably one of the causes of this is lack of instruction and supervision in the early days of their industrial life.

To remedy this it is now provided that no young person shall work at any machine prescribed as being seriously dangerous, unless he has been instructed as to its dangers and the precautions to be observed, and, further

(*a*) has had a sufficient training in work at the machine; or

(*b*) is under adequate supervision by a person who has a thorough knowledge and experience of the machine (Sect. 21).

The specified machines are set out in S.R. & O., 1938, No. 485.

HOISTS AND LIFTS

Very important changes have been made in the law affecting hoists and lifts, and the new Act introduces a long series of requirements affecting both the hoist-way and the cage itself and its manner of suspension. The need for these additional safeguards is amply justified by the record of accidents, and

while modern hoists are generally equipped with all the appliances now to be required, there remain many which will have to be converted to conform to the new requirements.

The safeguards required are as follows—

(1) Every hoist must be of good mechanical construction, sound material and adequate strength, and be properly maintained.

(2) It must be examined thoroughly by a competent person once at least in every six months, and a report of the examination must be signed by the person making it, and must be attached to the general factory register.

(3) It must be efficiently protected by a substantial enclosure fitted with gates, the whole enclosure being such as will prevent any person falling down the lift or coming into contact with any moving part of it.

(4) The gates must be fitted with efficient devices to secure that the cage or platform cannot be moved away from the landing till the gate is closed.

This is, however, subject to a proviso that in the case of existing hoists, where it is not reasonably practicable to fit gates of this type, it will be sufficient if the gate is provided with such arrangements as will secure the aforesaid objects so far as reasonably practicable, and in any event is kept closed and fastened except when the hoist is at rest at the landing.

(5) Every hoist and its enclosure must be so constructed as to prevent a person or goods from being trapped between any part of the hoist and any fixed structure, or between the counterbalance weight and any other moving part.

(6) The maximum working load must be plainly marked on the hoist, and this load must not be exceeded.

(7) The following additional requirements apply to hoists in which persons are allowed to ride—

(*a*) Efficient automatic devices must be provided to prevent the cage over-running.

(*b*) Every cage must be fitted on each side from which access is afforded to a landing with a gate to which efficient devices are to be provided to secure that, when persons or goods are in the cage, the cage cannot be raised or lowered unless the gate is closed and will come to rest when the gate is opened. This requirement is, however, subject to a proviso similar to that set out above in paragraph (4).

(*c*) In the case of new hoists where the cage is suspended by rope or chain, there must be at least two ropes or chains separately connected with the cage, each of which with its attachments must be capable of conveying the whole weight of the cage and its maximum load, and in addition efficient devices must be

maintained which will support the cage and its load should the ropes or chains and their attachments break.

It should be noted that paragraphs (3) to (7) above do not apply to continuous hoists, and that paragraphs (4) to (7) do not apply to hand hoists. Also that in both these cases in paragraph (2) twelve months should be substituted for six months (Sect. 22).

CHAINS, ROPES AND LIFTING TACKLE

(1) General provisions are now applied for ensuring the proper care and use of chains and other lifting tackle, which are similar to those in operation under the regulations for docks and buildings.

(*a*) All the gear must be of good construction, sound material, adequate strength, and free from patent defect;

(*b*) a table showing the safe working load of all gear, and, in the case of multiple slings, the safe load at different angles of the legs must be posted in the store where the gear is kept and in other prominent positions, unless the safe working load is marked on the gear itself;

(*c*) no gear may be used to lift loads greater than the safe working load;

(*d*) gear must be examined by a competent person at least once in every six months;

(*e*) no gear (except fibre rope) may be taken into use until it has been tested and examined and a certificate specifying the safe working load obtained;

(*f*) all gear, unless exempted by the chief inspector, must be annealed every fourteen months, or every six months in the case of half-inch or smaller chains or chains used in connexion with molten metal;

(*g*) a register in the prescribed form must be kept of all such gear.

(2) In this section the expression "lifting tackle" means chain slings, rope slings, rings, hooks, shackles, and swivels (Sect. 23).

CRANES AND OTHER LIFTING MACHINES

Somewhat similar regulations are applied to cranes.

(1) All parts must be of sound material.

(2) They must be examined by a competent person every fourteen months.

(3) They must travel on rails of proper size and strength and having an even running surface.

(4) The safe working load must be plainly marked on the crane and, if it has a movable jib, there must either be an automatic indicator of safe loads or a table showing the safe load at the varying angles of the jib.

(5) No crane may be taken into use until it has been tested

and examined by a competent person and a certificate obtained as to its fitness.

(6) In the case of an overhead travelling crane, if any person is employed near the wheel track, effective measures must be taken by warning the crane driver or otherwise to ensure that the crane does not approach within 20 ft. of him (Sect. 24).

ACCUMULATION OF DANGEROUS FUMES

Under the regulations for chemical works there have long been provisions relating to the precautions to be taken where dangerous fumes are liable to accumulate. These have now been made generally applicable.

(1) Where work has to be done in a confined space

(*a*) a manhole not less than 18 inches in diameter must be provided for egress;

(*b*) no person may enter the space

(i) unless all practical steps have been taken to remove the fumes, and a suitable test proves that the space is free from fumes;

(ii) the person entering is wearing a body belt with the line held by a person outside, or wearing a breathing apparatus;

(*c*) a supply of breathing apparatus with the suitable belts and ropes must be always available;

(*d*) a sufficient number of persons employed must be trained in the use of this apparatus and in the method of restoring respiration.

(2) Boiler furnaces and boiler flues must be sufficiently cooled before anyone is allowed to enter them (Sect. 27).

INFLAMMABLE DUST AND GAS

The experience of serious explosions from dust and gas has necessitated a section to ensure proper safeguards.

(1) Where processes giving rise to dangerous dust are carried on, measures to prevent an explosion must be taken by enclosure of the plant, by removal of the dust, and by exclusion of sources of ignition.

(2) Where there is present in any plant dust liable to explode on ignition, steps must be taken, unless the plant is so constructed as to withstand the pressure likely to be produced, to restrict the spread of the explosion by the provision in the plant of chokes, baffles, vents, or other effective appliances.

(3) Where any part of a plant contains explosive or inflammable gas or vapour under pressure, it may only be opened in accordance with the following regulations—

(*a*) before the fastening of any pipe or cover of any opening

into the part concerned is loosened, the flow of vapour must be stopped by a stop-valve or otherwise; and

(*b*) before any such fastening is removed all practicable steps shall be taken to reduce the pressure in the part concerned to atmospheric pressure.

Further, no plant which has contained an inflammable substance may be subjected to welding or other process involving the application of heat until the substance has been removed, and no inflammable substance may be allowed to enter the plant until the plant has again been cooled (Sect. 28).

STEAM BOILERS

Every steam boiler used for generating steam in a factory must have attached to it

(1) a suitable safety valve adjusted to prevent the maximum permissible working pressure being exceeded;

(2) a suitable stop-valve;

(3) a correct steam pressure gauge with the maximum working pressure marked upon it;

(4) a water gauge of transparent material which, if of glass and the maximum pressure exceeds 40 lb., must be efficiently protected, but not so as to obstruct the reading of the gauge;

(5) if one of two or more boilers, a distinctive number plate.

Every boiler and its attachments must be examined by a competent person at least once in every fourteen months; the report of the examination must be entered into or attached to the "General Register," which every factory must keep. (See Sect. 129.)

Every such boiler, safety valve, steam gauge, and water gauge must be maintained in proper condition (Sect. 29).

MEANS OF ESCAPE IN CASE OF FIRE

The Royal Commission on Fire Brigades and Fire Protection, 1925, recommended that the existing law should be strengthened, and important changes have therefore been introduced. The Fire Brigades Act, 1938, was passed and subsequently, as the result of the experiences gained in the Battle of Britain, the National Fire Service was established in 1942, under promise of return to local authorities after the War.

A factory

(*a*) employing more than twenty persons; or

(*b*) which is being converted for use as a factory at the date of or after the passing of this Act, and in which more than ten persons are employed above the ground floor; or

(*c*) of which the construction was completed before the passing of the Act and in which more than ten persons are employed

above the ground floor of the building or more than 20 ft. above the ground-level; or

(*d*) in or under which explosive or inflammable materials are stored or used;

must have a certificate from the district council to the effect that they are provided with adequate means of escape (Sect. 34).

It is the duty of the district council to inspect factories for the purpose of seeing that they are provided with adequate means of escape in case of fire and to issue the certificates which must specify precisely the means of escape provided.

REGULATIONS AND BY-LAWS AS TO MEANS OF ESCAPE IN CASE OF FIRE

(1) The Minister may make regulations as to the means of escape in case of fire to be provided in factories.

(2) The district council must require the occupier of a factory to conform with the regulations.

(3) Every district council has power to make by-laws as to the means of escape in case of fire to be provided in any factory (Sect. 35).

SAFETY PROVISIONS IN CASE OF FIRE

The doors of a factory must not, while any employee is there for the purpose of employment or meals, be fastened in such a manner as to prevent their being easily and immediately opened from the inside (Sect. 36).

POWER TO MAKE ORDERS AS TO DANGEROUS MACHINERY

A Court of Summary Jurisdiction has power, in cases where machinery, plant, etc., is in a dangerous state, to prohibit its use until it is duly repaired or altered (Sect. 39).

POWER TO MAKE ORDERS AS TO DANGEROUS FACTORY

A Court of Summary Jurisdiction may prohibit the use of a factory while it is in such a state as might cause injury (Sect. 40).

WELFARE

(GENERAL PROVISIONS)

HISTORICAL

Early in the nineteenth century some employers began to realize that, however good the material conditions provided, something more was needed to bring about co-operation between them and their workpeople. Later in the century the principle

was accepted by a few employers. It is interesting to note, in view of the attention being devoted to what one may call the instruments of sound industrial relationships, that holidays with pay were being given by one firm in 1875; the first works magazine, so far as one is able to gather, was published as far back as 1887, and a suggestion scheme was set up in a Clyde shipyard in 1885. Experiments of various kinds were made by many firms, but until the Great War very little attention was attracted to what was slowly becoming known as the Welfare Movement in industry.

The first national step in the direction of welfare (if we narrow down the expression) was in the way of conditions imposed on National arsenals and controlled establishments which were forced during the War to employ hundreds of thousands of women and girl workers for extra hours on shifts, or on night work. Shortly after Mr. Lloyd George went to the Ministry of Munitions he called in to assist him Mr. B. Seebohm Rowntree, who was one of the few acknowledged authorities, and within the Ministry a department was set up to deal with the welfare and health of munition workers. At about the same time the Health of Munition Workers' Committee was set up and the publication of its reports undoubtedly had a very great influence upon the development of this phase of industrial activity.

The action taken by the Government was by way of issue of Emergency Orders, and firms working under them had, for example, to make proper provision in the way of messrooms, cloakrooms, etc., as it was realized that without suitable food and good conditions the women would not stand the strain and pressure of war work. There was no power under the Factories Acts to require such things as messrooms, etc., in ordinary trades except as a war emergency measure.

The Act contains Sections giving the Secretary of State power to make for any factory or trade, or part of trade, orders requiring the employer to make certain provisions "for securing the welfare of the workers employed."

The matters with regard to which Orders can be made are arrangements for—

1. Preparing, heating, and taking meals.
2. Drinking water.
3. Protective clothing.
4. Ambulance and first aid.
5. Seats for female workers.
6. Washing facilities.
7. Accommodation for clothing.
8. Supervision of workers.

But the Secretary of State could, by order, extend the matters to which the section applied: and the section was extended to include rest-rooms.

The Act came into force in 1916, and a number of Orders have been made under it. They apply to certain specific trades, or a section of a trade, and are not, therefore, binding on factories as a whole.

FACTORIES ACT, 1937: PART III

The only general Welfare Provisions are now contained in the Factories Act, 1937, Part III, which re-enacts the provisions empowering the Secretary of State to make Welfare Orders, now called Welfare Regulations.

An adequate supply of wholesome drinking water from the public main, or a source certified by the local authority, and delivered by taps, or contained in suitable vessels, must be available. Except where drinking fountains are installed there must be drinking cups and means of rinsing them (Sect. 41).

It has been quite a common thing to find a large factory with only one tap in the yard, and drinking water carried to the floors in open pails into which the workers dip their cups. This is not, of course, a satisfactory method.

Facilities must be provided and maintained for sitting accommodation for females whose work is done standing (Sect. 44).

The provision of seats is a matter of special interest because standing for hours at a time must cause considerable, and often, unnecessary fatigue.

There are many processes where women stand at their work, which could be done equally well seated, and it rests with the employer to make the necessary experiments. Some firms have done excellent work in this way, testing and comparing the speed at which the women can work standing, seated, and on seats at different heights. Adjustable seats are best for bench work, as the facility with which one works depends on the height of the hands above the bench or table. The Home Office has issued a Pamphlet on Seats. This contains an illustration of seats where nearly every important point has been considered. The Welfare Regulations deal partly with the provision of seats to enable workers to sit at certain processes, partly with provision of seats for workers who have to work standing but who may get a few minutes during the day when they can sit, e.g. if waiting for work.

Cloakroom accommodation with reasonable arrangements for drying clothing put off during working hours. (Sect. 43).

Cloakrooms in many old factories present great difficulties owing to want of space.

Cloakrooms to be used must be easily accessible and must generally be under responsible charge, and kept locked except

at meal times. The Welfare Regulations generally specify for existing factories "suitable accommodation for clothing." This is to meet cases where provision of the cloakrooms presents special difficulty. Many employers are reluctant to provide cloakrooms because of the risk of pilfering; and there is no doubt that open cloakrooms to which all have access during working hours do lead to cases of petty theft.

First-aid arrangements with a first-aid box of approved standard for each 150 persons employed. Such box must contain nothing but first-aid requisites and must be in charge of a responsible person, who (in the case of factories in which more than fifty are employed) must be trained in first-aid (Sect. 45).

Examples of trades affected by Welfare Regulations are Metal Works (First-Aid), Glass Works, Tanning and Preserve Works. The existing Regulations dealt chiefly with the following and the provisions are now incorporated in the Factories Act, 1937.

1. The provision of protective clothing in wet, dusty, or dirty processes, or where certain substances are handled.

2. The provision of accommodation for outdoor clothing, and means of drying wet clothing; an important point when workers have a long walk in wet weather, with the risk of colds from damp clothing put on after a long day's work in a warm factory (Sect. 43).

3. Suitable messroom accommodation separate from the cloakroom.

4. First-aid appliances, these varying according to the materials handled, or the kind of accident most likely to occur in a particular factory or trade (Sect. 45).

5. No order, as yet, requires the appointment of a Welfare Supervisor, but most orders require that the messroom, cloakroom, etc., shall be under the charge of a responsible person.

FIRST-AID

On the 10th August, 1937, the Home Secretary made Regulations and two Orders dealing with first-aid in factories. The First-Aid in Factories Order, 1937 (S.R. & O. No. 768), prescribed the standards of equipment to be provided. The First-Aid Welfare Order, 1937 (S.R. & O. No. 770), and the First-Aid Regulations, 1937 (S.R. & O. No. 769), provide for the distinctive marking of first-aid boxes or cupboards.

The following Orders have also been issued—

No. 485. Dangerous Machines (Training of Young Persons).
No. 486. First-Aid in Factories.
No. 487. Factories (Cleanliness of Walls and Ceilings).
No. 488. Local Authorities (Transfer of Enforcement).
No. 489. Hoists Exemption Orders.

No. 533. Van boys, errand boys and other young persons.
No. 534. Medical examination of persons under sixteen.
No. 535. Certificates of fitness.
Other Orders have been issued subsequently.

PART IV

HEALTH, SAFETY, AND WELFARE (SPECIAL PROVISIONS AND REGULATIONS)

These are to be found in Part IV of the Factories Act, 1937.

Removal of Dust or Fumes. In every factory, where by processes of grinding, glazing, etc., undue dust or fume or other impurity is given off, all practical measures shall be taken to protect the persons employed by the provision of fans or other apparatus so as to prevent it entering the air of any workroom (Sect. 47).

Meals in Certain Dangerous Trades. Where in any room lead, arsenic, or any other poisonous substance is used, a person shall not be permitted to take food or drink. Where, in such factories, there exists dust or poisonous fumes, meals must be taken in a separate room or rooms (Sect. 48).

The provisions of Sections 49 to 51 in regard to other dangerous or unhealthy trades should be noted.

Canteens. The Factory (Canteens) Order, 1943, provided that factories employing more than 250 workers on "essential work" must provide canteen facilities if required to do so in writing by the Chief Inspector of Factories.

Humid Factories. Provision is made as to the amount of moisture in the atmosphere in buildings in which the artificial humidity of the air is produced by steam or other means for any textile processes. Similar requirements are already in force by the Regulations made under the Cotton Cloth Factories Act, 1929 (Sect. 52.)

Basement Bakehouses. Certain necessary sanitary regulations of the district council must be complied with; requiring such premises to be periodically painted, limewashed and washed; and (generally speaking) prohibiting baking underground (Sect. 54).

Laundries. In every laundry—

(*a*) effective steps shall be taken by means of a fan or otherwise to regulate the temperature in every ironing room, and to carry away the steam in every washhouse;

(*b*) all stoves for heating irons shall be so separated from an ironing room or ironing table as to protect the workers from the heat thereof;

(*c*) no gas-iron emitting any noxious fumes shall be used (Sect. 55).

GENERAL

Subsequent Sections 56 to 59 make provisions respecting—

(1) Lifting excessive weights (Sect. 56).

(2) Prohibition of employment of female young persons where certain processes are carried on (Sect. 57).

(3) Prohibition of employment of women and young persons in certain processes connected with lead manufacture (Sect. 58).

(4) Provisions as to employment of women and young persons in processes involving use of lead compounds (Sect. 59).

SPECIAL REGULATIONS FOR SAFETY AND HEALTH

Power to Make Special Regulations for Safety and Health. The Minister has power to make regulations for such trades as are specified by him to be dangerous. A large number of industries have been brought under Codes of Regulations which apply to the premises, plant, and processes (Sect. 60).

The Regulations for each particular trade should be consulted for their scope.

NOTIFICATION AND INVESTIGATIONS OF ACCIDENTS AND INDUSTRIAL DISEASES

Part V of the Factories Act, 1937, deals with this subject.

Notification of Accidents—

(1) Where there occurs, in a factory, any accident which either—

(*a*) causes loss of life to a person employed in that factory; or

(*b*) disables any such person for more than three days from earning full wages;

written notice must forthwith be sent to the inspector for the district.

(2) The notice must state the residence of the person killed or injured, and the place to which he has been removed.

(3) Certain dangerous occurrences must also be reported to the Factory Inspector whether personal injury is caused or not—

(*a*) bursting of a revolving vessel, wheel, or grindstone;

(*b*) breaking of a rope or chain used for raising persons or goods by mechanical power;

(*c*) explosions or fires in rooms or places where persons are employed (Sect. 64).

Notification of Industrial Diseases. Whenever any case occurs in a factory, etc., of lead, phosphorus, arsenical or mercurial poisoning, anthrax, or other diseases which may be scheduled from time to time, written notice must at once be sent to the district inspector and to the examining surgeon (Sect. 66).

DUTY OF EXAMINING SURGEON TO INVESTIGATE AND REPORT IN CERTAIN CASES

It shall be the duty of the examining surgeon to investigate and report. In the event of fatal accidents inquests must be held (Sect. 67).

CHAPTER XVI

FACTORIES ACTS—(*c*) EMPLOYMENT OF WOMEN AND YOUNG PERSONS

PART VI

EMERGENCY PROVISIONS

THE present emergency has necessitated certain amendments of some provisions, relaxation of others; and extension of still further provisions. Those which are considered probably permanent only are incorporated.

HOURS AND HOLIDAYS

In January, 1936, the Home Secretary appointed a Committee to inquire into the hours of employment of young persons under 18 outside the provisions of the Shops Acts and Factory and Workshop Act, 1901, and employed as van boys, errand boys, messengers, porters, warehouse boys, page boys, hotel attendants, and cinema attendants, with a view to regulation of such employments. It is estimated that 125,000 young persons are involved of which van boys (12,500) are the largest class.

The Committee reported (Cmd. 5394) that a substantial proportion of these boys and girls work unduly long hours. The general conclusion of the Committee was that their hours of employment needed regulation, both to prevent long hours and to provide reasonable facilities for recreation and further education.

The principal recommendations were—

(1) regulation should be by statutory limitation;

(2) those employed in factories, docks and warehouses should be included in prospective Factory legislation;

(3) others should be brought within the scope of the Shops Acts;

(4) working hours should be substantially less than 48 per week, exclusive of meals;

(5) a strictly limited amount of overtime should be allowed for those 16 and over.

The whole system of hours hitherto permissible has been remodelled by Part VI of the Factories Act, 1937, for in no respect was the old Act so much out of harmony with modern conditions.

Definitions. For the purpose of the Factories Act—

(*a*) The term "young person" means a person who has ceased to be a child, and is under the age of 18 years.

(*b*) The term "woman" means a woman who has attained the age of 18 (Sect. 152 (1)).

Child. The term "child" no longer appears in the Factories Acts. It means a person not over compulsory school age. (Education Act, 1944, Sect. 114).

The Education Act of 1918, Section 14, provided that no "child" within the meaning of the Education Act can be employed in a factory. These provisions were subsequently incorporated in the Education Act, 1921, and were incorporated with minor modifications in Part II of the Children and Young Persons Acts, 1932 and 1933, now Education Act, 1944.

General Conditions as to Hours of Employment of Women and Young Persons. A woman or young person shall not be employed in a factory except during the periods of employment provided in the Act (Sect. 70).

The total hours worked must normally not exceed 9 in any day or 48 in any week.

The period of employment must not exceed 11 hours, inclusive of intervals for meals and rest, and must not begin before 7 a.m. (subject to a power to allow exceptions to 6 a.m.) or end later than 6 p.m. in the case of young persons under 16, or 8 p.m. for other persons.

The Hours of Day Work in Factories (Women and Young Persons) Order, 1942, empowers employers in certain factories to claim exemption from the provisions of the Factories Act, 1937.

Reduction of Weekly Hours of Work of Young Persons under 16. For young persons under 16, the weekly hours will, after the 1st July, 1939, be reduced to 44, but the Secretary of State may, in particular industries and after a formal inquiry, increase these hours up to 48, provided that the organization of the industry concerned is dependent on the labour of such young persons, and would be seriously prejudiced without it, that the increased hours are not likely to be injurious, and that the work is particularly suitable for them, would train them for employment in which older persons are employed, and would be likely to lead to their permanent employment in industry (Sect. 71).

A woman or young person must not work continuously for more than 4½ hours without at least half-an-hour for a meal. The period may be extended to 5 hours if an interval of 10 minutes is allowed during the spell.

Notice Fixing Hours of Employment. (1) A notice specifying the period of employment and hours of rest must be affixed.

(2) Different periods of employment and different intervals may be fixed for different days of the week.

(3) A change in the said periods or intervals shall not be

made until the occupier has served on the inspector of the district and posted in the factory a notice of his intention to make the change.

(4) Where an inspector, by notice in writing, names a public clock or some other clock open to public view for the purpose of regulating the period of employment and the times allowed for meals in that factory or workshop, they shall be regulated by that clock.

Meal Times to be Simultaneous, etc. The following regulations shall, save as the Factories Act or Secretary of State except (e.g. in a glassworks), be observed in a factory—

(1) All women and young persons employed therein must have their meal times at the same hour; and

(2) they must not be employed during meal times nor be allowed to remain in any room where a manufacturing process or handcraft is then being carried on (Sect. 84).

Prohibition of Sunday Employment. The employment of women and young persons in a factory on Sunday is permissible only where the Minister, by special order, varies the daily period of employment, as in creameries (Sects. 34 and 42); or in premises where the occupier and employees are of the Jewish religion or a religious body observing the Jewish Sabbath (Sect. 77).

Annual Holidays. Subject to the special exceptions allowed under this Part of the Act, women and young persons are to be allowed, as whole holidays (in England), Christmas Day, Good Friday, and every Bank Holiday, unless, in lieu of any of those days, another whole holiday, fixed by the occupier, be allowed. In Scotland six weekdays, fixed by the occupier, and duly notified are to be allowed.

Notices of all whole holidays must be posted in the factory. The holidays as fixed may be changed by giving three weeks notice affixed in the factory (Sect. 78).

Special Exceptions. There are special exceptions as to hours and holidays in certain trades (Sects. 81 and following), including—

(1) Employment of male young persons employed in shifts (Sect. 81).

(2) Different meal times for different sets, and employment during meal times (Sect. 84).

(3) Continuous employment of male young persons employed with men (Sect. 87).

(4) Substitution of another day for Saturday (Sect. 89).

(5) Holidays on different days for different sets (Sect. 90).

(6) Hours and holidays in factory of Jewish occupier (Sect. 91).

(7) Sunday employment of Jews in factory of Jewish occupier (Sect. 91).

(8) Laundries (Sect. 92).

(9) Manufacture of bread or flour, confectionery, or sausages (Sect. 93).

(10) Preserving of fish, fruit and vegetables (Sect. 94).

(11) Factories where milk is treated (Sect. 95).

As a result of councils set up in various trades, and working agreements in others, the maximum period of employment has in many cases been materially diminished.

As a result of the Education Act, 1918, and the Children and Young Persons Act, 1933, the provisions with regard to the employment of children have been considerably amended as detailed in Education Act, 1944.

Notice Fixing Hours of Employment, etc.—

(1) So long as he keeps within the limits allowed by the Act, the occupier of any factory or workshop may fix his own hours of employment and meals, etc., but (with a few exceptions) he must affix a notice in the factory, etc., showing—

(*a*) the period of employment; and

(*b*) times allowed for meals.

(2) Any change in these matters can be made only after notice of the intention to do so has been served on an inspector, and affixed in the factory or workshop, but a change cannot be made more often than once a quarter (Sect. 97).

OVERTIME

(1) Women and young persons over 16 may be employed overtime.

(2) The overtime employment shall be subject to the following conditions—

Overtime must not take place on more than 100 hours during any year or more than 6 hours in any week nor take place in more than 25 weeks in any calendar year.

The Minister may increase the hours for women to 150 in certain cases.

(*a*) The total hours worked on any day must not exceed 10; and

(*b*) The period of employment 12 hours.

All overtime must be notified to the Inspector, and recorded in the overtime register before it is worked.

(3) Where the occupier of a factory allows to any woman or young persons who are to be employed overtime an interval for a meal and rest additional, he may employ during that interval any women or young persons who are not to be employed overtime on that day.

(4) The Minister may restrict or prohibit overtime as regards young persons 16 and over, and prohibit overtime in certain processes.

In no case must the work continue after 9 o'clock at night (Sect. 73).

SHIFT WORK

(1) Where the system of working a five-day week has been adopted the daily hours of work may extend to 10 and the period of employment to 12 hours, and in the case of women and young persons over 16 the daily hours may be extended by overtime to $10\frac{1}{2}$.

(2) Such persons may also be employed on the sixth day; but

(*a*) the hours worked must be limited to $4\frac{1}{2}$, and

(*b*) there must be no overtime on any other day of the week (Sect. 82).

SPECIAL EXCEPTIONS

Although the employment of women on night work is forbidden, male young persons of 16 years and over may be so employed in certain factories, viz.—

(*a*) the smelting of iron ore;

(*b*) the manufacture of wrought iron, steel or tin plate;

(*c*) processes in furnaces kept in operation day and night;

(*d*) the galvanizing of sheet metal or wire;

(*e*) the manufacture of glass;

(*f*) the manufacture of paper (Sect. 81).

Such employment is subject to the conditions detailed in the Employment of Women, Young Persons and Children Act, 1920.

The Employment of Women, Young Persons and Children Act, 1920, which came into operation on the 1st January, 1921, sought to carry out certain conventions adopted by the International Labour Organization of the League of Nations respecting several restrictions placed on the employment of women, young persons, and children in industrial undertakings.

No child, i.e. person under the age of 14, can be employed in an "industrial undertaking." That phrase includes "manufactures." As regards young persons, the Act of 1920 prohibits night work for these in any industrial undertaking except as allowed by the conventions. The definition of an industrial undertaking is the same for young persons as for children. A Home Office circular summarizes the alterations in the Factory Act as follows: (*a*) it raises the age for night work from 14 to 16 years in the case of blast furnaces, iron mills, paper mills and glassworks; and (*b*) it prohibits night work for any young persons in letterpress printing works, electrical stations, and china clay

works, and *inter alia*, women and young persons will be employed at night only in exceptional circumstances.

"Night" is defined as eleven consecutive hours including the the period between 10 p.m. and 5 a.m.

By Section 2, the Minister can, by Special Order, on the joint application of employer and employees, and the majority of the workpeople concerned, of a factory or group of factories, allow two shifts between 6 a.m. and 10 p.m.

PROVISION FOR PROTECTION OF WOMEN AND YOUNG PERSONS EMPLOYED UNDER EXCEPTIONS

As a condition of granting any special exceptions, the Minister may impose such sanitary requirements as may be considered necessary for the protection of the health of women, and young persons employed (Sect. 96).

The Minister has power to rescind orders as to special exceptions when it appears to him that the exception is injurious to the health of the women and young persons employed in, or is no longer necessary for the carrying on of, the business in the class of factories or parts thereof to which the exception was granted (Sect. 96).

An occupier of a factory who intends to avail himself of any special exception must, not less than seven days before he avails himself of the special exception, serve on the district inspector, and post in the factory notice of his intention to do so (Sect. 97).

DELIVERING GOODS

A new regulation limits the hours of work of young persons in delivering goods or carrying messages on the business of a factory or in connection with a dock, quay, or warehouse. Such young persons may not work more than 48 hours a week, nor for more than 5 hours continuously, and must be allowed a weekly half-holiday.

Those over 16 may work overtime, but this must not exceed 6 hours in any week or 50 in any calendar year.

CERTIFICATE OF FITNESS FOR EMPLOYMENT OF YOUNG PERSONS

There are certain requirements as to the fitness of women, young persons, etc., for employment.

Prohibition of Employment of Women after Childbirth. A woman or girl must not be employed in a factory within four weeks after she has given birth to a child (Sect. 205, Public Health Act, 1936, and 2nd Schedule, Part II Factories Act, 1937).

Certificates of Fitness for Employment. Except for short

periods, no young person under 16 can be employed unless the occupier of the factory has obtained a certificate of fitness for the particular employment. This certificate must be produced to an inspector when required (Sect. 99).

Power to make Regulations as to grant of certificates of fitness is contained in Sect. 99.

Power to obtain certificates of fitness for employment from the examining surgeon for the district is granted to employers (Sect. 99).

Power is given to inspector to require certificate of fitness for work (Sect. 100).

CHILDREN AND YOUNG PERSONS ACT, 1933

The majority of the sections in Part II (Employment) merely re-enact, with minor modifications introduced mainly with a view to simplification, the provisions of the Education Act, 1944, regarding the employment of school children, and these are given in Chapter IX.

YOUNG PERSONS (EMPLOYMENT) ACT, 1938

This Act is intended to fill the last gap in the unregulated occupations. For example, young persons formerly engaged in the delivery of newspapers will now be engaged for a full forty-four hours in their major employment. Consequently it will be illegal to engage such a young person in part-time work in newspaper delivery. The hours of employment may extend to forty-eight for persons of 16 years, and it is not illegal to employ them part-time in the delivery of newspapers.

CHAPTER XVII

FACTORIES ACTS—(*d*) MISCELLANEOUS PROVISIONS

SPECIAL APPLICATIONS AND EXTENSIONS

Part VII of the Factories Act, 1937, provides for these.

PREMISES IN RESPECT OF WHICH OWNER IS LIABLE

Tenement Factories. In the case of "Tenement Factories" (i.e. those where manufacturing processes are carried on in different parts of one building in such a way that they constitute separate factories) the owner, instead of the occupier, is the person liable for carrying out certain provisions of the Act. These relate to cleanliness; overcrowding; ventilation; fencing of machinery; notices to be posted in the factory as to period of employment, meal times, etc.; prevention of inhalation of dust, etc., and posting of abstract in the factory (Sect. 101).

Electrical Stations. These stations are no longer classed as factories and electrical energy is not to be deemed an "article," but they are dealt with on special lines.

(1) The full provisions of the Act apply to premises in which persons are regularly employed in generating electricity by way of trade or for public supply.

(2) Certain provisions are also applied to other premises in which processes connected with supply are carried on, but in which persons are not regularly employed, being premises large enough to permit the entry of a person after the plant has been installed (Sect. 103).

Institutions. (1) Where in any premises forming part of an institution carried on for charitable or reformatory purposes, any manual labour is exercised, but the premises do not constitute a factory, then, nevertheless, the provisions of this Act shall apply to those premises.

(2) The Minister may by order direct that the Act shall apply with modifications to certain institutions.

(3) The Act shall not apply to any premises which do not constitute a factory if the premises are subject to inspection by or under the authority of a Government Department (Sect. 104).

Docks, Wharves, Quays, Warehouses, and Ships. The following are the more important provisions applied to docks and to the loading or unloading of ships—

Provisions relating to steam-boilers; power to require safety

arrangements, and the power of the court to make orders as to dangerous conditions and practices; provisions relating to welfare regulations (in docks only) and special regulations for safety and health; notification and investigation of accidents and disease. In the case of warehouses the provisions applied are those relating to fencing of machinery, cleaning machinery, training of young persons at dangerous machines, hoists, cranes, and lifting tackle, maintenance of floors and stairways, and the power of the court to make orders as to dangerous factories (Sect. 105).

Other processes now brought within the Act are the repair of ships in wet dock, scaling, scurfing or cleaning boilers, and cleaning oil fuel tanks or bilges of ships. To these processes are applied the provisions relating to the making of welfare regulations and regulations for safety and health, notification of accidents or disease, hours of employment (but not with respect to Sunday employment and holidays) subject to such modifications as may be made by the Minister, factory registers and their preservation (Sect. 106).

WORKS OF BUILDING AND ENGINEERING CONSTRUCTION

Building Operations. The application of the Act to building has been greatly extended. Hitherto it applied only to buildings on which machinery is temporarily used for the construction of a building.

(1) Building operations are brought within its scope, and are defined to include not only construction but also repair, demolition or laying foundations. The more important provisions applied are those relating to

(*a*) sanitary conveniences;

(*b*) steam-boilers and air-receivers, the power of a Court of Summary Jurisdiction to make orders as to dangerous conditions;

(*c*) welfare regulations;

(*d*) regulations relating to safety and health;

(*e*) notification of accidents and disease;

(*f*) affixing the abstract of the Act and other notices; and

(*g*) keeping and preserving registers.

(2) These latter provisions will be complied with if the register is kept at the builder's office, and copies of the abstract and other notices are kept posted up where they can be easily read at each office, yard, or shop at which persons employed on the operations attend.

(3) Persons undertaking building operations must within seven days notify to the inspector the place and nature of the

operations and whether mechanical power is to be used, provided, however, that this notice is not required if the work is likely to be completed within six weeks or if the operations are undertaken at a place of which notice has already been given to the inspector (Sect. 107).

Works of Engineering Construction. These are defined as the construction of any railway or siding otherwise than on an existing railway, the construction, repair, or demolition of a dock, harbour, inland navigation, tunnel, bridge, waterworks, reservoir, pipe line, aqueduct, sewer, sewer works, or gas holder, except where carried on upon a railway or tramway. Such operations are now brought within the scope of the Act.

(1) The following are the principal provisions applied, viz. those relating to

(*a*) sanitary conveniences;
(*b*) steam-boilers and air-receivers;
(*c*) welfare regulations;
(*d*) health and safety regulations;
(*e*) notification of accident and disease;
(*f*) power of a Court of Summary Jurisdiction to make orders as to dangerous conditions; and
(*g*) posting of abstract and notices.

(2) There is a proviso, however, that no order by a court and no regulations shall operate so as to interfere with the design of any such works or with the adoption in their execution of any method prescribed in the specification or in any signed plans, or written direction given by the consulting engineer or the engineer in charge, so that the method is not inconsistent with the safety of the works and of the persons employed.

(3) Notice of commencing operations must be given to the inspector under the same conditions as in the case of buildings above.

HOME WORK

Part VIII of the Factories Act, 1937, provides for out-workers.

List of Out-workers to be Kept in Certain Cases. In certain classes of work (specified by regulations of the Secretary of State) the lists of persons who are out-workers have to be kept in a special form (Sect. 110).

Employment of Persons in Unwholesome Premises. (1) Where work is carried on for the purpose of or in connection with the business of a factory in any place which is in the opinion of the district council injurious or dangerous to health, the district council may give notice in writing giving the particulars, and

the occupier or contractor must comply within ten days or be guilty of an offence.

(2) For the purpose of this section, any place from which work is given out shall be deemed to be a factory.

(3) This section shall apply in respect of such classes of work as may be specified in regulations by the Secretary of State (Sect. 111).

PARTICULARS OF PIECE-WORK AND WAGES

Part IX of the Factories Act, 1937, deals with piece-work.

Particulars of Work and Wages to be Given to Piece-workers. (1) In every textile factory the occupier shall for the purpose of enabling each person employed who is paid by the piece to compute the total amount of wages payable to him in respect of his work, cause particulars of the rate of wages applicable to the work to be done, and also particulars of the work to which that rate is to be applied to be published as follows—

(*a*) In the case of the weavers in the worsted and woollen trades, particulars are to be furnished in writing at the time when the work is given out, and are also to be exhibited on a placard.

(*b*) In the case of weavers in the cotton trade, the particulars shall be furnished to him in writing when the work is given out and the basis and conditions by which the prices are regulated and fixed shall also be exhibited in each room on a placard not containing any other matter, and posted in a position where it is easily legible.

(*c*) In the case of other persons employed, the particulars of the rate of wages applicable to the work to be done by each person shall be furnished to him in writing at the time when the work is given out to him; provided that if the same particulars are applicable to the work to be done by each of the persons employed in one room, it shall be sufficient to exhibit on a placard not containing any other matter, and posted in a position where it is easily legible.

(2) The expression "textile factory" means any factory in which mechanical power is used in the spinning, weaving, or knitting of cotton, wool, hair, silk (including artificial silk), flax, hemp, jute, tow, china-grass, cocoanut fibre, asbestos, or other like material, either separately or mixed together, or mixed with any other material, or any fabric made thereof or in any process preparatory or incidental thereto, whether or not carried on in the same premises (Sect. 112).

The Secretary of State is empowered to impose similar requirements as respects any other class of factory and as respects

outworkers, and orders of this kind made under the old Acts for various trades continue in force unless and until modified by the Secretary of State.

MISCELLANEOUS

Other miscellaneous provisions are to be found in Part X of the Factories Act, 1937.

Notice of Occupation of Factory and Use of Mechanical Power. (1) Every person shall, within one month after he commences to occupy a factory, serve a written notice to the inspectors of the district giving—

(*a*) the name and situation of the factory, etc.;

(*b*) the address to which letters are to be sent;

(*c*) the nature of the work;

(*d*) the nature and amount of the moving power therein; and

(*e*) the name or style under which the factory, etc., is to be carried on.

The penalty for contravention is a fine not exceeding £20.

(2) He must also give notice of the date of introducing mechanical power (Sect. 113).

Posting of Abstract of Act and Notices. (1) The following abstracts and notices are required to be kept posted at the principal entrance of every factory, and in such other parts as the inspector may direct—

(*a*) the prescribed abstract of the Act and of any special regulations in force; and

(*b*) a notice of the name and address of the prescribed inspector; and

(*c*) a notice of the name and address of the examining surgeon for the factory; and

(*d*) a notice specifying the clock (if any) by which the period of employment and intervals for meals and rest in the factory are regulated; and

(*e*) every notice and document required by the Act to be posted in the factory.

(2) These abstracts and notices must be constantly kept in such position as to be easily read by the persons employed in the factory.

(3) The penalty for not complying with this section is a fine not exceeding £5 (Sect. 114).

General Registers. In every factory a general register must be kept, in the prescribed form, and there shall be entered in and attached to that register

(*a*) the prescribed particulars as to the young persons employed in the factory; and

(*b*) the prescribed particulars as to the washing, whitewashing, or colour washing, painting or varnishing of the factory; and

(*c*) the prescribed particulars as to every accident and case of industrial disease occurring in the factory of which notice is required to be sent to an inspector; and

(*d*) particulars showing every special exception of which the occupier of the factory avails himself; and

(*e*) all reports and particulars required by any other provision of this Act to be entered in or attached to the general register; and

(*f*) such other matters as may be prescribed (Sect. 116).

The register must be kept in every factory. The occupier of every factory must send to the Chief Inspector of Factories a correct return, specifying, with respect to such day or days or such periods as may be directed by the inspector from time to time, the number of persons employed in the factory, with such particulars as to the age, sex, and occupation of the persons employed, as may be required (Sect. 129).

Periodical Returns of Persons Employed. This is a return which the occupier of every factory is required to send, at intervals of not less than one nor more than three years, to the Chief Inspector of Factories. The returns show at a given date, particulars as to the age, sex and occupation of all the persons employed (Sect. 118).

The penalty for default is a fine not exceeding £10 (Sect. 130).

ADMINISTRATION

Provisions as to administration of factory legislation are given in Part XI of the Act.

Appointment and Duties of Inspectors and Clerks and Servants. The Secretary of State, with the approval of the Treasury as to numbers and salaries, may appoint such inspectors and such clerks and servants as he thinks necessary for the execution of this Act (Sect. 122).

Powers of Inspectors. These are set out on page 248 (Sect. 123).

Power of Inspector to Conduct Proceedings Before Magistrates. An inspector, if so authorized in writing under the hand of the Minister, may, although he is not of counsel or a solicitor, prosecute, conduct, or defend before a Court of Summary Jurisdiction or Justice, any information, complaint, or other proceeding arising under the Act, or in the discharge of his duty as inspector (Sect. 124).

Powers of Local Authorities. District councils and their officers have, for the purpose of carrying out the duties imposed upon

them, powers similar to those of inspectors as to entry, inspection, etc. (Sect. 128).

LEGAL PROCEEDINGS.

Offences for Not Keeping Factory in Conformity with Act. The occupier is liable to a fine not exceeding £20 for an offence for which no express penalty is provided (Sect. 131). But the Court of Summary Jurisdiction (e.g. magistrates) may, either in addition to, or instead of inflicting a fine, order that steps shall be taken to bring the factory into conformity with the Act (Sect. 132).

Fines in Case of Death or Injury. If, as a result of the occupier of a factory having neglected to observe any provision of the Act, or any regulations made thereunder, any person is killed or dies, or suffers any bodily injury or injury to health, the occupier is liable to a fine not exceeding £100 (which fine may be applied for the benefit of the injured person or his family); and in the event of a second or subsequent conviction in relation to a factory within two years, not less than £1 for each offence (Sect. 133).

(*a*) In the case of injury to *health*, however, the occupier will be liable only where such has been *directly* caused by the neglect to observe the provisions, etc.

(*b*) The occupier will not be liable to a fine under the section if, prior to the happening of the death or injury, any information against him for not observing the particular provision or regulating the breach of which is alleged to have caused the death or injury, has been heard and dismissed (Sect. 133).

Fines for Offence by Parent. Fines are prescribed for employing young persons contrary to the Act (Sect. 134).

Appeals from Orders Made on Complaint. Any person aggrieved by an order made by a Court of Summary Jurisdiction on determining a complaint under this Act may appeal therefrom to a Court of Quarter Sessions (Sect. 141).

STREET TRADING

The law on this subject is now contained in the Children and Young Persons Act, 1933, and is dealt with in Chapter IX.

APPLICATION OF FACTORY PROVISIONS TO SHOPS

The first Shops Act was passed in 1873.

The existing enactments include the Shop Acts, 1912 and 1913, the Shops (Hours of Closing) Act, 1928, the Hairdressers and Barbers (Sunday Closing) Act, 1930, and the Shops Act, 1934, which may be cited as the Shops Acts, 1912 to 1936.

THE SHOPS ACT, 1912, provided that—

(*a*) every shop-assistant is to have a weekly half-holiday;

(*b*) fixed intervals are to be allowed for meals; and

(*c*) on one weekday in each week every shop is to be closed not later than 1 p.m. (with the exception of certain specified trades).

Notice as to the half-holidays is to be posted in the shop by the occupier.

Inspectors are appointed under the Act by the local authority for the purpose of enforcing its provisions, and they have the powers of Inspectors under the Factory and Workshop Act, 1901, of which Sections 119 and 121 are to apply (now included in Factories Act, 1937).

A Shop for the purpose of the Shops Act, 1912, means "any premises where any retailed trade or business is carried on."

Shops Act, 1934. The first nine sections of this Act regulate the employment in trade or business of persons under the age of 18. Their normal maximum working hours in shops or otherwise in retail trade are fixed at forty-eight per week, subject to certain modifications as to overtime on occasions of seasonal or exceptional pressure of work. They cannot be employed in retail trade between 10 p.m. and 6 a.m., except that males between 16 and 18 years of age may be employed between 5 a.m. and 6 a.m. in the collection or delivery of milk, bread or newspapers, or between 10 p.m. and midnight in serving meals, and persons of either sex between these ages may be employed in theatres later than 10 p.m.

The Minister is given power to regulate the hours of employment of such persons to prevent the hours being so divided as to deprive the young persons of reasonable opportunities for instruction and recreation (Sects. 1–4, 8).

There are special provisions as to young persons' overtime in the catering trade and in the sale of supplies or accessories for aircraft, motor vehicles, or cycles (Sects. 5 and 6).

Occupiers of shops are to exhibit notices as to the hours of employment of young persons and to keep a record of overtime worked by them (Sect. 7).

THE SHOPS ACT, 1912, Section 1, as to weekly half-holidays and intervals for meals, is also amended with regard to young persons (Sect. 9).

Sections 10–12 impose obligations to make arrangements for the health and comfort of shop workers in such matters as ventilation, sanitary conveniences, lighting, washing facilities, meals, and seats for female shop assistants.

The remaining provisions of the Act are supplementary. Sections 13–15 relate to its enforcement, ascertainment of age and interpretation.

Section 16 modified the provisions of the Act by enacting that until the 27th December, 1936, the Act was to have effect as if for the limitations of working hours therein contained certain less stringent limitations set out in the Schedule were substituted.

Sections 17 and 18 deal with the application of the Act to Scotland, short title, citation and extent, and repeal Section 2 of the Shops Act, 1912.

CHAPTER XVIII

THE MINING INDUSTRY

INTRODUCTION

THE coal mining industry under the Coal Mines and Metalliferous Mines Acts embraces about 1,400 undertakings. Many mines employ less than 50 persons and a few more than 3,000 men each, and with the exception of agriculture the industry employs more men than any other. In 1936, the average number of persons employed in and about mines and quarries was approximately 866,400, of whom 767,100 were employed at coal mines; 597,200 being employed below ground. Early in 1936, certain large consumers agreed to increase prices on current contracts. This facilitated the payment of an increased wage to miners. The wages bill of the industry increased by nearly £9 millions to over £94 millions. Average earnings per shift increased from 9s. 3¼d. to 10s. 0¼d. For every shilling of net revenue after payment of other costs of production 11¾d. goes in wages and ¼d. to the colliery owners. The average output per man shift worked was 23·54 cwt. Average cash earnings per person per year was £131⅖. These were average figures and they vary between pits and districts. The output was 228½ million tons. The value of cargo coal exported was 50·34 million tons or 6·65 per cent of total value of British goods exported. If re-exports are included, the share of coal falls to 5·85 per cent. Coal mining is admittedly amongst the most dangerous of occupations. At the same time it is one in which dangers have been greatly reduced by precautionary measures that are largely the outcome of scientific research. In 1936, 790 persons were killed and 156,000 injured.

Taking the average of three years 1922–24 as a fair repre sentation of present conditions, the principal facts relating to underground workers are briefly as follows—

(*a*) The annual death rate from accident is 1·15 per thousand.

(*b*) The annual number of serious accidents is 4·08 per thousand.

(*c*) The annual number of minor accidents causing disablement for more than seven days in 1922 and 1923, but three days in 1924, may be put at 187·9 per thousand.

(*d*) The annual number of new cases of nystagmus is 3·88 per thousand.

(*e*) The annual rate of other miners' diseases is 4·10 per thousand.

The most striking fact brought out by a comparison is that, in the last 50 years, the death rate from accidents has been more than halved among the men employed underground, and nearly halved among the men employed upon the surface. The rates were per 1,000 men employed—

Underground: 1873–82, 2·57; 1922–24, 1·13;

Surface: 1873–82, ·92; 1922–24, ·47.

THE LAW RELATING TO MINES

The employment below ground of females and children has been forbidden since 1842.

The provisions regarding metalliferous mines are laid down in the Metalliferous Mines Regulation Act, 1872, amended by the Metalliferous Mines General Regulations, 1938; those relating to coal mines in the Coal Mines Regulation Acts, 1887 and 1908, and the Coal Mines Act, 1911.

The Mining Industry Acts, 1920, 1926, and 1930, relate to both classes of mines and contain particular provisions regarding the coal industry.

METALLIFEROUS MINES

The employment below ground of females and children is absolutely forbidden in metalliferous mines. (Metalliferous Mines Regulation Act, 1872.)

Male young persons under 16 may not be employed for more than 54 hours in a week or 10 hours in a day, and there must be an interval of 12 hours between each period of employment (i.e. between leaving the surface and returning), but the interval between the Friday and Saturday employment may be 11 hours.

MINISTRY OF FUEL AND POWER

The Mining Industry Act, 1920, gave effect to the recommendation of the Coal Conservation Committee, 1916–18, of the Reconstruction Committee for the establishment of a Ministry of Mines, but constituted it as a Department of the Board of Trade with a Secretary for Mines. There is also a Parliamentary Secretary, a Conciliation Officer and Labour Adviser, and a Chief Inspector of Mines. The Act also gave power to the new Department to deal with waterlogged areas. The other recommendations of the Committee were carried out to a great extent by the Mines (Working Facilities and Support) Act, 1923.

The Ministry of Fuel and Power Act, 1945, has constituted the Ministry as a permanent Department of State.

COAL MINES

The Coal Mines Act, 1911, is the most comprehensive of the statutes governing coal mines.

Manager. Each mine employing thirty persons or more underground must be under the control of one manager by whom daily personal supervision is to be exercised, or in his temporary absence, of a person of at least 25 years who holds a first-class or second-class certificate. Such certificates are granted on the result of examinations held periodically under the Board for Mining Examinations. They can be withdrawn in cases of the holders' incompetence, negligence, or misconduct. (Police, Factories, etc. (Miscellaneous Provisions) Act, 1916, Sect. 10; Mining Industry Act, 1926, Sect. 22.)

Inspection. The mine workers may appoint two practical working miners with five years' experience of underground work to make inspections of the mine monthly and to investigate the causes of notifiable accidents as they occur, and the owner or agent must provide the necessary facilities and information for all such inspectors. (Coal Mines Act, 1911, Sect. 16.)

Industrial Disease. Every case of industrial disease must be notified to the Mines Inspector forthwith. (Coal Mines Act, 1911, Sect. 79.)

Advisory Committee. The Minister must appoint committees to advise the Minister on mines, coal, and the mining industry, the composition of the Advisory Committee on coal and the coal industry being prescribed by statute. (Mining Industry Act, 1920, Sect. 4.)

HOURS

Seven-and-a-half hours a day is the maximum period underground allowed by law. (Coal Mines Regulation Act, 1908; Coal Mines Act, 1919; Coal Mines Act, 1926; Coal Mines Act, 1930, Sect. 14; Coal Mines Act, 1931; and Coal Mines Act, 1932.) This rule applies to all persons employed below ground in a mine who are not officials, mechanics, horsekeepers, persons engaged in surveying or measuring. There are exceptions to these provisions, the most important being that in the case of a workman working in a shift, no contravention shall be deemed to take place if the period between the times does not exceed $7\frac{1}{2}$ hours. The effect of this is that the average man employed is away from the surface for a maximum of 8 hours per day.

CHECK-WEIGHING IN MINES

Where workers in a coal mine are paid according to the weight of coal they produce, the coal must be weighed as near as is reasonably possible to the pit-mouth, and the workers in question may at each weighing station appoint a check-weigher and a deputy check-weigher at their own cost for the purpose of checking the weights of the coal produced and any deductions.

Every facility must be given by the owner, agent, or manager of the mine to enable the check-weigher to fulfil his statutorily defined duties including shelter, desk and weights. The check-weigher must not impede the working of the mine or the management, and the weighing may proceed in his absence. (Coal Mines Regulations Act, 1887, Sects. 12–13; Coal Mines Check-weigher Act, 1894; Coal Mines (Weighing of Minerals) Act, 1905, Sect. 1.)

MINERS' WELFARE FUND

The Mining Industry Act, 1920, provided that a levy of one penny per ton of output should be made on all pit-owners to establish a Welfare Fund. The Act provided that the money accumulated should be used for "such purposes connected with the social well-being, recreation, and conditions of living of workers in or about coal mines, and with mining education and research, as the Minister, after consultation with any Government Department concerned, may approve.

It was created originally for a period of five-and-a-half years, the first contribution, in March, 1921, being for the last six months of 1920.

It was extended for further periods of five years by the Mining Industry (Welfare Fund) Acts, 1925 and 1931.

Every person liable to pay mineral rights duty on the rental value of rights to work coal was made liable to pay a levy of 1s. in the £ of that value as a royalties welfare levy to be used solely for the provision of pithead baths. (Mining Industry Act, 1926, Sect. 14.)

The Mining Industry (Welfare Fund) Act, 1934, extended the period of the output levy for a further period of sixteen years, making a total of thirty-one and a half years since its inception, and reduced the levy from 1d. to ½d. a ton in respect of the output of 1932 and subsequent years. The revenue of the Fund is now derived from—

(1) a levy of ½d. a ton on output;
(2) a levy of 1s. in the £ on royalties; and
(3) interest on unexpended balance.

Among other provisions of this Act, Section 3 (2), requires the Miners' Welfare Committee, until the Minister otherwise direct, to appropriate (in priority to any other payments), out of the proceeds of the *output* levy during any calendar year, commencing with the year 1934: (*a*) for the purposes for which the proceeds of the royalties welfare levy are required to be appropriated, such sum as will, together with the proceeds of the said levy for the financial year ending next after the end of the calendar year, amount to £375,000; and (*b*) for the purpose

of promoting research into methods of improving the health and safety of workers in or about coal mines, the sum of £20,000. No part of the sums so appropriated is required to be allocated for the benefit of any particular district.

The royalties levy and the above-mentioned appropriations are devoted to the provision of pithead baths with accommodation for drying clothes and for canteens. In 1936, the output levy realized £463,350, of which £159,546 went to the Baths Fund, £20,000 to research, £227,040 to District Funds, and £56,761 to the General Fund. Royalties amounted to about £4,836,000, upon which the levy produced £241,800.

Sub-section (4) of the same section declares that the classes of persons who may benefit, as "workers in or about coal mines" from the Miners' Welfare Fund, include persons who have ceased to be employed in or about coal mines by reason of age or disability, or who, having ceased to be so employed for any reason, have not subsequently changed their occupation, and the dependants of such workers and of such persons.

To help in meeting the requirements of the higher standard of life which now obtains in the country generally and among the miners certainly not less than among others, the Welfare Fund plays a most useful part. Its income yields about £730,000 a year.

Administration. To administer the Fund a Central Committee of nine persons is appointed by the Minister, three of whom represent the Mine Workers' Federation, two the Mining Association, and one the royalty owners.

Assisting the Committee are three assessors appointed respectively by the Ministry of Health, the Minister of Education, and the Secretary of State for Scotland.

In the coal-fields the Committee works mostly through District Committees, representative of the mineowners and the colliery workers in the several districts.

The Committee is debarred from making grants towards building or repairing houses, which prevents them from dealing with a problem which is crying out for solution, and for the remedy of which Mr. Justice Sankey, in his preliminary report of the Royal Commission which was appointed in consequence of the settlement of the Mines Dispute in 1919, stated it might be advisable to set aside the same amount of money which has now been allowed for general welfare purposes.

Up to the end of 1937, about 33 per cent of the amounts allocated from the Welfare Funds has been for purposes connected with recreation,

30 per cent for pithead baths;

21 per cent for other health purposes;
7 per cent for educational purposes; and
6 per cent for research.

Of the expenditure on recreation the greater part has been devoted to the provision of institutes and of sports grounds.

Allocations. Conditions in the Mining Industry are vastly different from the ordinary conditions of factory life, and from the working of the Act, 1920, it is obvious that the welfare schemes will have nothing to do with the actual conditions under which the men are employed below the surface. The Welfare Committee subdivided their grants under six headings: (1) recreation; (2) pit welfare; (3) health; (4) education; (5) research; (6) expenses of administration. It will be seen that wide scope is left for initiative in different districts.

To obviate grossly unfair distribution of funds the Committee are bound by statute to allocate to any district 80 per cent of the output levy raised there, subject to the prior charges imposed by the Act of 1934.

The classification of allocations is as follows—

1. **Recreation.** (*a*) *Indoor.* Institutes, halls, clubs, libraries (including small grants for the purchase of books), swimming baths, etc.

(*b*) *Outdoor.* Recreation and sport grounds, playing fields, swimming pools, colliery bands, etc.

2. **Pit Welfare.** (*a*) Cycle stores, canteens, drying rooms and shelters at the pithead.

(*b*) Pithead baths.

3. **Health.** (*a*) Hospitals (structural additions, equipment and endowment of existing public institutions).

(*b*) Convalescent schemes (new institutions for the use of miners only, and funds for the purchase of admission tickets, the provision of surgical appliances, the special treatment of serious accidents, etc.).

(*c*) District nursing services.

(*d*) Ambulance services.

4. **Education.** Establishment and equipment of centres for mining instruction, scholarship and non-vocational lectures.

A *Miners' Welfare National Scholarship Scheme* was established in 1926 and a Students' Exhibitions Scheme in 1936, by means of endowment grants from the Welfare Fund.

The applicants for scholarships are divided into two groups.

(*a*) Candidates who are workers in or about coal mines; and (*b*) candidates who are children of such workers.

The South Wales and Monmouthshire Miners' Welfare District supplies the largest number of candidates, both (*a*) and (*b*).

The average age of the working miner candidates in 1937 was about 25, the oldest candidate being 46 years.

As regards the future occupations aimed at by the (74) candidates in 1937, 28 wished to become teachers or lecturers, 11 proposed to remain in the industry as mining engineers, and another 6 as colliery officials. Nine wished to become engineers other than mining engineers, while 2 aimed at becoming ministers of religion. Among the remaining candidates there was a great diversity of aims including the occupation of doctor, civil servant, politician, trade union official, journalist, and industrial or analytical chemist. Five wished to do research in physics and 3 in agriculture. Some of the other occupations aimed at were those of pharmacist, social worker, mining official, lawyer, metallurgist, and dietician.

5. **Research.** Endowment of and grants to the Safety in Mines Research Board.

Pithead Baths. The movement for the establishment at the pithead of facilities for taking baths and drying clothes has proceeded for many years, and the matter has on several occasions engaged the attention of Parliament.

The Coal Mines Act, 1911, provided that if on a ballot at least two-thirds of those working in any mine who were engaged in "dirty" occupations express themselves in favour of baths and drying rooms and undertake to pay half the cost of maintenance, the mineowner shall forthwith provide such accommodation, provided that the total cost of maintenance (including interest on capital expenditure) does not exceed 3d. per week for each workman liable to contribute. The insertion of this limit made the section a dead letter; since, under post-War conditions, 3d. a week would barely cover interest on the capital cost of erection alone.

Allocation, 1936	Total	
	Amount	Percentage
	£	
Recreation	167,488	17·6
Pithead Baths	553,653	58·1
Other Pit Welfare	38,518	4·0
Health	84,259	8·8
Education	14,086	1·5
Research	44,996	4·7
Miscellaneous	15,000	1·6
Administration and Building Expenses	35,067	3·7
	£953,067	100·0

In 1919, all the Four Final Reports of the Coal Industry (Sankey) Commission recommended that suitable bathing facilities should be provided, and when the Miners' Welfare Fund was established pithead baths were recognized as one of the purposes to which the fund might be applied.

Finance. The report of the Miners' Welfare Committee for 1936 states that they made 952 allocations from the fund amounting to £953,067 during that year under the headings in the table shown on page 290.

COAL MINES ACT, 1930

For more than ten years before 1930 our coal industry had been working under abnormal conditions and disturbances. The output of coal from this country in 1927 was (in million tons) 251·23 and in 1928 it had fallen to 237·47; an average of about 244. In 1913 output was 287·35. Since 1913 it has fallen by 40,000,000 tons, the greater part due to the fall in the demand of foreign countries. The producing capacity was 228,450,000 tons in 1927; the actual output for 1936 was only 270,000,000 to 280,000,000.

Comparing 1927 and 1928 with 1913 production on the Continent had increased, as ours had diminished, by about 30,000,000 tons. Coal had never been produced in the Baltic States. The production of coal and lignite in Russia in 1913 was 28,000,000 tons; in 1927 was 30,000,000 tons; in 1928 was 33,000,000 tons; and in 1936 was 122,000,000. In 1925, Polish coal had been banned from Germany. The Poles, with a production of 40,000,000 tons, were forced to find other markets by sending it along the Polish corridor to Denmark and Sweden. This accounted for the fall in our trade with those countries.

The Germans had only increased their coal production, other than lignite, by 10,000,000 tons since 1913; yet they were able to do with less coal from this country, and to afford reparations coal to Italy and France. The explanation of Germany's position was the fact that their production of lignite, or brown coal, had actually increased by more than 60,000,000 tons between 1913 and 1927 and by 75,000,000 tons between 1913 and 1928.

It is difficult to "get on"; yet in the mining industry it is more difficult to "get out" than in most manufacturing industries. It has been stated that the only salvation lies in increasing efficiency through technical improvements, appropriate amalgamations, and so on. Greater efficiency is desirable, but these steps are possible also to our competitors, and any improvement in our position may not be absolute. Our coastwise trade merely robbed Peter to pay Paul. Production should be adjusted to requirements, and if the ordinary working of economic forces is

awaited it might wait ten years with the extreme likelihood of serious labour disturbances. The urgent, though not the ultimate, requirement is an understanding between ourselves and other producing countries. To arrive at that, there must be unanimity to speak for the country as a whole.

A good deal of criticism has been urged against the idea of regulating or restricting output, and spreading it over various members of the industry by means of quotas. That, it is said, will lead to short time and so on. But short time is precisely what is happening at the present time.

The regulation of output under the Coal Mines Act, 1930, by means of the "quota" cannot result in the creation of an artificial shortage. Upon application to the Central Council, any district can obtain an increase in its quota if it can show that the existing allocation is insufficient to meet demand. Such applications are frequently made and granted. Unfortunately, output is limited by other causes. In no district in 1936 did the actual disposals come up to the permitted output.

The Germans and the Poles negotiated a treaty, which was concluded early in 1930, to increase deliveries into Germany without touching other markets. Our problem is to maintain our position in Europe. The Government scheme's advantage is that it set up organizations which would make it easy to enter into international co-operation and maintain our position in the European markets and get better prices. The capacity of the industry to bear the reduction of hours will it is hoped be strengthened and its revenue augmented.

Part I of the Act of 1930 proposed to regulate the *Production, Supply and Sale of Coal* by means of a *Central Co-ordinating Scheme* for the whole of Great Britain, and *District Schemes* for all colliery districts; and these schemes, when approved or made by the Board of Trade, have statutory effect.

The Act contemplates "that these schemes will be operated by the colliery owners themselves, and it provides for the schemes being so framed as to ensure that within reasonable limits the quantity of coal offered for sale by any colliery, and the price charged for it shall accord with the state of current demand."

The schemes may also provide for enabling financial assistance to be granted from within the industry itself to any branch or branches of the industry which are considered by the industry, as a whole, to require such assistance in order to extend or maintain the general volume of trade.

The interests of the several districts as between each other and the interests of the individual colliery owners in the several

districts, are safeguarded by provisions for independent arbitration. The public interest is protected by the fact that all details of every scheme require to be approved by the Minister. Further provision is made in the Act for the formation of a *National Committee of Investigation*, containing representatives of consumers, two appointed to represent owners of coal mines in Great Britain and two appointed to represent workers employed in or about such coal mines, whose duty it will be to inquire into any complaints made as to the operation of the Central Scheme. Similar committees with similar constitution and duties are appointed in every district.

These *Investigation Committees* are given the necessary powers to obtain information relevant to their inquiries, and provision is made that if complaints reported by them to the Minister as to the operation of a scheme in any district are not rectified to the satisfaction of the Minister, the Minister may direct that the scheme shall cease to have statutory effect, and that, unless they are satisfied that voluntary arrangements have been made in the district for securing the necessary co-operation with other districts and compliance with the central scheme, the Board may make a new scheme for the district.

Of the members of the National Committee of Investigation, other than the chairman, half are persons appointed to represent the interest of consumers of coal, two represent the owners and two the workers. The proportion is similar on the local committees. Both the chairman and the members of the committees must be appointed by the Minister.

Reorganization of the Coal Mining Industry. Part II constitutes a Coal Mines Reorganization Commission consisting of five commissioners appointed by the Board of Trade for such period and subject to such conditions as may be determined by the Minister. The Minister must appoint one of the Commissioners to be Chairman.

It is the duty of the Coal Mines Reorganization Commission to further the reorganization of the coal mining industry with a view to facilitating the production, supply, and sale of coal by owners of coal mines.

For that purpose, the Commission is to promote and assist, by the preparation of schemes and otherwise, the amalgamation of undertakings consisting of or comprising coal mines where such amalgamations appear to the Commission to be in the national interest.

The Commission may hold such inquiries as they consider necessary or desirable for the discharge of their functions under this Act and in respect of any meeting of the Commission at

which a quorum of the commissioners is present for the purpose of any such inquiry, the Tribunals of Inquiry (Evidence) Act, 1921, (other than paragraph (*a*) of Section 2 thereof) will apply to the Commission as if it were a tribunal established in manner provided by that Act and as if that Act had been applied thereto in the manner thereby provided.

Part III of the Act deals with the question of *Working Hours*. This part of the Act provides that during the continuance of the Coal Mines Act, 1926, the extra hour per day allowed by that Act shall be reduced half an hour. This provision did not come into operation until 6th April, 1930.

Part IV of the Act authorizes the Minister to set up a *Coal Mines National Industrial Board* with powers to investigate and report upon any dispute as to the terms of a proposed agreement for regulation of the wages or other conditions of colliery workers in any district where there has been a failure to settle the dispute in accordance with any arrangements in force in the district.

The Industrial Board is to consist of seventeen members appointed by the Minister, after consultation with the Mining Association of Great Britain as to six, the Miners' Federation of Great Britain as to six, the Federation of British Industries and the Association of British Chambers of Commerce as to one, and each of the following bodies as to one: The General Council of the Trade Union Congress, the Co-operative Union, and the National Confederation of Employers' Organizations.

The chairman is appointed by the Minister.

Any agreement between the owners and the workers of the coal mines in any district regulating wages or conditions of labour may be sent to the National Board, and the National Board will record any such agreement.

Where a dispute on a proposed agreement or failure to settle a dispute under the local arrangements occurs, or is apprehended, the workers or the owners may refer it to the National Board. Under Part V which contains General Provisions, are provided the expenses of the Committees of Investigation and of the Coal Mines National Industrial Board. The aggregate cost of these services was not expected to exceed £35,000 per annum.

The Penalties provided for under Part I of the Act are—

"If any person contravenes or fails to comply with any provision of this Act or of a scheme in force thereunder and no penalty for the contravention or failure is expressly provided, he shall be liable on summary conviction to a fine not exceeding £100, and to a further fine not exceeding £20 for every day on which the contravention or failure occurs or continues.

"Where the offence under this part of this Act or a scheme in force thereunder committed by a corporation is proved to have been committed with the consent or connivance of, or to have been facilitated by any neglect on the part of any director, manager, secretary, or other officer of the corporation, he, as well as the corporation, shall be deemed to be guilty of an offence and shall be liable to be proceeded against and punished accordingly.

"Every scheme under this part is to come into force not earlier than 1st January, 1931, and not later than 31st March, 1931."

Statutory Districts. Lancashire and Cheshire form one district under the Act; North Wales another; while the remaining districts are Northumberland, Durham, Cumberland, Yorkshire, Derbyshire (excluding South Derbyshire), South Derbyshire, Notts, Leicestershire, Shropshire, North Staffordshire, South Staffordshire (excluding Cannock Chase), Worcestershire, Cannock Chase, Warwickshire, Forest of Dean, Bristol, Somerset, Kent, South Wales (including Monmouthshire), and Scotland.

COAL MINES (EMPLOYMENT OF BOYS) ACT, 1937

This Act provides that there shall be specified at every coal mine a period of at least seven consecutive hours falling between 10 p.m. and 6 a.m. during which period no boy shall be employed in, or allowed to be for the purpose of employment in, that mine below ground, unless the boy has been lawfully employed below ground before the 30th July, 1937.

COAL ACT, 1938

Part I of the Act provides for a unification of royalties. This will remove the difficulties caused by a multiplicity of leases covering the coal of a single colliery or undertaking. By unification it will sweep away conflicting claims and interests and remove difficulties. In course of time the surface will be available for the reduction of royalty rents. There is also the psychological effect of removing for all time one of the causes of discontent and unrest felt by the colliery worker.

Part II provides for amalgamations of colliery undertakings on the recommendation of the Commission to the Minister.

Part III provides for the continuation of the Selling Schemes for another five years. The continuation of these schemes is necessary as an adequate insurance against possible difficulties arising in the future due to excess of productive capacity which, if unchecked, would bring about the chaotic conditions which prevailed in the past.

EMPLOYMENT IN COAL INDUSTRY, JUNE, 1938

Numbers employed (Great Britain)		781,530
Numbers insured (Great Britain and Northern Ireland)		868,360
Numbers unemployed (Great Britain)—		
Wholly	86,000	
Temporarily	70,400	
		156,400

ESSENTIAL WORK (COALMINING INDUSTRY) ORDER, 1941

This Order (S.R. & O. 2096) provided that cases of absenteeism or indiscipline may be reported to the National Service Officer by Pit Production Committees in addition to employers. Periods of absence for sickness can be treated preferentially for the purposes of the payment of the guaranteed wage.

CONTROL AND ORGANIZATION OF THE COAL INDUSTRY

The Government's proposals for the control of the coal industry were approved by Parliament on the 11th June, 1942.

WAGES IN THE COAL MINING INDUSTRY

A Board of Investigation was set up by the Government under the Chairmanship of Lord Greene on the 5th June, 1942. The First Report was issued on 18th June, 1942.

CONSTITUTION OF THE MINISTRY

The Ministers of the Crown (Minister of Fuel and Power) Order, 1942, transferred to the new Minister all functions exercised previously by the Board of Trade in relation to coal mines, minerals, quarries and petroleum, gas undertakings, electricity and hydraulic power undertakings. The Act of 1945 is dealt with on page 285.

WHITE PAPER ON COAL MINING, 1945

The Technical Advisory Committee to the Ministry of Fuel and Power issued its report in March, 1945. It contains far-reaching proposals for the rebuilding of the British coal industry on the most modern lines.

CHAPTER XIX

LABOUR MANAGEMENT

HISTORICAL

WELFARE work first found expression about forty years ago in schemes for the social happiness and physical well-being of employees. It was initiated by employers who were known for their general philanthropic work and for their sincere interest in the well-being of their employees. The movement was associated with the family traditions of individual employers, e.g. Robert Owen, but in a sense it dates back to the old hand-loom days, when weaving was done in the garrets of operatives' homes in Lancashire and Yorkshire, when much first-aid, rest-room, and canteen work—of a domestic kind—was undertaken in a co-operative manner by the workpeople themselves. Probably it is only within the last twenty-five years that modern Welfare work has come to be recognized at its true value.

Welfare work was not at first adopted in staple industries and in larger centres of population as it was in specialized industries and in isolated districts of small population, or where an industry has been initiated in a non-populated area. The earliest definite schemes were associated with firms engaged in the manufacture of cotton, food, cocoa, drugs, tobacco, soap, and in tin-box making, dyeing of household materials, etc.

Under the conditions of labour resulting from the Industrial Revolution there arose from the ranks of the workers a new class of employers, who made English products famous throughout the world. The employers amassed large fortunes and secured their political liberty with the Reform Act of 1832. At the same time, the disruption of the old order caused great hardship among the workers, in both town and country. The doctrine of "Laissez Faire" was so misinterpreted that even men of the type of Wilberforce were reluctant to introduce legislation to improve the conditions of the workers, if by doing so it would limit the employers' powers.

The middle and latter part of the nineteenth century was a period of steady legislative improvement, but the doctrine of "Laissez Faire" was studiously upheld. Some employers recognized the beneficial results to industry of improved conditions, shorter hours, and better wages. Other employers were compelled to concede these benefits by the influence of public opinion

or a fear of legal proceedings. Few employers acknowledged any real independence for the workers, and all benefits, whether spontaneous or compulsory, were conferred under political pressure.

Growth of Trade Unions. But a new force was rising, slowly and painfully. In spite of persecution and opposition, the trade unions were growing, and with their progress the clouds were lifted on the workers' horizon. Through a period of sufferance and toleration they advanced step by step until, by the Trade Union Act, 1871, they secured legal recognition. The unions then began to realize their power and true position in industry, and to-day the worker demands a proper share, not only in the rewards, but also in the control of industry. To this end education is necessary to prevent trade unions becoming isolated units and to prevent them from turning from benevolent objects to machines for the exercise of tyranny whether of the worker or of the general body of the community—thus interfering with the liberty of the subject.

It is thus of paramount importance to the future of industry that more attention than hitherto shall be given to securing that all work is carried on in such a way as to maintain the highest efficiency of all the factors of production. In the past great care has been expended on obtaining the best possible machinery and raw material, but only too often the type of employee, and the conditions under which they have been expected to work, have been so little considered that the actual rate and quality of output has fallen far below the estimate.

The History of Welfare Work. Those few employers who prior to the War devoted special attention to these points had for the most part developed, under one name or another, a systematized plan for dealing with them. The tendency was to appoint special officers to undertake these functions, and while there was much variation in detail in the methods of the individual firms, a common basis for agreement on general principles was slowly evolved. The isolated firms felt the need for mutual comparison of methods and results, and several informal conferences—the first held in Birmingham in 1909—resulted in the formation in June, 1913, of a Welfare Workers' Association, now the Institute of Labour Management.

WELFARE WORK

Welfare work has been officially defined as "The provision by the management for the workers of the best conditions of employment. . . . It may be regarded as including everything which bears on the health, safety, and general well-being and efficiency of the worker, while avoiding any interference with

his private affairs." (Home Office Pamphlet on Welfare and Welfare Supervision in Factories and Workshops, 1919, Second Edition, 1931.)

Certain minimum conditions of welfare for employees are necessary to comply with—

1. Statutory Requirements, e.g. under the Factories Act, 1937, Mines Acts, Mines (Minimum Wages) Act, Shops Acts, Trade Boards Acts, etc.

2. Standard conditions of the trade and district, as maintained by trade unions.

3. Voluntary efforts of employers.

"Theoretically, the State could impose on all firms of a certain size the duty of creating a definite welfare organization, but not only would this not be expected to achieve the same material results as a voluntarily established organization, but it would lack what is even more important, the spirit by which the organization should be animated." (Home Office Memorandum.)

DEVELOPMENT OF INDUSTRIAL WELFARE

The idea of industrial welfare was highly developed in America, where, however, the term is only used in a very restricted sense, if at all, but such terms as "Personnel Work," "Labour Management," "Employment Management" or "Industrial Relations" are common. The "Safety First" principle, which commenced at Port Sunlight before it found its way to London, was another form of welfare work which originated in America.

The outbreak of the War, 1914–18, interrupted the normal, slow development of the movement. The increased extent to which women were employed in industry during the War, especially on engineering work, established welfare work as an indispensable factor of labour recruitment, workers' health, and efficiency and production. It has usually been adopted first for women workers, and has then become accepted as a serviceable scheme for men. In this way—under the special conditions of munition manufacture—welfare work was extensively introduced into the engineering industry, and has since spread to many other industries. The emergency of the moment and the need of re-organization of industry to meet war conditions led to the establishment of the Health and Welfare Section of the Ministry of Munitions. It is the inherent weakness of every Government that it can enforce the letter but not the spirit of the law, and the inevitable result was the introduction of the letter of what is generally known as welfare work into some factories where the spirit was entirely lacking, i.e. where the management had no appreciation of, or desire for it, and merely regarded it as an

unavoidable and often temporary concomitant of the introduction of female labour. This naturally resulted in the failure of many welfare schemes to make good in any real sense.

Nevertheless, the Welfare Department was enabled to prove that the care of the worker gave economic results out of all proportion to the expenditure involved, and welfare work has now become a very important part of many of our industries.

APPOINTMENT OF WELFARE OFFICERS

Further, the enormous demand suddenly created for officers to undertake the organization of welfare work could not be met, and untrained, inexperienced, and often unsuitable people were frequently appointed. The real essence of welfare work, which is the practical application of science (psychological as well as physical) to a definite industrial problem, was almost forgotten in the specific demand for the immediate improvement of sanitary and material surroundings. This demand was perfectly justifiable, but the concentration on this urgent problem has tended to emphasize one side of welfare work at the expense of the other, which is more fundamental. In other words, welfare work often implies merely the provision of canteens, ambulance room, etc., rather than the appreciation by the employer of the fact that a works manager requires more than mere technical and organizing ability; that he has a psychological problem to face, which requires special training and insight, for the mere adoption of so-called scientific efficiency methods does not automatically bring about the desired improvement in output. Therefore, he needs as a colleague a labour manager who will be responsible for the supply and maintenance of an efficient labour force.

The new point of view is that the Labour Manager is on a level with the production, sales, etc., managers, and administers the labour policy of the firm in the same way as they administer its sales, etc., policies. The supply of a suitable labour force is his job, and there is no question of offending foremen, etc., by engaging labour.

The Institute of Labour Management is a professional association of men and women engaged in Labour Management (Industrial Welfare Work, Staff Management, and Employment Administration). The work undertaken includes the selection, training, and supervision of employees, research into all matters concerning employment and knowledge of the law affecting employment in general, and the trade or industry in particular. It also includes attention to working conditions, health, safety and general well-being of the employees, and all schemes of

co-operation between employer and employed. It publishes a monthly journal, *Labour Management.*

The Industrial Welfare Society was formed during the Great War (1914–18) to promote the appointment of boys' supervisors, and has developed after the War as an employers' organization for propaganda. One of its activities is the Duke of York's boys' camp in the summer. It also organizes conferences, lunches, and dinners with speeches on the branches of the work, and sends officials to advise employers on possible schemes. It publishes a monthly journal, *Industrial Welfare.*

INDUSTRIAL DISEASE

In the Annual Report of H.M. Chief Inspector of Factories and Workshops for 1936 the Senior Medical Inspector draws attention to the beneficial effects of manual work on mind and body, but on the other hand to the tendency of sickness rates to rise on account of industrial boredom. "Repetition processes undoubtedly create a weariness not expressed in physical terms, but in a desire by the worker for temporary relief from the enforced boredom of occupation in which the mind is left partially or entirely unoccupied. This fact must be recognized for the understanding of sickness records and absenteeism in the industrial population. Vastly more days are lost from vague ill-defined, but no doubt very real, disability due to *ennui*, than from all the recognized industrial diseases put together. (See Report, 1931.)

Active steps have also been taken by the Industrial Health Research Board to encourage firms to keep sickness records. These, if properly collated, would form a valuable guide to industrial ill-health. (See Report, 1936.)

SELECTION OF EMPLOYEES

Employers have often failed to recognize that the selection of employees, which is so often left to untrained subordinates, is skilled work calling for special knowledge and insight. Any employee, however selected, will be more efficient when working under favourable and acceptable conditions than otherwise. The discovery of what these conditions are is a scientific study and as much a part of the managerial function as is the initial provision of machinery, labour, and material.

LABOUR MANAGEMENT

Labour management was originally called industrial welfare and is now sometimes known as personnel work or industrial relations. It is generally accepted that F. W. Taylor of U.S.A.

was the first to set down rules and precepts for scientific production, while Henri Fayol in France did the same for the administrative side of the industrial problem.

Taylor's work is often referred to as "scientific management," and this has brought about the impression that he was the first to deal with management as a whole. In actual fact his investigations were carried out almost entirely on technical lines—works organization, methods of payment, tool steels, belting problems, and other practical matters that arise in production—and he did not deal with the administrative side, nor with the problems that are presented by an industrial undertaking as a whole.

Henri Fayol, on the other hand, while a practical man who, in the course of his 65 years' connection with the firm of Commentry, Fourchambault et Decazeville, brought it from the verge of liquidation to a prosperous and much-extended condition, was deeply interested in the administrative problems presented by his company. He left behind him a partially completed work on administration, a work which shows a penetrating mind and a very wide grasp of the need for dividing management responsibilities into the specific functions in which they arise. He divided the functions of management into—

(1) Technical.
(2) Commercial.
(3) Financial.
(4) Security.
(5) Accounting.
(6) Administrative.

Administration, it will be noted, he regarded as one of the functions of management. Modern thought has accepted administration as being management itself, but at a higher stage, defining administration as covering the setting of a policy and management as the carrying out of the policy set. It is customary to-day to accept management as having six functional subdivisions—

(1) Production.
(2) Distribution.
(3) Development.
(4) Accounts and Finance.
(5) Legal and Secretarial.
(6) Personnel and Industrial Relations or Labour Management.

THE OBJECTS OF LABOUR MANAGEMENT

Labour management in business and industrial enterprises is the work of that part of the management concerned with the organization of working conditions on such lines as will be acceptable to each individual worker and provide for—

1. Physical comfort and well-being.

2. The full opportunity for the use of his abilities by the exercise of care and discrimination in the allocation of his work and duties.

3. The means for development of all his faculties.

The aim of labour management is the cultivation amongst the workers of a higher standard of intelligence and useful knowledge, a broader and more enlightened outlook, better physical condition, greater interest in their employment, a more contented feeling about their work—and, if possible, a happier and brighter spirit leading to more cordial relations with their employers.

It seeks to promote a better understanding between employer and employed, based on just dealing and mutual co-operation.

AIM OF THE LABOUR DEPARTMENT

It is not easy to define in a few words what should be the aim of a labour department, and this attempt may be amended by others—

> "The aim of a labour department should be to direct and co-ordinate (i.e. to harmonize) the human relations of a firm so as to get the maximum necessary production with a minimum of effort and friction and with a proper regard for the genuine well-being of the employees."

TWO MAIN FUNCTIONS OF THE LABOUR DEPARTMENT

The department is a functionalized one, and its operation and influence should apply equally throughout the works. The functions of a labour department can be placed under two main headings—

(1) Supply of personnel.
(2) Conditions affecting personnel.

Division of the Two Main Functions into Six Subdivisions. These two main functions can be divided into six subdivisions—

(1) Employment.
(2) Health and Safety.
(3) Education.
(4) Research.
(5) Employees' Service.
(6) Employees' Representation.

Before enumerating some of the detailed responsibilities under each of these subdivisions, it will be well to indicate the general basis on which this classification has been made.

(1) *Employment.* This covers all the work entailed in securing a willing and effective working force.

(2) *Health and Safety.* This covers all the work of personal hygiene and of maintaining the establishment in such a condition

that the health and physical integrity of the operatives are preserved and improved.

(3) *Education.* This covers all the training activities of the firm.

(4) *Research.* This covers those activities of analysis of data which are essential for securing a basis of fact on which decisions about terms and conditions of employment can be based.

(5) *Employees' Service.* This covers all the miscellaneous activities such as recreation, canteen, pension schemes, etc., which are less directly related to the production problem than such matters as selection and training for the job.

(6) *Employees' Representation.* This covers all the efforts by individual conference, such as by the Works Committee member of one department with his manager, or by Committees, to settle the terms of the Labour Contract and to adjust difficulties which have arisen, either as to these terms or their fulfilment. It covers those efforts which endeavour to maintain permanently a relationship between management and operatives which is characterized by understanding, freedom from complaint, and goodwill.

EXAMPLES OF EMPLOYERS' SERVICES

Among the various amenities providing for workpeople may be mentioned the following—

1. Housing, e.g. the scheme of Robert Owen at New Lanark, Sir Titus Salt at Saltaire, and more recently Port Sunlight, Bournville, Earswick, Woodlands, etc.
2. Mess-rooms and canteens for the supply of meals at, or in some instances below, cost and with facilities for warming food.
3. Medical and dental treatment.
4. Rest rooms for girls and women workers.
5. Provision of protective clothing, e.g. overalls, hoods, caps, goggles, clogs, and gloves.
6. Washing conveniences.
7. Cloakrooms, and drying-rooms for wet clothing.
8. Ambulance and surgical facilities for promptly dealing with accidents.
9. Sick clubs.
10. Pension schemes.
11. Holidays with pay.
12. Works Committees.
13. Co-partnership.
14. Educational facilities. e.g. day and evening classes, libraries, etc.
15. Recreation, e.g. institutes and sports clubs, choirs, etc.

In a pamphlet issued by the Home Office, welfare work is

defined as the provision by the management of the best conditions of employment for the worker. It is a movement in recognition of the importance of the human side of industry. "The workers of to-day are better educated than formerly; this in addition to making them more capable workers has made them more sensitive human beings; their personality is more and they resent administration which does not take this into account." Thus, to be a success, any scheme of welfare work depends upon the spirit in which it is initiated. It must be initiated unselfishly, and purely in the interests of the workers, and must be carried out in co-operation with the workers; then the latter will respond, and the scheme will develop into a sound business proposition. It is perhaps better indicated by its activities than defined in principle; and we may, therefore, best consider its application by tracing the advantages and results which have accrued through the adoption of the system.

ADVANTAGES AND RESULTS OF LABOUR MANAGEMENT

The advantages of labour management are not easily recorded by statistics, for they are more of mind and spirit than of matter, and their value is immeasurable. On personal inquiry, however, from employers, one has never come across indifference; there is consistent enthusiasm. Where records have been kept, before and after the adoption of labour management, it is shown that—

(*a*) The workers are happier and healthier.

(*b*) There is definitely improved time-keeping.

(*c*) There is a considerably less migration of labour, for employees become attached to the firm.

(*d*) Where the production is largely dependent upon the human factor, it has been increased in quantity and quality.

(*e*) There is a considerable reduction of works disputes.

DUTIES OF LABOUR MANAGERS

The duties of the position should bring the labour manager into constant and sympathetic contact with the management, foremen, clerical, and manual staff on positive questions, and afford opportunities for the discussion and adjustment of those minor problems, the proper settlement of which alters so materially the prospect of a business. Among these duties are the following—

(1) The carrying out of the labour policy of the firm. This should emanate from the Board Room and be understood by every section of the management including foremen and forewomen.

(2) The maintenance of the working force throughout the

establishment. This means close co-operation with the productive departments and the formulation of a scheme for engagement, promotion and retirement (with pension if possible), so that blind alley work for boys is avoided and at no time is the firm overburdened with large numbers of elderly workers. The interviewing and selection of applicants for work and the keeping of employment records is an important part of this section.

(3) The keeping of records of sickness, accidents, absenteeism, and labour turnover is an important part of the work of a labour manager, and from them he can deduce valuable information for the management. These records are kept in the same way as wages records, as part of good business, and not for any prying into the affairs of the workers.

(4) The labour manager should be responsible for scrutinizing the time-sheets and inquiring into all cases of unpunctuality. With time-keeping is intimately connected the health conditions of the staff, for often unpunctuality is caused by indifferent health. Every firm must observe all legal regulations in connection with the health and protection of the worker, and for the observance of them the labour manager must be responsible. But mere compliance with the law is not enough to promote efficiency, and to advise the management about the latest improvements and research as regards both health conditions and hours of work lies within the province of the welfare worker.

Labour management has gone through many changes since its inception as social work in factories. Now many of those amenities that were regarded as a kindness conferred by the employer on the worker are just a normal part of good business. Canteens tend to become restaurants or cafeterias run on business lines, and the workers are treated as customers. In fact, the labour manager is an integral part of the whole industrial machine.

WORKS COMMITTEES

The function of Works Committees is advisory and consultative only, not executive. The Committees discuss a variety of questions, e.g.—

(1) General shop conditions and amenities, such as shop rules, maintenance and discipline, time-keeping, maintaining tidiness, care and regulation of lavatories, promoting a high standard of general behaviour, shop comfort and hygiene, suggestions and complaints as to temperature and ventilation, washing accommodation, drinking water supply, etc.

(2) Working conditions, meal hours, starting and stopping times, arrangements for holidays, arrangements of shifts.

(3) Accidents, consultation, advice or complaint regarding safety appliances and practices, machine guards, etc., investigation of causes of accidents.

The more advanced Committees have, through consultation, reached a position of considerable power and authority, and there are examples of substantial advances towards joint executive control in certain spheres of management which show there is nothing static or final in the present position.

CHAPTER XX

TRADE BOARDS AND OTHER FORMS OF STATUTORY WAGE REGULATION INCLUDING WAGES COUNCILS ACT, 1945

TRADE BOARDS

A TRADE board is a body consisting mainly of representatives of employers and workers in a particular trade whose principal function is to fix minimum rates of wages below which no one may be employed in that trade. The trade board system is a departure from the voluntary principle which is the basis of British policy. This departure is a concession to the public conscience which calls for the establishment of a certain minimum standard of life.

Current suggestions for the establishment of representative bodies for the regulation of wages are recorded in John Stuart Mill's *Principles of Political Economy*, in the chapter "On Popular Remedies for Low Wages." The proposal was for what were then called "Boards of Trade to Settle Wages." Mill laid down the doctrine that cheapness of goods is not desirable when the cause is that labour is ill remunerated. From 1885 onwards the low wages being paid in certain trades received a good deal of public attention. In 1890 a report of a Committee of the House of Lords under the Chairmanship of Lord Dunraven laid stress on the evils of sweating. Trade Boards were established in the colony of Victoria in 1896, following upon a discussion between Sir Charles Dilke and Mr. Deakin, and the latter's Report published in 1893. In 1898, Sir Charles Dilke introduced a Bill which had been drafted by Mr. Arthur Llewelyn Davies.

Considerable useful statistical information was collected and published by the Board of Trade Inquiry into Earnings and Hours, 1906.

THE TRADE BOARDS ACT, 1909

The Trade Boards Act, 1909, was passed as the result of the Report of the Select Committee on Home Work. The committee was appointed on 11th February, 1908, to consider and report upon the conditions of labour in trades in which homework was prevalent; and the proposals which had been made for the remedying of existing abuses, including those for the establishment of wages boards and the licensing of work places. The Sweated Industries Bill was also referred to the Committee,

which reported in July, 1908. The Committee found that "sweating" was extremely prevalent.

Objects of Trade Boards. Trade Boards were established in order to remedy existing abuses in regard to sweated industries. Sweating may be taken to mean that work is paid for at a rate which, in the conditions under which many of the workpeople do it, yields to them an income which is quite insufficient to enable an adult person to obtain proper food, clothing, and house accommodation.

Although ill-paid labour may enrich particular employers, it is inconsistent with a sound system of national economy. It makes for inefficient labour and entails in the end heavy burdens upon the taxpayer. It involves a restricted demand for commodities in the home market with a relative diminution of output. No less important are the indirect results of sweating, such as the degradation of the worker, the waste of life, and the physical deterioration of the worker and the family who, in insanitary dwellings, are often the cause of infection. Nor must the result of the waste of education be overlooked; a waste which is sometimes evident in the individual and in the nation.

Causes of the Evil. There were many reasons why earnings were small in the "sweated industries." The work, as a rule, required little or no training, and was in great demand by those who could not work regularly in factories, who disliked domestic service or regular work, or who desired to augment the family income. As it was generally paid for at piece rates, it was in demand for those who were slow by reason of age, health, or lack of experience, and who found it difficult to obtain work at time rates. The supply of labour was, therefore, large and elastic. A large proportion of the home workers were in competition with machinery which could produce the articles rapidly, and therefore cheaply. In the case of such articles as baby linen, ladies' blouses and underclothing, unless the price is low it is possible for people outside the trade to effect a saving by buying the materials and making in their spare time such of the articles as they themselves require. Another factor was the competition of foreign-made articles, e.g. in the hook-and-eye trade. Moreover the workers were usually women, whose wages are normally lower than those of men. The trade union movement had found it a matter of special difficulty to organize the lowest-paid class of worker, while the intervention of the middleman and competition between employers both tended to reduce the share of the proceeds of the industry available for the home worker. The imposition of factory and workshop regulations was calculated to encourage employers to engage home workers in order to escape the operation of the Factory and Workshop Acts.

Administration. The Trade Boards Act, 1909, was at first administered by the Board of Trade. Their functions in this respect were transferred in 1917 to the Minister of Labour, whose duly-authorized officers have power to enter workshops and inspect wages sheets, and have the same power to take and conduct proceedings as is possessed by Factory Inspectors.

Industries Covered by 1909 Act. The Act of 1909 was tentative and experimental and applied originally only to the following trades, viz. ready-made and wholesale bespoke tailoring, and any other branch of tailoring in which the Board of Trade might consider that the system of manufacture was generally similar to that prevailing in the wholesale trade; the making of boxes, or parts thereof, made wholly or partially of paper, cardboard chip or similar material; machine-made lace and net-finishing, and mending or darning operations of lace-curtain finishing; hammered and dollied or tommied chain-making.

Extension of Act. The Board of Trade were empowered to make a Provisional Order applying the Trade Boards Act, 1909, to any specified trade to which it did not at the time apply if they were satisfied that—

The rate of wages in any branch of the trade was exceptionally low, as compared with other employments; and that the other circumstances of the trade were such as render the application of the Act to the trade expedient.

The Trade Boards Provisional Orders Confirmation Act, 1913, confirmed Provisional Orders extending the application of the Act of 1909 to the following trades, viz. sugar confectionery and food preserving, shirt-making, hollow-ware making (including boxes and canisters), linen and cotton embroidery.

THE TRADE BOARDS ACT, 1918

This Act provides that, in addition to the trades specified in the Act of 1909, that Act shall apply to any other trades to which it has been applied by a Provisional Order or by a Special Order made under the Act by the Minister of Labour.

The Minister of Labour may make a Special Order applying the principal Act to any specified trade to which it does not apply, if he is of opinion that no adequate machinery exists for the effective regulation of wages throughout the trade, and that accordingly, having regard to the rates of wages prevailing in the trade, or any part of the trade, it is expedient that the principal Act should apply to that trade.

If at any time the Minister is of opinion that the conditions of employment in any trade to which the principal Act applies have been so altered as to render the application of the principal

Act to the trade unnecessary, he may make a Special Order withdrawing that trade from the operation of the Act. (No such Order has in fact been made.)

If the Minister is of opinion that it is desirable to alter or amend the description of any of the trades specified in the Schedule to the principal Act, he may make a Special Order altering or amending the said Schedule accordingly.

Every Special Order shall, without confirmation by Parliament, have effect as if enacted in this Act, and may be varied or revoked by a subsequent Special Order.

Constitution of Trade Boards. Trade Boards are constituted in accordance with regulations made under the Acts, for any trade to which the Acts apply. They consist of an equal number of representatives of employers and workers, and members appointed by the Ministry of Labour, being less in number than the members representing employers and workers. The number of appointed members on each of the existing Boards is three. Women are eligible as appointed and representative members, and in some cases (under regulations made by the Minister) at least one of the appointed members must be a woman.

Powers of Trade Boards. Since the passing of the Trade Boards Act, 1918, a trade board is required by law to fix a general minimum time-rate of wages for time-work in the trade.

It may also fix—

(*a*) a general minimum piece-rate of wages for piece-work;

(*b*) a guaranteed time-rate, to apply in the case of workers employed on piece-work for the purpose of securing to such workers a minimum rate of remuneration on a time-work basis;

(*c*) an overtime rate (whether a time-rate or a piece-rate) to apply in substitution for the minimum rate which would otherwise be applicable, in respect of hours worked by a worker in any week or on any day in excess of the number of hours declared by the trade board to be the normal number of hours of work per week or for that day in the trade.

Any of the minimum rates may be fixed so as to apply—

(i) universally to the trade; or

(ii) to any special process in the work of the trade; or

(iii) to any special area; or

(iv) to any class of workers in the trade; or

(v) to any class of workers in any special process or in any special area.

Procedure. Before fixing any minimum rate, the trade board must give notice of their intention, and they must consider any objection lodged with them within two months of such notice. In the absence of special circumstances an Order confirming any

rates fixed by a trade board must be issued by the Minister of Labour within one month from the date on which the notification from the trade board is received. Where he thinks it necessary to do so, however, the Minister may refer a rate back to the trade board for reconsideration. As soon as possible after making an Order the Minister must send notification thereof to the trade board. The trade boards are empowered to announce to employers the making of an Order affecting their trade and to furnish them with particulars of the contents thereof. Such Order is obligatory on all employers and employees.

Any minimum rate or the cancellation or variation of any such rate shall become effective as from the date specified in the order.

A trade board may, if they think fit, delegate certain powers to a committee consisting of such number of persons, being members of the board, as the board may think fit, so, however, that the members of the board on the committee representing employers and workers shall be in equal proportions.

District Trade Committees. A trade board may establish District Trade Committees, consisting partly of members of the trade board and partly of persons not being members of the trade board but representing employers or workers engaged in the trade and constituted in accordance with regulations made by the Minister of Labour and acting for such area as the trade board may determine.

A trade board may refer to a District Trade Committee for their report and recommendation any matter which they think expedient, and may also delegate to the District Trade Committee any of their powers and duties other than the duty to fix rates. It shall be the duty of a District Trade Committee to recommend to the trade boards such rates.

The trade boards are required to consider matters referred to them by Government Departments, and may make recommendations to any Government Department with reference to the industrial conditions of the trade.

Officers are appointed by the Minister of Labour, and their duties include the investigation of complaints and the securing of the due observance of the Act.

Penalties. The penalty for paying less than the minimum rates is, on summary conviction, a fine not exceeding £20 and £5 for each day on which the offence is continued after conviction; for refusal to comply with the lawful requirements of officers, a fine not exceeding £5 in respect of each offence; for knowingly producing a false record of wages, or a false list of outworkers, a fine not exceeding £20 or three months imprisonment with or without hard labour. By the Trade Boards Act, 1918, an

agent of an employer may be proceeded against as if he were the employer.

Complaints should be reported to the Chief Inspector, Trade Boards Division, Metropole Building, Northumberland Avenue, London, W.C.2.

Advisory Council. A joint conference of trade union representatives in 1921 decided to establish a National Trade Boards Advisory Council. The objects of the council are—

To secure a common trade union policy regarding the methods adopted by the Government in establishing trade boards.

To act in consultation with the General Council of the Trade Union Congress on all questions relating to trade boards which are of general interest to the unions affiliated to the congress.

To make when necessary joint representations to the Government on behalf of the trade unions represented on trade boards; to secure joint consultation between the unions represented on trade boards on all questions relating to trade board regulations dealing with wages, hours, conditions of employment, or other occupational interests of the members of affiliated societies, and to make joint recommendations on these questions as and when necessary.

REPORT OF VISCOUNT CAVE'S COMMITTEE

In September, 1921, the Minister of Labour appointed a Special Committee, under the chairmanship of Viscount Cave, "to inquire into the working and effects of the Trade Boards Acts and to report what changes, if any, are required." The Report of the Committee was issued on the 22nd April, 1922.

The Report includes the following remarks: "We desire to record our opinion that trade boards have been a potent means for securing and maintaining industrial harmony in the trades for which they have been established. We consider that the almost entire absence of industrial unrest in trades covered by trade boards, even in the difficult periods during and after the War of extreme and rapid fluctuations of money values, is a great tribute to the power of a trade board to settle rates of wages on a firm basis."

The Committee pointed out that unfortunately for the trade board system, many of the increases in wages settled by the trade boards came into operation at a moment when trade was failing, and in some instances the additional burden so imposed on traders made it difficult for those traders to adjust themselves to the altered conditions. Within certain limits, an increase in the cost of production can be "passed on" to the consumer, with the result that the general level of prices is raised and the

consumer (including the worker) suffers accordingly; but in time a point is reached where the consumer ceases to buy, and then follow decline of trade, the closing of workshops, short time, and the discharge of workers.

This result is more quickly reached where the trade is subject to foreign competition and prices are regulated, not by the home market, but by world conditions; but where this is not the case increase in cost must prejudicially affect production and distribution, and so must be injurious both to employers and to workers. As regards workers, the blow is apt to fall first on the slow or less efficient workers, but the consequences of the rigid regulation of wages in a falling market and the consequent "lag" in the readjustment of wage conditions are not confined to those persons, but extend to the unskilled and part-skilled worker throughout the industries affected.

On the other hand, the Committee thought it was established that the system had had beneficial effects. Speaking generally, trade boards had succeeded in abolishing the grosser forms of under-payment and regularizing wages conditions in trades brought under the Acts. Moreover, in establishing statutory minima, trade boards had afforded protection to the good employer, able and willing to pay a reasonable rate of remuneration to his workers, from unscrupulous competitors, prepared to take unfair advantage of the economic necessities of their workers.

The Committee were also satisfied that the operation of the system had contributed on the whole to the improvement of industrial relations, the machinery having brought the two sides together "round the table" and so enabled each side to understand something of the other's point of view. Finally, the opinion was expressed that trade boards had led to a strengthening in organization on both sides.

The total repeal of the Acts was proposed by very few of the associations representing employers, and the Committee thought that such a repeal would not be in the public interest. They could not concur in the suggestion made that legislation providing for a national minimum wage to be payable in all trades alike should be substituted for the boards. Where minimum rates are required they should be determined with reference to the circumstances of each trade affected and not on a national basis.

The Committee made a number of recommendations, and a Bill to give effect to certain of these recommendations came before Parliament but was not passed into law.

Their recommendations included the opinion that trade boards should only be set up in trades in which the wages paid are unduly low and only after a public inquiry.

SOME RECENT TRADE BOARD DEVELOPMENT

The Trade Boards Acts were not applied to any additional trades between 1921 and 1933. In August, 1930, the then Minister of Labour gave notice of her intention to apply the Trade Boards Acts to the catering trade. A number of objections were received from interested parties, and the Minister appointed Sir Arthur Colefax, K.B.E., K.C., to hold a public inquiry and report to her. Sir Arthur's report was published by H.M. Stationery Office, price 6d., under the title "Report on a Public Inquiry with regard to the draft Special Order applying the Trade Boards Acts, 1909 and 1918, to the Catering Trade." In the meantime, however, the right of the Minister to make the proposed Order had been challenged in the Courts, and the High Court decided against the Minister. The decision of the High Court was reversed by the Court of Appeal, but the new Minister of Labour, on review of the relevant facts, decided not to make the Order. The Trade Boards Acts were applied to the Fustian Cutting trade and the Cutlery trade in 1933, and to the Baking trade and the Rubber Manufacturing trade in 1938. There are now 48 trade boards in Great Britain, and these boards regulate the wages of approximately 1,500,000 workers.

COTTON MANUFACTURING (TEMPORARY PROVISIONS) ACT, 1934

This Act provides that, in the event of an agreement as to wages being reached between organizations of employers and workers representing the greater part of the industry, a joint application may be made to the Minister of Labour for the making of an Order under the Act. The next step is the appointment by the Minister of an *ad hoc* Board to consider the application. If the Board are unanimously in favour of such a course, the Minister may make an Order making the observance of the agreement obligatory throughout the industry. Payment of a worker at less than the agreed rate will then involve liability to a fine not exceeding ten pounds. Orders were made in 1935 and 1937.

The procedure for revoking an Order is similar to that for the making of an Order. The Act was to cease to operate on 31st December, 1937, without prejudice to any Order already made thereunder, but was kept alive by the Expiring Laws Continuance Act, 1937.

THE CORN PRODUCTION ACTS, 1917 and 1920

Objects. Among the objects of the Acts was the establishment by the Board, now Ministry of Agriculture and Fisheries, of an

Agricultural Wages Board for England and Wales, for fixing the minimum rates of wages for "workmen" employed in agriculture, that is to say rates of wages which, in the opinion of the Wages Board were the lowest which ought to be paid to "workmen" in the district for which the rates were fixed.

Workmen included boys, women, and girls, and employment in agriculture included work not only on farms, but also on osier land, woodland, orchards, market gardens, and nursery grounds.

Constitution of Wages Board. The Wages Board consisted of three classes of persons, viz.—

Appointed members directly appointed by the Ministry of Agriculture and Fisheries and not necessarily engaged in agriculture. Members representing employers and workers; such representation being equal in number. Women were eligible as members. The appointed members could not be greater in number than one-quarter of the total number of members of the Wages Board. The number of members was fixed by regulations.

Duties of Wages Board. The duties of the Wages Board were to fix minimum rates of wages for time-work for all classes of workers.

The Wages Board might, if they thought it necessary or expedient, also fix minimum rates of wages for piece-work.

These rates, whether time-work or piece-work, might be fixed to apply universally to workers employed in agriculture; differently for different districts; for different classes of workers; or for different kinds and conditions of employment.

District Wages Committees were established by the Wages Board, who might refer to them any matter which they thought expedient.

The Corn Production Acts (Repeal) Act, 1921. This Act repealed the Corn Production Acts, 1917 and 1920, and abolished the Agricultural Wages Board which was established under the Act of 1917.

Conciliation Committees. In order to meet the criticism which was raised by the action of the Government, it was decided to promote the formation of local Joint Conciliation Committees on a voluntary basis under the Act of 1921. The District Wages Committees described above were continued as Conciliation Committees for a period of two years from the 1st October, 1921, or until the formation of the Joint Conciliation Committee, with the right to appoint independent chairmen. Orders made by the Minister upon awards made by the committees were enforceable.

The Conciliation Committees, however, in many cases were unable to reach agreement on wages, and only very few agreements were submitted to the Minister for confirmation as Orders having legal effect.

THE AGRICULTURAL WAGES (REGULATION) ACT, 1924

This Act again extended the principle of Wages Boards to agriculture. It provides for the establishment of Agricultural Wages Committees for each county, and for an Agricultural Wages Board for England and Wales on the lines described above but with the difference that the fixation of the minimum rates is in the hands of the committees, the Board's duties (except in cases where a Committee fails to fix a rate or requests the Board to fix the rates) being confined to making Orders giving legal effect to the committee's decisions. The Act is administered by the Ministry of Agriculture and Fisheries.

THE COAL MINING INDUSTRY

The regulation of the wages in the Coal Mining Industry is referred to in the previous chapter.

RETAIL DISTRIBUTIVE TRADES

During 1937, the Minister of Labour had discussions with representatives of employers and workers in the retail distributive trades as to wages in those trades, but it is not possible to say at this stage what form of wage regulation, if any, will eventually be adopted.

HOLIDAYS WITH PAY ACT, 1938

Under this Act, the Trade Boards and Agricultural Wages Committees are empowered to direct the provision of holidays by employers and to fix statutory minimum rates of wages in respect of the holidays. The Act is dealt with in the succeeding chapter.

WAGES COUNCILS ACT, 1945

The Act provides orderly wage regulation throughout industry, and by means of voluntary or statutory machinery to establish an industry-wide system of standard wages rates.

In 1939 agreements on wages and conditions covered about 10,000,000 workers. Under present arrangements, just over 15,500,000 will come within the scope of the voluntary machinery. That will mean that provision will have been made for the overwhelming majority of the people in Britain.

"The Act introduces a new principle, necessary to ensure stability in the transit from war to peace." "All industrial agreements are moral obligations and rest entirely on honour. If someone thinks he can gain an advantage over his opposite number, let him compete on the basis of efficiency, quality,

production, but not on the basic standard of wages agreed to between the parties.

"Stability is needed to give confidence to men returning from the Forces that they are to have a fair deal, and it is vital that the fabric of voluntary agreements and joint organization, which have been of inestimable value during the war, should be maintained. We cannot afford to let anarchy creep in and weaken those joint arrangements."

During the war, more than forty industrial councils had been established, and they had been effective largely because the industries had been under control. "It would be a tragedy if what happened at the end of the last war occurred at the end of this, and all the great work were broken almost in a night."

"When the agreement is honourably made, no one shall be allowed to break or destroy it during those five years."

An inquiry was being made into conditions in the cutlery industry. It is hoped it would be carried out so thoroughly that advice could be tendered of great value to this important industry and the country.

CHAPTER XXI

METHODS OF INDUSTRIAL PEACE: (A) INDUSTRIAL NEGOTIATION

THE development of trade unions and their legalization by legislation has been described in Chapter IV. In this chapter the development of intervention in trade disputes will be reviewed, and the various methods which have been adopted in this and other countries will be explained. These will be found to be chiefly arbitration, conciliation and mediation. It will be advantageous, in the first place, to understand the nomenclature of the subject and some definitions of the terms used are now dealt with.

DEFINITIONS

TRADE DISPUTES. The Industrial Courts Act, 1919, defines a trade dispute as "any dispute or difference between employers and workmen or between workmen and workmen connected with the employment or non-employment or the terms of the employment or with the conditions of labour of any person."

The expression *workman* means "any person who has entered into or works under a contract with an employer, whether the contract be by way of manual labour, clerical work, or otherwise, be expressed or implied, oral or in writing, and whether it be a contract of service, or of apprenticeship or a contract personally to execute any labour or work."

Certain terms were defined in the Final Report of the Labour Commission of 1894 (Cmd. 7421) as to the methods of settling industrial disputes and these have been used as the basis of the following definitions.

ARBITRATION is the submission of a dispute to a presumably impartial person or body, the disputants agreeing to abide by the decision of the arbitrator or board of arbitrators. In some instances each side appoints an arbitrator, and if the arbitrators cannot agree the matter is submitted to an umpire. Arbitration in industrial disputes, however, must be distinguished from action under the Arbitration Acts, 1889 to 1934, which form an entirely distinct code.

Arbitration may be compulsory or voluntary.

Compulsory arbitration does not operate in this country but, as will be shown later, has been adopted in some countries. It involves the reference of disputes in the first or the last resort to some impartial tribunal with power to decide one way or the

other. Strikes and lock-outs are made illegal and there is substituted full inquiry into the circumstance; that is to say, the case is taken out of the hands of the parties, and put in those of a representative of the community. This is presumed to save the public inconvenience, while securing justice for the disputants.

The idea of compulsory arbitration has arisen from the fact that there are instances in which the interests of the community are better served by peace on given terms than by industrial war, however preferable the latter might be to one, or both, of the parties primarily interested.

The Conspiracy and Protection of Property Act, 1875, makes it an offence to break a contract of service by providing that persons employed in the public supply of gas or water wilfully and maliciously breaking their contract of service, knowing, or having reasonable cause to believe, that the probable consequence of their so doing, either alone or in combination with others, will be to deprive a town or place of gas or water, are liable on conviction to the payment of a penalty not exceeding £20 or to imprisonment for not more than three months with or without hard labour. This provision was extended to electricity undertakings by the Trade Disputes and Trade Union Act, 1927.

CONCILIATION is "the coming together of the parties for the discussion of questions with a view to amicable settlement." Conciliation is distinguished from arbitration and mediation by reason of the absence of intervention from outside the ranks of the disputants.

The word "conciliation" is often used where mediation is meant. Indeed, the Conciliation Act, 1896, which followed the Report of the Royal Commission of 1894, provides for the voluntary mediation of the Minister of Labour. For practical purposes, therefore, there is no difference between conciliation and mediation.

MEDIATION means "the exercise of good offices by some outside agency with a view to averting an impending rupture between the parties, or, if the rupture has taken place, to bring them together again as soon as possible, without itself acting as arbitrator, or making an award although it might sometimes make, and even publish, recommendations as to the course which should be followed. In the latter case, its action facilitates what may be called arbitration by public opinion."

When other methods have been unavailing to bring peace in an industrial dispute, mediation from outside has been successful in bringing the disputants together and starting negotiations leading to a settlement. Such intervention may be that of a prominent public man—the prime minister or a bishop—or a

formal or informal committee, such as the mediation of the transport workers in the railway strike of 1919. Another good illustration is that of the mediation in regard to the dockers' strike in 1889. In this case, when other efforts had failed, Mr. Sydney Buxton and Cardinal Manning acted as mediators and brought together the disputants with a view to settlement.

GROWTH OF INDUSTRIAL NEGOTIATIONS

Probably the earliest illustration of a dispute relative to industrial relations is that recorded in the Book of Genesis respecting Jacob in his agreements with his uncle, Laban.

Prior to the fourteenth century, any able-bodied person found to be without employment or support could be assigned to a manorial lord, from whom, in return for his labour, he was entitled to maintenance, and certain rudimentary privileges. The operation of new social and economic forces, such as the diminution of the population through warfare and particularly the ravages of the Black Death, brought about the disintegration of the feudal organizations.

The power of the labourer to demand a certain reward for his labour or to withhold it, at least for a time, is the fundamental cause of disputes in industry. During the Tudor period, attempts were made through severely repressive legislation—Vagrancy Acts and Statutes of Labourers—to reimpose feudal obligations or to reduce the reward of labour to the minimum.

After the break-up of feudalism, Justices were empowered to settle disputes between masters and servants by fixing hours of labour and rates and wages. During the eighteenth and nineteenth centuries, Acts were passed to enable the Justices to settle disputes in particular trades. An Act of 1824 provided for arbitration by a body of persons nominated by the Justices, one-half being masters and the other half workers, each choosing a referee with full power to settle the dispute, the Justices only arbitrating upon failure of the referees. This principle was extended by Acts of 1867 and 1872. The Act of 1867 provided for the setting up of councils of conciliation under the control of the Home Office.

The transition from agricultural to industrial pursuits, leading as it has done to the necessity for the employment of greater skill in industrial processes and increased specialization in employments, has led to organization and strengthened the power of the workers in the specialized and organized trades to make their demands for improved conditions.

The operation of the common law principle of "restraint of trade" and the severity of the seventeenth century laws against

trade unions may have restricted the development of combinations, but failed to suppress the development of joint action. The nineteenth century found the employer and workers organized on each side, horizontally into groups according to trades, and vertically into groups uniting the forces of employers on the one hand and workers on the other. Local disputes nowadays tend to widen into nation-wide conflicts affecting a much wider range than the actual combatants.

Hence, although the principle of the right of combination has been confirmed by Parliament through the Trade Union Acts, there has been a growing opinion that those engaged in trade disputes should not be allowed to hold a nation to ransom in order to attain their ends. The community suffers considerably through trade disputes and also through the inefficiency and poverty connected with badly remunerated labour. The State claims the right to intervene in disputes where the liberties and necessities of the community are affected.

The London Dock strike of 1889 led to a widespread opinion that the existing machinery was inadequate to deal with growing mass movement.

The Royal Commission on Labour appointed in 1891 made certain recommendations in 1894 which were incorporated in the Conciliation Act, 1896. Powers were invested in the Board of Trade (now Ministry of Labour) to bring the parties to a dispute together and, if they so desired, to appoint an arbitrator.

It may be inquired how far there is a public duty to intervene, also whether the weapon of the strike is being used to enforce a standard which increases the cost of living beyond the capacity of the community, with a consequent reduction in the standard of living for many, especially in the lower reaches of society.

The nineteenth century witnessed the growth of permanent conciliation and arbitration boards and joint committees dependent entirely upon voluntary co-operation, especially in the more important industries where both sides were best organized.

CONCILIATION

Conciliation is based upon the principle that an important point in any dispute is gained when both parties are willing to come together and try honestly and strenuously to effect settlement.

The first Conciliation Board of any consequence in England was that established in the hosiery trade at Nottingham in 1860. through the efforts of Mr. Mundella, and composed of manufacturers and workmen in equal numbers. In 1864, Sir Rupert Kettle established a Board of Arbitration and Conciliation in

the Building Trades. An Act of Parliament passed in 1867 provided that such boards, if constituted in a certain manner, might obtain, by licence, power to enforce awards, but both this Act and another, passed in 1872, were abortive. Several serious disputes, including the London dock strike of 1889, pointed to the desirability for further provision for the more amicable settlement of these disputes.

Conciliation is considered to be preferable to arbitration, as minimizing the element of contentiousness, facilitating mutual concession, and ensuring greater accuracy of data. Moreover, both sides are likely to abide by a decision which has been arrived at by joint agreement.

The settlement of disputes by the method of conciliation means the adjustment of differences by discussion and agreement between the parties concerned, or their representatives. It is thus clearly marked off from arbitration, which involves an award by an independent body. It must also be distinguished from the Trade Board system, i.e. the creation of law by a separate body for each industry with power to fix and enforce wage-rates for that industry, the main difference being that a conciliation body has no power to force the rate fixed, and does not usually include members appointed by the Government.

Conciliation machinery may take the form of a joint conference, called for the purpose of settling a particular dispute, or of a Board working according to definite rules of procedure.

The Conciliation Act, 1896. Consequent upon the Report of the Royal Commission on Labour appointed in 1891 to inquire into various questions affecting the relations between employers and employed, there was enacted the Conciliation (Trade Disputes) Act, 1896. This was largely a "permissive" Act, providing for the formation of Joint Bodies for Conciliation purposes. It empowered the Board of Trade (now the Ministry of Labour) to intervene in industrial disputes.

The Act is concerned only with voluntary methods. To illustrate the wide powers given to the Board of Trade (now Ministry of Labour) under the Act, Section 2 may be quoted, which provides—

"Where a difference exists or is apprehended between an employer, or a class of employers, and workmen, or between different classes of workmen, the Board of Trade (now Ministry of Labour) may, if they think fit, exercise all or any of the following powers, namely—

(*a*) Inquire into the cause and circumstances of the difference;

(*b*) Take such steps as the Board may deem expedient for the purpose of enabling the parties to the difference to meet

together, by themselves or by their representatives, under the presidency of a chairman mutually agreed upon or nominated by the Board of Trade, or by some other person or body, with a view to the amicable settlement of the difference;

(*c*) On the application of employers or workmen interested, and after taking into consideration the existence and adequacy of means available for conciliation in the district or trade and the circumstances of the case, appoint a person or persons to act as conciliator or as a Board of Conciliation;

(*d*) On the application of both parties to the difference, appoint an arbitrator."

Section 4 is even more far-reaching in its effect, and runs—

"If it appears to the Board of Trade that in any district or trade adequate means do not exist for having disputes submitted to a Conciliation Board for the district or trade, they may appoint any person or persons to inquire into the conditions of the district or trade, and to confer with the employers and employed, and, if the Board of Trade think fit, with any local authority or body, as to the expediency of establishing a Conciliation Board for the district or trade."

Since the establishment of the Ministry of Labour as from 1st January, 1917, the work of the Board of Trade in this respect has been discharged by the Industrial Relations Division of the Ministry.

It was under this Act that Lord Askwith (then Sir George Askwith) rendered such valuable service to the community.

The Act of 1896 is now rarely used, having been superseded for practical purposes by the Industrial Courts Act, 1919. Quite recently, however, the Minister of Labour has invoked its aid by setting up a Board to inquire into wages and hours in the woollen textile industry. Arbitration can still be arranged under the Act, at the request of both parties.

Before the War of 1914–18, the Conciliation Act, 1896, was the only Act under which the Government could take action in relation to industrial disputes. The Act was then used to an increasing extent, with varying success, and during the War a large number of cases were settled by conciliation, in spite of the greater use of arbitration under the Munitions of War Acts.

Permanent voluntary Conciliation Boards, set up by agreement between employers and workers, independently of the government, have been in operation in many of the well-organized industries for the last fifty years or so, and their numbers have multiplied since the passing of the Conciliation Act, 1896. In the building trade, elaborate conciliation machinery was created in 1904.

Boards have been established for the mining industry, boot and shoe trade, printing trade, and others.

In addition, special arbitration arrangements exist in certain trades, and in many cases, provision is made in conciliation schemes for arbitration in the event of a deadlock. Under the Mining Industry Settlement of July, 1921, for example, the independent Chairman of the District and National Boards was empowered to decide questions in dispute upon failure of the parties to reach agreement.

Courts of Arbitration. In 1908, to meet the criticism that *ad hoc* conciliators and arbitrators had not an intimate knowledge of the position of disputants, the President of the Board of Trade made provision for setting up Courts of Arbitration. Three panels were constituted composed of representatives of employers, employees, and independent persons to act as chairmen. From these panels a court of five persons could be set up to arbitrate upon disputes upon application of the parties affected.

The Industrial Council. The year 1911 brought a crop of strikes —seamen, dockers, railwaymen—and it became evident that existing machinery was incomplete. The strikes occurred in the industries where there was no effective organization for dealing with differences by negotiation, as the employers were unwilling to recognize certain trade unions as truly representing the workers. For this purpose the Industrial Council was established in 1911 by the Board of Trade.

The Industrial Council was formed of an equal number of representatives of employers and workmen, with a neutral chairman. The functions of the Council were to consider and inquire into matters referred to them affecting trade disputes, especially to take suitable action in regard to any dispute referred to them affecting the principal trades of the country or likely to cause disagreement involving the subordinate trades, or which the parties before or after the breaking out of a dispute are themselves unable to settle. The Council were not to interfere with, but to encourage voluntary agreements, and to supplement and strengthen the central department in conciliation matters. No compulsory powers were given to the Council, which had as Chairman the Comptroller-General of the Labour Department of the Board of Trade (Sir George Askwith) with the title of Chief Industrial Commissioner. The Council fell into abeyance during the War of 1914–18 owing to the peculiar conditions which were created.

Coal Mines (Minimum Wage) Act, 1912. A wide departure from existing policy and practice resulted from the national coal

strike in 1912. For the first time in modern history provision was made for fixing wages in that industry by Act of Parliament.

The Committee of Production. To ensure the maintenance of production during war conditions a Committee of Production was appointed by the Government in 1915 with Sir G. Askwith as Chairman. The Committee became a permanent arbitration tribunal in all disputes affecting essential Government work.

The Munitions of War Acts, 1915–7. Up to the period of the Great War, the compulsory submission of disputes to independent judgment had been practically unknown in this country. The inexpediency of allowing industrial disputes to interfere with the prosecution of hostilities led to the passing of the Act of 1915, which allowed the Board of Trade, under certain circumstances, to prohibit strikes and lock-outs and to enforce arbitration and award. In 1917, the Board's powers in this respect were transferred to the newly established Ministry of Labour. On all kinds of munition work (which was very widely defined in the Act) strikes and lock-outs were forbidden, and, failing direct settlement without stoppage between the parties, disputes had to be referred to arbitration.

Such reference was either to the Committee of Production or to a single arbitrator appointed by the Ministry of Labour, or to a Court of Arbitration representing the two parties with an impartial chairman nominated by the Ministry of Labour. If the parties failed to agree on the matter of reference, this too was decided by the Ministry of Labour. Moreover, compulsory arbitration did not apply to munition work alone, but also to any difference on "any other work of any description if this part of this Act is applied to such a difference by His Majesty by Proclamation on the ground that in the opinion of His Majesty it is expedient in the national interest that this part of this Act should apply thereto."

In this manner, by mere proclamation without reference to Parliament, workers in any industry engaged on work of national importance were subject to compulsory arbitration.

Following the Report of a Commission of Inquiry into Industrial Unrest set up by the Prime Minister in 1917, the Munitions of War Act, 1917, was passed empowering Government Departments to have disputes referred to arbitration and an award to be made within 14 days. The Minister of Munitions was authorized, in certain circumstances, to make such awards binding on all munition trades.

These provisions were repealed by the Wages (Temporary Regulation) Act, 1918, except in a modified form. This latter

Act lapsed in September, 1920, when this interesting experiment in compulsory arbitration came to an end.

A large number of cases had been referred to arbitration while these powers existed and, though they were concerned mainly with wages, questions of all kinds were dealt with.

NATIONAL JOINT INDUSTRIAL COUNCILS

In 1916, the Cabinet Committee on Reconstruction set up a Sub-Committee, presided over by Mr. J. H. Whitley, M.P. (the Deputy Speaker of the House of Commons), known as the Committee on Relations between Employers and Employed. The terms of reference of the Committee were—

(1) To make and consider suggestions for securing a permanent improvement in the relations between the employers and workmen; and

(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

The Committee issued five Reports dealing with—

(1) Joint Industrial Councils;
(2) Trade Boards;
(3) Works Committees;
(4) Conciliation and Arbitration; and
(5) A summary of recommendations.

Their recommendations on Trade Boards were embodied in the Trade Boards Act, 1918.

On Conciliation and Arbitration the Committee declared themselves opposed to compulsory arbitration but in favour of a standing arbitration council for the reference of disputes.

This Committee recommended the formation of National Joint Standing Industrial Councils in each industry, each Council to consist of representatives of employers' associations and representatives of trade unions. It was to be an association of associations, and presupposed effective employers' associations and trade unions.

For convenience of consideration, it was suggested that industries should be divided into three groups—

A. Industries in which organization on the part of the employers and employed is sufficiently developed to render the Councils representative;

B. Industries in which, as regards employers or employed, or both, the degree of organization, though considerable, is less marked than in A, and is insufficient to be regarded as representative; and

C. Industries in which organization is so imperfect, as regards employers or employed, or both, that no association can be said adequately to represent those engaged in the trade.

The organization proposed by the Committee for effectively organized industries comprises three types—

(1) National Joint Industrial Council, as mentioned;

(2) District Councils, also representative of the trade unions and employers' association in the particular industry; and

(3) Works Committees, representative of the management and of the workers employed, instituted in particular works, and acting in close co-operation with the District National machinery.

The respective functions of National and District Councils require separate consideration in accordance with varying conditions of different industries.

The scheme is purely voluntary, is flexible, and capable of variation to suit all circumstances. There is consequently no uniform method for the formation of these Councils, but it usually comprises—

(*a*) Agreement by representative men on either or both sides that the organization of the industry requires development;

(*b*) Application to the Ministry of Labour for suggestions as to joint bodies in any particular industry;

(*c*) Calling of a conference of representatives of associations and trade unions in the industry;

(*d*) Appointment by the conference of a sub-committee, which drafts a constitution for the Council;

(*e*) Approval of the constitution by a meeting representing the whole industry;

(*f*) "Recognition" of the Council by the Ministry of Labour.

In Group A industries the triple organization of National, District, and Workshop bodies can generally be adopted. In Group B greater or less modification of the complete scheme is necessary, according as the particular industry approaches nearly to Group A or verges upon Group C (e.g. the setting up of District Councils may be impracticable in certain areas covered by the industry owing to lack of organization in those areas; or an industry, although well organized in one or two areas in which District Councils should be established, may not be sufficiently organized nationally for the formation of a National Council).

For industries in Group C, the machinery of the Trade Boards Acts is recommended until such industries become sufficiently organized for the setting up of District and National Councils.

Among the questions with which it is suggested National Councils should deal, or which they should allocate to District Councils or Works Committees, are the following—

(1) The better utilization of the practical knowledge and experience of the workpeople;

(2) The provision of means for securing to the workpeople a greater share in, and responsibility for, the determination and observance of the conditions under which their work is carried on;

(3) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry;

(4) The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences, and to their better adjustment when they appear;

(5) The provision of means for ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer;

(6) The establishment of a method for fixing and adjusting earnings, piece-work, prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph (3);

(7) The provision of technical education and training;

(8) The encouragement of Industrial Research and the full utilization of its results;

(9) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements;

(10) Facilitating improvements of processes, machinery, and organization and appropriate questions relating to management, and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them;

(11) The consideration of legislation affecting the industry.

The Ministry of Labour encouraged the formation of Joint Industrial Councils, which have now been formed in many important industries. The principles have also been applied in the industrial and clerical departments of local authorities, in the industrial establishments of the Government, and in the administrative and clerical grades of the Civil Service.

The spirit of the Whitley Scheme is splendid, but the main drawback appears to be want of confidence. Even with the more favourably situated workers, such as those in the local government service and in the postal service, there is some doubt as to the underlying purposes which weakens the progress of the movement. It appears to be felt that it is intended only for "window dressing" purposes, that is for the purpose of passing pious resolutions and holding academic discussions. In many instances, however, Whitley Councils have borne fruit in improved conditions and helped that spirit of mutual confidence of which we are in so much need at the present day. The Councils have no power to enforce their decisions, which must be in the nature of recommendations to their members, who may accept or reject them.

Where there are several trade unions in one trade any one union, especially if its members belong to a key industry, may create a national stoppage and even a general strike. The setting up of a Joint Industrial Council for the entire trade will prevent the single union strike and thus even a general strike.

District Councils. As the intermediate body between the National Council and the Works Committee, the District Council acts on the one hand as the executive for carrying out in its area the decision of the National Council, and, on the other, co-ordinates local workshop practices. Its area is defined by, and its membership is on the same basis as, the National Council.

Works Committees. The object of Works Committees is to widen the interest of workpeople in their industry by granting them a greater share and responsibility in the consideration of matters affecting their industry. They are to be responsible for the enforcement, in the works, of the collective agreement of National and District Councils, and to set up and maintain a system of co-operation in questions affecting daily life in the business and the efficiency of its working, which are peculiar to the individual workshop or factory. Meetings are usually held every two or four weeks, during working hours.

NATIONAL INDUSTRIAL CONFERENCES, 1918 and 1919

To deal with the situation arising out of the Armistice the Prime Minister summoned two national conferences. Representatives of employers' associations, trade unions, joint industrial councils and trade boards were invited. The object was to investigate the cause of unrest and the best steps to be taken to safeguard and promote the best interests of employers and employed. The legislation which followed these conferences included Wages (Temporary Regulation) Acts, the Restoration of Pre-War Practices Act, 1919, and the Industrial Courts Act, 1919.

THE INDUSTRIAL COURTS ACT, 1919

The Industrial Courts Act, 1919, largely based on the Report of the Whitley Committee, was primarily a further attempt by Parliament to prevent the serious consequences to the nation as a whole which are caused by industrial strife between capital and labour. It was realized that the existing machinery needed to be extended. The Act accepts the principle of voluntary arbitration. The two principal features of the Act are the provisions which—

(*a*) set up a permanent Court of Arbitration (termed the Industrial Court) to hear and determine trade disputes between employers and workpeople if both parties to the dispute consent (in this connection it must be remembered that there are now certain alternative methods of settling disputes provided); and

(*b*) empower the Minister of Labour, in case of disputes, whether apprehended or existing, to appoint a Court of Inquiry, one of the objects of which is to put before the public an impartial account of the merits of the dispute.

The Industrial Court is a permanent arbitration tribunal to which differences are referred for determination by consent of both sides. For practical purposes the Court consists of three permanent members—the President, one member representing the employers' interest, and one the workers'. The Act itself provides for three Panels, one of chairmen, one of employers, and one of workpeople from which divisions of the Court may be constituted as necessary. In recent years it has been found possible for the three permanent members to deal with practically the whole of the cases that come before the Court.

Procedure Under the Act. The procedure is simple, and provides a quick, convenient, and comparatively inexpensive method of settling differences. For example, if no other avenue of negotiation exist, employers and workers may agree to refer the matter to the Minister of Labour for settlement by arbitration. The terms of reference must be approved by both parties, and their consent signified on the appropriate forms, which may be obtained from the Ministry of Labour. These are signed and returned to the Ministry, and within a few days the Ministry will inform both parties (or their respective associations) that the matter has been referred to the Industrial Court. There is usually very little delay, and the secretary of the Court notifies the parties of the place and date fixed for the hearing.

The applicant or applicants may appear in person, or by counsel or other representative. His case is put forward, and his employers submit their opinion. No formal evidence is required,

but the members of the Court endeavour by questioning both parties, or their representative, to arrive at a clear understanding on the issue. A few days after the hearing of the case, the decision of the Court is made known in the form of an award, a copy of which is sent to each party.

The above procedure is outlined in detail, as there is no doubt that the provisions of the Act are not widely known.

Although a person has no legal right to have his case referred to arbitration, he has obviously a moral claim to be allowed to take advantage of the Industrial Courts Act, 1919, and there is no doubt that the force of general opinion is such that ultimately no party will care to incur the stigma of refusing to submit any such difference to arbitration, as by so doing they admit the weakness of their case.

The Industrial Court issued 20 Awards during 1937 and the Civil Service Arbitration Tribunal 15, whilst 6 cases were referred to single arbitrators. The Industrial Court may sit in several divisions, and cases are heard in different parts of the country to save unnecessary expense to the parties to a dispute. The central office is at Abbey Gardens, Great College Street, Westminster, S.W.1.

ARBITRATION

Provision in the Industrial Courts Act, 1919, is also made for the appointment by the Minister of Labour of *ad hoc* Boards of Arbitration and of an independent Arbitrator.

A Court of Inquiry is a body appointed by the Minister of Labour *ad hoc* to inquire into a particular dispute irrespective of whether or not the dispute has been reported to the Minister. While in appointing a Court the Minister would, in accordance with the policy of the Department, endeavour to secure the concurrence of both sides to that course, such consent is not necessary under the provisions of the Act. A Court of Inquiry consists of a chairman and such other persons as the Minister may appoint, or the Court may consist of one person only.

It will be observed that the Act, following the recommendation of the Whitley Committee, contains no powers to delay a strike or lock-out.

The Minister is empowered to act on his own initiative by way of inquiry into the causes of any trade dispute and may appoint a Court of Inquiry to inquire into the matter and report to him.

Courts of Inquiry are normally limited to disputes affecting the national or public interest and have been appointed under the Act on about 25 occasions, including disputes involving

dockers (1920), tramwaymen (1921), engineers (1922), coal trimmers (1923), building workers (1924), and, in more recent years, fishermen (1935).

SPECIAL SCHEMES FOR CERTAIN TRADES

Besides this general conciliation machinery set up by the Government, special machinery has been established in certain trades.

The Trade Disputes and Trade Union Act, 1927, made certain strikes and lock-outs illegal—first, those which have an object other than or in addition to the furtherance of a dispute within the trade or industry to which the dispute relates—that is "sympathetic strikes"; secondly, disputes aiming at the coercing of the Government either directly or through inconvenience or hardship inflicted upon the community.

Railways. In 1907, the Board of Trade set up sectional Conciliation Boards for each railway with a Central Board. The scheme continued working until 1911 when, after the great railway strike of that year, fresh arrangements were made.

Two boards—a Central and a National Wages Board—were established temporarily by agreement in 1919, and made statutory in an amended form by the Railway Act, 1921.

In its permanent form, the Central Wages Board consists of eight representatives of the railway companies, and eight of the employees; while the National Wages Board, to which appeals may be made from the Central Board, consists of six representatives of the companies, six of the employees, and four of the users of railways, with an independent chairman nominated by the Minister of Labour. These boards deal with all questions relating to wages, conditions of work, etc. Provision is also made in the Act for the creation by each company of one or more joint councils representative of management and of employees, on the lines of the Whitley Councils.

In 1933, the four main railway companies gave notice to discontinue the reference of questions to the Central and National Wages Boards set up under the Railways Act, 1921. In February, 1935, a joint committee of the companies and trade unions concerned agreed to a new scheme for traffic and clerical grades. A Railway Staff National Council and a Railway Staff National Tribunal were established for the negotiation of disputes.

Coal Mines. The Joint District Boards created under the Coal Mines (Minimum Wage) Act, 1918, for the settlement of minimum district rates of wages, is referred to in connection with the Trade Boards. Under Part II of the Mining Industry Act, 1920,

the Board of Trade may provide for district committees or area boards which shall exercise any powers previously exercised by the Joint District Boards, or by Conciliation Boards. While this part of the Act has not been put into operation, National Boards and District Boards, with similar functions, consisting of an equal number of representatives of employers and of workmen, with an independent chairman, were created by the Settlement of July, 1921.

The London Passenger Transport Board Act, 1933, Section 67, provides for disputes affecting wages regulation to be submitted to a negotiating committee with further reference, if necessary, to a Wages Board of seventeen persons consisting of an independent chairman, nominated by the Minister of Labour, six representatives of the Transport Board, two representatives from each of the three trade unions concerned, one nominee of the Trade Union Congress, one of the Co-operative Union, one of the Association of Chambers of Commerce, and one of the National Confederation of Employers' Organizations.

The Cotton Manufacturing Industry (Temporary Provisions) Act, 1934, was passed on the joint request of the Cotton Spinners' and Manufacturers' Association and the Weavers' Amalgamation. It provides for statutory effect to be given to a wages agreement between a majority of the employers and operatives by an order of the Minister of Labour upon the unanimous recommendation of an independent board of three persons set up by the Minister for the purpose. Each organization party to the application is entitled to appoint six members as assessors.

The organized employers felt that something must be done to prevent cut-throat competition to snatch business by unduly low selling prices based upon wages below the generally agreed rates. On the other hand, the Operative Weavers' Amalgamation sought to prevent the working weaver being tempted to take any wages rather than risk unemployment.

The Act met these difficulties by providing machinery through which it would be possible to enforce legally throughout the industry the wage-rates which had been settled by joint agreement between organizations representing a majority of the employers and workers concerned. That is to say, an agreement reached voluntarily could then be applied compulsorily.

The Act is, however, regarded as experimental and it has not yet been decided by the Government whether legislation of this pattern can suitably be applied to other industries. There is certainly some demand for such legislation, as a number of Joint Industrial Councils and other joint bodies have asked the

Government to give statutory authority to the agreed wage-rates in the industries with which they are concerned,

The Cotton Manufacturing Industry (Rates of Wages for Weavers) Order, 1935, was made under these provisions.

The Civil Service Arbitration Tribunal. In 1936, a Civil Service Arbitration Tribunal was set up to consider questions of service conditions which previously were referred to the Industrial Court. The Tribunal consists of an independent chairman, a member representing the Chancellor of the Exchequer, and another representing the staff side of the National Whitley Council.

National Whitley Council for the Local Government Service. In January, 1944, this newly reconstituted Council was set up. The Minister of Health appointed Sir Horace Wilson, formerly Permanent Secretary to the Treasury and Official Head of the Civil Service, to be permanent Chairman. He was Permanent Secretary to the Ministry of Labour from 1921 to 1930, Chief Industrial Adviser to the Government from 1930 to 1939, and Permanent Secretary to the Treasury from 1939 to 1942, when he retired.

Road Transport. The prevention of danger and inconvenience to the community through the dislocation which might be caused through a transport strike or lock-out has been dealt with in several Acts of recent years. The Road Traffic Act, 1930, Section 93, enables the workers concerned in the public service passenger transport industry to make representation to the Traffic Commissioners that wages and conditions are not as provided for in that section, whereupon the Minister of Labour may refer the dispute to the settlement of the Industrial Court.

The Road and Rail Traffic Act, 1933, Section 32, amends and extends the above provisions by requiring the Industrial Court in any such reference to have regard to any determination brought to its notice relating to the wages and conditions of those employed in a similar capacity which may be contained in a decision of a Joint Industrial Conciliation Board, or other similar body, or in any agreement between employers' and workers' organizations. The provisions were also made to apply to drivers and statutory attendants of a motor vehicle belonging to a licensed public or limited carrier ("A" and "B" licences) with the substitution of the Chairman of the Commission for the Commissioners.

In fulfilment of an undertaking given during the passage of the 1933 Act through Parliament, that the Minister of Labour would consult the organizations of employers and employees for the purpose, in March, 1934, the National Joint Conciliation Board for the Road Motor Transport Industry (Goods) was

constituted consisting of representatives of both organizations, with an independent chairman. Conciliation Boards have also been set up for the respective traffic areas. A national agreement was entered into in December, 1935.

As the agreement has been largely disregarded in certain areas, the whole matter was remitted to a special Committee of Inquiry appointed by the Minister of Labour and the Minister of Transport. The Committee consisted of three independent persons, viz. Sir James Baillie (Chairman), Sir Gerald Bellhouse, retired Chief Inspector of Factories, and Mr. John Forster, K.C., Deputy Umpire under the Unemployment Insurance Acts. The Committee reported in April, 1937.

The principal recommendations were—

(1) There should be set up new regulative machinery for the road motor transport industry (goods) in Great Britain to deal *inter alia* with all matters affecting the work, wages, and conditions of drivers and statutory attendants.

Such machinery should consist of a Central Board and local or Area Boards (corresponding to the Traffic Areas) which should be set up simultaneously.

(2) The initiation of all proposals for establishing or varying wages and conditions should rest solely with the Central Board but all such proposals should be placed before the Area Boards for consideration and report before final decision is taken.

(3) The Central Board should be empowered to recommend to the appropriate Minister the standard wages and conditions, as finally determined for enforcement. The Minister should be empowered to confirm, by Order, the recommendations of the Central Board and thus give them statutory effect.

(13) It should be made a condition of every A and B licence that the wages and conditions confirmed by Order of the Minister should be duly observed; and, further, such wages and conditions should be made implied terms of the contract of service of every driver and statutory attendant.

(14) Power should be given to the enforcing authority to deal with non-observance of the Order by proceedings before Courts of Summary Jurisdiction or otherwise.

(16) There should be appointed an adequate inspectorate to assist in securing observance of prescribed conditions.

Road Haulage Wages Act, 1938. This Act follows the main recommendations of Sir James Baillie's Committee on the regulation of Wages and Conditions of Service in the Road Motor Transport Industry (Goods) (Cmd. 5440).

For those employed in connection with motor goods vehicles used for hire or reward ("A" and "B" licences) a Central Wages

Board will be established for Great Britain, and Area Boards for Scotland and the various traffic areas. The Central Board, after consultation with the Area Boards, will be empowered to submit to the Minister of Labour proposals concerning wages and the Minister will be authorized to make an order giving effect to those proposals.

For those employed in connection with motor goods vehicles not used for hire or reward ("C" licences) it is proposed to establish machinery for complaints in respect of unfair wages to be made by employees or their trade unions. Such complaints will be referred for settlement to the Joint Board for the trade, if any, and otherwise to the Industrial Court. The Court may fix wages according to principles laid down in the Act.

MINISTRY OF LABOUR AND NATIONAL SERVICE

The functions of the Ministry of Labour and National Service relative to industrial disputes are undertaken by the Industrial Relations Branch of the Ministry.

This Division's Headquarters were at Montagu House, Whitehall, until its demolition in 1940. The Division is under an Adviser on Industrial Relations. There are also Local Conciliation Officers stationed in Glasgow, Manchester, Leeds, Birmingham, Bristol, and London, the areas dealt with from these centres comprising the whole of Great Britain.

The Chief Conciliation Officers, five in number, are men with considerable experience of industrial affairs, all of them having had other careers before joining the Civil Service. Their freedom of action is subject only to the general direction of Headquarters, and they are frequently called upon at a moment's notice to deal with problems and situations which demand tact, delicacy, and perspicacity in handling.

Much of the Conciliation Officers' work is unknown to the public generally. They operate in an unobtrusive way, keeping in touch with representatives of employers and workers, and in delicate situations assisting to prevent matters reaching the dispute stage.

It is the policy of the Ministry to encourage the parties to settle their difficulties themselves, preferably through the voluntary machinery available.

The main related functions of this branch are—

(*a*) encouraging and assisting the formation of joint negotiating machinery;

(*b*) examining and advising upon proposals, legislative and otherwise, affecting the relations between employers and workpeople; and

(*c*) assisting and advising with regard to industrial questions

arising in the course of administration in all Government departments.

The methods available for assistance in the settlement of labour disputes are under the Conciliation Act, 1896, and under the Industrial Courts Act, 1919, and are (*a*) conciliation; (*b*) arbitration; and (*c*) investigation and the appointment of a Court of Inquiry.

HOLIDAYS WITH PAY ACT, 1938

This Act follows the recommendation of the Report of Lord Amulree's Committee on Holidays with Pay (Cmd. 5724). It empowers Trade Boards, Agricultural Wages Committees and the Road Haulage Wages Board, to direct that any workers whose wages they regulate shall receive pay for any holidays granted under their direction. The Minister of Labour will also be enabled to assist in the administration of holiday pay schemes by issuing, on behalf of employers, holiday payments, subject to repayment of the sums issued and the expenses incurred by him which are attributable to the scheme.

TRADE DISPUTES STATISTICS

Information upon the activities of the Ministry of Labour conciliators, arbitrators, and tribunals is given monthly in the Ministry of Labour Gazette and a chapter of the Ministry's Annual Report is devoted to Industrial Relation (Conciliation and Arbitration). During 1937 there were 1,129 disputes involv-

TRADE DISPUTES, 1927–37

Year	Number of Disputes	Workers Involved			Approximate Number of Days Lost
		Directly	Indirectly	Total	
		000	000	000	000
1927	308	90	18	108	1,170
1928	302	80	44	124	1,390
1929	431	493	40	533	8,290
1930	422	286	21	307	4,400
1931	420	424	66	490	6,980
1932	389	337	42	379	6,490
1933	357	114	22	136	1,070
1934	471	109	25	134	960
1935	553	230	41	271	1,960
1936	818	241	75	316	1,830
1937	1,129	388	209	597	3,410

ing stoppage of work which were reported to the Ministry. Disputes in the coal-mining industry accounted for two-fifths of the stoppages. There were approximately 597,000 persons affected by these disputes of whom 209,000 were not themselves parties to the disputes.

3,413,000 working days were lost in these disputes in 1937. The coal-mining industry again figured prominently in these figures, being responsible for about two-fifths of the disputes, involving 392,500 workers and causing the loss of nearly 1½ million working days. The Yorkshire dispute of July, 1937, was the largest dispute. Shipbuilding and omnibus workers were also somewhat prominent. Wage questions were responsible for nearly one half of the disputes. Over 16 per cent of the workers involved were out in sympathetic action with other workers. The Lanarkshire coalminers and Clydeside engineers account mainly for these sympathetic action results in 1937. One-fifth of the disputes resulted in favour of the workers, one-half in favour of the employers, and the balance in compromise. Nearly three-fifths of the disputes were settled by direct negotiation, five per cent by conciliation and less than one per cent by arbitration.

The continued improvement in the industrial position and the rising cost of living during 1931 again stimulated widespread movements for higher wages and improved conditions.

Some statistics for the period 1927 to 1937 are given in the table on page 338.

INTERNATIONAL LABOUR ORGANIZATION

The International Labour Organization was set up by Part 13 of the Treaty of Versailles, 1919, for the purpose of securing better labour conditions throughout the world. In that Treaty it is stated that universal peace can be established only if it is based on social justice and that the peace and harmony of the world are imperilled if conditions of labour are such as to create great industrial unrest. This organization takes the form of an International Labour Conference which meets annually and corresponds with the Council. To this Conference each State which is a member of the League of Nations has power to send four delegates, two representing the Government, one representing Labour, to be chosen in agreement with the trade union organization, and one representing the employers, to be chosen in agreement with the employers' organizations. Each representative has the right to vote independently. It is the only place where Governments, employers, and workpeople meet together internationally.

The Conference has power to pass Draft Conventions, and also

to make recommendations. *Draft Conventions* passed by a two-thirds majority only must be laid before the legislative authority of each State which is a member of the Conference, and if ratified by that authority, must be passed into law and carried into effect.

The International Labour Conference has a permanent International Labour Office, created in 1920, controlled by a body of twenty-four members of whom six are elected by the Labour representatives, and six by the employers. This body has power to initiate measures to be brought before the Conference in addition to its functions of collecting and circulating information.

The Conference met first at Washington in November, 1919.

It has passed Draft Conventions and Recommendations dealing with

(*a*) daily and weekly hours of work;
(*b*) the prevention and relief of unemployment;
(*c*) the employment of women, young persons, and children;
(*d*) hours of work in inland navigation and the fishing industry; and
(*e*) the employment of children at sea, etc.

Such Conventions and Recommendations are, however, of no importance, except as expressions of opinion, until they have been ratified, and, in many cases, this has not yet been done.

Moreover, some countries have been allowed a lower standard than that laid down generally, while exceptions are made even where the higher standard is to be adopted in principle.

Each country which ratifies a Convention engages to apply it to those of its colonies and dependencies which are not fully self-governing; but not where, owing to the local conditions, its provisions are inapplicable, and subject to such modifications as may be necessary to adapt these provisions to local conditions.

The International Labour Office has had a very definite influence on general labour policy and has affected the outlook of employers and employed in many countries including our own.

SOME EXAMPLES OF COMPULSORY ARBITRATION IN OTHER LANDS

Australia and New Zealand. The best-known instance of the actual work of compulsory arbitration is in New Zealand where it has been in operation since 1894. The New Zealand Conciliation and Arbitration Acts were consolidated in 1908 and again amended in 1910 and 1911. By these Acts, Conciliation Boards representative of employers and employees were set up, and an Arbitration Court was established to adjudicate on cases which proved incapable of settlement by conciliation. The peculiarity

of the system is that it applies only to registered associations of employers and workers (at least three employers and at least fifteen workers). Failure of voluntary conciliation is succeeded by compulsory arbitration, or the Arbitration Court may be approached in the first instance.

Agreements reached by conciliation, or the awards of the Arbitration Court, are legally binding on the whole trade in the district concerned, and strikes and lock-outs are then forbidden under penalties. The example of New Zealand was followed by the setting up of State and Federal Arbitration Courts in Australia. New South Wales in 1901 was the first State to adopt compulsory arbitration. In 1904 it was made compulsory for all Australia.

Canada. Canada began in 1900 with a purely voluntary Conciliation Act on the lines of our own Conciliation Act of 1896. This was followed by the Railway Labour Disputes Act of 1903, which enforced conciliation, but did not prohibit strikes, being designed rather to settle strikes when they occurred. It was not until 1907, after a long miners' strike in the West, that the Industrial Disputes Investigation Act, 1907, known as the "Lamieux" Act, was passed. This Act dealt with certain specified industries—those connected with the mining industry or the public utility services; lighting, water, sanitary, telegraph, telephones, etc. Under the provisions of the Act, where a strike or lock-out is impending, the aggressive side must send written notice to the Dominion Department of Labour, Then an official conciliator intervenes. If he is unsuccessful, a Board of Conciliation and Investigation is appointed by the Minister of Labour, consisting of one member recommended by the employers, one recommended by the workers, and one either recommended by these two, or, in default, nominated by the Minister before which the disputants must appear. Striking, or lock-out, is forbidden under penalties, until full inquiry has been held and the Board's findings and recommendations have been drawn up and published. The Board's recommendations have no legal force but obviously carry great weight.

Transvaal. The Industrial Disputes Prevention Act, 1909, of the Transvaal is based on the Lamieux principle, but goes rather further, in that, first it covers not only the mining industry and public utility services, but many other trades, including practically all sections of building and engineering; and secondly, it extends the period during which a strike or lock-out is illegal for a month after the issue of the Board's report.

Other Countries. Industrial arbitration has been introduced in some states of the U.S.A. and also in Germany.

ADVANTAGES AND DISADVANTAGES OF COMPULSORY ARBITRATION

Is Compulsory Arbitration Desirable? It has been shown that arbitration first came into operation in a compulsory manner in New Zealand in 1894.

Compulsory conciliation or arbitration boards, consisting of three employers and fifteen workmen, undertake to deal with the disputes in any particular industry. Having thus been registered, which can easily be done through a trade union, the Act operates by making the trade apply the powers compulsorily. The movement extended later on to Australia, Canada, and South Africa.

Arbitration was adopted in a voluntary way in Canada in 1900. The first measure involving any degree of compulsion was the Railway Labour Dispute Act, 1903.

In 1907, the Industrial Disputes Investigation Act applied compulsory arbitration to mining and public utilities, following upon the big railway dispute at that time. Although the Acts do not prevent strikes, yet before a strike takes place, notice must be given to the Ministry of Labour by both parties and an interval of at least one month must elapse before there is either a lock-out or a strike. An inquiry is held by the Ministry during that period, and, of course, the Press is very much in evidence, so that everyone is put in a position to judge the circumstances. If no agreement can then be come to, a strike or lock-out may take place, but in the majority of cases it has been found that a settlement does take place owing to the pressure of public opinion. In 1909 the system proved its worth.

In England, during 1914–18, the Munitions of War Acts of 1915 to 1917 made provision for the prohibition of strikes and their settlement by arbitration.

The subsequent procedure has been described.

The Advantages of Compulsory Arbitration. One of the advantages claimed is that of quick settlement. Another is that decisions are binding, which is not so with regard to conciliation, where, although the parties may be brought together, it is not always found that both sides are prepared to accept the decisions. On the other hand, this difficulty does not arise in the case of a decision by a judicial court, as in the case of arbitration. As compulsory arbitration can be quickly applied to any dispute, there is no prolonged trouble, and so waste is prevented. Again, the settlement is usually final, as the position is clearly defined, and there is rarely any occasion to go back because of subsequent difficulties.

The Disadvantages of Compulsory Arbitration. It has been

stated that compulsory arbitration is unfair and unequal in settlement because Capital is enabled to put a better case than Labour by reason of its larger purse. This is questionable, however, as it should be borne in mind that, if the case is strong enough, it will be almost self-evident and there will be no question as to its outcome. Notable cases have been the dispute in regard to the dockers' wages and the miners' conditions of labour. It is also said that the settlements leave a trace of bitterness, and that either party will "save it up for one another" or accept the decision with diffidence and reluctance. It has been found, however, that as far as this country is concerned, bitterness during a dispute does not continue owing to the remarkable fairness of the decisions. Again, it is said, that the decision does not operate for any considerable period, but in this connection it should be borne in mind that economic changes take place with great rapidity, and what was a fair settlement twelve months ago may have ceased to be so. Although it may be thought that there is a certain element of truth in the point that it is unfair because employers of labour have forced arbitration upon the worker in such a way that he is compelled to abide by its decisions, it must also be borne in mind, at all events, that it is the result of the rule of the majority. Moreover, the economic waste which trade disputes produce, justifies the application of the method of arbitration.

CHAPTER XXII

METHODS OF INDUSTRIAL PEACE: (B) VOLUNTARY ACTION WITHIN INDUSTRY

IN the previous chapter the methods adopted through the intervention of the State to improve the relations between employers and workers were dealt with. In this chapter consideration will be given to schemes which have been promoted, apart from state action, with the object of creating a community of interest between employers and workers with a view to improving industrial relationships. Among these there are to be considered—

(*a*) Welfare Work;
(*b*) Co-partnership; and
(*c*) National Guilds.

INDUSTRIAL WELFARE

Certain standards of welfare must be maintained to comply with the provisions of regulating Acts of Parliament, such as the Factory Act, 1937, the Trade Boards Acts, 1909 and 1918, the Children and Young Persons Act, 1933, and the Employment of Young Persons Act, 1938. These have been dealt with in previous chapters.

In organized trades—and there are not many occupations which are not now linked up with some labour organization—the trade unions also enforce certain national and district conditions appertaining to employment generally or some particular trade.

The better type of employers are not content with carrying out their statutory or enforced obligations with regard to conditions of employment, but are prepared to go the extra mile along the road of improved relationships.

Welfare work has been officially defined as "the provision by the management for the workers of the best conditions of employment. . . . It may be regarded as including everything which bears on the health, safety, and general well-being and efficiency of the worker while avoiding any interference with his private affairs." (Home Office Pamphlet on Welfare and Welfare Supervision in Factories and Workshops, 1919.)

E. D. Proud defines welfare work as consisting "of voluntary efforts on the part of the employers to improve, within the existing industrial system, the conditions of employment in their own factories."

The Home Office report to the Committee on Industry and Trade (1926) wrote of welfare—

> "In its widest sense it comprises all matters affecting the health, safety, comfort, and general welfare of the workman, and includes provision for education, recreation, thrift schemes, convalescent homes, etc."

Wages and hours of labour, although having an important bearing on well-being and exercising a direct effect upon health and efficiency, are considered as outside the scope of the term. Moreover, protection against accidents, compensation for accidents, provision for sickness have all become statutory obligations. These have also been dealt with in previous chapters. Welfare Orders issued by the Home Office under the Police, Factories, etc. (Miscellaneous Provisions) Act, 1916 (now the Factory Act, 1937), have carried statutory obligations much further in specific instances. The best example, perhaps, is the Order of 1919 affecting oil-cake mills in which, in addition to the general requirements in relation to drinking water, first-aid and ambulance arrangements, there were added provisions relating to messrooms, washing accommodation, protective clothing, cloak-rooms, facilities for sitting, and bath accommodation. The Factories Act, 1937, has made some of these provisions general, as explained in Chapters XIV to XVII. The provisions relating to the supply of drinking water, washing facilities, accommodation for clothing, seats for females and first-aid had no place in previous legislation, and improvements have been made in relation to cleaning factories and machinery, overcrowding, temperature, transmission machinery, hoists and lifts, steam boilers, and the removal of dust and fumes.

The provisions of such Orders have to be publicly announced and objections thereto may be lodged within three weeks.

Welfare work is the natural result of legislation in regard to factories. The greater the distinction between the sexes and the recognition of their physical differences, together with the employment of young people, the more has there been the gradual recognition of the importance attached to the care and welfare of the worker.

For a number of years prior to 1914, welfare work became a feature of the operations of enterprising and philanthropic employers, particularly the manufacturers of certain proprietary articles. These manufacturers introduced improved working conditions beyond the statutory requirements and standard conditions, and applied a system of welfare and took an interest in the care of their workers; this was particularly the case in regard to the cocoa industry, where welfare work had been

practised for a number of decades. The idea has been highly developed in America and the "Safety First" principle, which commenced at Port Sunlight before it found its way to London, was another form of welfare work. During the 1914–18 War the Ministry of Munitions, under control of Dr. Addison, organized a Welfare Department, and when forming their regulations the Government availed themselves of the experience gained by these employers. The Welfare Department was enabled to prove that the care of the worker gave economic results out of all proportion to the expenditure involved, and welfare work has become a very important part of most of our industries.

Types of Welfare Work. Among the various amenities provided for workpeople may be mentioned the following—

(1) Housing (e.g. the scheme of Robert Owen at New Lanark, Sir Titus Salt at Saltaire, and, more recently, Port Sunlight, Bournville, Earswick, Woodlands, etc.).

(2) Mess-rooms and canteens, for the supply of meals at, or in some instances below, cost, and with facilities for warming food.

(3) Medical and dental treatment.

(4) Rest-rooms for girls and women workers.

(5) Provision of protective clothing, e.g. overalls and hoods and caps.

(6) Sick clubs.

(7) Pensions schemes.

(8) Holidays with pay.

(9) Co-partnership (see page 348).

(10) Educational facilities—day and evening classes, libraries, etc.

(11) Recreation—institutes and sports clubs, choirs, etc.

(12) Maternity Homes for workers' dependants.

Welfare work usually commences in Education. In works like Johnson's Dye Works, Cammell Lairds, and Lever Brothers, one of the conditions of employment is that education must be continued. The employer pays for, contributes towards, or provides facilities for, evening or continuation classes. In the second place, conditions of employment are improved so far as health is concerned. Rest-rooms, overalls, medical attention, dental treatment, intervals for refreshment, are all provided at the firm's expense. Then, on the social side, not only have they amateur theatricals and indoor amusements, but athletic grounds and outside sports are provided.

Whitley Councils and Industrial Diseases. The work of Whitley Councils in the prevention of industrial disease is not as well known as it deserves. Many of the Councils have set up Safety and Welfare Committees to investigate and to report on industrial

disease, conditions of work, and the administration of welfare regulations. These reports have been acted upon sometimes by urging employers to carry out existing regulations, and sometimes by application to the Home Office to take steps to carry their recommendations into effect.

In the boot and shoe trade the Welfare Committee's recommendations included prohibition of underground workrooms in any new works, and after a period of three years in any existing workplaces; insistence on cleanliness of windows, floors, and taps in workplaces; provision of adequate and shaded artificial light, of washing accommodation, and first-aid equipment. More frequent inspection of factories has also been called for.

In the pottery industry 27 firms have complied with all the recommendations made by the Council, 40 with 6, 30 with 5, 18 with 4, and 22 with 3.

Danger to life and limb of workers in the flour-milling industry entailed in the loading of flour has led to representations to the Home Office with a view to incorporating additional provisions in the Factory Act. Action was duly taken and the weight of flour sacks is now limited.

Dr. E. Collis, the Professor of Preventive Medicine at the University College, Cardiff, and Dr. Legge of the Home Office, are among the experts who have given yeoman service by addressing the Councils on their powers and possibilities.

Objections to Welfare Work. From the employee's point of view two objections have been raised to welfare work controlled by the employer—

(*a*) It savours of charity; and

(*b*) Control is usually confined to the management.

The ideal is for employer and employees to co-operate as far as is practicable (e.g. works canteens and sick and pensions schemes may be jointly managed, and in connection with the Accident Fund of at least one large undertaking there is a system of "Juries of Workmen" to investigate and report on the cause of accidents, and to make recommendations to prevent their recurrence). Such co-operation between the management and the workers should be one of the functions of a Works Committee where such exists.

Naturally, all this means a better relationship between worker and management, and it tends towards bringing back that personal factor in industry which the factory system destroyed. Some form of management is necessary for the control of welfare work and there has grown up a body of welfare workers who publish a magazine, directed by the Welfare Workers' Institute. The magazine contains information not only of work in this

country but also in America and on the Continent. Facilities for the training of welfare workers as specialists in the psychology of industry are increasing.

It is now an accepted profession and most of the Universities and University Colleges provide suitable courses of training through their Social Science Departments. The welfare officer should generally be the person who actually engages the workers and who is sometimes styled the Employment Manager.

The importance of the personal factor in industry is now generally recognized and although it has not been introduced into some trades, like the railways, we see evidence of it in the coal-mining industry, where a charge on every ton raised is now used for welfare work for the improvement of facilities in regard to education and betterment of environment.

CO-PARTNERSHIP

Co-partnership has developed from profit-sharing, which is, indeed, an essential part of co-partnership. The following definitions were adopted in 1912 by the then Labour Department of the Board of Trade in their Report (Cd. 6496) on the subject.

The term profit-sharing is applied to "those cases in which an employer agrees with his employees that they shall receive in partial remuneration of their labour, and in addition to their wages, a share, fixed beforehand, in the profits realized by the undertaking to which the profit-sharing relates."

In a "Report on Profit-Sharing and Labour Co-partnership in the United Kingdom," compiled by the Ministry of Labour and published in 1920 (Cmd. 544), a detailed account was given of the development of the movement.

Co-partnership needs to be distinguished from profit-sharing. This is shown in the memorandum supplied by the Ministry of Labour to the Committee on Industry and Trade in 1926.

In a profit-sharing scheme the employer agrees with his employees to supplement wages by a share, fixed in advance, in the profits of the business. The giving of bonuses or gratuities at the discretion of the employer is not regarded as coming within the scope of "profit-sharing."

To constitute a genuine case of profit-sharing, a large proportion of the employees (and not only leading workers, such as foremen) must be included under the scheme, and, further, the money received by an employee must be received strictly as an employee, and not as a shareholder in the ordinary way.

Co-partnership, or "Labour-Co-partnership" to be exact, is defined by the Labour Co-partnership Association as follows—

1. That the worker shall receive in addition to the standard

wages of the trade, some share in the final profit of the business, or the economy of production.

2. That the worker shall accumulate his share of profit, or part thereof, in the capital of the business employing him.

3. That the worker shall acquire some share in the control of the business in one or both of the two following ways—

(*a*) By acquiring share capital, and thus gaining the ordinary rights and responsibilities of a shareholder.

(*b*) By the formation of a Co-partnership Committee of workers, having a voice in the internal management."

Co-partnership claims for all the workers that they shall share to some extent in the profits, capital and control of the business in which they are employed. This may be stated more fully—

Co-partnership is based upon the standard wage. It "assumes a standard wage before there can be any talk of profit to divide." Another essential condition is that employees shall have perfect freedom to join any trade union. When these requirements are fulfilled (i.e. where freedom of combination exists, and the general conditions are those of the trade union) it is claimed that the co-partner, whilst losing nothing he claims as a trade unionist, gains considerably more than combination can of itself give him. One aim of co-partnership is to introduce a better spirit in bargaining operations.

History of the Movement. Co-partnership and profit-sharing schemes were introduced about 1838. The two best-known pioneer schemes were those of the French firms of Maison Leclaire (Painters and Decorators) at Paris (1842), and the Maison Godin (Ironworks) at Guise (1876). In these and one or two other French schemes the co-partnership element has been so developed that they are essentially co-operative associations.

The movement in England began a few years later. It was started by a body of reformers known as the Christian Socialists about 1840, due it is said to the influence of John Malcolm Ludlow who had spent a considerable amount of time in France where he had witnessed the developments of the movement in that country. Mention should be made of the scheme of profit-sharing introduced in 1865 at the Yorkshire Collieries of Henry Briggs, Son & Co., Ltd. One-half of the divisible profits in excess of 10 per cent was distributed among employees in proportion to their earnings. A strike in 1875 brought the scheme to an end. The movement developed in two directions—

(1) The Self-governing Workshops, originally established or encouraged by the Christian Socialists, who, in 1850, formed the "Society for the Promotion of Working Men's Associations."

None of these was successful, due principally to the fact that

they employed a poor type of workman. Other independent ventures which started later were similarly unsuccessful.

Since the establishment, in 1884, of what is now known as the "Labour Co-partnership Association," many such societies have been formed and have met with considerable success. They now number over 100, and have been thus classified—

(*a*) Societies consisting mainly of individual shareholders employed by the society (e.g. The Walsall Locks and Cart Gear, Ltd.).

(*b*) Societies consisting partly of individual shareholders employed by the society, and partly of co-operative societies, which provide, in addition to capital, a market for the produce (e.g. The Ideal Clothiers, Ltd., Wellingborough).

(*c*) Societies which are federations of other societies, such as co-operative societies, but which by their rules provide for the employees to share in the profits and to acquire capital in the concern (e.g. The United Co-operative Baking Society, Glasgow).

The Scottish Co-operative Wholesale Society and about one in seven of the retail distributive societies ("stores") have profit-sharing schemes for employees. Membership of a co-operative society being open, most employees become shareholders.

(2) The adoption of profit-sharing and co-partnership by ordinary trading undertakings.

Co-partnership denotes the attempt which has been made in many businesses to create within the framework of the enterprise itself a sense of partnership, of identity of interest between the parties engaged in a common endeavour.

Co-partnership may be defined as a method of the sharing with workpeople, on a constitutional basis of (*a*) profits; (*b*) ownerships; (*c*) information; and (*d*) management.

Logically, the most complete method of securing the representation of workpeople within a business is the election of workers' representatives to the boards of directors of companies. The outstanding case is that of the South Metropolitan Gas Company, where three workers are elected as directors of the company while retaining their previous positions. They are elected by a ballot among workers who hold stock in the company, votes up to a maximum of ten being given according to the amount of the holding.

There is, on the other hand, a point at which the consultation is desirable with representatives of working people, and the pooling of their experience in the matters of which they have special knowledge. The works council or co-partnership committee seeks to satisfy that need.

PROFIT SHARING

The practice of profit-sharing has persisted in Britain, in France and in the United States for over a hundred years, and there is much evidence of its success in promoting social harmony where it has been tried.

Profit-sharers believe, not in any abstract basis of justice, but simply as a form of recognition and encouragement that workers should be offered a definite proportion of such profits when they are earned, and that the immediate sacrifice of the owners of capital will be recouped both in economic gains and in moral satisfaction of more permanent value by the good feeling thus created.

The method most usually adopted in British schemes has been that after all ordinary outgoings have been paid and reserves have been set aside, a standard rate of interest on ordinary shares (what is known in U.S.A. as common stock) has been paid before any division of ultimate profits has taken place.

The general principles by which those types of profit-sharing are governed include—

(1) The schemes cover the bulk of the workpeople;

(2) The bonus is additional to the customary or agreed wages;

(3) There is usually a qualifying period which ensures that the benefits accrue to employees whose position is more or less permanent.

Profit-sharing involves the employer in the definite and known sacrifice of a portion of his profits for indefinite and unknown, but none the less real, advantages both moral and material.

The drawbacks of profit-sharing as such are that it produces only a financial link; an incentive that, though educative in that workers may learn that profits fluctuate, may prove to be remote in its effect.

(*a*) *Limited Partnership by Employees.* Under the Limited Partnerships Act, 1907, employees of a private firm, as a body, may acquire an interest in its own business, with strictly limited liabilities, and without any rights of interference in management.

(*b*) *Conversion of Ordinary Businesses into Co-operative Societies.* In a few instances, ordinary business undertakings have, by admitting employees to a very large share in profits, capital, control, and responsibility and, by organization on co-operative lines, been converted into co-operative societies.

The best-known examples are Wm. Thomson & Sons, Ltd., Huddersfield, Brownfield's Guild Pottery Society, Ltd., and Haslemere Builders, Ltd., In addition to those mentioned above there are many other types of co-partnership and profit-sharing.

Profit-sharing has also been applied in certain municipal trading undertakings (e.g. Burton-on-Trent Gas and Electricity Department, Belfast Municipal Tramways, and Poplar Electricity Department).

Types of Schemes. Most of the schemes are of the cash-bonus type, each employee's share being paid in cash, either directly or into a saving or deposit account. Profit-sharing develops into co-partnership when this share is accumulated as share capital, giving the workers some or all of the ordinary rights and responsibilities of shareholders.

Profit-sharing has been adopted by firms of all sizes, and in many industries, varying so widely as gas undertakings, agriculture, the textile trades, but the only case of its adoption by a whole industry is that of the coal industry by the settlement of 1st July, 1921, including a scheme of profit-sharing based on the net proceeds of the industry in the different districts.

Coal Mines and Profit-Sharing. The wages settlement in the coal-mining industry has been described as a great experiment in "profit-sharing"; but there are points of difference to be observed.

The coal mines settlement covers the whole industry, though the unit for the purposes of determining wage-rates is the district. Practically all the profit-sharing schemes in existence apply to individual firms. The returns of the owners regarding the proceeds of the mines are subject to joint audit. Generally, in profit-sharing schemes, the worker takes what he is given; in few cases can he claim his share of the profits as a right. Moreover, in the coal-mining agreement there is a definite allocation of the proceeds of the industry to wages and profits, which will be in force over the whole country.

In a sense, the coal agreement may be regarded as profit-sharing on an industrial basis, and unlike profit-sharing in individual firms, it contains elements of danger inherent in schemes based on the industry as a whole. The more the coal owner can obtain from the public, the better off the miner will be. This principle of profit-sharing on an industrial basis is one which, it is safe to say, labour as a whole is not anxious to approve.

Advantages of Co-partnership. Co-partnership claims for all the workers that they shall share to some extent in the profits, capital, and control of the business in which they are employed.

In the first place let us examine the advantages claimed for these schemes.

(1) It is said that co-partnership increases stability of employment and reduces the number of disputes. Obviously, if one is a partner or participator in the functions and the profits of an

enterprise, one is not likely to enter upon an industrial dispute if it is possible to avoid it.

(2) It must be admitted that co-partnership maintains a standard wage because the basis of any scheme of co-partnership or profit-sharing is the payment of a standard wage as recognized by all the unions concerned.

(3) Thirdly, co-partnership gives the worker a direct interest in the prosperity of the firm, thereby encouraging economical methods of work and greater output for, when men and women participate in the ultimate dividend, they will consciously prevent as much waste as possible.

(4) Co-partnership is also said to assist thrift, the feeling of taking care of the pence being analogous to that of holding shares, and this feeling is developed and encouraged.

Disadvantages of Co-partnership. As regards the disadvantages of co-partnership—

(1) It is said that it tightens up industry and it must be admitted that this is a weakness. Workpeople will be prepared to take the risks of loss of life and limb in order to accelerate output so that a larger dividend will accrue. Unless there is an efficient control in regard to welfare work there will be possibilities for greater risks in the ordinary trades.

(2) It is also said to weaken the trade union principle. This can hardly be admitted as the trade unions do not exist for the purpose of encouraging disputes, which this admission would presuppose. Although the primary purpose for which trade unions were formed may no longer be necessary—that is the raising of the standard of living—they may provide the very useful function of linking up the co-partner and the capitalist.

(3) Another drawback is said to be that it destroys the mobility of labour; that is to say, if a workman is a considerable shareholder in a concern he is not likely to wish to move. From the point of view of the worker, however, it is not necessary that the labour should be mobile. If the standard of living all over the country is satisfactory, there will be no cases like those of the navvy who at present has to follow large contractors in order to make a living. The stabilizing of the workman would assist forward a better environment and outlook.

Important points to be considered are—

(1) The possibility of the bonus being taken into account in fixing wages, so that it gives only a nominal increase in earnings;

(2) The danger of employers and employed combining against the interests of the consumer by raising prices;

(3) The risk of the worker becoming so attached to the interests of the firm that they neglect the wider interests of the worker; and

(4) The difficulty of discovering any principle by which the proportion of the profits which should be paid to the workers can be determined.

Statistics of Profit-sharing Schemes. There were 410 undertakings with 415 profit-sharing schemes in operation in 1937, of which 149 were co-operative societies and 261 other firms with 266 schemes. These 266 schemes were associated with the following industries—

Agriculture	3
Finance	12
Brick, Pottery, etc.	17
Textile	19
Food and Drink	26
Paper and Printing	27
Engineering and Shipbuilding	32
Merchants and Retailers	36
Gas, Water and Electricity	68
Other businesses	26

Profit-sharing has been tried in a wide variety of undertakings. Many schemes (nearly 60 per cent) have been abandoned. Only two new schemes originated in 1937. These schemes are popular with gas undertakings which account for 60 out of the 266 schemes. Seven schemes have been in operation over 50 years. The right of participation in these schemes does not extend to all employees of the firms concerned, certain qualifications, such as age and years of service, being required. In 46 schemes share capital is issued to employees, either free or on specially favourable terms. In 17 interest, varying with profits, is allowed on deposits made by employees. In 203 schemes bonus is paid either in cash or deposit (95), in shares (31), into provident or pension funds (13) or other methods (64). There are 113 schemes upon a co-partnership basis providing for some form of shareholding by employees.

In the coal-mining industry since 1921 basic wages have been adjusted by a percentage addition in respect of profits. Although the basic rate differs in individual mines the percentage is calculated for a district. In addition there is a minimum below which the percentage may not fall. Any payment to meet the minimum rate is recoverable by the owners out of future surpluses.

The table on opposite page shows the progress of these schemes for the past ten years.

NATIONAL GUILDS

The conception of the National Guild was first advocated in 1911 by A. R. Orage, editor of *The New Age*, and S. G. Hobson. Under this system the management of each industry would be

in the hands of a large National Guild, with the provisions for local self-government including all workers within the industry whether by hand or brain.

Year	Schemes in Operation	Participating Employees 000's
1928	517	260
1929	526	267
1930	516	247
1931	500	240
1932	478	227
1933	460	223
1934	441	224
1935	432	235
1936	426	261
1937	415	264

The watchword of the Guild is "Industry organized for service." In considering what constitutes a particular industry, due regard would, of course, be had to local factors which may necessitate the grouping or splitting up of different trades and professions. Within each industry, the methods of production are mainly in the hands of the workers themselves. Everyone is a worker—from the manager downwards—all share in the profits, which will be reduced to a minimum consistent with the safety of the enterprise and all will receive reward for their labour. The method of organization is for the whole of the trade union workers concerned to appoint a Board of Management or governing body on a representative basis. The Board appoints the manager and the workers appoint the foreman. All matters of appointments, advancements, and organization are in the hands of the governing body.

In other words, the constitution of a Guild must be very like that of a trade union, but instead of the organization being devoted to wrangling with the owners, shareholders, and management of the business over questions of pay, hours, etc., it would be doing something far more useful—running the business itself. Men and women likely to prove inefficient and unpopular foremen and managers would either have no chance of reaching such a position or would be subject to removal by the influence of the workers themselves in a constitutional manner. All matters of remuneration, privileges, and conditions of service would be in the hands of properly appointed representative councils or committees, and would be regulated according to the requirements and financial stability of the industry concerned.

The above is necessarily only an elementary idea of the simplest form of Guild organization, but it stands for the fundamental ideal. In its applicability to the multifarious trades and professions now operating in this country, it would require much expansion and adaptation.

For the conduct of practically any business or industry there are certain indispensable requirements. These may be indicated briefly and an endeavour made to ascertain their relation to the Guild form of organization.

(1) CAPITAL. This, as might be expected, forms the chief obstacle to any advancement in the general adoption of a Guild system. In the present system, capital is not subscribed for any adventure or undertaking which does not promise a fairly substantial return for the outlay. The capitalist, large or small, not only expects to receive a respectable dividend on his investments, and the preservation of his capital intact, but demands a share, varying usually according to the proportion of money he subscribes, in the management of the business.

The industry or trade becomes simply a machine for making money—if some other investment of a more lucrative nature is open to the capitalist, the chances are much in favour of his transferring his money thither. The conduct of the business is, therefore, almost wholly in the hands of those who have a financial interest in it.

How then can those possessing capital be expected to finance a concern from which they can hope for nothing but a moderate rate of interest on their money with the prospect of repayment at as early a date as can be effected? It resolves itself into a question of social ethics, and until the public generally have been informed with regard to its principles, and realize that industry is a means of social service and not a machine for piling up individual fortunes, there is not a very great hope that the Guilds will be able to flourish. There have been many interesting experiments in the direction of forming Guilds, and there can be no doubt of their ability to function, but the lack of sufficient public-spirited subscribers has been a serious drawback.

(2) LABOUR. The position of the worker has already been indicated. On the present system he is mostly a tool, to be discarded at will. With the closer formation of the ranks of industry which the Guild system would give us, a complete and co-ordinated scheme of insurance against sickness and unemployment, and of superannuation, could be developed from the existing disjointed schemes.

(3) MARKETS. Under present industrial conditions the economic law of "supply and demand" is presumed to govern the

extent of trade and the price of goods. As a matter of fact, this assumption ignores the needs of the community as distinct from its demands. What is wanted is a redistribution of demand —countless articles of luxury and costly futility are made and sold, while thousands of people are in urgent need of food, clothes, and houses, but unable to procure them.

The material of all the Guilds would be invested in the State; the monopoly of the Guilds would be their organized labour power. The product of their labour would not be Guild property but a national trust. Given mutual confidence between the Guilds, the individual wants of each member might be supplied through the medium of paper tokens or "guilders." All the Guilds would be linked up in a Guild Congress to which all the Guilds would send delegates for the discussion of common interests. Each Guild would administer its own internal affairs, and matters of common interest would be discussed and settled by the Guild Congress.

In the event of an insolvable dispute between the Guilds, there would be discussion between the Congress and the State, and in these discussions each party would have its economic power behind it. The Guilds would be in possession of the management of industry, and the State would be the owner of the means of production.

In this connection the State is regarded as the protector of producer and consumer, and the custodian of public amenities for the use and enjoyment of citizens without regard to production or consumption. One particularly attractive feature of the scheme of National Guilds is its bold application of the principle of mutual insurance. The progress of the movement would appear to be dependent upon the growth of a spirit of mutual understanding and good faith within the State.

The Guilds would decide the actual methods by which the work would best be done. They would impose the discipline required in the interests of the whole group and of the service itself and they would work under leaders chosen, not by any outside authority, but by themselves.

The vital germ of the Guild idea is its recognition of function in society as well as in the individual. The source of error into which the Guild movement has fallen hitherto is that it has omitted entirely, in its proposals for the realization of a sound ideal, to allow for the most important factor in modern civilization—the unearned increment of association, and has in consequence left its benefits to be the sport of the financiers.

The experiment of co-operative societies has clearly demonstrated the fact that huge industries can be built up by the small investments of many people, to the elimination of the large

capitalist. The relations between producers and consumers could be mutually strengthened by the adoption of a regular connection between the Guilds as producers and the co-operative societies as retailers and distributors.

Building Guilds. A practicable attempt to find an alternative to individual competitive enterprise is being made through the newly-created Building Guilds. The first of these Guilds, which aim at carrying on all branches of the building industry, was formed in Manchester in January, 1920.

Others have since been created, including the London Guild of Builders; and to complete the scheme, it is intended to combine the different Guilds in a National Building Guild. The organizations of the Guilds vary to some extent, but are based on the general principle that the governing body, the Guild Committee, a legal entity with power to enter into contracts, should consist of representatives of the workers engaged in the industry, one member being elected by each of the trade unions affiliated to the National Federation of Building Trade Operatives, and one by each of the other trade unions, or groups, including administrative, technical, and clerical workers, as well as operatives, which are approved by the Committee. The trade union ticket is the certificate of Guild membership; and the Guild Committee is responsible to the trade union. The Committee appoints the managers and the general foremen, while the departmental foremen are elected by the Guild members of the trade unions concerned. Working capital has, of course, to be borrowed at present, but this is done through the Co-operative Wholesale Society Bank, and surplus earnings are to be used for the improvement of the service, and not to be distributed as dividends.

The Guilds aim essentially at workers' control of production, and to this extent they are similar to the workers' productive associations. But the similarity is theoretical only, because, as already noticed, the workers' productive associations work out in practice on the lines of co-partnership, control being in the hands of shareholders rather than of the workers, while the Guilds avoid control by shareholders by borrowing through the C.W.S. Bank, and thus, so far at least, give a much greater measure of workers' control.

The Building Guilds will have to be judged by experience, but they must also be brought into relation to more general schemes for social recognition. They stand in direct opposition to national and municipal trading operations, being based on workers' control, while public trading is based on control by the whole body of consumers.

The Building Guild organization is the most recent experiment

in industrial democracy, and has insisted successfully on the principle of service to the community at a cost price, not to make a profit, but while serving the public at cost price, to do so under conditions which would give them the consciousness of playing their own effective part in the control and organization. This it is hoped will promote better workmanship and greater production without degrading the life-standard of the workers, or causing their labour to be exploited for private purposes.

Other Guilds. Experiments for conducting industry through the agency of "Guilds" are being started in other industries than that of building. The Building Guilds are a fact; they have already done work though they must still be regarded as in the experimental stage.

In Manchester a "Furnishing and Furniture Guild" has been started; in London a "Guild of Clothiers" has been formed by the United Clothing Workers' Trade Union; in Glasgow a "Tailor's Guild" has been formed by the Garment Workers' Union.

Criticism of Guild Socialism. Guild Socialism has been severely criticized on the ground that the result of its establishment would be the destruction of individual incentive, and that it would bring about natural deterioration morally, physically, and in other ways. This is a debatable point, however, as man tends rather to progress and a "cash nexus" is not necessarily essential for progress. In fact many movements have been entirely deficient in cash value, whilst at the same time being of great benefit to the advancement of mankind. Christianity is a splendid example as, at its inception at any rate, there was no desire for individual wealth. It is said that man requires a cash impetus to progress, but, although the present-day affairs are regulated largely by finance, it is generally agreed that true progress is based upon the promotion of public well-being. If the fear of the loss of individual security could be eliminated, there is no doubt that greed and selfishness would also be abolished and a higher standard of society be realized.

Further, it may be inquired whether workers' control would promote or prevent real progress in human affairs. Something can be said both for and against this argument. Some of the greatest steps in progress have taken place in the Post Office where the worker is practically in control. Its charges are regulated by its expenditure on the lines of the suggested Guild movement. On the other hand, we have the fact that the railways in England are not state-owned and that some of the greatest inventions towards progress and efficiency are not in the continental railways or State railways of our colonies but in

the home railways, thus affording an illustration of the progress under private enterprise.

Of course, the Guild movement at the moment is largely an ideal, but it serves a useful purpose in awakening many thoughts of a progressive tendency which would otherwise not develop.

CONCLUSION

Certain conclusions may now be determined from the consideration of industrial relations—

(1) That the best means of settling wages and working conditions is by way of voluntary direct collective bargaining between strong organizations of employers and workers in the various industries and trades.

(2) That, while the State has refrained from participation in the organization of workers or employers and from uninvited intervention in voluntary negotiations between organizations of employers and workers, it has encouraged the formation of joint machinery for settling industrial differences;

(3) That the State has provided machinery for arbitration but has not compelled its use.

(4) That State regulation of industrial conditions has developed owing to—

(*a*) exceptionally low wages and relatively low wages, coupled with lack of organization, hence Trade Boards Acts;

(*b*) inadequate organization or unrestrained competition between employers and workers, thus the Cotton Manufacturing Industry Act, 1934;

(*c*) the claim that a fair wage should be paid for work which is done for public bodies or is subject to public control; and

(*d*) public necessity, under which category falls the series of Factories and Education Acts which place prohibition on the employment of women and children on certain kinds of work and on the employment of children under certain ages; limitations on the hours which may be worked by women and children; and regulation of methods of working, etc., in the interests of safety and health.

*

PART VI

UNEMPLOYMENT

CHAPTER XXIII

THE PRE-1914 UNEMPLOYMENT PROBLEM

UNEMPLOYMENT may be defined as "the condition arising out of the inability of willing able-bodied workers to find employment at subsistence wages."

Unemployment is the result of maladjustment between the individual potential worker and his industrial environment.

"Unemployment is . . . in the main, the consequence of our own choice, the measure of how our industry adjusts itself to the changing world" (Beveridge).

In short, unemployment arises originally out of causes which spring from the organization and the fluctuations of industry. Thus, in the first place, the problem is to discover the nature of these causes and investigate the means of mitigating or removing them. This is the primary feature of the problem. For, while it is a mistake to suppose that it is entirely one of prevention, yet the reorganization of industry, to remove these causes, is the first task, and remedial measures take a secondary, if still important place. Moreover, unemployment is not solely an industrial problem; personal influences are also at work.

It should be constantly borne in mind that the problem of unployment is related only to those capable of employment if work is available for them. Such a qualification obviously excludes those permanently sick or disabled and may also be considered to exclude those of 65 years of age and upwards.

FACTORS IN THE CAUSE OF UNEMPLOYMENT

These are stated briefly in the following summary. Certain aspects are treated in some detail later.

I. Personal Incompetency.

(*a*) Mental deficiency.
(*b*) Physical incapacity.
  (i) Natural deformity.
  (ii) Accidental.
  (iii) Sickness.
  (iv) Old age.

(*c*) Moral delinquency.
  (i) Excessive indulgence (drinking, gambling, etc.).
  (ii) Crime.
  (iii) Laziness.

II. Economic Influences.
(*a*) Trade fluctuations.
  (i) Cyclical variations.
  (ii) Seasonal depressions.
  (iii) Changes in fashions.
  (iv) Casual labour.
    Over-production.
    Under-consumption.
(*b*) Surplus labour.
    New methods in industry.
    New entrants into industry.
    Blind-alley occupations.
(*c*) Financial manipulation of industry.
(*d*) Foreign competition.

III. Social Conditions.
(*a*) Industrial unrest—strikes and lockouts.
(*b*) Trade union restrictions.
(*c*) Lack of technical training.
(*d*) Restrictive legislation.

(*a*) **Personal Incompetency.** In considering this aspect of the subject it has to be remembered that whilst there are able-bodied willing workers seeking work, personal incapacity cannot be a cause of existing unemployment although it may be a reason why individuals are unemployed. It is also necessary to distinguish between the unemployed and the unemployable. The latter require attention to their peculiar forms of invalidity. The former require work or maintenance. Instances of persons with such incapacities but working are sometimes found, whilst able-bodied persons are out of work. Personal sympathies enter into the situation. Some people overcome certain limitations by their additional acquired skill, e.g. blind chair menders. Lower wages may be accepted because of physical limitations. Physically fit old persons having pensions frequently obtain work in unorganized trades because their pensions supplement earnings. Moral delinquency may not affect employment so long as it is divorced from working hours.

(*b*) **Trade Cycles.** Unemployment is influenced by trade cycles which, on investigation over the past hundred years are found to show a marked tendency to uniformity, and their normal length is from eight to ten years.

From 1829 there have usually been periods of booms and depressions at almost regular intervals, and these cycles have been followed in normal times by very heavy demands upon public funds due to unemployment.

Recent trade cycles have not been confined to this country, but have affected simultaneously the principal industrial countries of Europe. American cycles have followed, as a rule, a somewhat different course.

No certain explanation has been found with regard to the cause of these cycles. Professor Jevons traces the cause to spots on the sun which, although seemingly remote to the man in the street, is quite reasonable when it is remembered that the sun is the arch-agent of production, and all our wealth and resources are derived from the land. The generally accepted scientific theory relates these cycles to lack of organization in our business enterprise and its effect upon prices. During a trade boom there is a mad rush to produce and sell. Numerous new agents are attracted into business. There is over-production. Currency and credit are contracted and the inability to trade under such conditions with falling prices drives the marginal producer out of the market. There is a slump, with its accompanying unemployment until demand is revived and prices raised by the demand for commodities. Much of our recent experience has upset this comparatively simple explanation, the issues having been complicated by exceptional international conditions.

Industrial fluctuations, the alternation of the period of industrial activity and expansion with others during which the productive organization is practically paralysed and the output of wealth is checked, have come to be regarded as among the most serious defects of the present economic system. Increasing attention has recently been given by economists to an attempt to discover the causes of such fluctuations and to indicate remedies.

The principal causes to which industrial fluctuations have been ascribed may be grouped under four heads—

1. Natural causes, such as variation in the supply of materials due to good and bad harvests;

2. distributional causes consequent upon the manner in which wealth when produced is distributed to consumers and savers;

3. psychological causes, operating chiefly through the degree of confidence felt by business men when planning production; and

4. monetary causes that are responsible for variations in the profits which stimulate or retard productive activity.

(*c*) **Over-production.** Cyclical fluctuations in business are partly attributable to the lack of co-ordination among producers,

who, in a competitive system, turn out goods without any certain knowledge of the output of their rivals. Over-production is liable to occur, with the result that many firms have to close down or go on short-time. It is thus quite possible for some industries during a boom to be over-stimulated so that their plant and productive capacity are increased beyond what the market will bear and a surplus of labour having been attracted into them. When, however, rival firms enter into some understanding with regard to output and selling fields, and especially when they sink their identity in a gigantic trust, this cause of over-production and periodical unemployment (or under-employment) is removed. For the blind unregulated competition that previously existed there is substituted an efficient co-ordination and control. Production remains at a more constant level, and the workers in the trades concerned benefit from more regular employment.

But this is only one side of the picture. Only so long as the monopoly continues to produce for the same average demand as before will the beneficial effect on employment be observed. The monopolist, however, may find it to his advantage to raise the price of goods, even though it results in a reduction in the demand, and therefore in the scale of production. His object is not to produce the maximum output, but to make the maximum profit. Deliberate restriction of output, to a far greater degree than might be considered necessary to counter the previous over-production, thus tends to follow the "trustification" of an industry, culminating perhaps in a greater percentage of unemployment. This may prevent the absorption of the unemployed margin when trade is good.

While it is true, therefore, that the workers in the monopolist's factories are likely to enjoy comparatively regular employment, their numbers are in danger of such a reduction that the social loss may outweigh the gain to the few in industry. The above-mentioned facts are responsible for some degree of unemployment at all times.

(*d*) **Seasonal Trades.** Unemployment is also influenced by seasonal trades. The painter, the tailor, etc., have to anticipate their trade over long periods, as their services are generally not required all the year round.

Chief among the causes of such seasonal employment is the irregular demand for certain types of goods, which usually involves an equally intermittent demand for labour. Some industries are particularly liable to a seasonal demand. The winter months are busy for the coal-mining and electrical industries, but slack for the motor and furniture trades. The summer months are usually a period of activity for the clothing and

building industries, but one of inactivity for the iron and printing trades. There is not a month in the year, however, in which some industries are not affected to a greater or less degree.

Efforts may be made in certain trades to counteract seasonal depressions by dovetailing affected industries. For example, a manufacturer of straw hats for summer wear may employ his staff for making slippers for winter wear. This obviously cannot apply to highly technical trades; for example, the electrician can hardly turn to tailoring in the summer. Moreover each trade has its own difficulties.

(*e*) **New Methods of Production, i.e. Rationalization or Mechanization.** Foremost among the economic causes of unemployment are new methods of production and labour-saving machinery. In examining the inter-relation of machinery and employment it is essential to take a long view. Otherwise the immediate results might absorb too much attention, overshadowing the ultimate benefits which some critics are apt to underrate.

The use of machinery, or the mechanization of industry, by effecting economies in production, and producing technical progress in the organization of industry, normally results in a reduction in the selling prices to the consumer. The more elastic the demand, and the more efficient the competition, the greater will the tendency be for prices to fall. The increase in demand is accompanied, of course, by an increase in supply, and the outcome may be that fewer men will be dismissed than was originally thought necessary. It is conceivable that the market for the product may so extend, as a result of the cheaper methods and prices, that the number of men employed in the industry will eventually increase rather than diminish.

Secondly, it should be remembered that there is certainty of extra employment being provided in the making of the machinery itself. Quite a large percentage of the workers of this country is employed in the production of machines and similar capital goods for home use and also for export. There is, further, the probability of subsidiary industries springing up, usually, though not necessarily, in the same neighbourhood, thus affording another outlet for workers who may in the first instance be displaced by machinery in other occupations.

Thirdly, even if the demand for the original goods is relatively inelastic, that is no adequate objection to the introduction of machinery. The consumer, of course, may not buy any more of these particular goods in spite of a reduction in price.

On the other hand it is contended that the continuous development of mechanical production does not permit the benefits of

one change to return to the workers before another change operates to counteract the development of the former. It has been contended by some advocates that the economies of the machine should pay for maintenance of those displaced, and action along these lines has recently been considered by American firms.

It should be realized that, with the introduction of machinery during the last 150 years, there has been a gradual reduction of working hours, accompanied nevertheless by a general increase in the average worker's purchasing power.

This has affected employment in two ways. In the first place it has spread the employment more evenly over the mass of the workers, preventing the intense concentration of work on one section of the people and the undue unemployment of others that might otherwise have resulted. Though the present distribution of employment certainly leaves much to be desired, it would be much more serious were it not for the appreciable reduction in hours that has taken place in recent years.

In the second place, the increased earnings of the workers have enabled them in their leisure hours to acquire some of the comforts of life hitherto denied them. The greater demand for goods thus engendered has a necessary and beneficial effect on the general volume of unemployment. This factor also influences our overseas trade, and an improved standard of living in other countries should result in an increased demand for articles which have hitherto been used by a comparatively small number of persons.

Whatever else may be said about the introduction of machinery, one thing is certain, that mechanical processes have made possible a vastly superior standard of life for everyone, employed and unemployed, so that to-day England can feed a population of 39,000,000 more amply and luxuriously than 12,000,000 could be fed in 1825.

But against these advantages accruing "in the long run" to the use of machinery must be placed the suffering that is frequently caused "in the short run." It is poor consolation to a man who is displaced by a machine to be told that somebody in another trade in the present, or in the same trade in the future, is going to be better off in consequence. The fact that machinery is of general benefit to the community should not blind people to their obligation to those workers who suffer as an immediate result.

(*f*) **Immobility of Labour.** Another cause of unemployment is the immobility of labour. Especially is this true in the trades or industries affected by new methods of production.

Trained or skilled labour is not readily transferable to new occupations in which previous skill or training will be of no use.

Where, owing to inventions, changes of fashion, changes of direction of international trade, or other causes, there is expansion in some industries and contraction in others, the change-over of labour cannot be accomplished without friction, and may be accompanied by serious unemployment. This may also apply to changes of processes within a single industry (e.g. from hand-loom to power-loom weaving). Nor is labour movable at will from place to place. A change in the territorial distribution of an industry may also lead to unemployment (e.g. when mines in one district are closed, and new mines opened in another). All changes in methods, places, and amounts of production are liable to create some unemployment during the period of readjustment.

It will be appreciated that semi-skilled and unskilled labour is more seriously handicapped by this cause than is skilled labour.

(*g*) **Financial Causes.** Financial manipulation of industry, e.g. reckless over-capitalization leading to business troubles, over-trading on inadequate capital, failure of financial accommodation, etc., may cause unemployment. So may mere bad management, leading to closing down or dismissal of hands; and so may boycotts, or other devices employed against their rivals by firms or combines seeking monopoly. Enterprise, credit, prices and profits are locked together. Beveridge, in his *Unemployment: A Problem of Industry*, New Edition, 1930, expresses the opinion that "An expectation of profits stimulates enterprise, which expands credit, which raises prices, which raises profits, which justifies the expectation of profits and leads to more enterprise and more expansion of credit." Credit will continue to expand until the limit of total credits to the total cash reserves is approached. Prices then begin to fall and continue to do so until a position of safety is reached. The cause for the turn at the top of the curve is due to the relation between credit and cash reserves, but the causes of the turn at the bottom of the curve, bringing a rise in prices, are not so clearly understood.

(*h*) **Political Conditions.** There are also political conditions which affect employment even in times of good trade. Wars and revolutions, even although they have no direct bearing on the community at home, nevertheless seriously influence communities thousands of miles away, by closing or hampering a foreign market of sale or supply.

(*i*) **Natural Conditions.** Lastly, there are natural conditions like earthquakes. The effect of the earthquake in Japan in 1923, for instance, seriously affected trade in England, although this country was not directly affected by the physical conditions. In certain cases there will be an increase in trade for the purpose

of replacing the damage due to the catastrophe which has taken place. Organized effort cannot do much to meet such conditions, and this is a most difficult problem to handle. A famine in India will decrease the demand for Lancashire cotton goods irrespective of the general state of trade. A high rate of unemployment in some industries may, therefore, coincide with a low rate in others.

(*j*) **Restrictive Legislation.** Legislation such as factory regulations, minimum wage rates, etc., is sometimes stated to be a cause of unemployment by employers, who find these restrictions imposing burdens upon industry which handicap them in their competition with foreign trade, causing the foreigner to undercut them and thus creating unemployment.

(*k*) **Foreign Competition and Tariffs.** Foreign competition has been the underlying cause of much unemployment of recent years. During the War many nations learned to do without our products, sometimes finding substitutes, sometimes making those products themselves, and sometimes finding alternative markets. The weapon of the tariff has worked havoc among the commercial and industrial nations, and will continue to be a prolific cause of unemployment until there is a revolt from the extreme economic nationalism and a wider degree of co-operation and rationalization.

Competition from countries with a lower standard of living than ours is a cause of loss of trade and consequent unemployment, which constitutes a perplexing problem of social ethics. Such nations possess a grotesque advantage over us in the fixation of prices due to our higher moral code.

(*l*) **Industrial Unrest.** Strikes and lock-outs undermine commercial confidence and hamper production.

Restriction of output by "ca' canny" on the part of workers or by the monopolist employer seeking maximum profits, prevents the free working of the wheels of industry and hinders development.

(*m*) **Education and Training.** Lack of technical training may prevent men and youths from obtaining jobs awaiting them. Raising the school age and continuation classes should not only keep youths out of the labour market but fit them better for the tasks which await them.

(*n*) **Land Tenure.** The method of land ownership is frequently criticized as a cause of unemployment. Existing methods of proprietorship do not encourage the best and fullest utility of natural resources. Land might be forced to yield a fuller advantage in the form of greater subsistence value and be made to provide more employment.

(*o*) **Causes Generally.** These causes react upon each other, so

that the unemployment of particular men may be due to a number of influences. Sir William Beveridge quotes the case of a riverside labourer at Wapping in February, 1908, whose unemployment might be the combined result of chronic irregularity of employment, seasonal and cyclical depression in his trade, shifting of trade further down the river (permanent change), and his own deficiencies of character and education. Thus, the permanent cause of distress may be chronic under-employment which the other influences aggravate, or it may be found in the combination of a number of influences. In Sir William Beveridge's words, "classification of men according to the causes of their employment is, strictly speaking, an impossibility; the only possible course is to classify the causes or types of unemployment themselves."

REPORT OF THE ROYAL COMMISSION ON THE POOR LAW AND RELIEF OF DISTRESS

It is extremely difficult to present, even in normal times, an impartial picture of the causes of unemployment, but as a Blue Book there was issued in May, 1909, in connection with the Royal Commission on the Poor Law and Relief of Distress, an interesting report. The document embraces the results of inquiry made by the late Sir A. D. Steel-Maitland and the late Miss Rose Squire (His Majesty's Inspector of Factories) on the relation of industrial and sanitary conditions to pauperism, together with a memorandum on certain other points connected with the Poor Law system and its administration. The instructions defining the inquiry comprised ascertaining to what extent the prevalence of certain industrial and sanitary conditions contributed to pauperism. The investigators commenced the inquiry in London, and then proceeded with their labours in other typical centres, such as Liverpool, Manchester, Birmingham, Sheffield, the Potteries, Bristol, etc.

The report says: The deductions which we think may be fairly drawn from the facts which we have reported are that the conditions which we were called upon to investigate contribute to pauperism in London in the following order of degree—

1. Casual and irregular employment. This we believe is the chief cause of pauperism.

2. Bad housing conditions. These, in our opinion, contribute to pauperism through disease and demoralization. They are most important causes of pauperism, though less so than the first.

3. Seasonal fluctuations in trade. Such fluctuations cause pauperism to the extent to which the seasonality partakes of a casual character.

4. (*a*) Insanitary and unhealthy conditions of workplaces.
(*b*) Excessive hours of work.
(*c*) Earnings habitually below what are required for healthy subsistence.

These are important causes of poverty and suffering, but do not actively create paupers to any very marked extent.

5. Dangerous trades. The aggregate effect of these is limited by the small number of persons employed in them in London, but of these they reduce an undue proportion to potential pauperism through preventable disease.

The conclusions arrived at with regard to provincial centres are in somewhat similar terms, with the addition that the investigators had been unable to trace any connection between long hours of work and pauperism.

THE MEASUREMENT OF UNEMPLOYMENT

The alarming growth of unemployment together with the absence of any solution of the problem probably constitutes the most serious challenge to the social and economic systems of our day. The magnitude of the present problem is apt to lead those who have not studied the subject to believe that it is a problem of recent development. The problem is neither catastrophic in origin nor endemic in scope. It has not developed suddenly nor is it peculiar to our own country. As shown subsequently, its origins can be traced to the fourteenth century; it existed in the days of the trade guilds, but grew with bewildering intensity during the industrial revolution. There is, unfortunately, a great lack of official or comprehensive statistics of pre-War unemployment, and the investigator is confined to four sources of information, viz.—

1. Government Inquiries, such as Royal Commissions on the Poor Laws of 1832 and 1909.

2. Private Inquiries, such as Charles Booth's *Life and Labour of the People*, published in 1897.

3. Board of Trade Returns respecting specific trades, e.g. iron, steel.

4. Trade Union returns of members in receipt of unemployment benefit.

The last of these is perhaps the most valuable. Although confined to the better organized trades, which alone could pay "out of work" benefits, and also to the limited period during which such benefits were paid, they form a trustworthy basis upon which to construct a reliable picture of pre-War unemployment. It is seen that from 1851 to 1906 the percentage fluctuated round 5 per cent with extreme variations of 1 per cent to 12 per cent.

UNITED KINGDOM

PERCENTAGE OF TRADE UNION MEMBERS OUT OF WORK
SHOWING THE QUINQUENNIAL MEAN

1851	3·9	1856	4·7	1861	5·2	1866	3·3	1871	1·6
1852	6·0	1857	6·0	1862	8·4	1867	7·4	1872	0·9
1853	1·7	1858	11·9	1863	6·0	1868	7·9	1873	1·2
1854	2·9	1859	3·8	1864	2·7	1869	6·7	1874	1·7
1855	5·4	1860	1·9	1865	2·1	1870	3·9	1875	2·4
	4·0		5·7		4·9		5·8		1·6
1876	3·7	1881	3·5	1886	10·2	1891	3·5	1896	3·3
1877	4·7	1882	2·3	1887	7·6	1892	6·3	1897	3·3
1878	6·8	1883	2·6	1888	4·9	1893	7·5	1898	2·8
1879	1·4	1884	8·1	1889	2·1	1894	6·9	1899	2·0
1880	5·5	1885	9·3	1890	2·1	1895	5·8	1900	2·5
	4·5		5·2		5·4		6·0		2·8
1901	3·3	1906	3·6	1911	3·0	1916	0·4	1921	14·8[1]
1902	4·0	1907	3·7	1912	3·2	1917	0·7	1922	15·2
1903	4·7	1908	7·8	1913	2·1	1918	0·8	1923	11·3
1904	6·0	1909	7·7	1914	3·3	1919	2·4	1924	8·1
1905	5·0	1910	4·7	1915	1·1	1920	2·4	1925	10·5
	4·6		5·5		2·5		1·3		12·0

[1] Coal Strike

GREAT BRITAIN AND NORTHERN IRELAND

PERCENTAGE OF INSURED PERSONS UNEMPLOYED

1925	11·3	1929	10·4	1932	22·1	1935	15·5
1926	12·5	1930	16·1	1933	19·9	1936	13·1
1927	9·7	1931	21·3	1934	16·7	1937	10·9
1928	10·8						

The above figures are compiled from (*a*) the Board of Trade Memorandum prepared for the Royal Commission on the Poor Laws, 1909 (1851 to 1895), (*b*) the Ministry of Labour Abstract of Labour Statistics (1896 to 1925), and (*c*) Ministry of Labour Returns (1925 to 1937). The effect of trade cycles is seen in the figures for the peak years 1852, 1862, 1868, 1878, 1886, 1893, 1904, 1908, and 1922, and the low extremes of 1860, 1865, 1872, 1882, 1890, 1899, 1906, and 1917.

Since the establishment of Employment Exchanges a basis has been provided for the measurement of unemployment to a much greater extent and on more reliable data.

RELIEF OF UNEMPLOYMENT—HISTORICAL REVIEW

(*a*) **The Poor Laws.** The record of industrial crises begins with the fourteenth century as a result of the Black Death (1348).

During the period of the feudal system there was no unemployment problem. Landless or lordless men who were unable to maintain themselves were required to find a kinsman with whom to be domiciled and maintained or else the folkmoot assigned them to a lord. In return for labour they received maintenance, protection, and a share of common pasture and waste. Carlyle in *Past and Present* represents Gurth, born thrall of Cedric the Saxon, greatly pitied by Dryasdust and others, as happier in comparison with many a Lancashire and Buckinghamshire man not born thrall of anybody.

The circumstances which led to the emancipation of the feudal serf came silently and relentlessly, and were natural and economic in operation. The Black Death carried away multitudes of the labourers. The labourers found their numbers so greatly reduced that the law of supply and demand gave them a new power to bargain for wages in lieu of maintenance. Villeins went on tour in search of better conditions. Some found it possible to live by pillage and robbery rather than work and wages. Legislation was introduced to attempt to reimpose the conditions of feudalism. The Statutes of Labourers empowered justices to bind wandering labourers at their place of settlement at pre-plague wages or conditions. Almsgiving to the able-bodied was made punishable by imprisonment. The Vagrancy Laws punished migration with the utmost severity. Whipping, branding, mutilating, imprisonment, slavery, and even death were made legal forms of punishment. It was soon found that such laws were impotent against economic laws and they had to be mitigated. In 1388 justices were given power to grant licences for able-bodied vagrants to beg their way to a destination in search of work. The statute is especially noteworthy because it appears to be the first which makes distinction between the able-bodied and the impotent. To checkmate high wages for agriculture, landlords began to enclose their lands for sheep rearing, and the new woollen industry which developed in the towns accentuated the exodus of labourers from the countryside to the towns and created the Agrarian Revolution. The labourers soon discovered that the price of their emancipation was insecurity of work and maintenance. From all this it is to be observed that much of the apparent unemployment which followed the disintegration of the manorial system was not real unemployment but reaction against prior conditions. The laws did not deal with the lack of employment but attempted to reimpose former conditions. Such legislation is bound to be futile in opposition to economic conditions, however severe the sanctions may be. It is also evident that the genesis of

unemployment is to be found in the transition from agricultural to industrial conditions.

The dissolution of the Monasteries in 1536–40 and the impoverishment of the trade guilds by Henry VIII laid bare all the existing poverty and unemployment, deserved and undeserved, and made it apparent to the nation.

The sixteenth century witnessed the most prolonged and severe periods of unemployment known in English history. In two months of the autumn of 1597, twenty-five persons died of starvation in the streets of Newcastle because of the high price of bread.

How these conditions were dealt with by the new Tudor Poor Laws has been described in *Public Assistance and Unemployment Assistance*, Second Edition (Pitman).

It is important to observe that these earliest poor laws made a clear distinction between the impotent and the able-bodied and established a different form of treatment for each. The impotent had to be relieved but the able-bodied had to be set to work upon stocks of material provided for the purpose. The first "workhouse"—established at Bristol in 1697 by John Carey—was a real workhouse and a hive of industry, a place where the destitute unemployed were set to work at a trade. It became a principle of Poor Law relief that the family of an able-bodied person should only be granted relief on condition he entered the workhouse. The test of destitution was the offer of the "house." From this has developed the labour test, i.e. the performance of a task as a necessary condition of relief. During the period of demand for cheap and abundant labour which came with the development of the factory system, the workhouse and labour tests were relaxed. Gilbert's Act, 1782, authorized out-door relief to the able-bodied where it was adopted, and the test was repealed generally in 1796. The worst period of demoralization known in English history followed this relaxation. It became permissible to supplement wages out of the poor rates. Employers found they could pay wages below subsistence level because they were levelled up out of the rates and the condition of the independent labourer became worse than the man on the rates. The Royal Commission on the Poor Laws, 1832, made public the evils of the system, and under the Poor Law Amendment Act, 1834, the workhouse test was re-established, separate vagrant wards were set up with a prescribed task to be performed before breakfast, and the principle of *less eligibility* was introduced, viz. that the condition of the able-bodied person on relief should be something economically lower than the lowest paid independent worker.

These principles are still in operation—in theory at least—(Relief Regulation Order, 1930), and it is only because of exceptional industrial distress that the rules are relaxed.

Another feature of the Poor Law was the introduction of the Law of Settlement (1662). Introduced as a protective measure for those parishes which made better provision for their destitute poor than their neighbours, it created an intolerable burden for the unemployed journeyman. Because of the narrow vision of the draftsmen of the Act, the mobility of labour was artificially checked. Men who went in search of work they believed to await them found the way closed. Labourers and their families were left to starve on the highway through the operation of this law. The only place of settlement originally was the parish of birth. The law has been amended from time to time, as explained in *Public Assistance and Unemployment Assistance*, Second Edition (Pitman), and the conditions of settlement and removal are now contained in the Poor Law Act, 1930. The chief effect upon the able-bodied unemployed man is that he is not likely to receive relief other than in his area of settlement unless there is an agreement between the authorities concerned, except in cases of sudden and urgent necessity.

In December, 1844, an Outdoor Relief Prohibitory Order precluded out-relief to the able-bodied. In periods of exceptional distress the operation of the Order became a physical impossibility as the Poor Law institutions were not commodious enough to house the unemployed. In 1852 an Outdoor Relief Regulation Order amended the former Order by providing, under exceptional circumstances, for a "labour test" upon performance of which outdoor relief might be granted, one-half being in kind. The Relief Regulation Order, 1911, consolidated for the first time in a single and uniform order the principles governing outdoor relief. This Order prescribed, *inter alia*, the conditions under which out-relief might be granted to the able-bodied. The Relief Regulation Order, 1930, reproduces in large measure the provisions of the 1911 Order. Amongst other provisions there was the permission to grant any form of relief, where suitable, by way of loan. Relief to the able-bodied is frequently given on loan, to be repaid out of future wages or resources. The granting of relief by way of loan has created considerable administrative difficulties through the accumulation of debts which the recipients of relief are never likely to be able to repay. It was laid down in the Tynemouth Case that Poor Law authorities have no power to cancel these debts *en bloc*, but must consider each case individually and find a good cause for cancellation. The provision that one-half must be in kind was repealed in 1932.

(*b*) **Methods Outside the Poor Laws.** (i) *Relief Funds.* For many years towards the close of the nineteenth century the belief had been growing that much distress due to unemployment was caused by conditions beyond the control of the applicants for relief, and there should be some discrimination between genuinely unemployed applicants and others.

During the exceptional distress of the peak years of 1885–7 many voluntary agencies were established to aid sufferers. The most notable of these was the Mansion House Fund started in 1887 by the Lord Mayor of London Other towns followed suit, the civic heads opening funds for the provision of assistance for their unemployed. Municipal authorities were called upon to expedite necessary works in order to provide employment during the years of distress.

(ii) *Labour Registries.* Continental countries were in advance of this country in the provision of organizations whereby employers and workers might be brought together without the useless tramp for work or the hanging round the gates of factories and works.

Trade unions provided houses of call for their unemployed members, but they were largely dependent upon the information of fellow members and the unfortunate antagonism between the unions and employers prevented any considerable use being made of the system.

With the growth of a more humanitarian spirit during the advanced years of the nineteenth century voluntary charitable agencies developed for making provision for special classes. The needs of ex-servicemen were among those catered for. It is also rather sardonic that ex-prisoners were catered for many years before the needs of those with unblemished characters were considered.

Registry Offices for domestic servants were early among those established by private enterprise, and it is worthy of comment how far these agencies still flourish in spite of free public provision.

The first general labour exchange under private enterprise appears to be that established in 1885 at Egham, in Surrey.

(iii) *Municipal Labour Registries.* During the wave of depression in 1892, several London Vestries established labour bureaux to register unemployed workmen with a view to bringing employers and unemployed into touch. The London Government Act, 1899, transferred the functions of the Vestries to the Metropolitan Borough Councils. Unlike the Vestries the accounts of the boroughs were subject to district audit and the legality of the expenditure was challenged and all the bureaux, but one at Battersea, were closed. The Labour Bureaux (London) Act,

1902, authorized the re-establishment of these agencies, and four other bureaux were opened. Manchester obtained similar powers in 1903, and proved much more successful than the London Boroughs in placing workmen. Other towns followed the lead of London and Manchester.

(iv) *The Board of Trade Report*, 1893. As long ago as November, 1893, the Board of Trade issued a Report on the agencies and methods for dealing with the unemployed. For this report Sir Hubert Llewellyn Smith was responsible. The aim of the report was "to analyse and break up into their elements the congeries of industrial and social problems which are lumped together, in common language, as the 'problem of the unemployed,' to survey broadly the ground covered by existing agencies professing to deal with various aspects of this problem, to state clearly the principles underlying their efforts and the objects at which they aim, to assign, so far as may be, the precise functions which each may perform, and the relation in which its work stands to other efforts; and, finally, to deduce from this analysis any general conclusions which may be drawn from previous experiments as to the lines along which future efforts may proceed with the least chance of failure."

MEANING OF "UNEMPLOYED"

The word "unemployed" is generally applied in at least four different (though occasionally overlapping) senses to: (1) Those whose engagements being for short periods have terminated their last job and have not yet entered on another. (2) Those who belong to trades in which work fluctuates, and who, though they may obtain during each year a full share of the work afforded by their industry, are not at the given time able to get work at their trade. (3) Those members of various trades who are economically superfluous, because there is not enough work in those trades to furnish a fair amount to all who try to earn a livelihood at them. (4) Those who cannot get work because they are below the standard of efficiency usual in their trades, or because their personal defects are such that no one will employ them.

SOLUTIONS OF THE PROBLEM

The solutions of the problem are mainly three, viz. that of permanently removing the unemployed from the labour market, of temporarily assisting them to tide over their difficulties till their industry revives, and the control of industry so that unemployment will not be permitted. Mixed up with plans like these is often a fourth idea, that of reclaiming by moral or other influences the industrial "sediment" which lies below the real body of self-supporting labour, and is unemployed

because it is entirely or nearly economically worthless. This is essentially a social rather than an industrial problem, though in practice it is found inevitably to confront those who attempt to deal with the unemployed on industrial lines. The Report of 1893 describes the rules and practices of the chief trade unions in dealing with the unemployed, and the working of labour bureaux, and it treats of municipal relief works. The conclusion was as follows: "The result, then, of this inquiry is not to pronounce the problem insoluble, but to suggest that any hopeful solution is less a question of remedying results than of removing causes. Here we open up questions lying outside the scope of this report. So far as inefficiency is due to imperfect knowledge of a trade, we touch the question of training; so far as it is a matter of personal or moral deterioration, questions of sanitation, and the general physical surroundings and conditions of labour are involved; so far as it is a matter of excessive trade oscillations, we verge on the wide and difficult question of the extent, if any, to which the violence of these fluctuations is due to preventable causes."

STATE ACTION

It was the economic results of the South African War (1899–1902), however, which necessitated definite action on the part of the State. The Local Government Board informed the York Board of Guardians that they had no duty in regard to finding employment for persons temporarily out of work. Their duty was to relieve destitution, and in connection with this relief they were required by the regulations in force to impose in certain cases a task of work as a test of destitution. This attitude on the part of the State was not sufficient to meet the difficulty.

The distress throughout the country increased and as a result the Rt. Hon. W. H. Long, M.P., President of the Local Government Board, called a Conference of Metropolitan Guardians at the offices of the Board on 14th October, 1904, to which he submitted a scheme for dealing with the unemployed. The following is a brief review of the contents of the scheme. It proposed that a joint committee should be established in each metropolitan borough consisting of representatives of the Borough Council, of the Board of Guardians, and of charitable and parochial associations in it.

It was proposed that a Central Committee should be formed on which each of the joint committees should be represented, that the London County Council should also be represented, and if there was a general wish that the President of the Local Government Board should nominate a few additional

members, so that some persons of experience, not connected with a particular borough or union, might be added to the committee, he would be willing to nominate a few members accordingly.

It was intended that the central committee should be in constant communication with the joint committees, should gather and distribute information as to employment, and should administer the funds entrusted to them. They would deal as far as possible with cases of the unemployed in any borough for whom employment could not be found by the joint committee of that borough, and who were referred to them by that committee.

It was hoped that the funds of the central committee would be largely furnished by means of subscriptions from private persons and others, but they would in all probability in the course of the winter require contributions in addition from the borough councils. It was suggested that these should be based on the assessable value of the borough, and in this way the cost would be spread uniformly over the metropolis. The Local Government Board were prepared, where necessary, to sanction such contributions to the central committee by the borough councils under the Local Authorities (Expenses) Act, 1887.

In the selection of men to whom employment should be given, it was considered important that the joint committees should act on uniform principles. The central committee were expected to frame rules for the guidance of the joint committees, but one or two points were mentioned.

It was desired that every care should be exercised to sift the applications made, and that all possible precautions should be taken to limit the cases dealt with to those of actual necessity in which the circumstances were such that they would properly be dealt with only on the lines above indicated.

LEGISLATION INTRODUCED

Following upon these proposals, Mr. Gerald Balfour, who had succeeded Mr. Walter Long as President of the Local Government Board, introduced the Bill, which afterwards became the Unemployed Workmen Act, 1905. The object of the Act was to assist only a limited class of the unemployed. It was intended for the benefit of those who were respectable workmen, settled in a locality, workmen hitherto accustomed to regular work, but temporarily out of employment through causes over which they had no control. Preference was to be given to those workmen who had established homes in the neighbourhood. Cases of recurrent distress would be more suitably dealt with under the Poor Law.

As the Act is now repealed it is unnecessary to give any detailed

explanation of its provisions. It provided for the setting up of statutory bodies with power to expend public money for administrative duties. The Act was compulsory in London and in towns of 50,000 population or over. There was a Central (Unemployed) Body for London, and each Metropolitan Borough and each provincial town with the requisite population was required to set up a Distress Committee. Other towns could apply to the Local Government Board for powers of operation.

The provisions in the Metropolis were as follows—

If the local body were satisfied that any applicant was honestly desirous to obtain work, they might endeavour to find employment for him; or, if they thought the case was one for treatment by the central body rather than locally, they could refer the case to the central body. The central body, if they thought fit, might assist an unemployed person by aiding his emigration or his removal to another area, or by the provision of temporary work, or by assisting him into a position to obtain regular work and support himself. The remuneration given for any temporary work was to be less than that which, under ordinary circumstances, an unskilled labourer would earn for a full week's work. Any expenses under the Act were to be defrayed out of a central fund, to be managed by the central body, supplied by voluntary contributions given for the purpose, and by contributions made at the demand of the central body upon the local authorities. A separate account was to be kept of the contributions made by local authorities out of the rates, and no expenses of providing temporary work, except at a farm colony, were to be paid out of this account. The provision of temporary work or assistance under this measure was not to disfranchise a man from voting at parliamentary or municipal elections. None of the new bodies created was empowered to provide work themselves, except out of their voluntary contributions. The Act expressly negatived provision of work out of the rates. The purposes for which the rates could be drawn upon were (1) the expenses of the establishment of the local and central bodies; (2) providing and maintaining labour exchanges; (3) expenses connected with migration and emigration; (4) expenses of acquiring land and maintaining a farm colony, and providing work for unemployed persons upon such farm colony. Gifts could be accepted by the authorities for any of their functions.

RELIEF WORKS

In connection with the relief works of a local authority, hitherto the rule had been that the work should be non-continuous.

This probably did more harm than good, because it was not enough to prevent a workman's home being broken up, while it satisfied those who were content to work only one or two days a week. In the past, there had not been proper discrimination, and the object of the Act was to create machinery for the better discrimination between the deserving and the undeserving unemployed. The Act was intended to create permanent machinery, which would organize and combine and influence, in directions which had been approved by experience, efforts for the relief of the unemployed. Better machinery was needed to discriminate between the class of persons it was desired to assist and the class who ought to be left to be dealt with by the Poor Law. This question of discrimination was the crux of the whole scheme. In counties where bodies had not been established under the Act, the county council were under an obligation to constitute a special committee charged with the duty of establishing labour exchanges and employment registers, and the result would be to provide a network of labour bureaux and employment registers all over the kingdom which would be of great use.

It was claimed against the measure that it would create a class of paupers free from the stigma of pauperism and undermine the self-reliant spirit of the working classes. It was also believed that the result would be to create a class of men whose object would be to continue in the employment of the local authority, and therefore a new dependent class, which would be a danger to every community.

On the 20th September, 1905, the Local Government Board issued a circular dealing with the Unemployed Workmen Act to councils and guardians in populous boroughs and urban districts.

DISTRESS COMMITTEES ESTABLISHED

Together with the circular the Board issued an Order, called "The Urban Distress Committees (Unemployed Workmen) Order, 1905," establishing a distress committee of the council of each borough and urban district with a population, according to the last census, of not less than 50,000, and providing for the constitution and proceedings of such committee. The order prescribed the number of members of the distress committee, which varied according to population.

Where more than one Poor Law Unions were wholly or partly within a borough the number of guardians to be appointed was divided between the unions concerned, regard being had to their population and rateable value. One member at least of the committee had to be a woman.

The expenses of administration were limited to a rate of ½d.

in the £, or, with the approval of the Board, 1d. in the £, but rate aid was confined to establishment expenses, the cost of emigration and removal, and, with the Board's consent, to the acquisition of land. The provision of work had to be defrayed out of voluntary funds or Treasury Grants. Any local or public authority was authorized to provide work.

The sum of £200,000 was placed at the disposal of the Board by Parliament for the purpose of making grants to the Committees.

The Act was never popular, and its economic effects were widely criticized. It was recognized that the cost of the assistance to the unemployed was kept on the rates of the distressed area. A measure of national equalization was expected. The method of appointing the Committee was a cumbrous procedure. It was found that voluntary charity and rate aid would not flourish under these conditions in the same field. The publicly provided work was more easily found than normal employment and the search for the latter was hindered. The public work most suitable was non-productive and such as to be extravagantly executed. The applicants were largely unskilled. The work undertaken was not of market value when performed. The Act was good in principle—to meet temporary distress—but it came just at that time when we began to realize that unemployment has unfortunately become a normal incident of our industrial life even when trade is comparatively good. Coventry, West Hartlepool, and Rhondda did not find it necessary to take action under the Act. Cardiff, Gateshead, Huddersfield, and St. Helens received no applications. Sheffield, Tynemouth, and West Bromwich closed their registries owing to the improvement in conditions. These names are interesting as showing the changed character of the present industrial unemployment. Many of them are now "necessitous areas." The Act failed to fulfil its main functions of providing applicants with work, as the following figures show—

	Applications			Provided with Work		
	London	Provinces	Total	London	Provinces	Total
1906	39,728	71,107	110,835	9,443	31,878	41,321
1907	28,181	58,820	87,001	5,389	30,891	36,280
1908	32,624	57,433	90,057	8,016	29,076	37,092
1909	49,239	147,518	196,757	16,632	71,558	88,190
1910	41,843	85,223	127,066	10,625	47,975	58,600

The Royal Commission on the Poor Laws, 1909, denounced the Act and recommended its repeal. The establishment of National Labour Exchanges in 1910 relieved the Committees of an important part of their work. The Act was originally passed as a temporary measure for three years but was subsequently continued from year to year under the Expiring Laws Continuance Act, until finally repealed by the Local Government Act, 1929.

Other methods outside the poor laws which will be considered include—

1. Employment Exchange.
2. Unemployment Insurance.
3. Unemployment Assistance.
4. Raising the school age.

NATIONAL EMPLOYMENT EXCHANGES

In 1904 the Board of Trade issued a report, prepared by Mr. D. F. Sloss, on Agencies and Methods for dealing with Unemployment in Foreign Countries. It provided detailed descriptions of the various agencies and the methods adopted in Germany, Austria, Switzerland, France, Belgium, and Holland. It showed that many continental countries already had schemes of employment exchanges. The principal methods were summarized as—

1. Unemployment Insurance.
2. Labour Colonies.
3. Labour Registries.

The Royal Commission on the Poor Laws and Relief of Distress, 1909, in the Majority Report, stated that in the opinion of the Commissioners the relief given to able-bodied unemployed had been frequently unsuitable and inadequate and the results often pernicious. Relief works undertaken under the Unemployed Workmen Act, 1905, had in the great majority of cases reproduced some of the pernicious features of the system in operation prior to the Reform of 1834. They therefore recommended, *inter alia*, as preventive measures respecting unemployment—

1. Raising the school leaving age to 15 for boys.
2. Exemption below that age only to be granted for boys leaving to learn a skilled trade.
3. School supervision until the age of 16.
4. Replacement in school of boys not properly employed.
5. Improvement facilities for technical education.
6. Labour exchanges under Board of Trade control.
7. Employment Intelligence Bureaux in connection with every public elementary school.
8. Unemployment insurance.

The Minority Report dealt with "The Destitution of the

Able-Bodied" in the second part of the Report, in which they unreservedly condemned the proposal that extended powers of compulsory detention should be granted to Poor Law authorities. They recommended the scientific organization of the national labour market under a Minister of Labour and outlined six separately organized divisions of such a Ministry. They advocated the treatment of unemployment as entirely the concern of the national government and the complete removal of this class from the responsibility of local authorities. Labour Exchanges should be established which employers should be compelled to use. Hours of labour by boys should be restricted and part time spent in technical training. A ten years scheme of public work should be planned with due regard to the unequal rates of unemployment during the cycle.

The Royal Commission were therefore unanimous in their recommendation in favour of the establishment of a national system of Labour Exchanges to deal with the able-bodied unemployed.

The Labour Exchanges Act, 1909, provided the necessary machinery for the establishment of labour exchanges under the administration of the Board of Trade. The Board took over the Metropolitan Employment Exchanges, and the first exchanges under the new regime were opened in February, 1910. Exchanges were opened in all the larger towns, and now there are branch exchanges even in small country districts.

Objects. One of the main objects of the Act was the provision of a voluntary market for labour which had in many trades remained unprovided for. The provision of such market resulted in the prevention of economic waste of time on the part of both employers and workpeople, for the former were enabled always to know where to obtain labour, while the workpeople in search of employment were always able to know where to seek it. This has resulted in a reduction of casual labour and vagrancy.

The creation of these exchanges made the provision of statistics relative to the conditions of labour a standing feature of their work, whereby they are enabled to afford accurate information of the position of affairs in industry. They have also made possible the provision of machinery for insurance against unemployment.

The guiding principles of such a system are their national character, as they cover the whole of the United Kingdom, and are administered by the Central Government; they are industrial and not charitable, free and voluntary to both employers and workpeople, and impartial as between employers and workpeople.

Definition. In October, 1916, it was announced by the Government that in future the Labour Exchanges would be termed

"Employment Exchanges," a title which corresponds more accurately to their normal functions. According to the definition in the Act, an "Employment Exchange" means any office or place used for the purpose of collecting and furnishing information, either by the keeping of registers or otherwise, respecting employers who desire to engage workpeople, and workpeople who seek engagement or employment.

Administration. The employment exchanges are now administered by the Ministry of Labour, which may establish and maintain exchanges in such places as it thinks fit, or assist exchanges maintained by other authorities and persons. It may also co-operate with other authorities or persons, and may take over employment exchanges by agreement with the authority or persons by whom any such employment exchange is maintained. By such other means as it thinks fit, it may collect and furnish information as to employers requiring workpeople and workpeople seeking engagement or employment.

An important feature of the work connected with the employment exchanges has been the establishment of Local Employment Committees consisting of equal numbers of representatives of employers and trade unionists, nominated as a rule by associations in the various localities. Added to these is a small number of additional members, not exceeding one-third of the total membership, who are nominated by the Minister. Juvenile Employment Committees, who co-operate with the officers of the local education authorities, have also been established.

UNEMPLOYMENT INSURANCE

Prior to 1911 an unemployed worker was dependent for his maintenance upon—

1. Personal savings of himself or his family.
2. Private charity.
3. Trade union benefit.
4. Poor relief.

For seventy years or more some trade unions had made provision for out-of-work pay for their members, but this applied only to the skilled and highly organized trades, such as the engineering group. Such payments only lasted for limited periods.

The Royal Commission on the Poor Laws, 1909, were unanimous in recommending the establishment of a state scheme of insurance against unemployment. The majority report favoured the Ghent System whereby trade organizations were subsidized by the State or municipality. The minority were more favourable to a general compulsory scheme than to the trade group voluntary scheme considered by the majority.

In his Budget Speech on the 29th April, 1909, Mr. Lloyd George announced that the Government intended to introduce unemployment insurance and stated that a scheme based upon the "trade group" principle was being considered. It would be a contributory scheme with State assistance.

The scheme was further outlined by the President of the Board of Trade (Mr. Winston Churchill) on the 19th May. Voluntary systems had all failed the applied tests and the scheme would be compulsory within certain trades.

The National Insurance Act, 1911, made provision for health and unemployment insurance. Part I provided a scheme of health insurance for about 13,000,000 workers. Part II contained the unemployment provisions. These were restricted to a few selected trades and only covered about 2,250,000 workers. The trade groups originally covered were building, construction of works, shipbuilding, mechanical engineering, iron-founding, construction of vehicles, and saw-milling (including machine woodwork) carried on in connection with any of the other trades or of a kind commonly so carried on.

Contributions were payable by the employer, worker, and State as from 15th July, 1912. The State contribution was the measurement of the State's interest in the alleviation of distress due to unemployment and also a means of equalizing risks and contributions. The administration was entrusted to the Board of Trade and operated through the agencies of Trade Unions and the Labour Exchanges. Contributions were related to benefits and the benefit payable during unemployment was limited. No contributions were required during unemployment. The benefits did not become payable until 15th January, 1913. There were several disqualifications provided, namely, unemployment due to trade disputes, through misconduct, through voluntarily leaving work without just cause, for an inmate of a prison or workhouse, for recipients of health insurance benefits.

During 1914–18 the scheme was extended to munition workers and certain trades engaged on war service by the National Insurance (Part II) Munition Workers Act, 1916. The numbers insured were increased by approximately 1,500,000 workers, which included a considerable number of women engaged in war work.

As from 1st January, 1917, the responsibility for administration was transferred to the newly established Ministry of Labour, created under the New Ministries and Secretaries Act, 1916. The scope of the scheme, as described elsewhere, has been widely extended by subsequent legislation.

The subject is dealt with fully in Chapters XXVI to XXXII.

CHAPTER XXIV

POST-WAR UNEMPLOYMENT, 1914–1939

PRIOR to the Great War (1914–18), as it has been shown in the previous chapter, the subject of unemployment had received considerable attention both before the passing of the Unemployed Workmen Act, 1905, and during the period between that date and the issuing of the Reports of the Royal Commission on the Poor Laws and Relief of Distress, published in 1909. The registers kept by the Distress Committees under the Unemployed Workmen Act, 1905, had shown that in some of our provincial cities 65 per cent of those receiving assistance from the Distress Committees belonged to the class of casual labourers, and that about 70 per cent had begun life on leaving school as errand boys, stable boys, street traders, and in other "blind-alley" occupations. Reference has already been made to the result of the investigation made by Mr. A. D. Steel-Maitland and Miss Rose Squire (His Majesty's Inspector of Factories), which was embodied in the Report of the Royal Commission on the Poor Laws and Relief of Distress, issued in 1909, in the course of which they claimed that casual and irregular employment was the chief cause of pauperism. The Parliamentary Committee of the Trade Union Congress held a national conference the following year on the subject of unemployment. In 1911 the Standing Committee on Boy Labour in the Post Office issued its first report upon the question of annual discharges from the Post Office of a large number of boys without the prospect of future good employment. The subject had been thoroughly discussed, therefore, prior to the Great War.

THE OUTBREAK OF HOSTILITIES, 1914

Immediately on the outbreak of War, measures were set on foot by the Government to deal with industrial conditions. These efforts were largely directed to restoring trade to its normal channels, and the measures taken undoubtedly had an important influence in establishing confidence at that time.

The fears of a deep and widespread dislocation of trade which were entertained in some quarters at the beginning of the War were not realized, and excepting in a few districts and in a few particular trades, unemployment proved to be very much less serious than was anticipated.

With regard to men, the position was mitigated by the withdrawal of large numbers who joined the Armed Forces; and after allowing for enlistments it was found on the whole that there was very little increase in unemployment. In the case of women, the pressure of unemployment was undoubtedly more serious, until they were merged in the employments in which men were formerly employed.

Prevention and Relief of Distress. The Government Committee on the Prevention and Relief of Distress was appointed on 4th August, 1914, by the Prime Minister, with Mr. Herbert Samuel, President of the Local Government Board, as chairman. A number of sub-committees were appointed, and the Local Government Board placed their machinery and offices at the disposal of the committee. Local Committees were suggested for every county and for each borough or urban district having a population exceeding 20,000. They devoted themselves especially to the prevention of distress in districts where ordinary trade had been affected, and in this they were well supported by the endeavours of the local authorities throughout the country. Public works were in many cases expedited, and in a large number of districts schemes were prepared which were available should the necessity arise. In response to a circular from the Local Government Board, a considerable number of local authorities proposed schemes for the building of houses under the Housing (No. 2) Act, 1914.

In addition, several funds were drawn upon in order to provide work, and the Road Board arranged to make grants to the extent of £450,000 in aid of schemes involving a total expenditure of about £1,000,000. The Development Commission, appointed under the Development and Road Improvement Fund Acts, 1909 and 1910, had a number of important schemes under consideration. The money voted by Parliament for the purpose of the Unemployed Workmen Act, 1905, and, in certain circumstances, grants made from the Vote of Credit, were also available.

Grants from National Relief Funds. Grants from the National Relief Funds had been recommended by the Government Committee in aid of schemes for which grants from other sources were not available. These included experimental proposals for the cultivation of waste lands, training in special industries, and works of embellishment of municipal buildings. In the latter case the material was found by the local authority, and the grant covered only the cost of skilled labour, which would otherwise have been unemployed.

In view of the demands upon the resources of trade unions to meet the increased claims for unemployed benefit, the Government

decided to make emergency grants to voluntary associations providing benefits for their unemployed members as an addition to the refunds of one-sixth, then payable under Section 106 of the National Insurance Act, 1911. These emergency grants brought the State subsidy up to an amount equivalent, in some cases, to one-half of the total expenditure of an association on unemployment benefit.

Committee on Women's Employment. With regard to women, a Central Committee on Women's Employment was established, and a special fund, inaugurated by Her Majesty Queen Mary, was raised. The money so collected was paid into the Prince of Wales's Fund, and grants were made from it on the recommendation of the Government Committee on the Prevention and Relief of Distress in aid of approved schemes proposed by the Central Committee on Women's Employment. That committee established workrooms, and had schemes in hand for the training of women and girls and for experiments in the creation of new industries. In addition to managing schemes under their own auspices, the committee assisted mayoral committees in the formulation of schemes of women's work, which were directly under the control of the local committees. Schemes of this kind, which were financed from the Queen's Fund, were in operation in the metropolitan boroughs and provincial areas, and proposals were submitted by many other local authorities.

The effect of the War was somewhat severely felt among the professional classes, and numerous instances of distress were brought to the notice of the Government Committee. These cases presented special problems which were dealt with by the professional classes sub-committee. Grants from the National Relief Fund were made on the recommendation of that committee to the benevolent societies and similar associations, whose membership was drawn from the professional classes.

Good work was accomplished by the Poor Law Division of the Local Government Board in regard to the provision of accommodation both for billeting of the troops and for the reception of wounded and refugees.

It will thus be seen that the Government was concerned with the problem early in the War. During the early months of 1916 the Asquith Coalition Government considered various schemes for dealing with the unemployment, which it was well known would be one of the post-War problems. To that end, the Local Committees under the Statutory Military Pensions Scheme, and the Distress Committees under the Unemployed Workmen Act, 1905, and the Local Committees under the Government Committee, previously referred to, co-operated. It was proposed

that the soldiers and the munition workers should be demobilized by trades or, at any rate, up to the ascertained capacity of the labour market to absorb them. It was also recommended that the various Government Departments and local authorities should be prepared to put in hand works of public utility—housing, roads, schools, etc.—with grants-in-aid for the purpose of meeting the supplementary costs.

With the advent of the Lloyd George Coalition Government in December, 1916, the subject appears to have been lost sight of and nothing further appears to have transpired until the Armistice seemingly caught the Government unawares.

DEMOBILIZATION AND RE-SETTLEMENT

Such was the position at the close of hostilities on the 11th November, 1918. The Prime Minister announced, in a speech on 16th November, 1918, that it was not believed that any great difficulty would be experienced in securing employment for discharged munition workers, civilian war workers, or discharged members of His Majesty's Forces. Subsequent events proved the accuracy of the oft-repeated warning that the post-War economic conditions would lead inevitably to a crisis and that, therefore, the problem should be grappled promptly. This problem was twofold: as regards civil workers, and as regards the armed forces.

The following is the outline of the measures which the Government proposed to adopt to tide over the period of demobilization and re-settlement—

Civilian War Workers. (*a*) Arrangements were made to prevent as far as possible any immediate general discharge of munition workers, while special facilities were given for the withdrawal of all workers who wished to leave munition works and of those who could be absorbed elsewhere without delay. In order to avoid the necessity for wholesale dismissals, steps were taken to reduce overtime and to reduce the number of hours in the working week, etc., so as to spread the available employment amongst as many workers as possible.

(*b*) Free railway warrants were issued by the employment exchanges to enable discharged persons to return to their homes, or to proceed to fresh employment.

(*c*) Enrolled labour was relieved of its obligations so that it could pass to its native district, or to wherever it was required for the work of reconstruction.

(*d*) The necessary consent was given by Order under Section 2 of the Munitions of War Act, 1917, to enable munition workers to take up private work, and free them to leave munition work for this purpose.

(*e*) A special unemployment donation was paid upon a non-contributory basis, which, extending over a maximum period of 13 weeks, was expected to bridge over inevitable periods of unemployment.

Armed Forces. The responsibility for the details of demobilization of the armed forces rested with the services themselves. The new Civil Department of Demobilization and Re-settlement had a two-fold responsibility in the matter. Firstly, it decided the general priority of release; secondly, it took over the soldier, or sailor, or airman, as the case might be, from the point when he left the dispersal camp. The men first released were men who were necessary for the re-establishment of industry on a peace basis in order to prepare the way for the re-employment and re-absorption of labour. This question had been under consideration by the Labour Re-settlement Committee, and a list of industries which, on the sole ground of national interest, were regarded as entitled to receive a share of this limited pool, was drawn up.

SCHEMES FOR TRAINING AT UNIVERSITIES

The Government also introduced a Scheme for the Training of ex-Service Men at Universities and other educational institutions. Admission was secured to the Universities, when candidates had not previously passed a qualifying entrance examination, by the passing of an Alternative Matriculation examination. The fees of the student were paid by the Board of Education to the institution, and a maintenance grant, varying according to circumstances, but usually amounting to about £150 per annum, was also provided by the State. The advantages of such a scheme were obvious. It was important to keep trained and intelligent men fully occupied at the time of a dual crisis in the history of the nation. There was still the possibility of further hostilities, and such men should be within easy access. Moreover, they would constitute a menace to public safety if allowed to drift, for they had been accustomed to command and to be obeyed. The Education Act, 1918, was still fresh in the public mind. There was a demand for the commencement of Day Continuation Schools, but one of the main difficulties was the lack of an efficient staff of teachers. The ex-service graduate would constitute a valuable nucleus for that purpose. The failure of the consular service and, in certain respects, the diplomatic corps, involved as one of the post-War requirements a reorganization of either or both services on the lines of the Department of Overseas Trade. It seemed only fair, however, that the Government should demand, in return for their grant and facilities for training, the first call upon the service of such

men in the consular service, in preventive medicine, in education, and in engineering such as road making, naval architecture, and the like. The disadvantages of the scheme became apparent when many of the men were unable to respond to the severity of continued educational effort. The method of selection had proved faulty. The cost to the State was enormous, and as the men who had registered only for a short course entered the general labour market it became evident that for many of them the course had merely been a postponement of the date for them to join the increasing ranks of the unemployed.

APPOINTMENTS DEPARTMENT OF THE MINISTRY OF LABOUR

The Minister of Labour also established an Appointments Department for the purpose of assisting ex-service men and women in securing suitable employment. The Department arranged for training at technical centres, universities, and other educational institutions of candidates for appointments whose education had been interrupted consequent upon the War.

THE UNEMPLOYMENT DONATION

Towards the end of November, 1918, the Ministry of Labour announced that the scheme of out-of-work donation would come into operation on the 25th November, 1918, and that out-of-work donation policies would not be issued before that date. It was to this payment that the term "Dole" was first applied as explained in the subsequent chapter on Unemployment Insurance.

The donation was ordinarily paid to ex-members of H.M. Forces, on Thursday, up to the preceding Tuesday inclusive; and to civilian workers, on Friday, up to the preceding Wednesday inclusive.

Ex-sailors, soldiers, and airmen were entitled to out-of-work donation policies, available for 12 months, if they had actually served with the forces during the War. Civilian workers were entitled to out-of-work donation policies, available for six months, if they were British subjects and became "employed contributors" under the National Health Insurance scheme at least three months before 25th August, 1918, and in the case of boys and girls between 15 and 16, if they entered employment at least three months before that date.

Unemployed persons desiring to claim the donation were to attend on and after 25th November, 1918, at an employment exchange or branch employment office, taking with them their discharge or other military certificates if they served in H.M. Forces during the War, or their Health Insurance record cards and Health Insurance contribution cards if they were civilian

workers. In ordinary cases, attendance daily or as otherwise directed between specified hours at the employment exchange or branch employment office was required as a condition of receipt of donation.

RATES OF DONATION PER WEEK

Ex-Service Men 29s. for six months, then 25s. Ex-Service Women 25s. for six months, then 15s. Civilian Workers—Men over 18 *29s. for six months, then 25s. Civilian Workers — Women over 18 *25s. for six months, then 15s.	With supplementary allowances for dependent children of 6s. a week for the first child under 15 years of age, and 3s. a week for each additional child under that age. Subject to attendance if required at a course of instruction under the Board of Education or other Central Authority.

For the first three weeks the rates were somewhat lower than these, but were increased.

The donation scheme did not become operative until after the applicant had been unemployed and had attended at the exchange for three consecutive days, so that payment for these three days was not due.

MEASURES FOR RELIEF OF UNEMPLOYMENT

The anticipation of a rapid absorption of labour into pre-War industries did not materialize, for the simple reason that there was no employment owing to the operation of the fundamental economic laws. During the succeeding two years matters were allowed to drift, but in December, 1920, a Government scheme for the relief of the unemployed was announced in the House of Commons by the Minister of Labour, Dr. Macnamara. The proposals were as follows—

A Government grant of £5 was suggested for every ex-soldier trained in the building industry.

Rapid expansion of the scheme of work in road construction was undertaken. Proposals had already been put forward in the case of sixteen metropolitan borough councils, representing forty main roads, and schemes were before fifty provincial authorities for the repair and improvement of some sixty main roads.

Parliament placed £3,000,000 at the disposal of an Unemployment Grants Committee, presided over by Viscount St. Davids, for the purpose of assisting local authorities in carrying out approved schemes of work other than road-making and house

* Half rates for boys and girls between the ages of 15 and 18.

building. Among the conditions of receiving a grant from this fund were that preference of employment should be given to ex-service men, and that the grant should not exceed 30 per cent of the wages bill of the assisted scheme.

Useful work was to be found in Government establishments. Employment of this kind was provided at Woolwich, in the repair of locomotives, the construction of wagons, etc., and the production of war medals; and at Lancaster, Enfield, and Gretna in similar and other forms of industry.

LOCAL AUTHORITIES' ACTION

Figures relating to unemployment were very indefinite, but Mr. Clynes in the House of Commons spoke of "the million or so people who are out of work to-day." Dr. Macnamara, the Minister of Labour, stated that 265,000 ex-service men were registered as unemployed on 10th December, 1920, 148,000 civilian men, and 131,000 women, with perhaps a wide margin beyond these figures of persons unemployed but not registered.

Relief works were contemplated by local authorities in all parts of the country. A deputation representing 33 municipalities of Great Britain visited the House of Commons just before the December recess to urge the Government to increase its grants to local authorities for carrying out unemployment relief works. The deputation was received by the Premier and other Ministers, and asked that the grant towards the cost of the schemes should be increased from 30 per cent to 75 per cent. Otherwise, they stated, a large number of local authorities would have considerable difficulty in putting work in hand.

The Premier, in his reply, said that it was quite impossible for the Government to go to the House of Commons for grants which would only increase the burdens of the taxpayer beyond what they had already undertaken. The difficulties were those of limitation and restriction, which they could not remove. The real difficulty was restriction of cash.

When you come to us with suggestions and ask us for more money (he said) we have only got to say to you that the burdens of the taxpayer have quintupled, whereas the burden of the ratepayer has been doubled.

There had been worse periods of unemployment, he commented, but there had never been a time when the Exchequer went out of its way to such an extent to assist local authorities.

"It is no use asking for 75 per cent for this purpose," declared the Premier. "That is asking for something which it is not within the power of the Exchequer to grant. . . . The cry is for taking off the burdens from the taxpayer and not putting them on."

He then referred to the Exchequer's "gigantic contribution." The Unemployment Insurance Scheme which, from 8th November, 1920, had been extended to practically all trades, with the exception of agriculture and private domestic service, he said, was "a tremendous contribution towards the solution of the problem." Then there were the contributions towards the roads and other projects of local authorities, "all of a very substantial character, running into millions." There was the twelve millions contribution to roads, and the three millions grants for the alleviation of distress. In conclusion, Mr. Lloyd George said it was only by co-operation between local authorities and the Government and all classes that they would solve the problem. He asked the municipalities to appoint a committee which would continue in frequent sessions to keep in touch with the Government.

Whilst this was the attitude of the head of the Government, the various Ministries of the Government were calling for further action, as the following circulars and instructions appear to indicate. The Ministry of Health sent the following circular to all local authorities under date 29th December, 1920—

UNEMPLOYMENT

In view of the widespread depression of trade which prevails in many places at the present time, the Government are anxious that the existing volume of work should be shared, as far as possible, among the whole body of the wage-earning classes.

In some industries the practice of working short time with the object of providing employment for a larger number of people is well-established; in others, the nature of the industry may make any such arrangement difficult; but the Government feel that much can be done to alleviate distress by distributing the existing opportunities for employment among as many as possible, so that the largest numbers may be enabled to earn a portion of their usual wages.

A system of short time may enable the work to be spread for a longer time over the existing number of those employed and also give employment to some who are now unemployed and may be suitable for the work.

The distresses of those who are unfortunately unemployed affect local authorities in an acute degree. It is on this account that many local authorities have lately begun operations on various works of public utility and are preparing to do so with respect to many more. In pressing forward these enterprises the Government would urge upon local authorities the desirability of considering at once what re-arrangement can be made to give partial employment to the maximum number of people. It will probably be found in many cases that the question can best be approached in consultation with the trades union concerned, on whose co-operation the Government feel confident they can rely.

It will of course be recognized that proposals of this kind are not applicable to the skilled branches of the building trade engaged, for example, on house building, in which there is a serious shortage of labour and with respect to which the Government are seeking to secure substantial augmentation.

It is hoped that no time will be lost in taking the necessary steps. The

Government are proposing the application of this principle to the Royal Dockyards and other naval establishments and have planned to do all that Government can do to provide in various ways for those who are out of work, but they look to local authorities as well as to other employers and their workpeople to do what they can to keep the number of wholly unemployed as low as possible.

WORK ON THE ROADS

Meanwhile, the Ministry of Transport issued further particulars upon arterial and other road schemes and the absorption of ex-service men on the work. The fund available for free grants towards road schemes amounted to £5,200,000. Generally, a grant of 50 per cent was offered towards the cost of approved schemes, and as most of the local authorities were finding a difficulty in raising money, a loan of the other 50 per cent was also offered. The terms of the loan were interest at Government rate and repayment in five equal annual instalments.

It was intended that not less than 50 per cent of the cost of the works should be expended on wages for unskilled men. Contributions from the fund were confined to areas to which, in the opinion of the Minister of Labour, priority should be given. Immediately an area was notified by the Ministry of Labour a letter was sent to the local authorities concerned asking whether they had in contemplation any schemes for the construction or improvement of arterial roads, such as would give employment to a large number of unskilled men in proportion to the expenditure involved.

At the same time an appointment was fixed for a day or two ahead in order that the scheme might be discussed. Within 24 hours after the appointment, if any suitable schemes had been submitted, a letter was in the hands of the local authority detailing the conditions upon which a grant would be made and asking for work to be commenced forthwith if the local authority agreed.

It was estimated by the Ministry of Labour that 30 per cent should be taken as the proportion of unemployed ex-service men who would be able and willing to do road work. The other considerations governing the approval of schemes were: (1) that they were sound from an engineering point of view; (2) that they had reference to an important road; (3) that the work was necessary; (4) that not less than 50 per cent of the total cost would be expended on wages for unskilled men.

Outside the metropolitan area 120 schemes of an estimated total cost of approximately £2,750,000 were approved. Work was started on 52 schemes, and the number of unskilled men given employment was approximately 7,760.

PROGRESS OF RELIEF WORKS

The Ministry of Labour also announced that on the new arterial roads more than 8,000 men were at work. The fund available for construction and improvement was £10,400,000. On the improvement and maintenance of main roads and on miscellaneous schemes put in hand by local authorities a large number of men was employed, but accurate figures were not obtained. On sewers, roads, etc., in connection with housing schemes, the number of men employed on work which had been accelerated to meet the existing situation was 7,000, and it was hoped that an additional 4,000 would be at work shortly. Apart from this acceleration many thousands of men were employed on housing schemes in respect of which grants were made by the Ministry of Health.

SHORT TIME AS A SYSTEM OF RELIEF

Simultaneously it was proposed by the Cabinet that, as far as possible, all the industrial establishments of the Government should be placed on short time in order to provide employment for the greatest possible number of workpeople, both to avoid further reduction in the establishment and to absorb some of those whose employment had been terminated. The Government also asked employers of labour throughout the country, including local authorities as well as commercial undertakings, to take a similar course rather than to reduce the number employed by dismissals. An appeal was made to trade unions to co-operate in this endeavour to tide over the period of trade depression. It was hoped by this means to spread the amount of work available over the largest number of people, and thereby not only to avoid further discharges, but also to make it possible for some of those who had been paid off to be re-engaged.

At the January, 1921, meeting of the West Riding County Council, a resolution was passed that the county council, recognizing the unemployment problem in the county, and believing that useful work at proper wages was better than allowances without work, instructs the Highways Committee to consider at once the organization of schemes of useful work, such as arterial roads, etc., either by itself or in conjunction with other local authorities. The resolution further urged upon the Government to deal with unemployment maintenance on a reasonable scale for women and men for whom work could not be provided.

The great captains of industry also recognized the evil, for one of them in the course of an address at the London Guildhall at that time, expressed the view that there were only two periods in the life of an individual when allowances and doles could be

wisely given. These were before the age of 17 and after the age of 70. Between those ages all doles and grants would prove not a blessing, but a curse, to the recipients.

LONDON DEPUTATION TO THE MINISTER OF HEALTH

In February, 1921, a deputation of guardians of London and Greater London was appointed to wait upon the Minister of Health on the request for Government aid in respect of relief afforded to unemployed. Dr. Addison was accompanied by the Minister of Labour (the Rt. Hon. T. J. Macnamara, LL.D., M.P.), Sir A. V. Symonds, K.C.B., and Mr. W. H. S. Francis, O.B.E. (Ministry of Health). The deputation consisted of the following: Messrs. T. Scoble and A. Holder (Woolwich Union), C. J. Kelly (Poplar Parish), F. R. Coles (Hackney Union), and the Rev. A. Lawton and Mr. C. H. W. Ward (West Ham Union).

The deputation claimed that they had no desire to shift their responsibilities on to the shoulders of others, but in the emergency that had arisen they asked the Government to make a grant from the Exchequer of 50 per cent of the amount of relief given to unemployed men and women. A member of the deputation also inquired from Dr. Addison, as the late Minister of Reconstruction, what had been done or was being done in putting into operation the various schemes which it was understood had been prepared during the War for dealing with the situation.

Dr. Addison said that he and his department were only too familiar with the sad story of unemployment, and he had spent many hours in endeavouring to find means to mitigate the evils of unemployment and to prevent it. After all was done and said the provision of work by local authorities would only meet a portion of the subject, but if money grants were to be made for works the responsible authority must be called in. This principle was sound, and any other scheme would break down. Lord St. Davids' Committee were anxious to help and to see that the money allotted to them was expended for the purpose for which it was intended. The continuance of grants of money in any form was demoralizing, and all knew it, and relief given without discrimination was worse. He quoted from a table of figures showing the measure of relief given during the preceding week to unemployed in several contiguous areas. These figures went to prove that relief was given in different areas entirely without uniformity and without any settled practice. It would be quite inequitable to assist one board and not another board who might be affording relief on different principles, and assistance could not be expected except on some well-defined basis. There was, further, an enormous objection to Treasury contributions for relief over

which the Government had no control, and the Government were anxious to find a practical alternative. However, the representations and proposals of the deputation would be examined, and he would report to and put them before the Cabinet.

UNEMPLOYMENT INSURANCE

The details of the National Unemployment Insurance scheme are described in subsequent chapters, but reference may be made here to the Unemployment Insurance Act, 1919, which increased the weekly rate of benefit from 7s. to 11s. per week. The provision of the Act of 1920 which required a qualifying period of four weeks' employment was set aside by the Temporary Provisions Amendment Act, 1920.

With a view to facilitating the employment of pensioned disabled ex-servicemen the Home Secretary was empowered by an Act of 1919 to make arrangements whereby employers might be relieved from their statutory liability for the payment of workmen's compensation created by the employment of such persons.

THE LAND SETTLEMENT FACILITIES ACT, 1919

This Act assisted the unemployed and partially unemployed by setting up the necessary machinery to secure the cultivation of land by facilitating the placing of unemployed persons on the land.

THE OLD AGE PENSIONS ACT, 1919

By increasing the amount of the old age pension from 5s. to 10s. per week, this Act no doubt assisted in the earlier retirement from the labour market of aged workers, and thereby assisted the employment of younger persons and contributed to the maintenance of those who found themselves unemployed through old age.

THE FORESTRY COMMISSION

The Forestry Commission was set up in November, 1919, under the Forestry Act, 1919. Its objectives were broadly to get reconstituted the woodland areas cleared during the War, and by afforestation to provide a reserve of timber growing in the country. The scale of operations was based on the Acland Report (Cmd. 881) which recommended—

(*a*) The maintenance of the existing woodland area, 3,000,000 acres, in a state of productivity.

(*b*) The afforestation with conifers of 1,750,000 acres at the rate of 1,180,000 acres in the first 40 years, including 150,000 acres in the first decade.

(*c*) The establishment of a Forest Fund with financial provision for the first decade (1919–29) of £3,500,000 plus working receipts. The recommendation of the Geddes Committee on National Economy that the State afforestation be discontinued was not accepted by the Government of the day, but the rate of planting was greatly reduced.

In July, 1924, the new Cabinet approved an expansion of the afforestation programme and the establishment of forest workers' holdings. A supplementary estimate of £275,000 was accordingly presented and a larger programme embarked upon. The restrictions of the service which had followed the recommendations of the Geddes Committee were abandoned, and in the end £3,364,012 in addition to the revenue from the sale of forest products, which rose from £33,000 in 1920 to £147,000 in 1928, was spent in the 10 years, 1919–1928 inclusive.

In 1945, the Government announced that the Forestry Commission would be represented in Parliament by the Minister of Agriculture and Fisheries.

TRADE FACILITIES

A method adopted to some extent by the Government during a depression is that of "trade facilities" in the form of State loans on easy terms of interest and repayment to capitalist concerns and local authorities. These were first used in order to stimulate the export trade by enabling firms to produce for buyers who could not pay promptly. They have since been extended to work of a constructional kind (e.g. railway development) to be executed in this country. Another form of "trade facility" is for the State, instead of loaning money, to guarantee for a term of years the interest on shares offered for public subscription in order to enable capital work to be carried out. This is the method more often used in aiding development in this country. The main objection to these "facilities" is that they involve the State in giving help to capitalist firms at the taxpayers' expense.

Facilities in aid of foreign trade have so far largely failed to stimulate production on account of the failure to stabilize economic conditions in Europe.

The Overseas Trade Acts, 1920 to 1929, were prolonged in April, 1930, when the period within which new guarantees may be given under those Acts in connection with export transactions was extended to 31st March 1935, and the period during which guarantees so given may remain in force further extended to 31st March, 1940.

The scheme, which is still in the experimental stage, is really

a system of insurance under which the State agreed to guarantee up to 75 per cent of the value of contracts entered into by business men in this country with foreign countries.

THE UNEMPLOYED (RELIEF WORKS) ACT, 1920

This Act assisted the speeding-up of setting unemployed persons to work by facilitating the acquisition of land and the entry upon land when necessary for carrying out works of public utility, such as road construction and improvement, bridges, sewers, viaducts, harbours, waterworks, afforestation, and land drainage or reclamation. The Minister of Transport, or with his consent a local authority, was entitled to enter upon and take immediate possession of any land required for such purposes by a simplified procedure.

The Government also made provision for the establishment of a Fund out of which loans and grants might be made to local authorities and public utility undertakings towards the loan charges incurred in connection with these works.

THE UNEMPLOYMENT GRANTS COMMITTEE, 1920

This Committee was constituted by Treasury Minute dated 20th December, 1920, under the chairmanship of the Right Hon. Viscount St. Davids for the purpose of assisting local authorities in the United Kingdom in carrying out or expediting approved schemes of useful work other than on roads or housing schemes.

The appointment of an official of the Ministry of Labour as Secretary of the Committee established a strong link connecting the work of the two departments.

The selection of the schemes to be assisted and the amount of the assistance to be given in any particular case was decided by the Committee, who were instructed in coming to a decision to observe the following general principles—

1. The expenditure was originally not to exceed £3,000,000.
2. Works to be approved only in areas where the existence of serious unemployment not otherwise provided for is certified by the Ministry of Labour.
3. Preference to be given to unemployed ex-service men.
4. The grant in any case not to exceed 30 per cent of the wages bill of additional men taken on for work.
5. The works to be such as are approved by the appropriate Government department as suitable works of public utility.

The terms of reference were later amended as follows—

1. The financial limit of the grants was extended from 30 to 60 per cent of the wages bill.

2. The Committee was authorized to assist (in addition to local authorities):

(*a*) Public bodies ("Public body" was defined as any board, commission, rating authority, or trustees, or other body or persons who manage or undertake work in pursuance of statutory powers, not being a body trading for profit); and

(*b*) through the local authority, Board of Guardians, or voluntary agencies.

3. The Committee was empowered to assist roads other than those coming within the Ministry of Transport's schemes for construction or maintenance grants.

The works themselves consisted largely of schemes of permanent value to the districts in which they were carried out, such as improvements and extensions of dock and harbour facilities; the execution of water, electricity, gas, and sewerage works; the formation of roads, the provision of parks and recreation grounds, etc.

Owing to the change of policy of the National Government, consequent upon the national financial crisis, the Unemployment Grants Committee ceased to function in August, 1932.

THE BEET SUGAR (SUBSIDY) ACTS

The Beet Sugar (Subsidy) Act, 1925, provided for a payment on sugar and molasses manufactured in Great Britain during the period between the 30th September, 1924, and the 1st October, 1934, from beet grown in Great Britain, and at the same time reimposed the Excise Duty on sugar and molasses manufactured in Great Britain and Northern Ireland from home-grown beet. The rates of subsidy were on a diminishing scale, being at the full rate for four years, and then falling by one-third for the last period of three years.

The Beet Sugar (Subsidy) Act, 1934, extended until 31st August, 1935, the provisions of the Act of 1925, and further provision is made as to the rates of subsidy and administration.

The Sugar Industry (Reorganisation) Act, 1936, amalgamated the fifteen beet sugar companies into a single corporation, the British Sugar Corporation Ltd.

It has been stated that the whole of the domestic ration during the war which began in 1939 has been provided from sugar refined from beet.

INDUSTRIAL TRANSFERENCE BOARD, 1928

The Industrial Transference Board under the chairmanship of Sir Warren Fisher was appointed by the Minister of Labour under a Minute of 6th January, 1928, "for the purpose of

facilitating the transfer of workers, and in particular miners, for whom opportunities of employment in their own district or occupation are no longer available."

A transference policy must rest upon three factors—

(*a*) The personal will to move of a man who, looking at what is before him in his own area, is prepared to take some risks.

(*b*) The active help of employers and workers in all industries and of all agencies and private persons who have it within their power to bring to realization this will to move, by giving opportunities for employment, here or overseas.

(*c*) Help where necessary by training and by grants towards the cost of moving, to encourage the will to move.

It is from the working of these factors that help in overcoming the difficulties referred to above must be expected.

Migration to the Dominions may be—

(*a*) Without assistance.

(*b*) With assistance under the Empire Settlement Act, 1922, whereby the British Government contributes up to half the cost of assisting migration and settlement.

THE GOVERNMENT SCHEME OF 1928

The Prime Minister announced in the House of Commons on 23rd July, 1928, two main schemes by which the Government hoped to lessen unemployment. They were—

1. To bring into operation in December of that year, instead of the following October, part of the Budget plan for the rate relief of industry. By this means it was anticipated that railway freights for the selected traffics, agricultural and industrial, would be reduced to the extent of £5,000,000 a year.

2. Loans by the Government to unemployed workers—particularly married men—to assist them to remove from depressed areas to districts where they could get work. The Government authorized employment exchanges to advance the travelling and removal expenses of such men and their families and other charges. These advances were made by way of loan repayable by easy instalments.

The Prime Minister (Mr. Baldwin) subsequently said in regard to the first proposal that the reduced freight charges so far as they affected coal would apply only to coal for export and foreign bunkers and for blast furnaces and steel works. The scheme, he said, should be of some assistance both to the export trade in coal and to the iron and steel industries. The Government's adoption of the plan was contingent on their being satisfied that the railway companies themselves would make a genuine effort to effect economies.

DE-RATING

It has been asserted that the cost of local rates made just that difference which resulted in the closing down of works. The closing of such factories increased the volume of unemployment and by adding to the cost of public assistance and throwing the burden of rates upon the properties remaining occupied, brought about the closing of more factories, causing a vicious circle which greatly intensified the industrial depression. The scheme of de-rating was a contribution of the Government to the problem of unemployment, and the method adopted was to relieve agriculture, productive industry, and freight transport by a system of rate relief. The relief is not restricted to unprofitable concerns but applies to all hereditaments of the selected types.

The Rating and Valuation (Apportionment) Act, 1928, defined the properties to receive relief and provided for an apportionment of value where necessary owing to part only of the premises qualifying for relief.

The Local Government Act, 1929, provided for the total exemption of agricultural land and buildings from rates and a relief of 75 per cent for industrial and freight transport hereditaments, viz. mines, factories and workshops, railways, canals and docks. The Agricultural Rates Act, 1929, brought forward by six months the exemption afforded to agriculture. The cost of the de-rating scheme to the Exchequer was estimated to be approximately £26,000,000 per annum.

These reductions were intended greatly to reduce the adverse effects of rates on industry and were coupled with extensive changes in local government administration and with a radical reform of a large part of the system of Exchequer subventions to local authorities. The relief to agriculture came into effect on 1st April, 1929, and that to industry generally on 1st October, 1929. The subsequent rapid development of the economic depression made it impossible to form any dependable estimate of the effect on industry in this country.

THE COLONIAL DEVELOPMENT ACT, 1929

The Colonial Development Act, 1929, established the Colonial Development Fund to enable advances to be made from the Imperial Exchequer to develop agriculture and industry in non-self-governing Colonies and Mandated Territories and thereby to promote commerce with or industry in the United Kingdom. Advances from the Fund are made to the Governments of the territories concerned by the Treasury with the concurrence of the Secretary of State for the Colonies (or the Secretary of State for Dominion Affairs in certain cases) and on the recommendation

of an Advisory Committee. The advances may take the form of loans and grants and may be applied by the Government to which they are made either directly or through any person or body of persons. The Fund is fed from moneys voted by Parliament which must not exceed £1,000,000 in any one year. All sums received by way of interest on, or re-payments of, advances made by way of loan from the Fund are to be paid into the Exchequer and not into the Fund.

THE DEVELOPMENT LOAN GUARANTEES AND GRANTS ACT, 1929

The Development (Public Utility) Advisory Committee was constituted in 1929 under Part I of the Development (Loan Guarantees and Grants) Act, 1929. Part II of the same Act gave statutory recognition to the Unemployment Grants Committee. The latter Committee had been able, since 1923, to make grants to Public Utility Undertakings carrying on the same class of work as local authorities, subject to certain conditions as to limitation of dividends during the time that loans or advances from the Government were in operation. Under the Act of 1929, the responsibility for recommending grants to Public Utility Undertakings carried on for a profit was assigned to a new Committee appointed by the Treasury. Assistance under Part I of the Act might take one of two forms, viz.—

(i) Guarantees in respect of the principal and/or interest of loans raised and applied for the purpose of meeting capital expenditure on the scheme eligible. Any payments in fulfilment of such guarantees to be met from the consolidated Fund.

(ii) The interest on such loans to be defrayed in whole or in part for a period not exceeding 15 years; in cases where the capital expenditure is met from revenue or accumulated funds assistance to be granted as if the loan had been raised at such rate of interest as the Treasury determined.

Instructions were issued for the guidance of the Advisory Committee by Treasury Minute of 11th September, 1929. The main purport of these instructions was that assistance was only to be given to schemes that would not otherwise be undertaken in the near future and that regard should be had to the value of the schemes as economic development as well as to their employment value. Provisions were also included with regard to the use of British materials on assisted schemes and regulations with regard to the labour engaged. The nature of undertakings includes railways, docks, water, gas, electricity, and canals.

The Unemployment Grants Committee in December, 1929,

informed all local authorities that the Government had decided in respect of certain types of scheme approved for Government grant to effect an improvement in the rates of grant made under the Development Act, 1929. In certain respects the conditions were modified as to the employment of men drawn from areas selected by the Ministry of Labour. The rates of grants for non-revenue producing schemes financed by way of loan were as follows—

"Where transferred labour was employed, 75 per cent of the interest and sinking fund charges on any loan raised to meet expenditure for the first half (up to fifteen years) of the loan period, and 37½ per cent of interest and sinking fund charges for the remainder (up to fifteen years) of the loan period."

"Where transferred labour was not employed, 75 per cent of the interest and sinking fund charges on any loan raised to meet the expenditure for the first half (up to fifteen years) of the loan period. The rates of grant in respect of revenue producing schemes, whether or not transferred labour was employed, viz. normal grant, 50 per cent of the interest of any loan raised to meet expenditure for fifteen years, or for the period of the loan, whichever was the shorter."

PRIME MINISTER'S CONFERENCE WITH LOCAL AUTHORITIES

In May, 1930, the Prime Minister announced in the House of Commons that the estimated cost of schemes approved in connection with unemployment had included: classified roads, £33,000,000; unclassified roads, £4,500,000; railways, excluding railway-owned docks, £21,000,000; electricity undertakings, £11,500,000; docks, including railway owned docks, £7,500,000; and so forth.

The State was undertaking or assisting large development schemes that were not included in those totals, amounting to £103,000,000. That was money ready to be expended, as soon as the schemes came into operation, for the relief of unemployment. In addition to that, there were the normal telephone construction programme of some £10,000,000 a year; the State-aided houses, which the Exchequer was subsidizing to an extent of over £11,000,000 a year; and afforestation, for which the financial provision for the next ten years had been increased from £5,500,000 to £9,000,000. If all that work had been put into operation under the conditions of the previous year, it would undoubtedly have reduced the figures of unemployment to well below 1,000,000.

In June, 1930, the Prime Minister arranged a conference

between representatives of Local Authorities and the Ministers of Health and Transport. Statements of policy were made and new conditions outlined. Following the Conference the new terms and conditions were published in the following documents—

Ministry of Health Circular 1126—3rd July, 1930.

Ministry of Transport—No. 334 Roads.

Unemployment Grants Committee—No. 26.

(A) Schemes financed by way of Loans—

1. Non-revenue producing schemes:

2. Revenue producing schemes:

(B) Schemes financed out of revenue—

1. Abnormal Unemployment Areas (exceeding 15 per cent)—90 per cent wages of unemployed men engaged.

2. Other areas—75 per cent thereof.

The terms and conditions of the Grants are given on page 405.

The National Government formed in 1931 immediately revised the former policy of providing or financing work for the unemployed, and the Development Act, 1929, was allowed to expire.

THE PUBLIC WORKS FACILITIES ACT, 1930

This Act was passed in an endeavour to increase the volume of employment by the acceleration of schemes and the simplification of procedure. For works of a non-contentious nature, which in principle have already received the approval of Parliament, a Private Bill is no longer necessary, the Minister having power to issue an Order conferring the necessary powers.

THE AGRICULTURAL LAND (UTILIZATION) ACT, 1931

The object of this Act is the promotion of the cultivation of allotments by the unemployed, and a committee was set up under the chairmanship of Sir William Waterlow, K.B.E., for the purpose of promoting generally the cultivation of allotment gardens by unemployed persons, or persons not in full-time employment, and to stimulate the formation of voluntary local committees or societies for the furtherance of that object, and also to make arrangements for the provision of seeds, fertilizers, and equipment for such persons, and to promote the constitution of an unincorporated body for that purpose.

THE CRISIS OF 1931

Unemployment was made the principal—if not the sole—issue of the General Election, 1929. The Labour Party was returned with a majority over other parties, and Mr. Ramsay MacDonald was called upon to form a Cabinet. With a view of stimulating

the promotion of schemes of employment the office of Lord Privy Seal—otherwise practically a sinecure—was created into what was virtually a Minister for Unemployment. Mr. J. H. Thomas, who was appointed to this office, immediately approached the associations of local authorities urging them to influence their constituent members to put in hand every possible work that might help to mitigate the heavy burden of unemployment. Many million pounds of work was expedited in this way. In spite of the launching of these schemes unemployment continued to increase. In May, 1929, there were approximately 1,165,000 registered unemployed. In August, 1930, for the first time since the 10th January, 1922, the number of unemployed totalled over 2,000,000. This had been foreshadowed by the almost unchecked increase of the volume of unemployment during the previous twelve months.

This occurred at a time when no sudden collapse of demand, nor any protracted industrial strife, as in 1926, existed to give ready explanation of the rise in the figures.

In earlier years a temporary increase over the period of holidays was followed by a corresponding decrease when the nation returned to work. But the sinister feature of the statistics during the nine months prior to August, 1930, was that these holiday increases were not subsequently cancelled out. The result was that since the advent of the Second Labour Government in 1929 the number of the unemployed had risen by over 900,000. By May, 1931, the number had grown to 2,630,000, and the Unemployment Insurance Fund was in debt to the Exchequer to the extent of over £82,000,000.

Owing to a great extent to the financial policy of the Government with regard to unemployment a financial crisis of unexampled seriousness developed at the end of the summer of 1931. This crisis led to the resignation of Mr. Ramsay MacDonald as the head of the Labour Government, but he was immediately called upon to form a National Government. A complete reversal of financial policy ensued. Borrowing for the Unemployment Fund ceased. Grants and loan sanctions for work put in hand solely on account of unemployment were withdrawn. The Government decided to depart from the Gold Standard.

THE DEPARTURE FROM THE GOLD STANDARD, 1931

In the weeks immediately following the departure of sterling from the gold standard in September, 1931, an improvement was shown in the weekly unemployment statistics issued by the Ministry of Labour. In certain of the staple industries, such as

cotton, wool, mining, and metal manufacturing, a distinct impetus was given to employment, and a number of other trades dependent upon the basic industries shared in the partial revival, but in certain other trades, such as building and public works contracting, and the distributive and transport industries, the seasonal decline which set in during the autumn offset the general improvement to some extent. According to a report which was issued by the Ministry of Labour with regard to employment conditions in November, it appears that there was a further improvement, on the whole, in employment during that month. An improvement was shown in the coal-mining industry, general engineering, and in the textile trades among others; but employment declined in iron and steel manufacture, ship building, and ship repairing, and also in the building and contracting industries. There was a further slight improvement in the Midlands and the North of England, particularly in the north-western division, where, for the first time in 1931, the percentage of insured persons unemployed was lower than at the corresponding date in 1930. Figures given by the Ministry show that among workpeople insured against unemployment in Great Britain and Northern Ireland, the percentage unemployed in all industries taken together was 21·4 at 23rd November, 1931, as compared with 21·9 at 26th October, 1931, and 18·9 at 24th November, 1930. It is estimated that on 23rd November, 1931, there were approximately 9,510,500 insured persons aged 16 to 64 in work in Great Britain. This was 74,500 more than a month before, but 53,400 less than a year before.

THE REPORT OF THE (MAY) COMMITTEE ON NATIONAL EXPENDITURE, 1931

This Committee expressed the opinion that a policy of great expenditure on capital works, irrespective of their economic value, as a means of providing work is too expensive. On the usual calculation of 4,000 man years of labour, direct or indirect, for £1,000,000 expenditure it costs £250 to keep a man in work for one year. The saving on maintenance of the man is usually put at about £60 a year. Thus, proceeding on this basis, unless the man's work is worth at least £190 to the nation when it is done, the nation loses economically by carrying it out. They also made recommendations with regard to the Unemployment Insurance Scheme. These are dealt with in Chapter XXVIII.

THE NATIONAL ECONOMY ACT, 1931

As a result of the recommendations of the Committee, a considerable volume of work was curtailed by the National Economy Act, 1931.

The Development (Loan Guarantees and Grants) Act, 1929, was allowed to expire on the 31st August, 1932, and for this reason the Unemployment Grants Committee automatically ceased to function from that date.

THE ANOMALIES REGULATIONS, 1931

The National Government found the system of unemployment insurance accumulating a debt of £1,000,000 per week. It was decided to stop borrowing for the Unemployment Fund and to place the system on a firmer financial basis. By the operation of the Needs Test and the Anomalies Regulations, 1931, considerable savings were effected and also by the reduction of the amount of weekly unemployment benefits payable. The justification for this reduction was stated to be that the cost of living had decreased since the amount was fixed previously.

The introduction of the Needs Test was responsible for a saving of about £15,000,000 in assistance and £3,000,000 in administration expenses.

The Annual Report of the Minister of Labour for 1932 reviewed the administration of the Department for the year. Over the whole field of industry, the volume of unemployment moved between relatively narrow limits compared with recent years, the minimum and maximum monthly percentages being 20·8 and 22·9. There was, however, a considerable slowing down in the growth of the volume of unemployment. The total volume was only slightly higher than in 1931. The average numbers in employment fell by 69,000 compared with 376,000 in 1931 and 423,000 in 1930.

During the years 1933 and 1934 a steady improvement took place in the amount of employment available in most industries. It was anticipated that the full operation of the Unemployment Act, 1934, as described in subsequent chapters would still further improve the administration.

RELAXATION OF ECONOMY RESTRICTIONS

The severe economy restrictions of 1931 showed signs of relaxation in 1933. The Minister of Health made a statement in the House of Commons (Hansard 1053–1062, 15th February), to make it clear that there was no Government blockade against public works. It was stated that even works which are not remunerative would, where a good case could be made out on grounds of economy or expediency, receive sympathetic consideration for the granting of powers and, where applicable, Government grants.

The belief grew that some effort, even if it involved additional outlay, should be made to obtain some productive return for public expenditure and that it would be beneficial both to the unemployed and the community.

On the other hand, the Minister of Labour stated in the House of Commons on 27th April, 1933, that the Government did not intend to return to the policy of State-assisted public works for the relief of unemployment.

UNEMPLOYMENT ACT, 1934

It may be mentioned that this Act restored, from the 1st July, 1934, the rates of unemployment benefit to those prevailing before the economy provisions of 1931. The minimum age of entry into insurance was lowered from 16 to the statutory school leaving age (normally 14) from the 3rd September, 1934. Approximately 900,000 juveniles were brought into insurable employment. Under Part II of the Act the new Unemployment Assistance Board was set up and the Government accepted responsibility for the great majority of the able-bodied unemployed. (See Chapter XXXI.) Provision was made for the termination of the transitional payments scheme (see Chapter XXX). The Unemployment Assistance Scheme came into operation in two stages. From the 7th January, 1935, applicants under the transitional payments scheme were transferred to the Board.

Owing to certain difficulties which arose through the operation of the regulations issued by the Ministry, "standstill" arrangements were made under which the previous rates of transitional payments were assured to those who otherwise would have received a reduction in unemployment assistance. The "standstill" arrangements were terminated upon the introduction of new regulations on the 16th November, 1936. On the 1st April, 1937, the Board took over from the Public Assistance Authorities the responsibility for those who came within the scope of Part II of the Act but who did not belong to the former transitional class.

WELFARE WORK FOR THE UNEMPLOYED

Under Section 13 (4) of the Act of 1934 (now Section 79 (i) of the 1935 Act) the Minister of Labour, with the approval of the Treasury, was empowered to contribute towards the cost of courses of instruction in occupations for the unemployed. The Minister has made grants through the National Council of Social Service towards occupational centres of various kinds. The grant is made upon condition that an equivalent sum was provided from voluntary sources. Many civil servants, local government officers, staffs of banking houses, and others in regular employ-

ment consented to regular contributions being deducted from their salaries for this purpose. It was also a condition that the grants should be limited to areas suffering from severe and prolonged unemployment and be normally used for capital purposes. The National Council also used its funds to assist regional bodies for organizing expenses of clubs and salaries of instructors for craft work, physical training, etc. The Ministry's grants have been £50,000 (1934), £68,000 (1935), £75,000 (1936), and £150,000 (1937), In 1937 there were approximately 1,800 welfare centres, 850 occupational centres for regular craft and physical training, and 750 other centres providing some occupational activities. The remainder were recreational centres. In 1936 the Council issued a comprehensive report on its work entitled "Unemployment and Community Service."

JUVENILE TRANSFERENCE SCHEME

A scheme for the transfer of juveniles from areas where there is an appreciable surplus of juvenile labour to those areas where there was a definite demand for their employment, came into operation in February, 1928. Hostels were established to provide adequate accommodation where it was found necessary, as in London and Birmingham. In other cases suitable lodging accommodation was obtained. Weekly grants were paid to assist maintenance where the employment was not fully self-supporting. Before employment was approved, the conditions must be shown to be not less favourable than those generally recognized in the district, and there must be indications that it was likely to provide regular and progressive employment so as to render the juvenile self-supporting by the age of 18 at least.

INSTRUCTION FOR UNEMPLOYED JUVENILES

The Act of 1934 imposed a statutory obligation on Local Education Authorities for Higher Education to provide any necessary courses of instruction for unemployed juveniles in order to give them a real interest in life and keep them mentally and physically alert. These provisions are now contained in the consolidating Unemployment Insurance Act, 1935.

Training for specific occupations is not intended, but such instruction as will assist their entrance into employment. A grant of 75 per cent of the net approved expenditure is provided by the Ministry and this may be exceeded in distressed areas.

Unemployed juveniles can be required to attend these courses, whether in receipt of benefit or not. During 1936 the facilities of the school medical services were extended to those attending these courses, and provision has been made in the Unemployment

Insurance Act, 1938, to give local education authorities as part of their functions under the principal Act power to provide meals for juveniles attending the Course on the same lines as meals were being provided under the Education Act, 1921, for children attending public elementary schools, and milk and biscuits during the hours during which instruction is being given.

UNEMPLOYMENT (AGRICULTURE) ACT, 1935

This Act extended the insurance scheme to agriculture (including horticulture and forestry). Special rates of contributions apply to this group of insured persons. The agricultural scheme is financially self-contained. Particulars of the scheme are given in a later chapter.

EXTENSION OF INSURANCE

The Unemployment Insurance (Insurable Employments) Regulations, 1937, brought into the general scheme of insurance as from 4th April, 1938, certain classes of domestic workers employed in any trade or business not carried on for gain, but excluding those in residential educational establishments, whose work is similar to indoor private domestic servants, those employed in horticulture, and certain outdoor servants; and the Unemployment Insurance (Insurable Employment) Regulations, 1938, as from the same date, brought in persons employed in domestic service in driving a mechanically propelled vehicle (chauffeurs, lorry drivers, etc.). By the Unemployment Insurance Act, 1938, outdoor private domestic servants employed as gamekeepers, warreners, ghillies, river keepers, water bailiffs, grooms, or stablemen, but not in any trade or business carried on for the purpose of gain, were brought into the Agricultural Scheme as from the 4th April, 1938, and from the same date, the Minister of Labour by the Unemployment Insurance (Insurable Employments) (Agriculture) Regulations, 1938, made under the 1938 Act, brought into the Agricultural Scheme outdoor domestic servants employed as boatmen, coachmen, gate-keepers, hunt servants, kennel men, lodge-keepers, rabbit trappers, and rangers, except where they are employed in any trade or business carried on for the purpose of gain.

INDUSTRIAL RECOVERY

During the year 1933 there was a steady improvement in the employment situation. At the commencement of the year the registered unemployed in Great Britain numbered 2,903,065, the highest ever recorded. At the end of the year it had fallen by about 500,000.

The forces making for recovery continued to operate in 1934 and in September the low record of 2,082,000 was reached.

In October, 1935, the figure had fallen below the two million mark (1,916,000) and in October, 1936, a new low record of 1,612,000 was registered.

The improvement continued until June, 1937, when a low record figure of 1,356,598 was reached.

In September, 1937, the method of counting the unemployed was altered. The new basis increased the September figures by 50,000. Owing to the change in procedure the figures before and after this date are not strictly comparable although the degree of disparity is only slight.

During 1937 the unemployment figures decreased by 250,000 during a period when the figures of those in employment rose by 500,000. Throughout the first eight months of the year the level of employment was considerably over half a million higher than the corresponding period in 1936. In the latter part of the year there was a decline, but in December the total was still 200,000 higher than a year before. With the sole exception of December, the monthly unemployment totals were consistently less than in the corresponding months of 1936, and the average for the year was over 250,000 less. The greater part of the expansion occurred in the South and the Midlands.

THE DRIFT TO THE SOUTH

"Contrary to a widespread impression the greater expansion of the South is not primarily caused by the wholesale emigration of workers from our less prosperous areas in search of employment. The case is rather that new enterprise has tended to look favourably upon the South when determining the location and a higher proportion of the local population has been attracted into insurable employment. The increase of unemployment was twice as severe in the North, excepting the North-eastern Division, and three times as severe in Wales as in the South. Although the insured population of the whole country is divided roughly equally between the North and South groups, the North group contains about two-thirds of the total unemployment." (Ministry Report for 1937.)

THE DISTRESSED OR SPECIAL AREAS

The fall in the numbers of registered unemployed in 1933, although extending to all divisions of the country, showed marked differences between divisions. During 1934 the average percentage rate of unemployment among insured persons in the various divisions was as follows—

	Per cent
London	9·2
South-eastern	8·7
South-western	13·1
Midlands	12·9
North-eastern	22·1
North-western	20·8
Scotland	23·1
Wales	32·3
Great Britain	16·6
Special Areas	35·0

In certain parts of some districts the variations were still more pronounced, for example, Jarrow 67·8, Merthyr Tydfil 61·9, Birmingham 6·4, and Coventry 5·1.

In view of the heavy and intractable rate of unemployment in Tyneside, South Wales, West Cumberland, and Scotland, in April, 1934, the Government appointed Investigators to report on conditions in those areas.

Following the publication of these reports, the Minister of Labour introduced a Bill to make certain provisions with regard to these "distressed" areas. In response to criticism, the title given to the areas was altered to "Special" Areas.

The Special Areas (Development and Improvement) Act, 1934, provided for the appointment of two Commissioners, one for England and Wales, and one for Scotland, to promote measures for the economic development and improvement of these areas. The "Special Areas," being those with a high percentage of unemployment, were set out in the first schedule to the Act. The Commissioners were authorized to assist other areas if such measures would afford employment for substantial numbers.

The Commissioners were precluded from carrying on any undertaking for the purpose of gain and were originally prevented generally from giving financial assistance to such an undertaking, but this was modified by a later measure. They could, however, provide assistance to an undertaking whose primary object was providing work with a view to establishing the employees in a position of independence of unemployment assistance, or public assistance. Grants or loans could be made to local authorities for small holdings and allotments or other works for which no specific grant was payable by any Government department. The sanction of the appropriate Government department was required to the granting of assistance to a local authority. The Commissioners were authorized to acquire land, if necessary, by compulsory purchase.

Originally limited to the 31st March, 1937, the Act was

extended for two years by the provisions of the Special Areas (Amendment) Act, 1937.

The Commissioners acted under the general control of the Minister of Labour and the Secretary of State for Scotland respectively, who are responsible for all lines of general policy.

A fund was established to provide the necessary requirements of the Commissioners. The sum of £2,000,000 was allocated for this purpose as an initial sum. Relief schemes designed solely for the purpose of providing employment, were not considered. Schemes were required to be productive of social or economic value.

To a large extent the help of the Commissioners was rendered through amenity and public health schemes of local authorities such as swimming baths, sewerages, hospital, welfare clinics, ambulance services, coast protection, promenade improvement, water supplies, small holdings, allotments, land drainage, harbour and quay developments, afforestation and industrial site clearance. Other special schemes included assistance given to examine the possibility of extracting oil from Welsh coal, social work among women and adolescents, holiday camps for school children, community centres and occupational clubs. Labour had to be recruited from the Employment Exchanges and preference given to married men over 35. Wages must be at the rate normally applicable to the work and regard must be paid to local working conditions.

Administration. The Commissioner had two Industrial Officers on his Headquarters Staff and was assisted by voluntary Industrial Advisers—Lord Portal, Mr. Frank Hodges, Sir Frederick Marquis (now Lord Woolton) and Mr. Hugh Roberts.

Each Special Area had its District Commissioner with a local organization. Regular Conferences are held for the exchange of ideas and the co-ordination of their work. There was co-operation with voluntary bodies such as the Land Settlement Association, the National Council of Social Service, the North-eastern Housing Association, the Welsh Land Settlement Society, and the Nuffield Trust.

Development Councils. In each Special Area an Industrial Development Council was established for the purpose of reviving local industry and attracting new enterprises. Under the Local Authorities Publicity Act, 1931, these Councils may be aided by their local urban authorities up to the product of a halfpenny rate. The Commissioner also assists the Councils out of the Special Areas Fund. Publicity and propaganda is carried out by the collecting, collating, and dissemination of information at home and overseas through the Press and the wireless. The Travel

and Industrial Development Association undertakes much of the work of foreign publicity. Other methods of propaganda include the issue of handbooks and posters, advertising the industrial advantages of an area or encouraging tourist traffic, and the taking of stands at the British Industries Fair.

Trading Estates. Owing to the lack of private enterprise due to the absence of the incentive of gain through the risk involved, the Commissioner established four trading estates financed by the Special Areas Fund—the North-eastern, South Wales, West Cumberland, and South-west Durham. These estate companies could acquire suitable sites, equip them with facilities such as sidings, roads, power, quays, etc., erect buildings to let on short leases for new industries and long leases to established industries. The boards of directors act in a voluntary capacity and include representatives of the Government and the Commissioner.

Special Areas Reconstruction Association, Ltd. The Special Areas Reconstruction Association was established in June, 1936. Lord Portal was appointed Chairman. The purpose of the Association was to assist by way of loans concerns which are unable to obtain finance through normal channels. There are local boards for the various Special Areas.

New Industries in Depressed Areas. The Commissioners found five main reasons preventing the establishment of new factories in the Special Areas—

1. Inaccessibility to markets.
2. High rates.
3. Fear of industrial unrest.
4. The stigma of past depression.
5. Lack of capital.

They thought the Government might with advantage assist industrialists in coming to a decision with regard to the location of industry by setting up a central bureau of information supplying advice and technical data relating to potential industrial districts.

Transference Out of the Special Areas. Transfer should be intensively applied to areas adjudged to have no industrial or economic future and relaxed in the case of those with better prospects. The rule of life is that the individual must take up his abode where work is to be found and not expect the work to come to him. To leave the workless youths in their existing surroundings will prove fatal to their own interests and disastrous nationally. There should be an obligation on an unemployed man to take suitable work. The State cannot be expected to shoulder the burden of maintaining unconditionally men at home

in idleness when work or opportunities of getting it are declined. It is to be hoped the time will soon come when migration overseas will be resumed.

Shorter Working Hours. Shorter working hours can clearly contribute to the reduction of unemployment. Their effect will be much less than is generally anticipated, as every reduction furnishes an incentive which will successfully bring about an increased degree of mechanization. Workers do not wish for a reduction of hours at the price of a reduction in their standard of living. Further, it would bring about a reduction of spending power and manufacturers should bear a moiety of the cost and the Government bear the other over a short period of years on a downward and sliding scale. It would be necessary to establish a pre-reduction of hours standard for comparison, so that the amount of additional wages paid would be strictly related to the reduced hours worked.

Manufacturers' Reply to Inquiries. A circular was sent to 5,829 representative firms asking for their replies to the following questions—

1. Have you established any works or branches in Special Areas during the past few years?

2. Have you considered within the past five years the choice of a site in one of the Special Areas? If the answer to the above is "yes," would you say you have been deterred by—

(*a*) High rates;
(*b*) Fear of labour trouble;
(*c*) Inaccessibility;
(*d*) Technical trade reasons;
(*e*) Other reasons?

3. Are you now prepared to consider a site in one of the Special Areas for a new works or any extension of your business?

The following result was obtained—

4,066 firms did not reply;

1,313 gave unqualified negatives to all questions;

386 gave qualified negatives to all questions;

64 answered at least one question in the affirmative;

38 stated that they had established new works or branches in the last few years;

35 had considered but decided against sites in the Special Areas;

12 gave no reason for their decision against it;

14 gave technical trade reasons;

7 indicated inaccessibility;

3 fear of labour troubles;

3 lack of capital;

2 shortage of work; and
2 high rates;
1,751 were not prepared to consider sites;
12 were prepared to consider sites;
4 preferred South Wales;
2 County Durham;
2 Tyneside; and
1 Cumberland.
Of the 386 who gave qualified negative replies to all questions—
144 gave technical trade reasons;
80 had ample scope in their present works;
47 had depression in their own areas;
33 referred to inaccessibility; and
25 could not consider expansion.

Government Action. In connection with the rearmament programme the Government expressed the hope of planning works in the Special Areas.

During 1935 the Government undertook to give financial assistance to railway electrification in London and the general development of railway services. The Government insisted in return on preference being given, other things being equal, to firms in the Special Areas.

The spending departments of the Government also accepted the principle, whenever possible, with due regard to price and quality, to place their contracts with firms in the Special Areas.

At Team Valley, Gateshead, and Treforest, South Wales, there are trading estates managed on behalf of the Government by boards of business men who voluntarily render this public service.

At Merthyr, Sunderland, and elsewhere, sites have been bought by the Government on which factories have been built in order to induce the industrialist to enter the areas.

Houses have been erected with a plot of land (cottage homesteads) to let at nominal rents to older unemployed men with families.

In South-west Durham an Improvement Association was formed to improve the amenities of the area and develop sites to a stage at which they will be suitable for industrial purposes.

The Special Areas (Amendment) Act, 1937. The outstanding feature of this Act was the grant of power to the Commissioners to give financial assistance to private firms carrying on enterprise for gain in the Special Areas.

For the purpose of encouraging the establishment of new industries in the Special Areas, the Commissioners were authorized to let factories to firms notwithstanding that they will be operated for private gain. Financial assistance would also be

rendered towards rent, rates, or taxes for a period not exceeding five years.

Upon the recommendations of a Statutory Committee set up for the purpose, the Treasury were authorized to make advances to industrial undertakings newly established in any Special Area or for the purpose of assisting industries in those areas to transfer to certain other parts of the country. For this purpose a fund of £2,000,000 has been made available.

The Commissioners were also empowered to make contributions towards the expenses of repair and improvement of local roads unaided by grants from the Minister of Transport; and also contribute towards the expenses of field drainage up to one-third of the net approved cost providing the labour required being obtained through an Employment Exchange.

The Special Areas shared in the improvement in the unemployment position as the following figures show—

Month	Registered Unemployed	Percentage	
		Special Areas	Great Britain
December, 1934 .	343,992	35·0	16·6
,, 1935 .	317,574	32·7	14·8
,, 1936 .	268,007	27·9	12·5
September, 1937 .	210,608	21·9	10·6

The total commitments of the Commissioners at December, 1937, were £17,000,000. The outbreak of War in 1939 brought the activities of the Commissioners to an end. Their work is now incorporated in the Distribution of Industry Act, 1945, as described later.

SUMMARY OF STATUTORY MEASURES AFFECTING UNEMPLOYMENT

The efforts of the State to deal with the problem of unemployment during the present century may be summarized as follows—

(*a*) **Safeguarding the Home by—**

(i) Old Age Pensions and Widows' and Orphans' Allowances.

(ii) National Health Insurance.

(iii) National Unemployment Insurance.

(iv) Unemployment Assistance.

(*b*) **Assistance of Home Trade by—**

(i) Trade Boards.
(ii) Agricultural Wages Regulation Boards.
(iii) The De-rating of machinery by the Rating and Valuation Act, 1925.
(iv) The De-rating of agriculture by the Local Government Act, 1929, Part V, and the Agricultural Rates Act, 1929.
(v) The Beet Sugar (Subsidy) Act, 1925.

(*c*) **The Stimulation of Foreign Trade by—**

(i) The Trade Facilities Acts.
(ii) The Export Credit Schemes.
(iii) The Colonial Development Act, 1929.
(iv) The Development (Loans Guarantee and Grants) Act, 1929 (lapsed).
(v) The De-rating of Industrial and Freight Transport Hereditaments.
(vi) The Departure from the Gold Standard in 1931.

(*d*) **Relief Works including—**

(i) The Unemployed Workmen Act, 1905, which was repealed as from the 31st March, 1930, under the Local Government Act, 1929.
(ii) The Unemployment (Relief Works) Act, 1920.
(iii) Local Authorities—expediting work, making grants, and sanctioning loans.
(iv) The Unemployment Grants Committee (lapsed in 1931).
(v) The speeding-up of Government work, e.g. the Forestry Commission, Post Office, War Office, Admiralty, and Air Ministry.
(vi) The Public Works Facilities Act, 1930.
(vii) Appointment of Commissions for Special Areas, 1934.

(*e*) **Transfer of Labour—**

(i) Industrial Transference.
(ii) Assisted emigration under Empire Settlement Act, 1922.

(*f*) **Stimulation of Industries by—**

(i) Imposition of import duties and quotas.
(ii) Implementation of marketing schemes.
(iii) Special Areas Reconstruction (Agreement) Act, 1936
(iv) Distribution of Industry Act, 1945.

CHAPTER XXV

EMPLOYMENT EXCHANGES

THE suggestion for the establishment of employment exchanges was not a new one. It had been made from time to time by the various committees which sat at the London Mansion House to deal with the problem of unemployment. By the Labour Bureaux Act, 1902, Labour Bureaux were established in London. Through a Commission of Inquiry into the subject of the Unemployed which sat at the Town Hall in 1893, under the Chairmanship of the Lord Mayor (Sir William Bowring), Liverpool foreshadowed a labour exchange, including a central labour registry. This recommendation was endorsed by another committee in 1894, which advocated a system very similar to that established by the Labour Exchanges Act, 1909, but lack of funds and improvement in trade led to the postponement of the project. No advocate of labour exchanges believed that they would create fresh employment, but considered that they would bring employers and employed together. It was not desirable that there should be discouragement of the individual worker in his own efforts to seek a situation. Labour exchanges were indispensable for the abolition of casual labour and also for the reduction of vagrancy.

EARLY HISTORY

Reports of the Poor Law Commission, 1909. The experiences of the labour bureaux set up under the Unemployed Workmen Act, 1905, led to the unanimous support of the schemes by the Royal Commission on the Poor Laws and Relief of Distress, which reported at the beginning of 1909. "In the forefront of our proposals we place labour exchanges," declared the Majority Commissioners. The Minority Commissioners were no less emphatic, for they declared that "This National Labour Exchange, though in itself no adequate remedy, is the foundation of all our proposals. It is, in our view, an indispensable condition of any real reforms." The difficulty of putting into operation a system of insurance without a system of registering the conditions of the labour market was emphasized.

In the course of a speech delivered in July, 1909, the Rt. Hon. Winston Churchill, then President of the Board of Trade, referred

to the subject of the social and industrial organization of industry in the following words—

> Labour is the only commodity at present which has no market. Everything else is sold in a market, and so a fair price, and a standing price is obtained, but labour—the most precious of all commodities—the only thing which many honest people have to sell—their labour and their skill have no market, but has to be hawked and peddled from door to door and town to town seeking its buyer. The system of labour exchanges, if it is adopted, as I trust it will be all over the country, and comes into general use and custom, will afford to labour all the great advantages of a market. It will tell a man who wants a job where to go to look for one, and it will tell him—and this is just as important—where not to go to look for one. If he is unable to find his way there by himself it will aid him to arrive at his destination, the cost being recovered out of the wages of his new situation when he arrives therein. But there is another branch of social and industrial organization. There is the policy of insurance. It ought to be quite possible—we believe it is quite possible—to organize in many of the great trades of the country—trades like engineering, shipbuilding, and the building trades, where unemployment is chronic, and occasionally very severe—a system by which the workers can in good times make small contributions, which they could easily afford, to a fund to which their employers and the State would also contribute, so that in bad times, when the nip comes, and when they may easily be involved in acute distress, they may draw their unemployment benefit to tide them over to better days. The scheme which I hope to carry through Parliament in the next year will affect two and a quarter millions of the workers of this country, and will enable them to make effective provision against the risk of unemployment; and Mr. Lloyd George is at work upon an even larger scheme which, working with, or working through the friendly societies, will spread the great benefits and advantages of insurance against the death of the breadwinner and other evils of that class to far larger classes than have yet been able to profit by the existing voluntary machinery.

Introduction of Labour Exchanges Bill, 1909. It was on the lines thus outlined that the Labour Exchanges Bill was introduced by the President of the Board of Trade on 20th May, 1909. It received a second reading without a division in June, 1909, and was passed on 20th September, 1909, and became the Labour Exchange Act, 1909, coming into operation on 1st January, 1910. The Act is a short one, of six sections, and provides that the Board of Trade, whose powers have since been transferred to the Ministry of Labour, may establish and maintain in such places as they think fit, labour exchanges, and may assist any labour exchanges maintained by other authorities or persons. These exchanges are "offices for the purpose of collecting and furnishing information either by the keeping of registers, or otherwise, respecting employers who desire to engage workpeople and workpeople who seek engagement or employment." The system of these exchanges is national in that it extends to all parts of the United Kingdom, and is directly managed and paid for by the State. The original scheme provided for about 250 labour

exchanges, divided into about 40 first-class offices, about 40 second-class, and more than 150 third-class and sub-offices. First-class exchanges were to be set up in towns with over 100,000 population, and second-class in those with under 100,000 and over 50,000.

The United Kingdom of Great Britain and Ireland was divided, for the purpose of labour exchange administration, into ten divisions, each in charge of a Divisional Officer. In each division are a number of exchanges of different grades, according to the number and importance of the towns to be served.

System Adopted. The system inaugurated provides that applicants are, as a rule, registered by a clerk who takes down their answers to questions put in accordance with the form of application, including particulars as to their names, occupations, and addresses. The information thus furnished is entered on an Index Card and constitutes a record in the "Live" Register, to which reference is made whenever an intimation is received that employers require this or that class of workman. If there is a demand for the type of employee who is registering, he will at once be dispatched with an introduction card to the factory, works, yard, or workshop, and may receive immediate employment. Those who have obtained employment or have not presented themselves at the labour exchange for some weeks automatically pass on to the "Dead" Register, and the entry will require renewal before the person receives further attention by the exchange.

Separate rooms are provided in the larger exchanges for women and girls, and this department is in charge of a woman superintendent or sub-manager. There is also a room set apart in which employers may interview likely applicants for situations.

Many types of buildings have been temporarily adapted to the requirements of the labour exchange—old post offices, custom houses, chapels, schools, works, factories, and shops. In one or two instances temporary structures of the pavilion type were erected, as, for instance, at Leicester. The Office of Works, in both Great Britain and Ireland, was responsible, as usual in the case of official buildings, for the hiring, adaptation, and furnishing of the exchanges.

The system has an important initial advantage over municipal labour bureaux which eked out, in a handicapping connection with distress committees, a more or less precarious existence in some of our larger towns. All the exchanges are linked up throughout the kingdom, individual bureaux with the divisional clearing-house, and the divisional clearing-houses with a

national clearing-house at Westminster. Returns of situations unfilled and workpeople disengaged are sent from the exchanges to the clearing-houses, and these, in turn, distribute the information to the exchanges in other areas, so that particulars of situations open and workmen seeking employment may reach the favourable labour market. Supply and demand meet each other, to the great advantage of both, and with the consequent national gain. The work and the worker are thus brought into touch throughout the United Kingdom. The Labour Exchanges Act, 1909, authorized advances to be made, by way of loan, towards meeting the expenses of workpeople travelling to places where employment has been found for them through a labour exchange. The exchanges have authority to advance fares (often at reduced rates) to applicants engaged from a distance.

Central Administration. The Labour Exchange sub-department of the Board of Trade was attached to the Commercial, Labour, and Statistical Department, of which Mr. G. R. Askwith, K.C. (afterwards Lord Askwith) was Comptroller-General. It is now one of the Departments of the Ministry of Labour. The first director was Mr. W. H. Beveridge (now Sir William Beveridge), author of the standard British work on *Unemployment*, a former Vice-President of the Central Unemployed Body for London, and now Chairman of the Statutory Committee under the Unemployment Insurance Act, 1935. Prior to taking up the preparatory work for the institution of the State system of labour exchanges, he had played an important part in the management of the London labour bureaux, had done much useful work at Toynbee Hall, and had written largely on social questions as a member of the editorial staff of the *Morning Post*. The General Manager was Mr. C. F. Rey, formerly Private Secretary to Sir Hubert Llewellyn Smith, Permanent Secretary of the Board of Trade. Mr. Rey was an administrative official who had been much in touch with the industrial world and its leaders on both the employing and the employed sides. Several of the divisional chiefs, who were personally appointed by the President of the Board of Trade, had done good social work in London and the provinces, and not a few women students from the Universities secured appointment as assistant superintendents of exchanges. The general staff was appointed by a committee of selection, representing official interests as well as those of employers and employed.

Objects of the Act. The Act had the unique distinction of receiving the almost unanimous assent of Parliament, and also the good wishes of all who desired to see the casual labourer converted into a regularly-employed workman, and the problem

of juvenile employment in some degree solved. It was the first great step toward the elimination from our industrial system of the following cases: (1) the honest workman who wants employment and cannot find it; (2) young persons of both sexes who take "blind-alley" employment for the sake of the immediate earnings and then are thrown out to fill the unskilled labour market to overflowing; (3) the docker who works two days in a week, and is semi-starved for the rest of the seven; (4) the loafer and the work-shirker, always seeking a job, with a strong determination not to find it; and (5) the unfit, for whom the public hospital is probably the right place.

Alteration of Title of Exchanges. On the 11th October, 1916, the Board of Trade announced that in future the labour exchanges under their control would be termed "Employment Exchanges," a title which corresponds more accurately to their real functions. The scope of the Employment Department of the Board of Trade would be enlarged so as to include in addition to Employment Exchanges and Unemployment Insurance, Trade Boards and certain other matters relating to labour. Mr. W. H. Beveridge, C.B., continued to be the head of the enlarged Employment Department. The President appointed Mr. C. F. Rey (hitherto General Manager of Labour Exchanges) to be Director of Employment Exchanges in succession to Mr. Beveridge, with the acting rank of an assistant secretary to the Department.

Later, by the terms of the Ministry of Labour Act, 1916, the work of the employment exchanges was transferred from the Board of Trade to the newly created Ministry of Labour as from 1st January, 1917.

MINISTRY OF LABOUR AND NATIONAL SERVICE

Central Administration. The National Employment Exchange Service had its headquarters at Montagu House, Whitehall, London, S.W.1, until its demolition in 1940, when it was transferred to St. James's Square, London, S.W.1. The title was altered to Ministry of Labour and National Service in December, 1938, when the Ministry was charged with the work of registration under the Military Training Act, 1939, and the National Service (Armed Forces) Act, 1939. For administrative purposes, Great Britain is divided into nine divisions, each under the control of a Divisional Controller, with headquarters at London (for London and Southern-eastern Division), Bristol, Birmingham, Leeds, Manchester, Newcastle-on-Tyne, Edinburgh, and Cardiff respectively. Eire (the Irish Free State) and Northern Ireland have their own Departments in Dublin and Belfast respectively.

Local Administration. The work of the employment exchanges

falls under two main heads, viz. (1) that of bringing together employers requiring workpeople, and workpeople desiring employment; and (2) that of administering the State Scheme of Unemployment Insurance. Under the first head, the facilities of the exchanges are open without fee to any employer wishing to engage workpeople and to any workpeople desiring employment. As regards workpeople, the functions of the exchanges are not confined to those who are unemployed, though naturally the department feels a special responsibility for those who are actually out of work.

(*a*) **General Organization.** At the present time there are something like 1,200 local offices, which cover the whole of Great Britain. They are grouped in Divisions each with a Divisional Office.

Each divisional office controls its own group of exchanges and branch offices, each branch office being subject to supervision by the appropriately situated employment exchange. Thus Liverpool Exchange is under the Divisional Office at Manchester, which controls the local offices of Cheshire, Lancashire, and the Glossop and New Mills district of Derby.

With three exceptions each of the exchanges deals with all types of labour. Of the three specialist exchanges one is established for the purpose of dealing with women workers in the important field of women's employment in the West End of London; the second deals with the Building Trades in London; and the third is concerned with the Hotel and Catering Trades.

(*b*) **Intensive Clearing Areas.** If vacancies cannot be filled locally, particulars are sent first to the group of neighbouring exchanges known as Intensive Clearing Areas. These are formed by grouping together a number of contiguous exchange areas within which as a whole the workpeople are within daily travelling distance of the centres of employment. Thus, the Tyneside exchanges (15 in number) form the Tyneside intensive clearing area with the centre at Newcastle. Each Tyneside exchange forwards weekly to Newcastle Exchange classified particulars of the labour available on its register, and Newcastle forwards a weekly summary for Tyneside as a whole to Newcastle Divisional Office.

(*c*) **National Clearing House Gazette.** If vacancies are still unfilled, the particulars are sent to headquarters and thence printed and circulated throughout the country in what is known as the *National Clearing House Gazette*, which is a confidential daily "newspaper" circulating to all exchanges in the country. Each exchange is thus kept informed from day to day of the unfilled vacancies at all other exchanges.

Unemployed Register. The administration of unemployment insurance involves periodical visits to the exchanges by unemployed workpeople for the purpose of signing the Unemployed Register or Trade Union Vacant Book, the payment of benefit, the offer of suitable employment, and corresponding matters. Special arrangements apply to workpeople who claim benefit through their associations instead of through the exchanges. A separate record card is kept for each person registered at the exchange. This contains a carefully compiled account (in many cases covering many years) of the applicants' previous experience and qualifications, including experience of any other work of which the applicant is capable in addition to the main occupation. The account also includes such personal information as age, etc., which may be of considerable importance in determining suitability for a particular vacancy.

The cards are classified under some 500 main occupational groups covering more than 15,000 sub-occupations. In addition to all persons claiming benefit, the records relate to many persons who, though unemployed, are not entitled to benefit, and others who are already in employment but desire other work—in a word practically all persons, whether skilled or unskilled, seeking work of any kind.

Selection of Applicants for Vacancies. Submission to vacancies is made either by the introduction of an applicant personally to the employer by means of a special card of introduction known familiarly as a "green card" or, in other than local cases, by submission of details on a special form through the appropriate exchange.

The employer is asked to state in the space provided on the card whether or not he has engaged the bearer and to return the card (post free) to the exchange.

Women's Departments. Women are dealt with in a separate department of each exchange, which, in all but the smallest exchanges, is in charge of a woman officer. The effect of the War has naturally been to increase very greatly the work which exchanges do in connection with women. In the larger provincial towns a separate office is provided for private domestic service and in all cases a separate provision of counter accommodation. There is a Woman's Sub-Committee of the Local Employment Committee. (See page 429)

Juvenile Sections. Boys and girls under the age of 18 are dealt with in a special department of each exchange, except in case of the smallest exchanges. In about 200 areas Juvenile Advisory Committees have been set up in connection with juvenile departments of exchanges. In those areas where the

Local Education Authority administers unemployment insurance for juveniles, the Committees are termed Juvenile Employment Committees. Juvenile Advisory and Employment Committees have similar functions as the other Committees with regard to Juvenile Employment, but they also deal with peculiar difficulties involved in the movement, supervision and after-care of juvenile labour.

Courts of Referees. Mention should also be made of the Courts of Referees which are local bodies for deciding disputed claims to unemployment benefit. These Courts, presided over by an independent chairman, together with one representative each of employers and workpeople drawn from panels, are more appropriately dealt with in the later chapters dealing with Unemployment Insurance.

LOCAL EMPLOYMENT COMMITTEES

When the employment exchanges were first established, Labour Advisory Boards, consisting of representatives of employers and workpeople, were set up. These were subsequently replaced by Local Committees, now known as Local Employment Committees.

Membership of Committees. The Committees consist of two industrial panels composed of equal numbers of representatives of local employers and workpeople, nominated, as a rule, by the respective associations in the various localities, together with an additional panel (in no case exceeding a third of the total membership) containing representatives of other local interests, such as local authorities, bodies representing ex-service men, and other similar bodies. The chairman is nominated by the Minister, and the committee may, if they so desire, appoint a vice-chairman. There is normally at least one woman member on each committee; and provision is made for the attendance of official representatives at the meetings of the committees and sub-committees, and the necessary secretarial assistance is provided by the department. The usual allowances for travelling, subsistence, and lost time are paid to members attending meetings of a committee or sub-committee.

Number of Committees. There is in general one committee for each exchange. In large towns, however, in which there is more than one exchange, and in certain other special cases, two or more exchanges may be grouped under one committee, sub-committees of which being formed, if convenient, for the various exchanges.

Functions of Local Employment Committees. The Committees

are empowered to take into consideration and give advice on any matters arising out of the working of the exchange. The Committees are not confined to the discussion of matters referred to them by the Department. Reports and figures with regard to the current working of the exchanges are furnished to the Committees. One of the most important duties of the Committees is to enlist the co-operation of both employers and workpeople in the use of the exchange, bearing in mind that its value to each is enhanced by the degree to which it is used by all. Objections and criticisms, whether on general or special grounds, are considered by the Committee, whose duty it is to make suggestions for meeting them. The manager of each exchange, under the supervision of his divisional controller, remains responsible to the Department for the detailed working of the exchange and for the control of the staff. At the same time, the officers of the Department make full use of the assistance and guidance of the Committee in adjusting the various matters of grievance or difficulty that inevitably arise from time to time.

Sub-Committees. In accordance with the Regulations, sub-committees may be appointed for dealing with special subjects, e.g. Placing Sub-Committees to promote the greater use of the exchanges by employers in the recruitment of labour. The membership of the sub-committees is subject to the approval of the Minister, who, however, proposes that the committees should have a wide latitude as regards the selection of the members; the membership of these special sub-committees need not be confined to persons who are already serving on the main committee.

Women's Sub-committee must be appointed in all cases, unless the Minister is satisfied that it is unnecessary. The special problems arising in connection with the employment of women are dealt with in the first instance by the women's sub-committee.

DOMESTIC TRAINING. Training for domestic service is provided at Home Training Centres. Classes are held on five days a week. Each course lasts from three to four months. Allowances are made and travelling expenses to the Centre paid. Trainees are given a free outfit.

EX-SERVICE MEN. The exchanges now receive particulars of all soldiers, sailors, and airmen who are being discharged from the Navy, Army, or Air Force, and the Committees endeavour to supplement the exchange machinery wherever necessary in dealing with these men. For instance, they arrange interviews or they may take special steps to find openings suited to them.

LOCAL ASSOCIATIONS. The exchange premises, in most cases, include rooms which are suitable for use for meetings of local associations, such as branches of trade unions or approved societies, and are made available for such use, under proper conditions (including the payment of a small fee). The Regulations provide that accommodation for such purposes is to be granted by the Department in accordance with rules to be drawn up by the Local Employment Committee and approved by the Minister.

Where JUVENILE EMPLOYMENT COMMITTEES are established, the Local Employment Committees are not concerned with boys and girls under 18. In order, however, to bring these special committees into proper touch with the Local Employment Committees, the former nominate a representative for appointment as an additional member on the latter. In connection with the Juvenile Employment Committees are After-care Committees, which are also represented upon the former body. The work of these committees is referred to in the chapter on Labour Management.

One should fully appreciate the importance of the problems with which the Local Employment Committees are thus called upon to deal, and few will be disposed to under-estimate their difficulty.

THE KING'S NATIONAL ROLL

The National Scheme was launched on 15th September, 1919, being inaugurated by a Royal Proclamation (copy below) in which His Majesty the King reminded employers of labour of the obligation they owed to the men who had been disabled in the defence of the country.

The King's National Roll contains the names of those employers who have entered into an undertaking with the Minister of Labour to employ 5 per cent, or such less percentage as the Minister agrees is reasonable in view of the special circumstances of the case, of men disabled in the War, in accordance with the terms of the National Scheme for the Employment of Disabled Men.

The Local Employment Committees of the Ministry of Labour were originally responsible for the detailed working of the Scheme, but in later years, in the larger areas especially, local King's Roll Committees have been formed under the auspices of the King's Roll National Council, of which Admiral Lord Keyes is Chairman.

BY THE KING

A PROCLAMATION

GEORGE, R. I.

We having learned that many men returned from Service with Our Navy, Armies and Air Forces, disabled whether by wounds or physical afflictions, have not yet found a permanent means of livelihood and being persuaded that it is a clear obligation upon all who, not least through the endeavours of these men under the mercy of Almighty God, enjoy the blessing of victorious peace to make acknowledgment of what they have suffered in Our behalf:

Now, Therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation most earnestly charging all those of Our loyal subjects, being employers of labour, that they do bind themselves to take into and keep in their service as many, being thus disabled, as their several businesses will allow, not being held back in their performance of this high and solemn obligation either by fear of inconvenience or loss, but rather omitting nothing which will secure that occupation be found without delay for all these whose lack of employment would offend the general conscience; and to this end, we have signified Our will and pleasure that the National Roll of those who undertake to employ such men in accordance with the plans prepared by Our Minister of Labour shall be styled and known as the King's National Roll: And We do hereby further exhort all Ministers of Religion in their respective churches and chapels within Our United Kingdom of Great Britain and Ireland to read or cause to be read this Our Proclamation on such convenient days as may be arranged after the issue thereof.

GIVEN at Our Court at Buckingham Palace, this Eighteenth day of August, in the year of Our Lord One thousand nine hundred and nineteen, and in the Tenth year of Our Reign.

GOD SAVE THE KING

This is now superseded by the Disabled Persons (Employment) Act, 1944.

INDUSTRIAL TRANSFERENCE

The difficulty which workpeople would often experience as regards finding the railway fare to secure work at a distance is met by the issue of railway warrants by the exchanges, subject to a signed undertaking from the workman or his prospective employer guaranteeing the return of the advance.

In pursuance of a decision of the Government the Minister of Labour on 6th January, 1928, appointed Sir Warren Fisher, Sir John Cadman, and Sir David Shackleton to be a Board for the purpose of facilitating the transfer of workers, and in particular of miners, for whom opportunities of employment in their own district or occupation are no longer available. The Board issued a report in the following July in which they proposed—

1. A fuller use of Employment Exchanges by all concerned.

2. Loans and maintenance to a man transferred to cover cost of removal and cost of maintaining his family when first taking up new work.
3. Training for younger men to improve their chances of getting jobs.
4. Employment of older men on afforestation developments.
5. Cheaper shipping rates to help migration to the Dominions.
6. Less formality and red tape on the part of Dominions in accepting potential settlers.

TRAINING CENTRES

The Industrial Transference Board expressed the opinion that these centres are an important bridge from the depressed areas to other employment. Juvenile employment centres have been part of the machinery for administration of unemployment insurance for some years, it being a condition for the receipt of benefit that juveniles shall avail themselves of these centres where provided.

The object of the centre is to inculcate and maintain habits of discipline and to eradicate the street corner habit. The number of centres for juveniles has been increased so as to provide facilities for every unemployed juvenile in the distressed areas. From these centres considerable numbers of boys have been placed in carefully selected positions in the South and West, where prospects of permanent settlement are good, and where their welfare is supervised by the Juvenile Employment Committees in those areas.

In the case of women, while the demand for domestic trainees remains insatiable, the number of recruits remains very low indeed.

Men are provided with either a training centre or what are generally known as "condition centres." The Government Training Centres give six months' instruction in carefully chosen occupations to men who seem likely to benefit thereby and the men are then normally placed as improvers pending their attainment of sufficient skill to qualify for full rates of pay.

The trades selected include bricklaying, carpentry, coach work, cooking, fitting and turning, hairdressing, hotel waiting, motor mechanics, panel beating, plastering, sheet metal working, welding, etc.

At the "conditioning" Instruction Centres men who have had long spells of unemployment and whose hands and muscles have become soft are accommodated and spend some weeks in healthy outdoor work such as tree felling. In due course they are usually posted to State-aided work in busy areas whence the local

employment exchange managers are responsible for drafting them into ordinary industrial work.

OVERSEAS SETTLEMENT

Migration to the Dominions may be (*a*) without assistance; (*b*) with assistance under the Empire Settlement Act, 1922. The latter may be provided by means of (i) Assisted Passages; and (ii) Land Settlement. For this purpose training facilities are available through the employment exchanges.

Committee on Empire Migration. The Committee appointed by the Economic Advisory Committee under the Chairmanship of Viscount Astor issued its report on 12th May, 1932. The Committee state that we have, for the time being at all events, a surplus of population relative to the absorptive powers of our industrial life, and under such conditions the Committee is satisfied that emigration, regarded as a whole, is a definite economic advantage to the State.

With regard to the Empire Settlement Act, 1922, the committee invite Parliament to approve amending legislation abolishing the statutory proportion as between the Government in the United Kingdom and the Governments in the Dominions and voluntary associations in respect of expenditure designed to enable persons to migrate from this country for the purpose of taking up fresh occupations in the Dominions, the expenditure included under this heading being—

Passage and incidental expenses before departure.

Landing money and reasonable placing.

Reception and incidental expenses after arrival, after-care, etc.

Training.

Administrative expenses of approved migration agencies (with certain restrictions).

The amending legislation incorporated the present principle that not more than 50 per cent of the cost should be defrayed from United Kingdom Funds should be maintained in the case of land settlement and development schemes, subject to certain authorization being given to the Government of the United Kingdom.

Administrative changes recommended are—

That the arrangement by which in recent years part of the work of migration has been conducted by the Ministry of Labour should be terminated as soon as possible, and that responsibility for the administration of the migration policy of the Government should be concentrated in a single department: viz. the Overseas Settlement Department of the Dominions Office; but that on the resumption of migration activities the Ministry of Labour should

be invited to continue the migration work which they have conducted through their employment exchanges, not as part of their own work, but as the agents and at the cost of the Overseas Settlement Department. That the Dominions Office and the Treasury should take concerted action to secure a high degree of flexibility in the administration of the Act in order that full advantage may be taken of the opportunities for migration that may be expected on the return of prosperity in the Dominions.

MISCELLANEOUS FUNCTIONS

Other duties include—

1. The supply of figures regarding local food prices for the compilation by the Ministry of Labour of the monthly "Cost of Living" index figures.

2. The publication of the *Ministry of Labour Gazette.* This is obtainable monthly on subscription and gives information about the employment position throughout the country and other matters.

3. The monthly publication of the *Local Unemployment Index,* also obtainable on subscription. It is helpful to manufacturers and distributors in adjusting their advertising and sales activities to the changing position in various areas.

4. The analysis from time to time of the Unemployment Registers for the purpose of providing data to form the basis of a national policy, e.g. continuance or amendment of the Coal Mines Act, etc.

LIVERPOOL DOCKS CLEARING HOUSE SCHEME

Note. In 1941 a White Paper was issued entitled "Dock Labour in Merseyside, Manchester and Preston areas." As a war-time measure the Government decided that all registered dock workers at certain specified places should be employed by the Ministry of Transport. To implement this decision arrangements were made primarily on the traditions prevailing in Liverpool, consequently, the description of the Liverpool scheme is retained principally for research students.

Where a body of casual labour is engaged along a large river frontage such as obtains in London, Liverpool, and elsewhere, cases of genuine hardship must occur, e.g. a man may have to trudge several miles to collect his wages from two or three different firms on a Saturday. This means to say that a hard-worked docker is forced to spend his "holiday" collecting his wages. By means of the Liverpool Docks Scheme, a man gets all his wages, from whatsoever source earned, at one spot.

This Scheme owes its origin to a Joint Committee of repre-

sentatives of Shipowners and the Dockers' Union, under the chairmanship of Sir Alfred Booth, Bart., with Mr. Laurence Holt (shipowner) and Mr. (afterwards Sir) James Sexton, M.P. (of the Dockers' Union) as joint secretaries. Administration of the original Scheme, which came into force on 15th July, 1912, was in the hands of Lt.-Col. Ronald Williams, B.A. (Oxon), and Mr. G. H. Edwards, both of the Ministry of Labour. To-day, the Scheme is controlled by the Dock Labour Joint Committee in co-operation with the Ministry of Labour. An Accountant-Manager is in charge, responsible to the Divisional Controller.

For the purposes of the Liverpool Docks Scheme, the Port of Liverpool is divided into six areas named "A" to "F" inclusive. A Clearing House is conveniently situated in each of these areas. Here the tally-holders registered under the Scheme attend to register for proof of unemployment, and on Saturdays attend to receive the wages due to them from the employers in the Scheme.

The detailed working of the Scheme is administered by the Ministry of Labour; but the registration of dock workers, conditions of work and other matters arising out of the relationship between employers and employed are governed by the Joint Committee. At each of the six Area Clearing Houses there is an Area Committee, also composed of employers' and workers' representatives, to deal with matters local to the Area. At the Area Clearing Houses all the procedure in connection with Unemployment Insurance is conducted.

The payment of wages involves the payment of a large sum of money each week at the hands of the Dock Scheme officers, thus saving the employers a considerable amount of trouble.

A further important service rendered by the Scheme is the discharge of the employers' obligations under the National Insurance Acts and the collection of contributions to the Hospital Fund. The Ministry of Labour undertakes—

(*a*) The custody of the workman's insurance cards during such time as he is working at the Docks.

(*b*) To deduct from his wages the workman's contributions for insurance and hospital.

(*c*) To stamp his cards when he has wages to draw.

(*d*) To apportion the employers' contributions for insurance and hospital according to the number of men employed.

The procedure necessitated by the clearance and payment of wages is as follows—

Clearance of Wages. *First Stage.* On the morning of Friday, the firms estimate the amount of their wages bills up to 5 p.m., the time when the wage week ends, and pay in a cheque for that sum to the Accountant-Manager at the Central Clearing House.

These cheques should all be received by 1 o'clock, when they are paid into the Liverpool Branch of the Bank of England to the credit of the Dock Scheme Account and cleared the same day. As the cheques are received, the Accountant-Manager makes a note of the amount against each firm on a list he has already prepared, so that, finally, by an addition of the entries, and by making an allowance for insurance contributions and expenses, he is able to form an estimate of the total sum which will be required to pay the wages on the following day. He then draws a cheque on the Bank of England, and the money is taken out on Friday afternoon and deposited in special safes at the Bank of England. It is necessary that the money should be drawn on Friday afternoon as it has to be apportioned between the managers of the various Area Clearing Houses about 8 a.m. on Saturday. As the exact proportion of notes, silver, and copper is not known until after the clearance, this also has to be estimated.

To facilitate the clearance, wage sheets are printed in different colours to indicate the several areas. Blocks of tally numbers are also allotted to certain firms in each area. In the case of the printed sheets, it is impossible, of course, for numbers to get on wrong sheets; but with regard to the blank sheets, the firms are supplied with particulars of the area division of the numbers and are urged to use every care to avoid errors of this kind, as they involve inter-area transfers and greatly increase the work of the clearance.

The firms are requested to send in their wage sheets to the Central Clearing House, where the clearance takes place, as soon as possible after 5 p.m. on Friday; and the clerks assemble at 6 p.m., by which time there is sufficient material to commence. Usually, all the sheets are in before 9 p.m., but occasionally the clearance is held up until the small hours waiting for some belated timekeeper—the victim of exceptional pressure or insufficient staff. The first duty of the clerk-in-charge is to sort the wage sheets by colour, and with the assistance of three special clerks, to check the arithmetic of the wages sheets and the firm's summary. All discrepancies are counterchecked and initialed by the Accountant-Manager.

Clearance. *Second Stage.* The next step is the actual transfer of the items from the employers' wage sheets to the pay sheets. The latter are large sheets containing by fifties all the tally numbers in the scheme, printed consecutively, though the individual areas deal only with those numbers specially allotted to them. The pay sheets are provided with two gross wages columns opposite each tally number, the assumption being that, nowadays, the docker rarely works for more than that number of firms in one

week. The posting clerks work singly, each having an allotted set of numbers, e.g. "A" area with about 3,200 men registered out of the 3,300 numbers allotted has nine clerks each representing 350 or 400 numbers.

The procedure then adopted by the Table Clerk may be summarized as follows—

1. The amount of wages is entered, item by item, against the relative tally numbers on the Pay Clerks' Wages Sheets together with the relative Key Number in the appropriate column. At the same time he enters the amounts under the relative Key Number on his Check Sheet, and ticks the item on the Firms Wages Sheets as he enters them.

2. On completion of the work detailed in the above paragraph, the Table Clerk totals the items under each Key Number on his Check Sheet and transfers the total amount of wages, together with the relative Key Number to the Summary Column of his Check Sheet. On the Firms Wages Sheet he also enters the total number of items and the total amount of wages against the number of his Table. The Table Clerk responsible for the final abstractions from the Firms Wages Sheet casts the table entries and agrees the totals with those made on the Firms Wages Sheet by the firm. In case of a discrepancy being revealed, the Wages Sheet is re-circulated to locate the error.

3. Columns 2 and 4 (gross wages) of the Pay Clerks' Wages Sheet are then totalled by the Table Clerk and the amount of wages entered thereon is compared with the total wages to be entered as shown on his Table Check Sheet.

The totals of the Tables are then summarized and compared with the Area Check Sheet. This Area "balance" is necessary in order to provide that the amount of gross wages shown on the Wages Sheets has been duly posted to the Pay Clerks' Wages Sheet.

When this has been accomplished, the Table Clerk makes the necessary entries in Columns 6 and 7 of the Pay Clerks' Wages Sheets respecting insurance and hospitals deductions; then enters in Column 12 the net wages due. This is the total of the amounts in Columns 2 and 4, less the deductions in Columns 6 and 7. The Pay Clerks' Wages Sheets are then totalled as to Columns 6, 7, and 12 and cross-cast to balance.

The Table Clerk next abstracts the denominations and numbers of insurance stamps required and fills in the particulars in the appropriate spaces on the Pay Clerks' Wages Sheets.

Subsequently, the Table Clerk proceeds to extract from the Pay Clerks' Wages Sheets the information which is recorded as follows—

1. On Pay Clerks Summary—
   Net wages due as shown in Column 12.
2. On Table Pay Sheet Summary—
   (i) Number of stamps due to be fixed.
   (ii) Net wages.
   (iii) Contributions deducted in respect of—
      (*a*) Health and Pension Insurance;
      (*b*) Unemployment Insurance; and
      (*c*) Hospital Fund.
   (iv) Gross Wages.
3. On Cash Summary—
   Denomination of notes and coin required in respect of each Pay Clerk's Wages Sheet.

Clearance. *Final Stage.* An Area Pay Sheet Summary is prepared in respect of each area from the Table Pay Sheet Summaries as they are received from the Tables. From the particulars thereon is prepared an Area Stamps Requisition giving the number and denomination of insurance stamps required.

As the Cash Summaries are received from the Tables, the forms are totalled and the totals entered on the Pay Clerks' Summaries in the space provided for the cash required.

A Cash Denomination form is then prepared from the information contained therein and totalled in respect of each area.

This form shows the total cash required by the denominations in respect of each Pay Clerk at each Clearing House and is the basis upon which each Area-Manager issues cash to his Pay Clerks. The totals of this form are adjusted to the nearest £10 (in the case of copper to the nearest £1) above the amount shown and the amounts so arrived at are entered on to an Area Cash Requisition which is handed to each Manager, together with the cash required at the Bank of England, the following morning.

On completion of the work, all the forms relating thereto are collected together in Area order. They are then deposited in pouches one for each Clearing House. These pouches are taken to the Bank by the Accountant-Manager the following morning and issued with the cash to the Managers of the respective Clearing Houses.

The Payment of Wages. On the arrival of the Manager at the Area Clearing House and the assembly of the staff, the first thing is to apportion the pay sheets among the pay clerks. Usually, one officer pays about 250 men, and the amount of money involved varies considerably. Each pay clerk is issued with a Pay Clerk's Summary with particulars of his pay sheets

and the amount of change required, plus a small sum for contingencies. This form is a receipt to the Manager for the money handed to the pay clerk, and at the close of the pay constitutes a balance sheet showing the amount of money to be returned to the Manager. It also gives particulars of unpaid and short-paid items and insurance adjustments.

All is now ready to begin the serious business of the day. It is 11.30 a.m., the time fixed for opening the gates of the area and admitting the men. There is a good-humoured rush for a minute, and the men rapidly form themselves into orderly queues opposite each pay window. This is facilitated by the double handrailings which lead to the pay huts. Most of the waiting space is roofed in, so that the men do not get wet in rainy weather. Over each pay hut the numbers which are paid there are prominently displayed, and these are altered as rarely as possible, so that the men know at once where to go. The pressure is soon off, and by 12.15 the bulk of the men have had their money, the rate of payment averaging five men per minute. At Canada Dock ("B" Area), which is the largest Clearing House in the Scheme, more than 3,300 men will have been paid in this time from fifteen pay windows. It should be mentioned that the men have two or more metal discs or tallies in their hands. These are the Ministry of Labour's registered tally and the tally or tallies of the employers. The latter may be brass or white metal, the different metals being used in alternate weeks.

These tallies play an important part in the working of the system, and it is necessary to realize what they stand for. In the first place, the Ministry of Labour tally is the emblem of registration in the Scheme. It is also a guarantee that the holder has two insurance cards deposited at the Clearing House. When engaging their labour, the timekeepers are required to take a note of the men's Ministry of Labour tally number, in order to book their time and, incidentally, to keep out unregistered men. This tally has also to be produced at the time of payment of wages for identification purposes, but after inspection it is returned to the man.

The employers also issue tallies in accordance with the old-time custom of the Liverpool Docks. These are given to the docker when he is engaged, and are a token that wages have been earned. They are surrendered at the pay window as a receipt for wages received. The clerk has, therefore, to see that he gets an employer's tally for every item on the pay sheet and also that it corresponds to the key numbers given. These tallies are also placed in the same compartment of the cash tray from

which the money has been withdrawn. There is an obvious advantage in this system. It is a visible proof that payment has been made and is a check on the marking off of the pay sheet. It is also valuable evidence in case any dispute should arise as to the identity of the actual recipient of the money. For instance, occasionally a pay clerk will misread a number and pay the earnings of, say, 24598 to 24578; when the holder of the former tally appears, his money, which may be the larger of the two amounts, has been paid, and the question is, to whom? This can readily be traced by means of the firm's tally, and a reference to the employers, who record both the Ministry of Labour and their own tally numbers in their time books. They can thus give the necessary clue to the man who has been paid the wrong amount.

The pay huts remain open till 1 p.m. (or later, if necessary, when men are working late), and at the close of the pay, the pay clerk goes over the trays and compares the amounts remaining on hand with the unticked items on the pay sheets, and also with the notes in those cases where the full amount has not been called for. A careful list of these—"unpaids" and "short-paids"—is then made up on the Pay Clerk's Summary, and the balance of cash handed over to the Manager.

Disputes. In connection with the payment of wages, the most difficult and troublesome incidents are the disputes which arise, for it is practically impossible to avoid these altogether. A special officer, with efficient knowledge of the docks and a tactful manner, is detailed to deal with these cases at a separate window, away from the pay huts. It is obvious that the pay clerk cannot afford the time to go minutely into every case. When, therefore, a docker protests against the amount which is tendered at the pay window, and the clerk is unable in a few words to convince him that it is right (e.g. by suggesting that he might have had a "sub" which he has forgotten, or by asking what time has been worked and making a mental calculation), he gives the man a note to the Dispute Window. This simply gives the man's tally number and states the amount which the man has actually received, and which in no wise prejudices his claim to a further amount if due to him. The Disputes Clerk then investigates the case, first, by reference to the employers' actual wage sheets, to make sure that an error has not been made in transferring the amount to the pay sheet. If he is satisfied that the man has some cause for complaint, he will try to settle the matter by telephoning to the firm concerned. Failing that, he gives the man a Dispute Note to take to his firm, which usually has the desired effect. The timekeeper may convince the man that the

amount paid is correct, failing which he either pays the man the balance direct, or authorizes the Ministry of Labour to do so. In any case, the timekeeper is required to fill up and return the Dispute Note, so that the circumstances can be recorded and, if necessary, representations made to the particular firm to ensure greater accuracy. Occasionally, when a man has asked for a less amount than that booked to him, he will come back and claim the balance, alleging that he made a mistake in the first instance. In these cases, the attention of the firm's timekeeper is drawn to the circumstances, and a special authority is obtained before paying the further amount.

Insurance. The next operation to be considered is that of stamping the insurance cards. It is impossible for this to be done on Saturday at the time of the payment of wages, and it is, therefore, carried out on the following Monday. The exchange of cards and tallies takes place, more or less, every day throughout the week. A man is unable to get a job at the docks and hears of some employment outside—possibly in the building trade, or in a grain warehouse; he, therefore, deposits his tally at the Clearing House and demands his insurance cards. If he has already worked at the docks during the current week, he brings a note from his timekeeper to that effect, and his card is stamped to date on withdrawal, a record being kept of this fact at the Area. If the man has not already worked within the scheme during the current week, he is, on application, given his card unstamped, and that fact is also recorded. In the course of a day or two, the man returns with his stamped card, and the process of exchange is reversed, a note being again made on the form. The objects of keeping these records are to adjust the insurance deduction on the pay sheets for the ensuing Saturday, to ensure the accuracy of the stamping of cards, and to afford statistical data as to the extent of "in-and-out" working.

Financial Arrangements. Reference has already been made to the Wages Summary Sheets. These Summaries are prepared by the firms and are submitted each Friday along with the wages sheets. They contain a return of the number of men employed, and the gross wages payable at each area and at all areas. Most firms send in one such summary, but some of the larger firms, whose businesses are worked in departments, return a Summary for each department. The Accountant-Manager has the custody of these Summaries and, during the clearance of wages sheets on Friday nights, every separate item is checked and, if necessary, altered to agree with the wages sheets as they appear after the arithmetical scrutiny, which is made as a preliminary to the clearance of wages sheets.

When the checking of the Wages Summary Sheets has been completed, the Accountant-Manager proceeds to make up the Wages Sheet Summary, which is simply a summary of the firm's Summaries, and contains the number of men to be paid, and the gross wages payable at each area and at all Areas in respect of each firm and all firms. A wage sheet is, in effect, a mandate by the firm authorizing the Ministry of Labour to pay the wages detailed therein. From time to time, however, small amounts are paid by the Ministry of Labour as wages on the special written authority of a firm, and are generally in rectification of clerical errors on the part of a timekeeper or compiler of a wage sheet. A special return of such items is made to the Accountant-Manager by the Manager paying them.

On Saturday morning the Accountant-Manager satisfies himself that each firm has paid in sufficient money to meet the obligations on that day in respect of wages and insurance contributions. If, on examination, any firm appears to have paid in too little, it is at once communicated with, and a further payment is obtained from it. The Ministry of Labour regulations require that each firm, on entering the Scheme, shall pay, as a permanent insurance deposit, an amount equal to the value of the complete contributions likely to be payable by such firms in one week calculated from the average of the last 13 weeks of the year.

The financial week of the Scheme ends on Monday, and on Tuesday each Manager renders to the Accountant-Manager a Cash Statement showing, on the debit side—

1. The sum received by him on Saturday for the payment of wages.
2. Fines exacted in respect of tallies lost by dockers supported by a schedule;

and on the credit side—

1. The amount of wages paid.
2. The balance returned to the Central Clearing House.
3. The amount held by the Manager on account of unclaimed wages.

The employers participating in the scheme contribute to the Ministry of Labour the cost of the scheme, so far as staff and premises are concerned, in the payment of wages and the stamping of insurance cards. The costs of the Port Registration side of the scheme and of Unemployment Insurance are borne by the Ministry of Labour.

The scheme is now well established, and meets with the approval of both employers and workmen. Indeed, the latter so much appreciate it, that they have declared that if the system of pay were abolished they would "strike" to get it back.

OTHER SCHEMES IN RELATION TO INDUSTRY

The illustration of the Liverpool Docks Clearing House Scheme has been given in detail, because it has received most attention at the hands of those interested in social administration. It is not, however, the only scheme. At Cardiff there is in operation a scheme which has reference to the ship repairers. It has been in existence for some years and is still working with complete acceptance. A similar scheme is in operation at Swansea, and in all some thirty-one Registration Schemes are scheduled in the Report of the Port Labour Inquiry, 1931. What is required throughout the country is the personal contact between employer and worker. Many of the industrial abuses could then be adjusted amicably and for that reason alone such schemes as well as Trade Boards are to be welcomed.

PORT LABOUR INQUIRY

The Minister of Labour appointed a Committee of Inquiry on Port Labour under the chairmanship of the Rt. Hon. Sir Donald Maclean which reported in March, 1931. The conclusions arrived at by the Committee were that the results of their inquiry fully supported the view, already widely held, that everything possible should be done as a matter of vital public interest, to render the Port Transport Industry a means of regular livelihood for a properly established body of workers. While the Report was signed by all the members of the Committee there were no less than three Memoranda supplementary thereto signed by individuals or groups of members. As a result local Committees have been set up to work in conjunction with the Standing Advisory Committee.

DISADVANTAGES OF EMPLOYMENT EXCHANGES

It has been maintained that, taken in connection with the State unemployment benefit, the Exchanges have encouraged strikes and unemployment at a huge administrative cost. It is also suggested that the public little realize the millions the system has cost them, the efforts which have been required to justify the existence of employment exchanges, the pressure necessary to cause their use, the huge present and future expenses they entail, and the bad effect which the system has produced. It has been claimed that before the passing of the Labour Exchanges Act, 1909, matters were quickly shaping towards the recognition and support of the principle that employers must accept some responsibility for their unemployed; that every industry ought to regulate its business so as to reduce unemployment to a minimum, and that the cost of maintenance for those

for whom no employment could be found should be a charge upon the industry. As it is, employers are encouraged by the very system of employment exchanges to accept no responsibility for continuance of employment of the workmen in their industry. Employment exchanges encourage employers to come to them for workmen. As soon as it suits the employer's interests the workers are thrown back upon the Fund, and the Fund maintains them until another employer finds it to his interest to seek their services.

There are, undoubtedly, several administrative matters which demand immediate attention. The Local Employment Committees, which have been referred to at length earlier in this Chapter, are in many respects useless. They require further executive powers, with the right to act on their own initiative. Their work is considerably handicapped by reason of slow departmental decisions. There is still a weakness in the classification, but an official List of Occupations has been prepared, which is constantly under review, comprising more than 350 groups of occupations, which are further subdivided. Each occupation and sub-occupation is given a Code Number of which there are approximately 2,600.

JUVENILE EMPLOYMENT COMMITTEES

While the work of the employment exchanges has been subjected from time to time to stringent criticisms, the Juvenile Advisory and Employment Committees have not entirely escaped these strictures, in spite of the devoted service which many of them have given. Complaints have been made that insufficient steps have been taken to discover new openings in trade, that inadequate staffing has discouraged investigation, that after-care arrangements have merely involved supervision by voluntary visitors in the home, and that few inquiries have been made of employers.

The possibility of a period of depression after the close of hostilities was anticipated in the final report of the Departmental Committee on Juvenile Education in relation to employment after the War. Witnesses urged the importance of a higher school-leaving age, as minimizing the competition of juveniles. The Workers' Educational Association advocated a system of half-time employment and part-time education for all young people between school-leaving age and 18 years, on the lines of the Minority Report of the Poor Law Commission, 1909, to which reference has already been made. A considerable proportion of the members of the Departmental Committee found a possible solution of the problem of juvenile unemployment in a more direct co-operation between local education authorities

and employers. They desired that the exercise of powers by local education authorities under the Choice of Employment Act, 1910, should be compulsory, and that such matters as conditions of work, type of employment, hours, and prospects, and the provision of information, advice, and assistance, to both employers and juveniles, should devolve upon the local education authorities.

Courses of Instruction. The problem of juvenile unemployment became acute during the winter of 1920. By the end of February, 1921, the Ministry of Labour reported 107,600 juveniles registered as unemployed at the employment exchanges of the United Kingdom. A number of Juvenile Employment Committees concerned themselves with the provision of educational and recreation centres, in an attempt to mitigate the grave dangers attending the presence of large numbers of unemployed juveniles in the streets.

In order to extend this work, the Minister of Labour, under the provisions of the Unemployment Insurance Act, 1920, issued Unemployment Insurance (Courses of Instruction) Regulations, 1921, by which attendance at approved courses of instruction may be made a condition for the receipt of unemployment benefit.

The Ministry of Labour may require a juvenile between the ages of 16 and 18 to attend a course as a condition of payment of unemployment benefit. In the case of those between 14 and 16 no such inducement could be urged, for no unemployment benefit was payable, and employers were asked to notify any vacancies for juvenile labour (from 14 to 18 years) to the local employment exchange, so as to give an incentive to workless girls and boys of 14 and 15 years to join the courses. There is now provision to require all juveniles over the school-leaving age to attend courses of instruction. (See Unemployment Insurance Act, 1935, Sections 25, 76 to 80.)

It was unfortunate, however, that these Regulations were held back so long by the departments concerned. In at least one industrial centre, where the Local Education Committee had readily co-operated with the Juvenile Employment Committee, the want of departmental approval led to the abandonment of the scheme, whereas the approval for the abandoned scheme arrived the following week.

CHOICE OF EMPLOYMENT COMMITTEES AND JUVENILE ADVISORY COMMITTEES

There were unfortunate differences of opinion between the authorities concerned as to the administration of Choice of Employment Committees and Juvenile Advisory Committees.

In 1921 this question, which had hampered the industrial and educational welfare of juveniles, was remitted by the Cabinet to an independent adjudicator, Lord Chelmsford. After hearing considerable evidence, he reported in October, 1921, and submitted his proposals for the future administration of Juvenile Employment Bureaux. Lord Chelmsford's proposals abandoned the Joint Memorandum of 1911, and recommended that Education Authorities should exercise their powers under the Choice of Employment Act, and that the decision to act under this authority should operate for a period of five years. He considered it both difficult and undesirable to separate the general administration of the Unemployment Insurance Acts, as they affect boys and girls under 18 years of age, from the general work of Juvenile Employment Committees, and Education Authorities therefore desiring to work the Choice of Employment Act must undertake the administration of Unemployment Insurance. The cost of this part of the work is repaid by the Ministry of Labour, and this naturally involves the observance of the general regulations made by the Ministry of Labour under the Unemployment Insurance Acts.

General satisfaction was given both parties in Lord Chelmsford's final recommendation for the Ministry of Labour and Board of Education to establish—

> "a small Standing Inter-Departmental Committee to discuss questions bearing on the conditions of juvenile employment generally, as well as individual difficulties which may arise, as, for instance, those involved in the necessity for co-operation in placing juveniles between Committees in adjoining areas, and to supervise the collection of industrial information from, and the distribution of industrial information to, Committees of both types."

Some of the difficulties which had arisen in the past had undoubtedly been due to the lack of some kind of co-ordinating machinery between the two authorities, which led each authority to pursue an unrelated policy lacking perhaps in a broad national significance. This Standing Committee could very usefully serve the interests of Choice of Employment Committees and Juvenile Advisory Committees in the area in which Ministry of Labour Committees were constituted, by surveying the main facts of particular industries from the special point of view of juvenile employment, by correlating facts and statistics, and by the making of special inquiries into conditions of juvenile labour. Such information would be extremely valuable to After-Care workers and the officers of the Juvenile Employment Committees, and such a body should prove very useful and

valuable in the guidance of Juvenile Employment Committees all over the country.

STATISTICS

At the 5th July, 1937, the estimated numbers of insured juveniles between the ages of 14 and under 18 were—

	Great Britain		Great Britain and Northern Ireland	
	General Scheme	Agriculture	General Scheme	Agriculture
Males . .	1,176,000	71,000	1,197,350	73,750
Females . .	959,000	7,500	982,050	7,650
Total . .	2,135,000	78,500	2,179,400	81,400

These figures represented increases (+) or decreases (—) between July, 1936, and July, 1937, as below—

Age Group	Males		Females	
	No.	%	No.	%
16 and 17 . .	+ 120,950	+ 21·0	+ 107,000	+ 23·1
14 and 15 . .	− 21,300	− 4·1	− 11,000	− 2·6

CHAPTER XXVI

UNEMPLOYMENT INSURANCE TO 1926

INSURANCE is a contract by which one party, in consideration of a premium, undertakes to indemnify another against loss. To-day it enters into business and private affairs more intimately and indispensably than the majority of people realize. To-day it is clearly established that the purpose of insurance is to preserve from loss, and that only.

"Insurance is a contract of speculation" (per Lord Mansfield in *Carter* v. *Boehm*, 1 Sm. L.C. 491).

"Insurance is a contract *uberrimae fidei* (i.e. "utmost faith") (*London Assurance Co.* v. *Mansel*, 1879, 11 Ch. 363). The object of the contract in marine and fire insurance is that of indemnity, i.e. in case of loss, the person insured shall be fully indemnified, but no more. Contracts of life insurance, however, are not contracts of indemnity; they are contracts to pay a specified sum on the happening of a certain event.

The instrument in which the contract of insurance is set forth is called the policy; the consideration, the premium. The party who undertakes to indemnify is called the *insurer*, and, having subscribed the policy, the underwriter. The party indemnified is termed the insured or assured.

The principal species of insurance are—

1. Transport, including Maritime Insurance.
2. Insurance on Lives, including Accident, Workmen's Compensation, etc.
3. Insurance against Loss by Fire.
4. Miscellaneous, including Burglary, Larceny, Motoring, etc.

Transport insurance probably began thousands of years ago in ancient Babylon; and the Phoenicians practised marine insurance. Life insurance can be traced back to the sixteenth century, but the first life office was the Amicable Society for a Perpetual Assurance Office, established in 1705, which survives as part of the Norwich Union Life Assurance Society. Accident risks became the subject of insurance about the time when the first railways were built. The Railway British and Foreign Life and Property Insurance Company, established in 1845, was the pioneer. In the following year the Fatal Accidents Act, 1846, commonly known as Lord Campbell's Act, created a new situation by destroying the old principle that "a personal cause dies with

the person," and at once a new risk and a new need for insurance was created.

Lastly, unemployment has been met by insurance. This is not a new feature, as before the introduction of the national scheme, it was provided in a way for many years by the Trade Unions. Many trade unions, including nearly all unions of the higher paid grades, provide out-of-work benefits for their members. These benefits vary in amount, but in few cases exceed £1 per week. They run, moreover, only for a limited number of weeks, and prolonged unemployment, therefore, exhausts benefit rights. In the pre-war years from 1910–1914 the principal trade unions spent on the average over £500,000 per year on out-of-work benefit. During 1914–18, the amounts spent were very small; but the periods of depression since 1920 have made immense calls on trade union funds. This means, of course, that many workers have maintained themselves in unemployment out of the wages paid them while in work.

INTRODUCTION

In 1902 the German Imperial Statistical Department instructed the German Home Office to ascertain what schemes had been adopted for insuring against the consequences of unemployment, and with what results. The labours of the German Home Office were completed, and the report, in three volumes, was issued in 1906.[1] There are in this Report many matters of great interest to public bodies in this country, and the attitude of the German authorities at that time towards the question of unemployment and their methods of meeting the trouble are of special interest.

European Methods. According to the Report, France and Norway were then the only countries in Europe in which unemployed benefit funds received monetary aid from the State. In France, the principle was adopted for the first time in the Budget Law of April, 1905, whereby a sum of £4,000 was voted for the ensuing financial year for subsidizing the funds of societies (trade union or other) which provided assistance for their members during temporary unemployment. The Norwegian law, which was passed in July, 1905, came into operation on 1st October, 1906. The amount to be expended by the State in subsidizing the unemployed benefit funds had not been fixed, but of the total expense incurred by the State under this head in any year two-thirds must be refunded to it by the local

[1] "Die Bestehenden Einrichtungen zur Versicherung gegen die Folgen der Arbeitslosigkeit im Auslande und im Deutschen Reich." Berlin: Julius Sittenfeld. 1906.

authorities of the places in which the recipients last resided for a period of six consecutive months within the previous five years.

In Europe there were, in October, 1906, six countries which voted public money for the assistance of unemployment funds, viz. Belgium, Switzerland, France, Italy, Germany, and Norway. Belgium led the way in 1897, when the Provincial Council of Liége voted a sum of £60 in support of the unemployed benefit funds of trade unions. This example was followed by the Provincial Councils of Antwerp, Hainault, and Namur. It is the municipalities, however, that showed the most energy in promoting unemployed benefit schemes based on the principle of self-help.

The Ghent System. The earliest action in this direction was taken by the municipality of Ghent, in August, 1901, as the result of a recommendation made by a Special Commission on Unemployment, which advised the formation of a municipal unemployment fund under conditions specified in a set of rules which they submitted for consideration. The system applied in Ghent was afterwards adopted, with certain modifications, by many other municipalities in Belgium, including those of Brussels, Antwerp, Bruges, Liége, Malines, Louvain, Courtrai, Verviers, and Alost.

First, the municipality established the insurance fund against unemployment and defrayed the cost of administration. This special fund either provided a supplement to sums paid to their members as unemployed benefit by trade unions and other organizations, or supplemented any provision made by individual thrift for the specific case of unemployment.

In the case of unemployed benefit paid by societies, the municipal supplement must never exceed the amount of such benefit. In calculating that amount for the purpose of determining the amount of the supplement, no account was taken of any benefits paid to any one member for a period exceeding sixty (formerly fifty) days in one year, nor of any benefits at a higher rate than one franc (9·6d.) per day. Societies desiring that their members should participate in the supplements provided by the fund, were required to send in each month a return showing the number and amount of all payments in respect of such benefits made by them, and to furnish each year their balance sheet, also their rules and regulations.

In the case of the individual not belonging to any trade union, participation in the municipal subsidies followed if he could show himself "to be the rightful owner of a pass-book showing an account with the National Savings and Pensions Bank, and to submit to the measures of supervision provided for in the

rules of the municipal fund." Sums withdrawn by such a person from the savings bank during unemployment were accorded a municipal supplement at the same rate as that in respect of unemployed benefit.

The fund was administered by a committee re-elected every three years, consisting of members of the town council and representatives of members of the affiliated trade unions and other societies for paying unemployed benefit. The committee appointed an inspector, whose duty it was to verify the declarations as to unemployment made by affiliated unions or individuals, and he was authorized to inspect all books and records relating to unemployed benefit kept by the unions.

The report of the Managing Committee of the fund at Ghent showed that in 1898, before the Special Commission on Unemployment was formed, the total of all sums devoted by the trade unions of Ghent to insurance against want of employment was only £600 a year. In 1900, when the recommendations of the Commission were known, and the trade unions were preparing to avail themselves of the opportunity of having the efforts made by their members supplemented under the scheme, the amount devoted to unemployed benefit reached £1,000. In 1902, the first complete year during which the system of municipal supplements was in operation, the unemployed benefits paid by the Ghent unions (irrespective of the supplements) amounted to £1,648, in 1903 to £1,411, and in 1907 to £1,544. Including the supplements, the aggregate unemployed benefits paid by the unions in those years amounted to £2,295, £2,171, and £2,487, respectively.

The Ghent system was adopted by Antwerp on 1st September, 1906, and during the first complete year of its operation the unemployed benefits paid by the unions from their own resources amounted to £762, and in 1904 to £1,118. By the addition of the municipal supplements these sums were increased to £1,112 and £1,688 respectively.

The object of the framers of this system was not so much to provide relief during periods of unemployment as to stimulate self-help. They claimed that the results of its working showed that their object was attained, one of the good results being the great increase in the number of trade unions all over Belgium which organized unemployed relief. Information available for the German Home Office showed, according to M. Varlez, the President of the Ghent Municipal Unemployment Fund, that this system of public subsidies to unemployed benefit funds was being applied in one form or another in towns and parishes in Belgium with an aggregate population of 5,000,000. Scarcely

any use, however, was made of the individual system, which has therefore come to be regarded as a failure and it was not adopted by the other municipalities. The system was worked entirely by trade unions.

Swiss Methods. Switzerland furnishes two examples of the expenditure of public money by local authorities in aid of unemployed benefit funds. The one is the Berne Municipal Unemployed Insurance Fund, which was established 1st April, 1893; and the other is the Basle Trade Union Unemployed Insurance Fund, which was established 1st April, 1901.

The Berne fund was worked in close connection with the municipal labour registry, and was controlled by a sub-committee of the committee which managed that registry. The amount of the municipal contribution to this fund, originally fixed at £200, represented 64 per cent of the total revenue of the fund for the year ended 1st March, 1905, the rest being made up by contributions from insured workpeople (25 per cent), employers (6 per cent), donations, interest, etc.

The Basle unemployed benefit fund was a trade union institution established by the local trades council. The annual grant from the Cantonal Government, at first £40, was later £80, a sum which exceeded by £6 the revenue accruing to the fund from the contributions of its insured members.

Compulsory Unemployment Insurance. Switzerland was the only country in which the experiment of compulsory unemployment insurance had yet been tried. The experiment was made by the town of St. Gall, under a law passed by the Great Council of the Canton of St. Gall, giving power to municipal and communal authorities to introduce a system of insurance against unemployment, which should be compulsory for all male wage-earning workpeople whose average daily earnings did not amount to more than 4s. The experiment which lasted from 1st July, 1895, to 30th June, 1897 (during which period it was helped by grants of public money amounting to £1,300), was unsuccessful.

Subsidies for Trade Unions. Six towns in France adopted the principle of subsidizing trade union and other unemployed benefit funds. These were Limoges, which adopted the system in 1891, Dijon in 1897, and Rheims, Lyons, Tarbes, and Amiens in 1904.

The sums voted were small. Limoges voted only £42 from 1891 to 1894; for 1896 a sum of £240 was voted, and during the six years 1897–1902 sums amounting in all to £1,780, and the participating unions numbered 32, with 2,285 members in 1902, as against 19, with 1,432 members, six years previously.

The town of Dijon spent altogether £1,054 in subsidies in the years 1897–1902, or about £176 per annum on the average. The

number of unions participating in 1902 was 11, with 3,130 members, as against 13 unions with 2,320 members in 1897. In the year 1900 the town council found "the extent to which trade unions were exerting themselves in order to obtain the subventions to be so slight" that they reduced the vote from £400 to £250.

Rheims and Tarbes voted £200 and £20, respectively, in 1904, and Amiens voted £200 in 1905.

In Rheims and Amiens the municipal supplements were in proportion to the benefits actually paid out of the union funds (the Ghent system); in Limoges, they were based on the number of members belonging to the fund; in Lyons, on the amount of the members' subscriptions, while in Dijon they represented a sum sufficient to meet any deficit not exceeding the aggregate contributions of the members.

Neither Italy nor Germany subsidized trade union unemployed funds. From 1901, a "Society for making Provision for Unemployed Workmen" existed in Venice. The "Insurance Fund," organized by this society, received £400 per annum from the town, and £80 per annum from the Provincial Council, besides the interest on a sum of £1,200 voted by the Town Council in the years 1896–8 for providing for the unemployed. The society at Venice reported that the "experiment at insurance has proved a complete failure," and that the scheme would have to be radically altered. Altogether 452 workpeople insured with the fund in the year 1903–4, and 329 drew unemployed pay amounting to £688.

In Cologne a scheme of "Insurance against Unemployment" was assisted out of public money, the municipality making a yearly grant of £800.

BRITISH PARLIAMENTARY ACTION

The experience gained by the working of the Unemployed Workmen Act, 1905, had received the consideration of the Royal Commission on the Poor Laws and the Relief of Distress which reported in 1909. On the 19th May, 1909, Mr. Pickersgill called the attention of the House of Commons to the recommendations contained in the Minority Report regarding unemployment and moved: "That in the opinion of this House it is urgently necessary to take steps for the decasualization of casual labour, and for the absorption of the surplus labour thereby thrown out of employment; also to regularize the demand for labour, to develop trade union insurance against the risks of unemployment, and to establish training colonies and detention colonies."

The motion, which was seconded by Mr. Percy Alden and

supported by Mr. Ramsay MacDonald, gave an opportunity to the President of the Board of Trade (the Rt. Hon. Winston Churchill) to make a statement on behalf of the Government on the subject of unemployment and the measures to be taken to cope with the problem. The proposals outlined the establishment of labour exchanges and a system of compulsory insurance against unemployment and they received the support of the late Mr. F. E. Smith (subsequently Lord Birkenhead), speaking on behalf of the Opposition.

OUTLINE OF SCHEME TO BRITISH ASSOCIATION

The next step was the Presidential Address to the Economic Science and Statistics Section of the British Association, delivered at Sheffield, in September, 1910, by Sir Hubert Llewellyn Smith, K.C.B., M.A., B.Sc., F.S.S., the Permanent Under-Secretary of the Board of Trade, which department would have the administration of the proposed scheme.

In the course of this address the following points were emphasized, viz.—

1. The scheme must be a compulsory one.
2. It must be on a contributory basis.
3. There must be a maximum limit to the amount of benefit which can be drawn, both absolutely and in relation to the amount of contribution paid. With this double weapon of a maximum limit to benefit and of a minimum contribution, the operation of the scheme itself would exclude the loafer.
4. The scheme must avoid encouraging unemployment. It would be fatal to any scheme to offer compensation for unemployment at a rate approximating to that of ordinary wages.
5. For the same reason, it would be essential to enlist the interest of all those engaged in the insured trades, whether as employers or as workmen, in reducing unemployment, by associating them with the scheme as regards both contribution and management.
6. The group of trades to which the scheme was to be applied should be a large one, and it should extend throughout the United Kingdom, as it was essential that industrial mobility as between occupations and districts should be encouraged.
7. A State subvention and guarantee would be necessary, in addition to contributions from the trades affected, in order to give the necessary stability and security, and also to justify the amount of State control that would be necessary.
8. The scheme should encourage the regular employer and workman, and discriminate between regular and casual engagements. Otherwise, it would be subject to the criticism of placing

an undue burden on the regular for the benefit of the irregular members of the trade.

NATIONAL INSURANCE ACT, 1911

It was upon the principles thus laid down that Mr. Sydney Buxton (afterwards Lord Buxton), President of the Board of Trade, moved the second reading of the National Insurance Bill in the House of Commons, on the 24th May, 1911, claiming that while in regard to many details there would be considerable controversy, there was an almost unanimous feeling with regard to the main principles. The Bill was a somewhat complex one, but the underlying principles were simple. The idea on which it was based was: that under existing conditions the whole burden of sickness, invalidity, and unemployment, over which a workman had no control, fell in the first instance with crushing force on the individual, whether he was provident or improvident. Such conditions were not just, and it was time that the State entered into partnership with the employer and the worker to mitigate, as far as possible, the weight of the burden. The question was whether a scheme of insurance against sickness and unemployment was really possible. This Bill became Part II of the National Insurance Act, 1911, which dealt with both health and unemployment insurance.

The Act of 1911, as far as it related to unemployment insurance, applied to seven groups of workers, viz. those employed in the selected trades which had a heavy unemployment risk—mechanical engineering, iron-founding, building, construction of works, construction of vehicles, shipbuilding, and saw-milling. It applied to about 2,250,000 workers and was on an actuarial basis. Employers and employed contributed equal weekly amounts of 2½d. for each worker and the State added 1⅔d. The rate of benefit was 7s. a week for a maximum period of fifteen weeks in any twelvemonth period, but benefit was not to exceed the ratio of one week's benefit to every five contributions. The first extension was in 1916, when 1,250,000 munition and war workers were added to the list of insured, and in 1919 the rate of benefit was increased from 7s. to 11s. The great change took place in 1920 when the number of insured persons was raised to over eleven millions, and a differentiation made between men and women, the former receiving 15s. and the latter 12s.

OUT-OF-WORK DONATION SCHEME, 1919–1921

During the War the Government announced that ex-service men who were unemployed in the period immediately following

their discharge from the Forces should have a free grant of "out-of-work donation" i.e. unemployment benefit not dependent on payment of contributions. Shortly before the Armistice, it was decided that as the Unemployment Insurance Scheme covered only a small proportion of civilian workers (3,750,000 out of 15,000,000) out-of-work donation should be granted to civilian workers also in the change-over from war to peace.

Out-of-work donation was accordingly paid during unemployment both to ex-service men and women and to civilian workers from 25th November, 1918, to November 24th, 1919; for ex-service men and women (and certain classes of merchant seamen) it continued up to 31st March, 1921, and in a few cases even later.

The weekly rates of donations were as follows—

	Basic Rate		
	Men	*Women*	*Other Allowances*
Ex-Service Men and Women—			
During first twelve months after demobilization:			
26 weeks	29s.	25s.	6s. for first dependent child under 15 and 3s. for each additional child.
13 weeks	20s.	15s.	
Subsequently	20s.	15s.	Nil.
Civilian Workers—			
25th Nov., 1918, to 24th May, 1919	29s.*	25s.*	6s. for first dependent child under 15 and 3s. for each additional child.
25th May, 1919, to 24th Nov., 1919	20s.*	15s.*	

No part of the money paid came from the Unemployment Fund created under the contributory insurance scheme of 1911 and 1916. All the money came out of the Exchequer, and the total amount paid was—

Ex-Service donation	£39,934,000
Civilian donation	£21,725,000

THE UNEMPLOYMENT INSURANCE ACT, 1920

The Unemployment Insurance Act, 1920, which came into force on the 8th November of that year, repealed the existing Acts relating to Unemployment Insurance, and extended the scheme practically to all trades with the exception of agriculture and private domestic service. It affected about 12,000,000 workpeople, and the principal provisions were as follows—

Insured Persons. All persons of the age of 16 and upwards

* Half rates for boys and girls between the ages of 15 and 18.

who were employed in the United Kingdom under a contract of service or apprenticeship and all similar persons employed on British ships were required to be insured, with the exception of persons engaged in certain employments termed Excepted Employments. The Act applied to persons employed by or under the Crown except those serving in an established capacity.

Excepted Employments. The main employments in which insurance against unemployment was not required were—

(*a*) Employment in agriculture, including horticulture and forestry.

(*b*) Employment in domestic service, except where the employed person was employed in any trade or business carried on for the purpose of gain.

(*c*) Employment in the naval, military, or air service of the Crown.

(*d*) Employment in the service of any local or other public authority, police force, railway company, public utility company, and employment in which persons are entitled to rights in a statutory superannuation fund, where the Minister of Labour certifies that the terms and conditions of employment make it unnecessary that the persons employed should be insured under the Act.

(*e*) Employment as a teacher in recognized service within the meaning of the School Teachers (Superannuation) Act, 1918, or employment as a teacher to whom the scheme under the Education (Scotland) (Superannuation) Act, 1919, or the National School Teachers (Ireland) Act, 1879, applies.

(*f*) Employment otherwise than by way of manual labour at a rate of remuneration exceeding in value £250 a year.

(*g*) Outworkers not under contract of service.

(*h*) Cab drivers under a contract of bailment.

(*i*) Manual workers not under a contract of service.

(*j*) Fishing crews remunerated by share of profits.

(*k*) Part-time workers for not more than 30 hours in any week.

(*l*) Part-time cleaners working outside normal hours.

(*m*) Domestics in residential educational establishments.

(*n*) Female nurses in training.

(*o*) Poor relief employment by local authority of person not previously employed.

(*p*) Blind persons in receipt of allowance.

(*q*) Persons in inconsiderable employment.

Exemption. Employed persons who could prove—

(1) that they were in receipt of any pension or income of the annual value of £26 or upwards not dependent on their personal exertions; or

(2) that they were ordinarily and mainly dependent for their livelihood upon some other person; or

(3) that they were ordinarily and mainly dependent for their livelihood on the earnings derived from an uninsured occupation,

(4) in insurable employment for less than 18 weeks in a contribution year,

were entitled to certificates exempting them from liability to become or to continue to be insured.

Contributions. The funds for providing unemployment benefit were derived from contributions by employed persons and employers of those persons, and from moneys provided by Parliament. These contributions are paid into the Unemployment Fund, which is under the control of the Minister of Labour.

The rates fixed were as follows—

	Employers	*Employed Persons*	*State*
Men (18 and over) . .	4d.	4d.	2d.
Women (18 and over) .	3½d.	3d.	1⅔d.
Boys (16 and 17) . .	2d.	2d.	1½d.
Girls (16 and 17) . .	2d.	1½d.	1d.

In the case of persons who became entitled to a certificate of exemption, the employer was required to pay his share of the contribution and the State contributed half the usual amount.

Contributions were not payable in respect of persons in receipt of old age pensions under the Old Age Pensions Acts, 1908 to 1919.

The responsibility for paying contributions was placed on the employer, and a full contribution representing a joint contribution by the employer and employed person was payable for each calendar week (reckoning from Sunday midnight to the following Sunday midnight) in which the person had been employed. Contributions were payable by means of adhesive stamps affixed to unemployment books current for an insurance year. It was the duty of the employed person to obtain a book from the Employment Exchange and to hand the book to his employer.

The Act placed on the Minister of Labour the responsibility for determining whether a class of employment was insurable or whether a person was an employed person or who was the employer of an employed person, but gave rights of appeal to the High Court.

Benefit. One week of benefit was payable for every six contributions standing to the credit of the employed person, and the maximum amount of benefit which could be drawn in any

insurance year (July to July) was 15 weeks. Benefit was not payable for the first three days of continuous unemployment (called the waiting period) and a further waiting period was not required to be served unless a period of more than six weeks had elapsed since the last period of "continuous unemployment" of not less than three days. Two periods of unemployment of not less than two days each separated by not more than two days of employment were regarded as one continuous period of unemployment.

Rates of Benefit. The weekly rates of benefit were as follows—

Men (18 and over)	15s. 0d.
Women (18 and over)	12s. 0d.
Boys (16, 17)	7s. 6d.
Girls (16, 17)	6s. 0d.

Conditions and Disqualifications. The statutory conditions to be satisfied by an insured contributor were—

1. That he proves that not less than twelve contributions have been paid in respect of him.

2. That he has made application in the prescribed manner and proves that since the date of his application he has been continuously unemployed.

It was provided that a person shall not be deemed to be unemployed on any day on which he is following any occupation from which he derives any remuneration or profit; unless that occupation has ordinarily been followed by him in addition to his usual employment and outside the ordinary working hours of that employment, and the remuneration received thereupon in respect of that day does not exceed 3s. 4d., or where the remuneration is payable in respect of a period longer than a day the remuneration does not on the daily average exceed that amount.

3. That he is capable of and available for work, but unable to obtain suitable employment.

It was laid down that an applicant was not deemed to have failed to fulfil this condition by reason only that he has declined—

(i) an offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute; or

(ii) an offer of employment in the district where he was last ordinarily employed at a rate of wage lower, or on conditions less favourable, than those which he habitually obtained in his usual employment in that district, or would have obtained had he continued to be so employed; or

(iii) an offer of employment in any other district at a rate of wage lower, or on conditions less favourable, than those generally observed in that district by agreement between

associations of employers and employees, or failing any such agreement, than those generally recognized in that district by good employers.

4. That he has not exhausted his right to benefit.

5. That, if he has been required by an insurance officer to attend at any course of instruction approved for the purpose, he proves that he duly attended.

The disqualifications for unemployment benefit were as follows—

1. An insured contributor who has lost employment by reason of a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises at which he was employed, shall be disqualified so long as the stoppage of work continues, except in a case where he has, during the stoppage, become *bona fide* employed elsewhere in the occupation which he usually follows or has become regularly engaged in some other occupation.

It was provided that in certain circumstances a separate department carrying on a separate branch of work could be regarded as a separate factory or workshop for the purpose of this disqualification.

A trade dispute was defined as a dispute between employers and employees or between employers and employees connected with the employment or non-employment, or the terms of employment, or with the conditions of employment of any persons.

2. An insured contributor who loses his employment through his misconduct, or who voluntarily leaves his employment without just cause, shall be disqualified for a period of six weeks, or such shorter period of not less than one week as may be determined from the date when he so lost or left his employment.

3. An insured contributor shall be disqualified while he is an inmate of any prison or any workhouse or any other institution supported wholly or partly out of public funds, or while resident, whether temporarily or permanently, outside the United Kingdom.

4. Where no contributions are paid during any insurance year, the person shall, unless the non-payment of contributions was due to his being sick, be disqualified until twelve further contributions have been paid, and a person in respect of whom no contributions have been paid for a period comprising five insurance years, shall, if contributions are subsequently paid, be treated as if he had not previously been an insured contributor.

5. An insured contributor shall be disqualified while he is in receipt of any sickness or disablement benefit or disablement

allowance under the National Health Insurance Acts or while he is in receipt of an old age pension under the Old Age Pensions Acts.

Applications for Benefit. The Minister of Labour was empowered to make regulations prescribing the manner in which claims for benefit may be made and the evidence to be required as to the fulfilment of the conditions and the absence of the disqualifications for receiving or continuing to receive benefit. Regulations were accordingly made and these required the claimant to make his claim at an Employment Exchange or other office of the Ministry of Labour. In general, the claim had to be made in person, but in exceptional circumstances this could be waived. The unemployment book was required to be lodged and the claimant had to attend personally at prescribed intervals varying according to the distance the claimant resided from the nearest local office and during certain hours. Personal attendance was excused and documentary evidence called for in the case of a claimant residing more than six miles away. Notice was to be given to the claimant's last employer in order to ascertain the circumstances in which he ceased to be employed.

Determination of Claims to Benefit. It was laid down that all claims to benefit and all questions whether the statutory conditions are fulfilled or whether the person is disqualified for receiving benefit should be determined by an insurance officer subject to certain rights of appeal to a Court of Referees (constituted as prescribed by the Minister) and the Umpire (appointed by the Crown).

The method by which the conditions and disqualifications were to be enforced, and by which, at the same time, applicants were given the opportunity of safeguarding their rights, was as follows—

1. In the first instance, the manager of the employment exchange before authorizing benefit must himself be satisfied that the applicant fulfils the conditions and is free from the disqualifications. If he is in doubt on any point, whether when the claim is originally made or at any time subsequently, he must suspend benefit.

2. Any such suspension is immediately reported to the insurance officer, the statutory officer responsible for determining, subject to appeal as stated below, whether benefit should or should not be allowed.

3. If the insurance officer disallows the claim, the applicant is entitled to appeal within twenty-one days of notification of disallowance, to the local Court of Referees.

4. A Court of Referees is a statutory body and consists of a chairman, one member drawn from a panel of persons representing employers, and one member drawn from a panel of persons representing insured contributors. The chairman is an independent person appointed by the Minister of Labour. The members of the panels are appointed by the Minister.

5. The insurance officer, or an association of employed persons to which the applicant belongs or (with the leave of the Court of Referees) the applicant himself, may appeal from the recommendation of the Court of Referees to the Umpire whose decision is final.

The insurance officers are appointed by the Minister of Labour, and they now consist of Local Insurance Officers appointed for each Employment Exchange area, Divisional Insurance Officers attached to the Divisional Offices of the Ministry, and a Chief Insurance Officer in London.

Arrangements with Associations and Societies. The Minister of Labour was empowered to make an arrangement with any society approved under the National Health Insurance Act or any other association of employed persons (not being an industrial company or a collecting society) that in lieu of paying unemployment benefit to members of the society or association there shall be repaid periodically to the association the equivalent of the sum which the members would have received by way of benefit if no such arrangement had been made.

The Minister of Labour must not make an arrangement with an Association unless the rules of the association provide for payments to its members while unemployed and unless he is of the opinion that the payments made are at least one-third greater than the provision represented by unemployment benefit at the rate payable under the Act. The society must also have such a system of ascertaining the wages and conditions prevailing in every employment in which the members are engaged as is in the opinion of the Minister reasonably effective for bringing the unemployed members and employers into speedy communication with one another.

Refund of Contributions. Provision was made for the refund of contributions paid by a workman (less any benefit received by him) on reaching the age of 60, or in the event of death after that age, if contributions had been paid in respect of at least 500 weeks.

The workman (or on decease his representative) was entitled to be repaid his own part of the contributions that had been paid in respect of him with $2\frac{1}{2}$ per cent compound interest. Special provision of a reduced minimum number of contribu-

tions was made for workmen entering insurable employment when over 55 years of age. (These provisions were repealed by the Unemployment Insurance (No. 2) Act, 1924.)

Special Provision for Ex-members of H.M. Forces. Provision was made for persons serving in the Navy, Army, or Air Forces to be credited on discharge with ninety Unemployment Insurance contributions. This credit was to enable them, subject to the ordinary provisions of the Act, to draw unemployment benefit for a period up to fifteen weeks.

Special Schemes for Industries. Provision was made whereby the duly accredited representatives of an industry could, with the approval of the Minister of Labour, contract out of the general scheme of insurance by setting up special schemes for their own industry giving equal or superior advantages. If desired, two or more industries could combine to set up a special scheme. Special schemes were to be administered by a Joint Board of Managers representing employers and employed on behalf of the industry or industries concerned. The form and amount of the contributions and benefits were to be determined in the scheme itself, and need not be the same as those laid down in the general scheme. (The power to make Special Schemes was temporarily suspended by the Unemployment Insurance (No. 2) Act, 1921, and the Unemployment Insurance (No. 2) Act, 1924, and was repealed by the Unemployment Insurance Act, 1927.)

Supplementary Scheme. Provision was also made for a Supplementary Scheme to be set up with the approval of the Minister of Labour by an industry which remained under the general scheme in order to provide additional benefits, including provisions for short time or for periods of unemployment not covered by the General Scheme, e.g. the waiting days, or a higher rate of benefit. No supplementary scheme has yet been formulated, but proposals for making payments in respect of "wet time" in the building trades have been under consideration for some time.

Penalties. The Act contained provisions for imposing penalties on persons making false statements or false representations for the purpose of obtaining benefit and persons failing or neglecting to pay contributions, and for the recovery of sums not paid or wrongly received. The Minister was given power to appoint Inspectors for the purpose of the Act, and their main duty is to ascertain whether contributions have been duly paid. Under powers provided by the Act, inspection is now undertaken by the inspectors of the Ministry of Health on behalf of the Ministry of Labour.

UNEMPLOYMENT INSURANCE (TEMPORARY PROVISIONS AMENDMENT) ACT, 1920

The Act of 1920 contained a provision to enable new entrants into the unemployment insurance scheme (numbering some 8,000,000) to qualify for benefit as soon as they had paid four contributions. They could receive eight weeks benefit in the first twelve months of the operation of the Act, i.e. up to the 7th November, 1921. When the Act of 1920 was passed, the trade depression was beginning to be felt and the number of persons registered as wholly unemployed at Employment Exchanges at the end of November, 1920, was 494,106, whereas at the end of December, 1920, the figure had risen to 701,179. In addition, there were 421,012 persons on systematic short time and claiming benefit at the end of December, 1920. It was plain that the special provisions for payment of benefit after four contributions had been paid could not assist many newly insured contributors, and a short Act was passed on 23rd December, 1920 (the Unemployment Insurance (Temporary Provisions Amendment) Act, 1920) which provided that any person who had been engaged in insurable employment during ten weeks since the 31st December, 1919, or during four weeks since 4th July, 1920, should be qualified up to 31st March, 1921, to receive eight weeks benefit.

UNEMPLOYMENT INSURANCE ACT, 1921

1921 was a critical year for unemployment insurance. Unemployment was very severe in the country, and in their haste and alarm the Government made extensive concessions in a Bill introduced on 21st February, 1921. It was hurried through all its stages, and passed on 3rd March, 1921, as the Unemployment Insurance Act, 1921.

Briefly summarized, its main provisions were—

Section 1.—Rates of Benefit. By amendment of the original Act, weekly rates were raised to 20s. for men, 16s. for women, 10s. for boys, 8s. for girls, and these rates were to be payable from 3rd March, 1921.

Section 2.—Period of Benefit. Benefit was normally payable for 15 weeks in each insurance year (see page 458), but the Act provided that in each of two "special periods," viz. 3rd March to 2nd November, 1921, and 3rd November, 1921, to 2nd July, 1922, coinciding with the two periods of probable maximum unemployment, unemployed persons would receive benefit for 16 weeks, i.e. 32 weeks in all. The benefit paid in respect of contributions became thereafter known as Covenanted Benefit.

Any benefit received between 7th November, 1920, and 3rd July, 1922, was not to count against contributions paid when determining the amount of unemployment benefit payable after 2nd July, 1922. All contributions paid were to be carried forward to the credit of the unemployed person and, in addition, 25 gratis contributions were to be credited at the end of these periods.

Section 3.—Conditions for Receipt of Benefit. In the case of persons who were not entitled to Covenanted Benefit, or had ceased to be entitled to Covenanted Benefit, it was provided that additional benefit up to a total of 15 weeks in each special period could be paid if there was proof of employment in each of not less than 20 weeks since the beginning of 1920, and the First Statutory Condition (see page 459) that "before receiving benefit 12 contributions must have been paid by the applicant" was waived during the "special periods." For ex-service men and women the qualifying period was 10 weeks, and in the case of disabled ex-service men and women the Local Employment Committee could, at their discretion, dispense with the employment qualification altogether. No person was entitled to this Uncovenanted Benefit until he proved that he was—

(*a*) "Normally in employment such as would make him an employed person within the meaning of the principal Act, and

(*b*) genuinely seeking whole-time employment but unable to obtain such employment."

Persons who held, or had at any time held, a certificate of exemption (see page 457) were not entitled to Uncovenanted Benefit.

Contributions. Contributions (see page 458) were increased to the following amounts—

	Employed Person	*Employer*	*State*
Men	5d.	6d.	2⅔d.
Women	4d.	5d.	2⅓d.
Boys	2½d.	3d.	1⅔d.
Girls	2d.	2½d.	1⅓d.

the State contribution being equal to one-quarter of the aggregate amount of the other two contributions. These increases were not to be levied until 3rd July, 1921, the opening of the new insurance year.

In Section 2 (3) provision was made for reducing these contributions in equal proportions by not more than 2d. if at any time it appeared to the Minister that they were excessive.

Section 5.—Financial Arrangements. The accumulated surplus

in the unemployment fund which in November, 1920, was £22,200,000, plus the increased contributions, was expected to provide for the increased benefits. The Act, however, provided for Treasury advances out of the Consolidated Fund not exceeding £10,000,000, and gave power to the Treasury to borrow money for such advances by the issue of such securities as the Treasury thought proper, the principal of and interest on any such securities to be charged on and payable out of the Consolidated Fund. As will be seen later, this practice grew subsequently into alarming proportions. How unpremeditated and haphazard the procedure was became evident from the fact that no fewer than three Acts were passed in 1921. The first of these raised the rates of benefit to 20s. for men and the rest in proportion, and increased the contributions. It also introduced the complication of "special periods" of benefit, but endeavoured to preserve the insurance principle by inserting restrictive conditions, including that of "genuinely seeking employment," for the receipt of additional benefit. From this it seems that the practice or the possibility of abusing the scheme had already made itself felt. The second Act of 1921, passed five months later, granted an additional 6 weeks of benefit in the special periods, when the Minister of Labour thought this extension "expedient in the public interest," but allowed him to exclude from benefit various classes which had or might have other resources, and it also reduced the rates of benefit again. The third Act provided benefits for certain classes of dependants.

Duration of the Act. It was provided that the Act should come into operation on the 3rd day of March, 1921, and that the provisions of the Act as to increases in the rates of benefit and in the rates of contribution should cease to have effect on the 1st day of July, 1923. Further, after the end of the special periods Covenanted Benefit could be drawn for 26 weeks in an insurance year instead of for 15 weeks (see page 465).

The remaining sections deal with "provision for enabling associations to make arrangements under Section 17 of the principal Act" and with various minor amendments. It was provided that persons discharged from the Navy, Army, or Air Force on and after 3rd July, 1922, should be credited with 156 contributions instead of 90 (see page 463).

The measure was admittedly an emergency one; not a new Act, but an amendment of the Unemployment Insurance Act, 1920, and to that extent limited in its scope. It was criticized both as being totally inadequate and as calculated to increase rather than diminish unemployment by offering too tempting inducements to remain idle.

EFFECT OF COAL CRISIS

On the 31st March, 1921, a general stoppage began in the coal industry. This immediately had the effect of throwing out of work large numbers of people who were reckoning themselves fortunate in being able to keep in employment during the slump. The large increase in the number of unemployed, added to the already dangerously high total, became alarming, and brought to the fore the whole question of the national policy towards unemployment. At the last available date (25th March, 1921), before the coal dispute put things out of gear, there were 1,311,000 people registered at the employment exchanges as wholly unemployed, with a further 775,000 on short time. Various proposals were made for dealing further with the problem which had become so much intensified. As a result of a joint conference of the London Trades Council and the Labour Party a resolution was passed urging International Peace; the passage of the (Labour Party's) Prevention of Unemployment Bill; maintenance of all persons for whom work was not available at 40s. per week for the head of a household, and 25s. for single men and women; the provision of useful public works, the cost to be met as to 90 per cent from the Exchequer, and 10 per cent by rate on areas benefiting from these works. The works suggested included housing, town planning, slum clearances, new towns or garden cities, schools, electricity supply, passenger traffic development, reclamation of foreshores, public improvement schemes, port development. The stoppage of overtime also was proposed, except when absolutely necessary.

The result of the further drain upon the resources soon became evident. On 8th November, 1920, when the extended unemployment insurance scheme under the Unemployment Insurance Act, 1920, came into operation, the unemployment fund stood at about £22,000,000. On 29th April, 1921, the amount of the fund was about £16,600,000. The total amount paid out of the fund by way of unemployment benefit and other charges between 8th November, 1920, and 23rd April, 1921, was about £14,500,000. The amounts paid by way of unemployment benefit in the weeks ended 9th, 16th, and 23rd April, 1921, were in approximate figures, £1,271,000, £1,445,000, £1,566,000, respectively. To these amounts a weekly sum of about £36,000 should be added in respect of other charges, whilst there was a weekly income accruing of from £340,000 to £400,000, according to the state of employment. By the end of April the unemployment fund was being depleted at the rate of over £1,250,000 a week, and owing to the coal stoppage, this amount was rapidly increasing. By that time the out-of-work donation (see page 455)

was being paid instead of unemployment benefit to a small number of ex-service men discharged within the preceding 12 months. The amounts paid in the weeks ended 9th, 16th, and 23rd April were £15,000, £39,200, and £21,750 respectively.

The number of men, women, boys, and girls on the live registers of employment exchanges at 29th April, 1921, was 1,854,000, while, in addition, there were about 1,077,000 persons on short-time working. The corresponding figures at 1st April, 1921, when the coal trade dispute commenced, were 1,506,000 and 884,000 respectively. These figures did not include the mine workers, numbering over 1,000,000, who were employed in coal mines affected by the stoppage.

By the end of May, 1921, the number of the unemployed had reached its highest recorded figure.

Returns issued by the Minister of Labour showed that the live registers of the employment exchanges throughout the United Kingdom, on the 27th May, 1921, contained the names of 2,126,800 persons. Compared with the previous week the figures were as follows—

	20th May	*27th May*
Men	1,440,995	1,472,000
Women . . .	481,735	497,900
Boys	84,725	85,400
Girls	70,267	71,500
Total . . .	2,077,722	2,126,800

The above figures were exclusive of short time claimants, who numbered about 1,181,000 on the 20th May, and 1,194,200 on the 27th May.

In July, 1921, the Unemployment Fund became exhausted and borrowing became necessary.

UNEMPLOYMENT BOOKS LODGED

The estimated number of unemployment books and out-of-work donation policies lodged with the Employment Exchanges on the 27th May, 1921, was 2,092,032.

CAREFUL INVESTIGATION OF CLAIMS

The Minister of Labour announced that the Ministry had taken every care to deal with cases of abuse of the unemployment benefit which had been brought to light by Police Court proceedings or otherwise, but in the existing state of industry the recipients of unemployment benefit were unavoidably idle, except in a small number of cases. As evidence of the care taken to see that funds urgently needed for people unemployed through no fault of their own should not be dissipated by improper use, a return showed

Division	Males	Females	Total
London and South-Eastern	230,818	98,756	329,574
North, Midlands and Eastern	75,167	22,155	97,322
South-Western	75,384	16,988	92,372
West Midlands	177,721	95,424	273,145
Yorkshire and E. Midlands	211,435	87,242	298,677
North-Western	221,229	107,596	328,825
Northern	154,775	15,089	169,864
Scotland	174,784	57,628	232,412
Wales	138,795	8,170	146,965
Total Great Britain	1,460,108	509,048	1,969,156
Ireland	86,207	36,669	122,876
Total United Kingdom	1,546,315	545,717	2,092,032

that during the period from the 2nd March to the 13th May, some 90,000 doubtful claims had been referred to the Chief Insurance Officer, who disallowed over 60,000. In about 6,000 of these cases appeal was made to Courts of Referees, who allowed benefit in about 5,000 cases.

Again, out of 935,500 cases dealt with under Section 3 of the 1921 Act (see page 465)—the emergency section—27,000 were rejected by the employment exchanges and 345,000 doubtful cases were dealt with by the Local Employment Committees, who disallowed some 41,000, and allowed benefit for the full period in 175,000 cases, and for less than the full period in 129,000 cases.

UNEMPLOYMENT INSURANCE (No. 2) ACT, 1921

In less than four months the industrial situation entirely upset the basis upon which the Unemployment Insurance Act of 3rd March, 1921, was drawn up. A second Amending Act was hurriedly drafted and passed, receiving its Third Reading in the House of Commons on 28th June, 1921. It was so manifestly an emergency measure that it obviously needed to be amended at the earliest possible moment.

The main changes made were as follows—

1. On and after 30th June, 1921, the weekly rate of unemployment benefit was reduced to what it was in the Act of 1920, viz.—

Men (18 and over)	15s. 0d.
Women (18 and over)	12s. 0d.
Boys (16 and 17)	7s. 6d.
Girls (16 and 17)	6s. 0d.

2. The waiting period (see page 459) was extended to 6 days.
3. The two 16-week periods of benefit laid down in the first Act

of 1921 were to be extended by not more than 6 weeks each, and it was provided that the further period of benefit should be granted only if it appeared to the Minister of Labour to be expedient in the public interest.

4. The new rates of contributions fixed by the previous Act of 1921 were never in force, as the second Act provided for the following rates as from 3rd July, 1921, in substitution—

	Employers	*Employed Persons*	*State*
Men (18 and over) . .	8d.	7d.	3⅗d.
Women (18 and over) .	7d.	6d.	3⅕d.
Boys (16 and 17) . .	4d.	3½d.	1⅞d.
Girls (16 and 17) . .	3½d.	3d.	1⅝d.

These rates were to remain in force until the end of the deficiency period, i.e. when the Unemployment Fund could be certified by the Treasury to be solvent.

5. The provisions of the 1920 Act with reference to special schemes for particular industries, i.e. "contracting out" were suspended (see page 462).

6. The borrowing power of the fund was increased from £10,000,000 to £20,000,000 (see page 466).

All amendments to alter the proposed reduction of benefit failed. The Minister of Labour acknowledged that the extension of the waiting period bore hardly on dockers, miners, and others engaged in labour of an intermittent character, and promised to draw up an amendment giving power to frame regulations applicable to particular industries. He also agreed, after an amendment on the point had been defeated, to take up at a later date the question of men thrown out of employment through strikes or lock-outs in which they were not directly concerned, and who, under present conditions, were ineligible for benefit. A new section was added to the Act that, where an insured person was deprived of benefit because he was not capable of work or was not available for work or was unable to obtain suitable employment, a right should be given to have his case reviewed after six weeks interval if still unemployed.

The section suspending the power to contract out was modified by an amendment providing that the section shall not apply in cases where, before 8th June, 1921, a draft scheme had been submitted to the Minister for approval.

As will be seen, the Minister was given full determining power in respect of the further six weeks of uncovenanted benefit. In the first special period he decided not to pay the benefit to juveniles other than those who, when at work, were

dependent for their maintenance upon their own earnings. In the second special period, however, the additional benefit was not granted to certain classes of juveniles, married women, single persons, short-time workers, persons unwilling to accept work other than that to which they were accustomed, and aliens.

UNEMPLOYED WORKERS' DEPENDANTS (TEMPORARY PROVISIONS) ACT, 1921

This Act was the result of the continued depression which the coal dispute had helped to foster. In accordance with its provisions, temporary grants were made during a period of six months from 10th November, 1921, to unemployed workers who were in receipt of benefit under the Unemployment Insurance Acts, 1920 and 1921, towards the maintenance of their wives, dependent husbands, and dependent children. For this purpose a special fund known as the Unemployed Workers' Dependants Fund was established by contributions from employers, employed persons, and the State, in respect of every employed person who was liable to be insured under the Unemployment Insurance Acts, 1920 and 1921. Persons desiring to obtain a temporary grant were required to attend at the Employment Exchange where they were receiving or claiming unemployment benefit, and to complete a form of application. The statements made by the applicant required confirmation by a declaration signed by a responsible individual. The decision as to a grant rested with the Minister of Labour, whose decision was final and conclusive and not subject to appeal to any court. Any application might be referred by the Minister to a Local Employment Committee.

The Temporary Grants were in accordance with the following scale—

To a man in respect of his wife who is living with him or is being maintained wholly or mainly by him	5s. a week
To an unmarried man or a widower in respect of a female person residing with him for the purpose of having the care of his dependent children, or a female person who has been and is living with him as his wife . .	5s. a week
To a wife in respect of her husband if he is prevented by physical or mental infirmity from supporting himself and is being maintained wholly or mainly by his wife . .	5s. a week
To a man or a woman in respect of their dependent children under 14 years of age, or, if over that age but under 16, if they are under full-time instruction in a day school, including step children, adopted children, and illegitimate children . .	1s. a week for each child.

It was provided that no grant should be payable in respect of a wife, or female person, who is in receipt of unemployment benefit under the Unemployment Insurance Acts or under any special scheme made under those Acts, or who is in regular wage-earning employment, or is engaged in any occupation ordinarily carried on for profit.

The rates of contributions were as follows—

	Employer	*Employed Person*	*State*
Men (18 and over) . .	2d.	2d.	3d.
Women (18 and over) .	1d.	1d.	2d.
Boys and girls (16 and 17) .	1d.	1d.	2d.

UNEMPLOYMENT INSURANCE ACT, 1922

This Act, which was passed on the 12th April, 1922, had effect from 6th April, 1922. It amalgamated with ordinary unemployment benefit the grants payable in respect of certain dependants under the Unemployed Workers' Dependants (Temporary Provisions) Act, 1921, which was repealed. The contributions payable under the Unemployment Insurance Acts (see page 470) were increased by the amounts payable under the repealed Act. These contributions were to remain in force until the end of the deficiency period, and it was provided that dependants' benefit was to be paid only so long as the rates of contributions fixed by the Act were in force.

Further extensions of benefit were allowed by this Act. The Second Special Period (see page 464) was brought to an end on 5th April, 1922, instead of on 2nd July, 1922, and a Third Special Period, to run from 6th April, 1922, to 1st November, 1922, was begun, to be followed by a Fourth Special Period from 2nd November, 1922 to 1st July, 1923. During the Third Special Period, the maximum amount of uncovenanted benefit which could be drawn was 15 weeks. Persons who were not entitled to covenanted benefit or ceased to be entitled to covenanted benefit were entitled to receive uncovenanted benefit up to an over-all maximum of 15 weeks. It was provided, however, that when a claimant had received five weeks of uncovenanted benefit there should be a gap of five weeks before further uncovenanted benefit could be received.

During the Fourth Special Period, a maximum amount of 15 weeks of covenanted benefit was allowed, and 12 weeks of uncovenanted benefit could be drawn in addition. In certain circumstances, a claimant was entitled to receive two further periods of uncovenanted benefit not exceeding five weeks in each case. This was dependent on the number of contributions not available for covenanted benefit which remained unexhausted.

The grant of uncovenanted benefit during these two Special Periods was subject to the Minister of Labour being satisfied that it was expedient in the public interest to authorize the benefit, and the following conditions had to be satisfied.

The claimant had to prove—

1. That he was normally employed in insurable employment.
2. That he was genuinely seeking, but unable to obtain, suitable employment.
3. Either that not less than 20 contributions had been paid under the Acts, or that, having regard to the opportunities of employment in his normal employment, he had since the 31st December, 1919, been employed for a reasonable length of time in some insurable occupation.

Persons formerly engaged in War Service were permitted to prove employment for a reasonable length of time in the period prior to War Service, or alternatively that they had no opportunity of being so employed owing to their youth.

A person who held or had at any time held an exemption certificate (see page 457), was not entitled to uncovenanted benefit.

In the exercise of his discretion the Minister of Labour excluded from the grants of uncovenanted benefit the classes of persons who had been refused such benefit during the additional six weeks of the Second Special Period granted by the No. 2 Act, 1921 (see page 469).

It was provided that for the purpose of determining the amount of covenanted benefit, during the Fourth Special Period, i.e. benefit in proportion to contributions (see page 471), no account should be taken of any benefit received by the claimant between the 7th November, 1920, and the commencement of the period, and that each contribution should be treated as two contributions. After the termination of the Fourth Special Period no account was to be taken of any benefit received between 7th November, 1920, and the termination of that period.

The amount which the Treasury were authorized to advance to the Unemployment Fund was increased from £20,000,000 to £30,000,000. Other provisions of this Act were—

Excepted Employments (see page 457). Employment as a female professional nurse for the sick or as a female probationer undergoing training for employment as such a nurse was added to the employments excepted from the Acts.

Outdoor Relief. Under the Act of 1920, in granting outdoor relief no account was to be taken of unemployment benefit received except so far as it exceeded 10s. a week. This provision was repealed, and the full amount of benefit was required to be

taken into account. Further, the Minister was authorized to pay to a Poor Law Authority which granted excess relief to a claimant who was not in receipt of unemployment benefit, the amount of such excess relief out of any benefit which might be subsequently allowed for the period.

UNEMPLOYMENT INSURANCE (No. 2) ACT, 1922

Under this Act, which came into force on 20th July, 1922, the Minister of Labour was empowered to authorize uncovenanted benefit during the Third Special Period up to an aggregate of 22 weeks, and the gap of five weeks which had to be served after five weeks of uncovenanted benefit had been received was reduced to one week.

UNEMPLOYMENT INSURANCE ACT, 1923

This Act, which came into force on 12th April, 1923, extended the duration of the Fourth Special Period to 17th October, 1923. It also authorized the payment of 44 weeks of benefit between 2nd November, 1922, and 17th October, 1923, but with a gap of two weeks without benefit after 22 weeks of benefit, whether covenanted or uncovenanted, had been received. Twenty-six weeks of covenanted benefit could be drawn. The conditions for receipt of uncovenanted benefit remained unaltered.

After the end of the Fourth Special Period, the Minister of Labour was empowered to authorize uncovenanted benefit during "benefit years," the first to run from 18th October, 1923, to 15th October, 1924. During this year 26 weeks of benefit, whether covenanted or uncovenanted or both, could be received.

After 12 weeks of uncovenanted benefit had been received, a gap of three weeks had to be served before further uncovenanted benefit became payable.

It was provided that after the end of the first benefit year, covenanted benefit only should be payable up to a maximum of 26 weeks during benefit years (mid-October to mid-October) instead of insurance years (July to July). (See page 458.)

Other provisions of this Act were—

Dependants' Benefit. The increase in the rate of benefit in respect of dependants was to continue after the end of the deficiency period (see page 472).

Rates of Contributions. The rates in force at the commencement of the Act (see page 469) were to remain in force after the deficiency period until a date to be prescribed by the Minister of Labour not later than the first day of the insurance year commencing after the end of the deficiency period. From that date,

the contributions were to be at rates prescribed by the Minister but not to exceed—

	Employer	*Employed Persons*
Men (18 and over) . .	6d.	6d.
Women (18 and over) .	5d.	4d.
Boys (16 and 17) . .	3d.	3d.
Girls (16 and 17) . .	2½d.	2d.

The contributions by the State were to be one-quarter of joint contributions of the employer and employed persons.

Continuous Unemployment (see page 459). A new rule that any three days of unemployment, whether consecutive or not, occurring within six consecutive days, may be held as a continuous period of unemployment, was introduced. The new rule also provided that any two such periods may be linked together if they are separated by a period of less than three weeks.

Arrangements with Local Education Authorities. The Act enabled Authorities to undertake, in accordance with a scheme to be approved by the Board of Education and Minister of Labour jointly, duties in connection with the administration of unemployment benefit claimed by persons under the age of 18 years. No education authority after 31st March, 1924, would be permitted to exercise their powers under the Education Act, 1921, for giving assistance with respect to the choice of suitable employment unless they had undertaken to administer unemployment benefit. Provision was made for a payment to be made to an Education Authority undertaking this work in respect of administrative expenses in accordance with a scale fixed by the Minister of Labour with the consent of the Treasury.

UNEMPLOYMENT INSURANCE ACT, 1924

The Act abolished as from 21st February, 1924, the gap which under the Act of 1923 had to be served after 12 weeks of uncovenanted benefit had been received in the First Benefit Year (see page 468). In this month the Minister of Labour removed the special restrictions on the receipt of uncovenanted benefit by certain classes of claimants (see page 473).

UNEMPLOYMENT INSURANCE (No. 3) ACT, 1924

This Act, which came into force on the 15th April, 1924, increased the maximum amount of benefit which could be received in the First Benefit Year from 26 weeks to 41 weeks (see page 474). The maximum amount of covenanted benefit remained at 26 weeks as before.

UNEMPLOYMENT INSURANCE (No. 2) ACT, 1924

This Act, which came into force on 1st August, 1924, abolished until 30th June, 1926, all arbitrary limits as to the number of weeks for which benefit could be drawn continuously and as to the aggregate number of weeks for which benefit could be drawn within a given period.

The First Statutory Condition (see page 460) was, however, amended to read as follows—

> That he proves that not less than thirty contributions have been paid in respect of him under this Act since the beginning of the first of the two years next before the beginning of the benefit year in which the application for benefit is made.

It was provided, however, that what was known as "standard benefit," i.e. benefit in respect of contributions paid (formerly covenanted benefit) which could be received for 26 weeks in a benefit year should not be payable unless, in addition, it was shown that 20 contributions had been paid since the beginning of the insurance year next before the beginning of the benefit year.

Individual benefit years were instituted and a benefit year was defined as the period of twelve months commencing with the first claim made by the individual after the date of the Act (1st August, 1924), and each subsequent period of twelve months starting with the first claim made after the end of the preceding benefit year.

Insured contributors who could not qualify for standard benefit or had exhausted their right to such benefit could qualify for what became known as "extended benefit" (formerly uncovenanted benefit) if certain special conditions were fulfilled. The amended First Statutory Condition had to be satisfied (but see later as to power to waive) as well as the ordinary conditions for the receipt of benefit and, in addition, the claimant had to prove—

(*a*) that he was normally employed in such employment as would make him an employed person within the meaning of the principal Act;

(*b*) that in normal times insurable employment suited to his capacity would be likely to be available for him;

(*c*) that he had, during the two years immediately preceding the date of the application for benefit, been employed in an insurable employment to such an extent as was reasonable, having regard to all the circumstances of the case and in particular to the opportunities for obtaining insurable employment during that period;

(*d*) that he was making every reasonable effort to obtain employment suited to his capacities and was willing to accept such employment.

The Minister of Labour was given power to waive the First Statutory Condition, i.e. "30 Contributions Condition" up to the 1st October, 1925, in any case in which he thought fit to do so; otherwise a large number of persons would not have qualified for benefit. In general it was waived in the case of persons who had at any time paid not less than 12 contributions.

The Act did not reproduce the discretionary power of the Minister of Labour to grant or withhold extended benefit on the ground of expediency in the public interest. The effect of the alterations made was that extended benefit could be claimed as a right.

This Act effected some other rather drastic changes in the details of the Unemployment Insurance scheme. Among the amendments made were—

Conditions. The waiting period (see page 469) was reduced from one week to three days, and the period permitted between two continued periods of unemployment before a fresh waiting period is required (see page 474) was extended to six weeks.

It was also laid down that an insured contributor shall not be deemed to be unemployed during a period after termination of employment in respect of which he continues to receive wages or compensation for loss of remuneration substantially equivalent to the remuneration which could have been received had the employment not terminated.

The Third Statutory Condition (see page 459) was amended to read as follows—

"That he is capable of and available for work";

and a new Fourth Statutory Condition was included—

"That he is genuinely seeking work, but unable to obtain suitable employment."

Trade Dispute Disqualification. The disqualification contained in Section 8 (1) of the principal Act (see page 459) had, on a number of occasions, been criticized by organized labour owing to the section disqualifying workpeople not responsible for or participating in a dispute, merely because they were employed at the premises where the stoppage of work occurred. In June, 1922, the Minister of Labour had appointed a Committee composed of representatives of employers, workpeople, and the Ministry to consider whether a formula could be devised to avoid the hardship. The Committee found it impossible to arrive at an agreement.

In the No. 2 Act of 1924, however, a clause was included which excepted from the disqualification a person who proved that he was not himself, and that he did not belong to a grade or class of workers members of which were, participating in or financing or directly interested in the dispute. A further amendment removed

the disqualification in the case of a stoppage due to the contravention by an employer of a local or national agreement.

Rates of Benefit. The weekly rates of benefit (see page 469) were altered to the following amounts—

Men (18 and over) .	18s. od.	Women (18 and over) .	15s. od.
Boys (16 and 17) . .	7s. 6d.	Girls (16 and 17) .	6s. od.

Dependants' Benefit. An addition was made to the class of adult dependants (see page 472) in respect of which benefit could be claimed, viz.—

A widowed mother living with and wholly or mainly maintained by a claimant who is unmarried. It was further provided that a widow or unmarried woman could claim for a female person maintained by her and residing with her for the purpose of having the care of her dependent children.

The rate of benefit for a dependent child (see page 471) was increased to 2s.

Repayments of Contributions. The provision for repayment of contributions at the age of 60 (see page 462) was repealed as from 7th July, 1924, and any person eligible for a refund before that date was entitled to apply for it within 12 months from that date. Persons who had reached the age of 50 and had paid at least 50 contributions were entitled to claim a compensatory payment calculated in accordance with the provisions of the Act and regulations made thereunder.

Special Schemes for Industries. The power to set up special schemes which had been temporarily suspended by the No. 2 Act of 1921 (see page 470) was further suspended until the expiration of one year from the termination of the deficiency period (see page 470). Only two industries submitted schemes fulfilling the requirements by the dates permitted before the suspension operation, viz. the Insurance Industry (Scheme in force on 4th July, 1921), and the Banking Industry (Scheme in force on 14th July, 1924).

UNEMPLOYMENT INSURANCE ACT, 1925

This Act, dated 7th August, 1925, made the grant of extended benefit (see page 476) again subject to the Minister of Labour being of opinion in any case that it was expedient in the public interest to authorize the benefit. In the exercise of this discretion the Minister withheld extended benefit from the same classes of persons who had been refused uncovenanted benefit (see page 473.)

The Act also gave the Ministry of Labour power to waive compliance with the first statutory condition (see page 476) from the 1st October, 1925 up to the 30th June, 1927. In February,

1925, the Minister had decided that the condition should, in general, only be waived in the case of applicants in respect of whom either (i) eight contributions had been paid since the beginning of the two insurance years preceding the benefit year; or (ii) 30 contributions had been paid at any time. The Minister also decided that claimants for Standard Benefit (see page 477) must also satisfy one or other of these two conditions if the first statutory condition was not fulfilled.

Waiting Period. The waiting period (see page 478) was again increased to one week as from 1st October, 1925.

Rates of Contributions. The rates of contributions (see page 473) were reduced to the following amounts as from 4th January, 1926—

	Employer	*Employed Persons*
Men (18 and over) . .	8d.	7d.
Women (18 and over) .	7d.	6d.
Boys (16 and 17) . .	4d.	3½d.
Girls (16 and 17) . .	3½d.	3d.

The State contributions were to have been altered as from 5th April, 1926, but the rates fixed were not operative owing to the Economy Provisions Act, 1926 (see later).

WIDOWS', ORPHANS', AND OLD AGE CONTRIBUTORY PENSIONS ACT, 1925

Under this Act, the payment of contributions under the Unemployment Insurance Acts was to cease on and after 2nd January, 1928, when the contributor attained the age of 65. It was provided, however, that where a person of that age or over was employed, contributions at the employers' rate must be paid by the employer.

The Act also enacted that title to unemployment benefit should cease as from the 2nd January, 1928, in the case of every person who had attained the age of 65.

ECONOMY (MISCELLANEOUS PROVISIONS) ACT, 1926

By this Act the State contributions to the unemployment fund under the Unemployment Insurance Acts (see page 472) were reduced to the following amounts—

Men (18 and over) . .	6d.	Women (18 and over) .	4½d.
Boys (16, 17) . . .	3d.	Girls (16, 17) . . .	2½d.

UNEMPLOYMENT INSURANCE ACT, 1926

This Act, dated the 30th June, 1926, extended until 31st December, 1927, the rights in respect of the receipt of benefit granted by Section 1 of the Unemployment Insurance (No. 2) Act,

1924 (see page 476), and the Minister's power to waive compliance with the first statutory condition (see page 479).

No further legislation was passed dealing with unemployment insurance until after the Report of the Committee, known as the Blanesburgh Committee (see next Chapter).

This Committee was appointed by the Minister of Labour on 10th November, 1925, to review the whole system of unemployment insurance. From March, 1921, the number of persons registered at the Employment Exchanges had remained at well over 1,000,000, sometimes being as high as 1,300,000; at the end of October, 1925, the number was 1,295,000. As will be seen from the foregoing summary of the Acts passed it had been necessary to extend considerably the rights to benefit and to borrow money from the State in order to provide these benefits. At 31st December, 1925, the debt to the Treasury was £7,262,569.

On the 4th January, 1926, the number of persons registered at the Employment Exchanges was 1,251,706. This number fell to 981,877 at 26th April, 1926. On the 1st May, a general dispute in the Mining Industry commenced, and the general strike commenced at the 4th May and lasted to the 12th May. By the 3rd May, the number of persons registered had risen to 1,105,916, exclusive of persons who ceased work on account of the General Strike and coal dispute. The figure continued to rise up to the first week in July when it was 1,645,070. At the end of November the figure was well over 1,500,000, and at the end of 1926 it was 1,351,000. The debt to the Treasury had by then risen to £22,640,000.

CHAPTER XXVII

BLANESBURGH COMMITTEE ON UNEMPLOYMENT INSURANCE AND AFTER

THE Report of the Committee of Inquiry appointed by the Minister of Labour in November, 1925, "to consider, in the light of experience gained in the working of the unemployment insurance scheme, what changes in the scheme, if any, ought to be made," was published on 11th February, 1927. The Committee was constituted as follows: The Rt. Hon. Lord Blanesburgh, G.B.E. (Chairman); Miss Margaret Bondfield, M.P.; Sir James Curtis, K.B.E.; Professor H. W. Carless Davis, C.B.E.; Mr. J. Hamilton; Sir Hugo Hirst, Bart.; Mr. Frank Hodges; Mr. A. E. Holmes; Mr. Laurence Holt; Sir James Lithgow, Bart.; Sir William McLintock, K.B.E., C.V.O.; Viscountess Milner; and Sir Glynn Hamilton West; with Mr. J. A. Dale, C.B.E., of the Ministry of Labour as Secretary.

The Committee was so constituted as to represent the interests not only of employers and workers, but also those of a more general character. It included a member conversant with the administration of the Poor Law and two chairmen of Local Employment Committees.

The Report contains a historical review of unemployment insurance, tracing its genesis from the action of the friendly societies and trade unions in the nineteenth century to the original statute of 1911 (the National Insurance Act, Part II), which was applied to certain selected trades covering about two and a quarter million manual workers (see page 455).

The review explains *the principles of the Act of* 1920, which for the first time extended the insurance scheme to substantially the whole of the employed population, excepting those employed in agriculture and private domestic service (see page 457), and it shows how, immediately after the passing of this Act, the post-War depression in trade led to various modifications.

Their general effect was that there came to be two kinds of benefit, (i) "standard" benefit, to which persons were entitled who fulfilled the conditions of the 1920 Act, and (ii) "extended" benefit, granted in anticipation of future contributions to persons who could not fulfil the "standard" conditions, but were nevertheless genuinely unemployed. The Report explains how a surplus of £21,000,000 in the Unemployment Fund, which existed at the passing of the 1920 Act, was rapidly dispersed

by the subsequent heavy unemployment, and how, in spite of great increases in the contributions, there was before the general strike in 1926 still a deficit of £7,000,000. The general strike and the stoppage in the coal-mining industry set back a promising improvement in trade, and caused serious embarrassment to the Unemployment Fund, increasing the deficit to well over £21,000,000.

After a reference to the Recommendation of the first of the International Labour Conferences, convened in 1919 at Washington by the International Labour Organization, to the effect that each country should establish a system of unemployment insurance, the Committee dealt with the allegations so widely made that the unemployment insurance system is subject to widespread abuse.

The conclusion reached was as follows—

"It is true that a certain number out of the 11¾ millions of insured persons have received relief to which they had no claim. But it is equally true that these cases are relatively few, and that result is, we think, due to the vigilance with which the Ministry, while dealing fairly with the genuine claimant, guards against abuse."

The Report referred to special precautions taken by the Ministry in this regard, and to an investigation in 1925 which showed that of the claims to benefit current at the time well under 5 per cent were considered to be wrongly allowed, and of these it was observed that many were the subject of a legitimate difference of opinion between the officers who had conducted the investigation on the one hand and the Local Employment Committee and officers of the Ministry who had admitted them on the other. The cases here mentioned were not cases of fraud, in regard to which the Committee pointed out that the number was almost negligible. An observation from the Secretary of the Charity Organization Society is quoted to the effect that the officials of the Charity Organization Society were surprised to find, when they came to inquire into the matter, that the number of examples of abuse was very few. The quotation proceeds: "This does not, of course, prove that their previous impression was not a sound one; on the other hand, it may quite well prove that unfavourable instances impress themselves upon the memory, while the proper and smooth working of a scheme passes almost unnoticed."

The Committee recognized, however, that there are latent in all compulsory schemes of unemployment insurance subtle *tendencies to abuse*, and that "no system can claim to be completely satisfactory which does not by its corrective provisions succeed in

neutralizing these tendencies." "For this purpose," they say, "a good scheme must necessarily contain limitations which would probably be rejected by the insured contributors if the question were one exclusively for them. But the presence of these limitations is the condition to which contributors may properly be required to submit, if only in return for the financial aid of the Exchequer. It is, we conceive, the duty of Parliament, when sanctioning the State contribution, to see to it that, while the scheme so subsidized is beneficial to the insured contributors, it is in no respect injurious to the public interest."

The Committee then proceeded to deal with *the principles of unemployment insurance.* They point out that unemployment, as we know it, is a new phenomenon arising from the changes in the occupations of the population consequent on the introduction, in the early years of the last century, of steam power. They observed that, though they are dealing with unemployment insurance, "it would be unfortunate if pre-occupation with the task of ascertaining how best such employment can be insured against, were to weaken any concerted effort to get rid of unemployment itself," and a number of suggestions, made by different members of the Committee, are set out.

It is urged that greater use should be made of the Employment Exchanges by employers; that every industry should be invited to survey its own unemployment problem; that proper attention should be paid to the entry of young persons into industry; that the system of training the unemployed for other occupations should be developed; and that there should be a comprehensive inquiry by the Ministry into the methods of recruitment and discharge of labour in industry. A reference is made also to the damaging effect on employment of stoppages of work due to trade disputes.

The Report then dealt with unemployment insurance proper. "We have found," it says, "in all quarters a general agreement that the risk of unemployment should be insured. Nobody has suggested to us that the principle of unemployment insurance should be abandoned. It has been recognized by all who have appeared before us, and we ourselves share the view, that an unemployment insurance scheme must now be regarded as a permanent feature of our code of social legislation." There was a general agreement also that the scheme should be compulsory. A voluntary scheme had not been suggested in any quarter, and the Committee did not think such a scheme could be adequate to the need.

It was agreed, too, on all hands that a permanent scheme should cover, at the least, all the occupations for which the existing scheme

provides. On the question whether the scheme should be contributory, there was a difference of opinion among the witnesses. Some of them thought that the contributory principle, viz. that the fund should be subscribed by the employer and the worker, as well as by the State, was an essential feature of any scheme worthy of support. On the other hand, the view was expressed that industry should be relieved of the burden of unemployment insurance, and that, on both economic grounds and grounds of equity, the charge involved should fall upon the general body of taxpayers. The Committee came to the conclusion that the formulation of a non-contributory scheme was not within their terms of reference and they proceed to set out their views on a contributory scheme. They laid down as follows the *principal conditions* with which a contributory scheme must comply—

1. The workers' contribution must be moderate in amount. It should never normally exceed 5d. a week, and, supplemented by the contribution of his employer and the State, should secure him an insurance sufficient in the great majority of cases to save him, during inevitable unemployment, from recourse to public assistance.

2. The scheme must not, by the extent of benefits promised, tempt the insured contributor to improvidence when in receipt of good pay.

3. It should provide benefits definitely less in amount than the general labourer's rate of wage, so that there may be no temptation to prefer benefit to work.

4. It must not interfere unduly with the mobility of labour in this country.

5. It must not deter from emigration those who would be benefited by a life overseas.

6. Subject to these conditions, the scheme should be made as attractive in its benefits to the insured contributor, as, on a strict actuarial basis, it is possible to make it.

OUTLINES OF PERMANENT SCHEME

They then set forth the outlines of the *permanent unemployment insurance scheme*—

1. **Unemployment Fund.** There should be an Unemployment Fund, subscribed in equal proportions by employers, employed, and the State, of amounts actuarially certified to be sufficient to enable the outgoings in benefits and administration to be met over a trade cycle.

2. **Scope.** The classes of persons to whom the scheme is to apply should be substantially the same as under the present scheme. It should be compulsory on them and their employers.

3. **Rates of Benefit.** There should be paid from the Unemployment Fund benefits at the following weekly rates—

Men	17s.
Women	15s.
Adult Dependants (not more than one for any insured contributor)	7s.
Dependent children under the age of 14	2s.
Young men aged 18 to 21	10s.
Young women aged 18 to 21	8s.
Boys aged 16 to 18	6s.
Girls aged 16 to 18	5s.

4. **Conditions for the Receipt of Benefit.** A claimant for unemployment benefit should be entitled to it, subject to a waiting period of six days, provided—

(*a*) that at least 30 contributions have been paid in the previous two years in respect of him;

(*b*) that he is genuinely seeking work but unable to obtain suitable employment, and is capable of and available for work;

(*c*) that he is free from the disqualifications for benefit, showing particularly—

(i) that he has not left his employment voluntarily without just cause or been dismissed for misconduct;

(ii) that he is not affected by the trade dispute disqualification.

In the case of juveniles, the payment should also be conditional on attendance at an approved course of instruction, where such instruction is available.

5. **Contributions.** The normal contributions payable by each of three parties should be at the following weekly rates—

Men	5d.
Women	3½d.
Young men aged 18 to 21	4d.
Young women aged 18 to 21	3d.
Boys aged 16 to 18	2½d.
Girls aged 16 to 18	2d.

For the purpose of extinguishing the debt on the existing scheme when it is wound up, the following additions should be made to the above contributions, these additions to cease as soon as that debt is liquidated—

Men	1d.
Women	½d.
Young men aged 18 to 21	1d.
Young women aged 18 to 21	½d.
Boys aged 16 to 18	½d.
Girls aged 16 to 18	½d.

6. Administration. The scheme should be administered by the Ministry of Labour through the medium of the Employment Exchanges. Decisions on claims to benefit should be subject to an appeal to the Courts of Referees and in certain cases to the Umpire. Where benefit has been paid for a lengthy period the claim should be specially reviewed by the Courts of Referees.

The cost of administration should be a charge on the Fund, save that if it exceeds in any year one-eighth of the contributions, the balance should, as at present, be paid by the Exchequer.

The Committee then explained the reasons which led them to recommend a permanent scheme in this particular form. It will be seen that they considered that the contributions from the employer, the employed person, and the State should be equal.

CONTRIBUTIONS

The amount of the contributions must be settled with reference both to the benefits and the cost of administration, and also to the probable amount of unemployment. Experience appears to show that unemployment fluctuates with a certain degree of regularity over what is known as a "trade cycle," and they proposed that the finance of the fund should be arranged that incomings and outgoings balance over such a period. On the question of the average amount of unemployment over a trade cycle they consulted the Government Actuary, who, with the limited data at his disposal, said that, taking a broad view of the problem, he is inclined to think that in adjusting the finance of the scheme a rate of 6 per cent of unemployment should be assumed. On this basis the finance of the scheme as recommended by the Committee was settled. In order that a surplus or deficiency may not reach unwieldy proportions, the Committee also recommended an actuarial inquiry into the scheme every five years. Considerable emphasis was laid on the actuarial soundness of the scheme, and the Committee thought it well to record their view that "no changes in the scheme should ever be made without due regard to their effect on the actuarial integrity of the scheme as a whole."

While, however, they were thus able to deal with *the finance of the scheme* so far as normal conditions are concerned, they found themselves now under the necessity of considering two embarrassing problems: first, the heavy deficit created by the general strike and the stoppage in the coal mining industry; and secondly, the "marked deterioration of the economic position of the country" which those disturbances created. As regards the debt which may remain when the existing scheme is wound

up, they suggested its liquidation by an addition of a penny a week to the contribution of each of the three parties in respect of men (with smaller increases for the other classes of contributors) to persist until it is wiped out. The Committee expressed the view that the second problem may have the effect of postponing the initiation of the new scheme, with its rates of contribution, though they hoped that this postponement would not be a matter of years but of months.

BENEFIT

The Report next discussed the *rates of benefit* and the principles which should govern them. "Ideal benefits must not be more generous than is consistent with the necessary conditions of a good scheme as above set forth; on the other hand, they should certainly be so substantial that the insured contributor can feel that if he has the misfortune to need them, then, taken in conjunction with such resources as may reasonably, in the generality of cases, be expected to have been built up, they will be sufficient to prevent him from being haunted while at work by the fear of what must happen to him if he is unemployed. Subject to these considerations, the amount of benefit must depend upon contributions that can fairly be called for."

The benefits of single men should be reduced, while those of the married contributor should be increased to the same degree, by increase of dependant's benefit. The rates of benefit for young men and women should be curtailed, and the Committee state that they have taken into account the report of Sir Donald Maclean's Recent Committee upon the effect on migration of schemes of social insurance, and also a considerable body of opinion in the Local Employment Committees.

CONDITIONS

The conditions recommended for the receipt of benefit, stated in a condensed manner, are first, a payment of thirty contributions in the last two years, and secondly, the requirement that the claimant must be "genuinely seeking work." The Report discussed the question whether these limitations are too generous or too strict. "It is common ground that benefit must be confined to persons of good faith—genuinely unemployed claimants. That limitation is obviously necessary. It is also, we believe, common ground, and it is our view that the insurance scheme, while excluding non-genuine cases, should not fail to provide benefits for all insured persons who can fairly be described as genuinely unemployed." Representatives of one school of thought had urged that the principle of the 1920 Act, which applies certain

automatic limits of a more stringent character than those now proposed, should again be put into operation, but the Committee did not so recommend. They considered that, except in times of very good trade, those limitations would have the effect of excluding genuinely unemployed persons. They preferred to rely on the two conditions mentioned, and in so far as that requiring the payment of thirty contributions in the last two years would, by itself, entitle to benefit persons who should not be admitted, they relied on their being excluded under the second condition.

At this point, the Committee discussed the proposal put forward by the Association of Poor Law Unions, which is broadly to the effect that the "extended" benefit which, as previously stated, was superimposed on the Act of 1920, should be abandoned, and that persons who would not be covered by a scheme so revised should be dealt with by the Poor Law guardians. This suggestion is "subject to a suitable scheme of Government aid by way of equalization of burden."

The Committee did not take the same view of the present unemployment insurance scheme as the Association of Poor Law Unions. The suggestion that "extended" benefit represents something for which the contributors have not paid was in their view, "only valid so far as the automatic limitations of standard benefit can fairly be said to define those payments which may alone be regarded as earned by contributions. But in insurance of other kinds the benefits are not related to the number of contributions. It is the damage done by the fire and not the number of fire insurance premiums which settles the compensation payable by a fire insurance company. Whatever else can be said about unemployment insurance, it has at least substantially paid its way." They had no desire to drive to the Poor Law persons who are genuinely unemployed. "The dislike of most insured persons to resort to poor law relief is natural and laudable. We would encourage it. Poor relief will be no less unwelcome to the genuinely unemployed, because it is partly provided by State funds." Further, they regarded "regular Government aid to the local Public Assistance Authority for the purposes of outdoor relief to able-bodied unemployed as highly dangerous. . . . If such payments were made, it seems obvious that some State supervision would be necessary, and in cases of this kind where assessments of individual claims are involved, supervision would mean control. It would then not be long before an organization arose little different, in the eyes of the claimants, at least, from that required for payment of unemployment benefit. It would be unfortunate if a state of things were created under which anyone whom the authorities of the insurance

scheme declined to pay were paid at once by the guardians. In that case the administration of unemployment insurance would be seriously compromised, since if anyone to whom the authorities of the insurance scheme properly refused benefit could be at once relieved by the guardians, partly out of moneys provided by the State, the refusal would be a matter of indifference to the claimant." For these reasons they were not able to accept the proposal of the Association.

The Report went on to explain more fully what the words "genuinely seeking work" are to mean, and how they can be accurately applied in practice. As there is to be one form of benefit only and not as at present two, namely, "extended" and "standard," they considered that there should be a single procedure for determining claims, and they recommended that, where a man has drawn more than 13 weeks' benefit in six months, his claim should be automatically reviewed by the Courts of Referees (see page 462). These bodies consisting of a Chairman, who is a man of legal training, assisted by two assessors representing respectively the interests of employers and workers, dealt with disputed cases of standard benefit, and the proposal is that they should extend their activities over the whole field of unemployment benefit. The Committee paid a tribute to the work of the Rota Committees of the Local Employment Committees, who have hitherto advised the Ministry in regard to claims for extended benefit and dependants' allowances. These Committees have, since their establishment, dealt with millions of claims, and the Report stated that "their public spirit and devotion are beyond all praise."

The Committee desired to retain, "what we consider to be the sound principle, that there shall be an examination by an authoritative and impartial body, of the classes of those who have drawn largely on the fund."

They proposed that "among the statutory conditions for the receipt of benefit a fuller definition of the phrase 'genuinely seeking work' should be made, that being the condition on which the fate of many an applicant will rightly depend. . . . It would be useful to state that, in determining whether an insured contributor fulfils or continues to fulfil the statutory conditions, regard may be had among other, to the following, considerations: the period or periods of time during which he has been employed; his qualifications, experience, or training in a particular occupation; his record of previous employment; his prospect of becoming re-employed in his previous or his usual occupation; his efforts to obtain employment which there was a reasonable chance of his obtaining, having regard to the usual

means of obtaining it." They made a recommendation on what is to be regarded as "suitable" employment. They pointed out that an insured contributor may be "fairly entitled to regard his contribution as enabling him to tide over intervals between spells of work in his own trade without being expected to accept any work which presents itself. But nobody could claim that this privilege should be indefinite." The claimant should therefore "remain entitled to decline employment in his own trade and district at wages and on conditions less advantageous than those which he habitually obtained or might reasonably expect; but if after a reasonable period of unemployment there is no prospect within a reasonable time of his obtaining re-employment in his own trade with sufficient regularity, he will be expected to seek suitable employment in some other trade."

The Committee dealt also with a matter which has given rise to some misgivings, namely, *rights of appeal to the Umpire*, who is the final authority on disputed claims to benefit. A trade union had a right to proceed from an adverse decision of the Court of Referees to the Umpire, but an individual contributor could not do so without the consent of the Court. They recommended "that, while an appeal to the Umpire shall not lie on the part of an individual contributor, except with the leave of the Court of Referees, such leave shall be granted where it appears to the Court to be reasonable, having regard to the importance of the principle involved or the special circumstances of the case, that the claim should be finally dealt with by the Umpire."

In regard to the proposals for the *adjudication of the claims to benefit* as a whole, the Committee observed "That the insured contributors will have the security against unemployment which they are promised: that they will be under no doubt as to their rights, and that at the same time nobody will remain on the fund for any long period without the approval of an instructed, impartial, and authoritative body, representing the interests both of the employers and workers."

CONTRACTING OUT

Having thus dealt with the principles of the unemployment insurance scheme, they proceeded to deal in the second part of their Report with a number of subsidiary problems.

The question of contracting out was fully explored. The Committee explained how the provisions of the 1920 Act for the secession from the general scheme of the whole of an industry, in order that it might have a "Special scheme" of its own, were expected in 1920 to affect roughly one-third of the insured

persons. The trade depression and difficulties of detail, as well as of finance, deterred most of the industries which considered the matter, and as a result the banking industry and the insurance industry alone have taken advantage of the privilege, which was suspended in 1921. The Committee report that "the experience of the last few years, with unemployment widespread in quarters which had previously been considered immune, has all but extinguished the desire for contracting out," and they did not recommend that any such provision should be continued.

They discussed a proposal that contracting out should be permitted on terms of a regular payment by the unit contracting out sufficient completely to compensate the general fund for the withdrawal, but they found great difficulties in it. They recognized, however, a possibility of a distribution of benefits in a particular industry more appropriate to the needs of the industry than that which is secured under the general scheme. The two existing special schemes they did not propose to disturb.

EXCLUDED INDUSTRIES

In regard to the scope of unemployment insurance, they discussed the inclusion of agricultural workers, private domestic servants, permanent railway employees, and permanent employees of local authorities, and recommended no change in the position, as it then existed.

OCCASIONAL AND SEASONAL WORK

The Committee stated there was an obvious corollary to the requirement that a claimant to benefit must prove that he has paid 30 contributions in the two preceding years. "Where the conditions of an industry, or section of an industry, are such that persons following it are normally not engaged in insurable work long enough to enable them to fulfil that condition, it would be unfair to them to insist on any contribution. We recommend, therefore, that where such workers can show that in two successive years they have been unable, for such reasons as are above stated, to secure as much as a yearly average of 15 contributions, they should be entitled to claim exemption."

DEPENDANTS' BENEFIT.

The Committee referred to the *classes of dependants* who should be eligible for dependants' allowances, and they proposed that an unmarried wife, where there are no children, should no longer be recognized by a scheme to which so large a contribution is made by the State.

ARRANGEMENTS WITH ASSOCIATIONS.

The arrangements under which *trade unions* can administer the benefits in addition to their own out-of-work benefits (see page 462) were fully discussed, and it was proposed that it should be an invariable rule that whenever the State benefit is so paid out, it should be accompanied on each occasion by at least a minimum payment from the union's own funds.

MARRIED WOMEN

The position in the insurance of *married women* was also considered, but the Committee did not see its way to recommend any change, nor to accede to proposals frequently made to the effect that when an insured woman marries, she should be given a lump sum if she has a credit of contributions in the Fund, and thereafter be disentitled to further benefit.

CONCLUSION

The Committee concluded with the following general statement of their endeavours: "We have now set out our findings in accordance with our terms of reference. First and foremost, we desire that all possible steps should be taken to reduce the evil of unemployment. Where this result cannot be achieved, recourse must be had to a scheme of unemployment insurance. We have recommended a scheme which we believe will be of practical value to the insured persons when they are unemployed, and advantageous not to them only but to the employers and the State."

"We have considered it of the first importance so to frame our scheme that it is as free as possible from all injurious tendencies. The conditions of benefit are so devised as to admit of speedy payment to those who are genuinely entitled to them, and at the same time to make it as certain as it is possible that these alone can establish a claim. The prior payment of 30 weeks contributions, the reduction in the rate of benefit of young persons, the periodical review of those who make lengthy claims on the fund by a competent, authoritative and impartial tribunal, namely, the Court of Referees, are expressly designed for this purpose. We have realized that the reputation of the scheme in the eyes of the insured persons must be continuously maintained. Otherwise the benefits, so far from maintaining the self-respect and independence of these persons when they are unemployed, will have the opposite effect. We have realized, too, that the contributions must be moderate in amount, and the suggested reductions should be of assistance to all the contributors.

"It gives us especial pleasure to report to you that we have reached our findings unanimously. A spirit of compromise has been necessary, but we believe that you will agree that the value of our recommendations is enhanced and not diminished by this fact, carrying with them some assurance, if you see your way to adopt them, that the unemployment insurance system may acquire a stability that hitherto it has sadly lacked, and, sponsored as it is, may claim, and we hope it will receive, the support of the community generally."

UNEMPLOYMENT INSURANCE ACT, 1927

The provisions of this Act carried out, in general, the recommendations of the Blanesburgh Committee, and with one or two exceptions came into force on the 19th April, 1928. Unemployment benefit was made payable as of right where the conditions were satisfied, and the discretionary power of the Minister of Labour to place restrictions on the grant of benefit was abolished. The determination of all questions arising on claims was made a matter for the Insurance Officer, Court of Referees, and the Umpire.

The limitations which applied to standard benefit that benefit should not be paid in excess of one week for every six contributions, and 26 weeks in a benefit year were abolished, as was also the condition that 20 contributions must have been paid since the beginning of the preceding benefit year (see page 470). The only amendment of the condition was a new First Statutory Condition as follows—

> That not less than thirty contributions have been paid in respect of him as an insured contributor in respect of the two years preceding the date on which application for benefit is made.

The condition was to be applied at the beginning of the benefit year (defined as a period of twelve months commencing on the date on which the contributor proves for the first time after the commencement of the Act, or after his last preceding benefit year, that the First Statutory Condition is fulfilled) and thereafter at quarterly intervals. An ex-service man, who has been in receipt of a disability pension within the preceding two years, was entitled to benefit if 10 contributions had been paid and if his failure to pay 30 contributions was due to his disability.

It was provided that the period of two years could be extended by any periods of incapacity for work falling within the two years so, however, as not to exceed four years.

For a transitional period of twelve months after the

commencement of the Act, the condition was waived in the case of insured contributors of 18 years and upwards who proved—

(*a*) that not less than eight contributions had been paid during the two years preceding their application, or that not less than thirty contributions had at any time been paid; and

(*b*) that they are normally employed in insurable employment and will normally seek to obtain their livelihood by means of insurable employment; and

(*c*) that they have had a reasonable amount of insurable employment in the preceding two years.

Their title to benefit would continue, subject to quarterly reviews, throughout any benefit year commenced in the transitional period of twelve months.

The other principal provisions of this Act were as follows—

Contributions. New classes of insured contributors were created, viz. persons between the ages of 18 and 21, and the rates as from 2nd July, 1928, fixed for them were as follows—

	Employers	*Employed Persons*	*State*
Young Men (18,19,20) .	7d.	6d.	5½d.
Young Women (18, 19, 20)	6d.	5d.	3⅞d.

An additional ground for claiming exemption from payment of contributions was introduced. This could be granted to an employee who proved that he "is a person who is employed in an occupation which is of a seasonal nature and does not ordinarily extend over more than 18 weeks in any year and who is not ordinarily employed in any other occupation, employment in which would make him an employed person."

Rates of Benefit. The following weekly rates of benefit were substituted for those previously in force as from 19th April, 1928—

Men (18 to 64) . .	17s. od.	Women (18 to 64) .	15s. od.
Boys (16, 17) . .	7s. 6d.	Girls (16, 17) . .	5s. od.

For the new classes of contributors the following rates were fixed as from 5th July, 1928—

Young men (20) . .	14s. od.	Young women (20) .	12s. od.
Young men (19) . .	12s. od.	Young women (19) .	10s. od.
Young men (18) . .	10s. od.	Young women (18) .	8s. od.

It was provided, however, that in the case of young men and women entitled to dependants' benefit they should receive ordinary benefit at the adult rate.

Review of Claims. Provision was made for the periodical review by a Court of Referees of claims on which benefit has

been received for an aggregate of 78 days within a prescribed period (roughly six months).

Continuous Unemployment. The period between two periods of continuous unemployment which may elapse before fresh waiting period is required was increased from six to ten weeks.

Dependants' Benefit. The following classes for whom dependants' benefit could be claimed were added—

Widowed step-mother, mother who has never been married, mother whose husband is permanently disabled and unable to work.

It was also provided that no distinction should be made between married and other applicants in connection with claims for dependants' benefit, and that there could be no claim for a "female person" unless she has the care of the applicant's dependent children. The rate of dependants' benefit for an adult was increased from 5s. to 7s.

Trade Dispute Disqualification. The relief which was granted to persons who had lost employment owing to a stoppage of work due to an employer contravening the terms of any agreement was repealed.

Arrangements with Associations. It was provided that, as from 1st January, 1929, every Association administering State unemployment benefit must pay benefit from its own funds: (*a*) for at least 10 weeks in the year; (*b*) at a rate for men of at least 3s. a week; and (*c*) to an aggregate amount for men of at least 75s. in the year. Lower weekly rates and aggregate amounts were laid down for women, young persons and juveniles.

It was further provided that the associations' benefits must be payable on each occasion on which State benefit is payable subject to certain exceptions to be prescribed by the Minister of Labour.

Special Schemes for Industries. The power of the Minister of Labour to make any approved special schemes which had been suspended was definitely abolished, with the proviso that the two existing schemes were not affected.

Finance. It was laid down that the Minister of Labour must at least once in every five years cause an investigation to be made into the financial conditions of the Unemployment Fund, and present a report of the investigations to Parliament.

UNEMPLOYMENT INSURANCE ACT, 1928.

There was a considerable increase in the number of persons registered at Employment Exchanges towards the end of the year 1928. The number of persons registered at the end of November was 1,395,000, and at 31st December, 1,520,700, and the debt of

the Unemployment Fund which was £22,640,000 at 31st December, 1926, was £24,160,000 at 30th June, 1927; £23,180,000 at 31st December, 1927; £25,680,000 at 30th June, 1928; and £31,720,000 at 31st December, 1928.

Power was taken by the Act of 1928 to increase the borrowing powers of the fund from £30,000,000 to £40,000,000.

UNEMPLOYMENT INSURANCE (TRANSITIONAL PROVISIONS AMENDMENT) ACT, 1929

This Act, which was passed on 27th March, 1929, extended for another twelve months the transitional period during which persons who have not paid 30 contributions in the last two years could receive benefit.

UNEMPLOYMENT INSURANCE ACT, 1929

This Act, which was passed on 26th July, 1929, increased the State contributions to the Unemployment Fund to one-half of the joint contribution of employer and employed person, as from 1st April, 1929. This gave effect to a recommendation of the Blanesburgh Committee that the Exchequer contribution should be one-third of the total amount.

UNEMPLOYMENT INSURANCE ACT, 1930

In July, 1929, the Minister of Labour announced that it was intended to adhere to the principle that claims for benefit should be determined by independent statutory authorities, but that it was thought to be advantageous to investigate, in the light of experience, the best method of carrying this principle into effect. Accordingly, it had been decided to set up a Committee with the following terms of reference—

To consider and report upon the constitution and procedure of statutory authorities performing the functions of Insurance Officers and Courts of Referees under the Unemployment Insurance Acts, and the nature of the evidence to be required as to the fulfilment of the conditions or the absence of the disqualifications for the receipt of unemployment benefit under the Acts.

The members of the Committee, which was appointed 25th July, 1929, were: Sir Harold Morris, K.C. (Chairman), Councillor Mrs. A. Adams, Mr. John A. Gregorson, Mr. A. Hayday, M.P., Mr. J. F. G. Price, C.B., and Professor F. Tillyard, C.B.E., with Mr. H. R. Hodges of the Ministry of Labour as Secretary. The principal recommendations of the Committee, which reported on the 16th October, 1929, were as follows—

1. It was not possible to prescribe the nature of the evidence which claimants should be required to furnish to prove that they are "genuinely seeking work." They recommended that the

words "genuinely seeking work, but unable to obtain suitable employment" in the Fourth Statutory Condition should be abandoned, and that instead of having a condition, the test should be by way of disqualification (*a*) if a claimant has refused an offer of suitable work; or (*b*) there is evidence that suitable work was available and he fails to prove that he had made reasonable efforts to obtain such work.

2. They agree with the practice by which local Insurance Officers allow benefit in all cases in which no question arises as to the fulfilment of the statutory conditions or freedom from disqualification, but recommended that when a question does arise in any case, other than one of a stoppage of work due to a trade dispute, the question should be referred to a Court of Referees for a decision and not a recommendation.

3. In any case where the decision of a Court of Referees is not unanimous a claimant should have the right of appeal to the Umpire.

4. When once a claim is admitted there should be no suspension of benefit until a decision by a Court of Referees has been given.

In November, 1929, an Unemployment Insurance Bill, carrying out in the main the recommendations made by the Committee, was introduced into the House of Commons and was finally passed on the 6th February, 1930, as the Unemployment Insurance Act, 1930. It came into force on 13th March, 1930, and was to continue in force until 30th June, 1933.

The main provisions of the Act were as follows—

Minimum Age for Insurance. It was provided that when the school-leaving age is raised to at least 15, the minimum age for insurance shall be lowered from 16 to that age. The Minister of Labour was empowered to fix, by regulation, the date of operation of this section.

Provision was made for the crediting, when the minimum age was lowered, of not more than 20 contributions to persons under the age of 18, attending schools, courses of instruction, or day continuation schools or junior instruction centres or classes.

Rates of Benefit. The weekly rates of benefit in the case of young persons (see page 485) were altered to the following—

Young men (18, 19, 20)	14s. 0d.
Young Women (18, 19, 20)	12s. 0d.
Boys (17)	9s. 0d.
Girls (17)	7s. 6d.
Boys (16)	6s. 0d.
Girls (16)	5s. 0d.

Conditions and Disqualifications. It was provided that the

period of two years to which the first statutory condition (payment of 30 contributions) is applied may be extended by any period of excepted unemployment occurring during the two years. The Fourth Statutory Condition, namely that the claimant is genuinely seeking work but unable to obtain suitable employment, was repealed, and in its place it was provided that it shall be a disqualification for the receipt of benefit if it is proved by an officer of the Ministry of Labour—

(*a*) that the claimant was notified of a suitable situation by an Employment Exchange or other recognized agency or by or on behalf of an employer, and without good cause refused or failed to apply for or refused to accept such a situation; or

(*b*) that the claimant has without good cause refused or failed to carry out any reasonable written directions given to him by an officer of an Employment Exchange with a view to assisting him to find suitable employment.

The maximum period of disqualification to be determined by the Court of Referees was fixed at six weeks.

Transitional condition (*c*) which required a claimant to show that he had had a reasonable amount of insurable employment in the last two years was repealed.

The Transitional period during which persons who may not have paid 30 contributions in the last two years may qualify for benefit was again extended for a further period of twelve months as from 19th April, 1930, i.e. the transitional conditions could be applied to claims made during any benefit year beginning on or before 18th April, 1931.

Approved Courses of Instruction for Juveniles. The Minister of Labour was required, subject to certain conditions, to make arrangements with Local Education Authorities for the provision of courses of instruction for juvenile claimants, i.e. persons under 18 years, and it was also enacted that such a claimant who, having been unemployed for the prescribed period and having received notice that a course of instruction is available, fails without good cause to attend such a course should be disqualified for benefit. In effect, this disqualification repealed the Fifth Stututory Condition so far as juvenile claimants were concerned.

Dependants' Benefit. The weekly rate of benefit in respect of adults was increased from 7s. to 9s. and subsequently to 10s. Children's allowances became 4s. in respect of each of the first two children and 3s. for each subsequent child. This benefit was also extended to the following classes—

(*a*) A female person, not residing with claimant, employed to assist in the care of claimant's dependent children at a rate of

remuneration of not less than the increase of the weekly rate of benefit payable for adults' dependants (9s.).

(*b*) An incapacitated father or step-father living with the claimant.

(*c*) Younger brothers, step-brothers, and half-brothers and younger sisters, step-sisters and half-sisters of the ages laid down for dependent children.

(*d*) Children aged 14 and 15 who would have received full-time instruction in the day school had they not been prevented by reasons of physical or mental infirmity.

It was provided that a claimant shall not be deemed to be wholly or mainly maintaining any other person unless, when unemployed, he contributes at least the amount of dependant's benefit to the other person's maintenance, and when in employment contributed more than half of the actual cost of the other person's maintenance.

It was also enacted that the expression "regular wage-earning employment" shall not include employment where the wage earned is less than the amount of dependants' benefit payable, and the expression "occupation ordinarily carried on for profit" shall not include the performance of work for payment less in amount than the amount of dependants' benefit, or the provision of board and accommodation for not more than one lodger as a member of the family.

Determination of Claims. It was provided that, in the case of all questions of title of benefits, other than those arising under the trade dispute disqualification, benefit should be disallowed only by a Court of Referees, and not by the Insurance Officer. This officer retained his right to disallow benefit in cases arising under the trade dispute disqualification, but the claimant, in these cases, was given the right of appeal to the Court of Referees from a decision of the Insurance Officer.

It was laid down that the Court of Referees should give a decision on the claim and not as formerly make a recommendation; the effect being to make the decision immediately operative. An exception to this was, however, expressly stated; payment was not to be made on a decision of the Court of Referees under the trade disqualification if the Insurance Officer appealed against the decision to the Umpire within 21 days of the decision being given.

Rights of appeal to the Umpire against the decision of the Court of Referees were given to the Insurance Officer, an association of employed persons of which the claimant was a member, and the claimant if leave was given him by the Court, or if their

decision was not unanimous. An appeal could be made only within six months unless the Umpire, for special reasons, extended the period.

It was provided that where a claimant was in receipt of benefit and the question arose whether he is disqualified for refusal of or failing to apply for suitable employment, or failing to carry out written directions given him to assist him to find suitable employment, or whether transitional condition (*b*) is satisfied, payment of benefit should continue pending a decision by the Court of Referees. In view of the repeal of the "genuinely seeking work" condition, the review of claims for benefit by a Court of Referees after 78 days' benefit had been received was also repealed.

Arrangements with Associations. The provision in the Act of 1927 that the Minister of Labour should not make or continue an arrangement with an association unless under its rules the association's out-of-work benefit was (with certain exceptions) payable on each occasion on which the member was entitled to receive State benefit was repealed.

Finance. It was provided that the State, in addition to its ordinary contributions to the Fund should pay into the Unemployment Fund an amount equivalent to the cost (including administration) of all transitional benefits paid to claimants who commenced a new benefit year after the 31st March, 1929.

UNEMPLOYMENT INSURANCE (No. 2) ACT, 1930

UNEMPLOYMENT INSURANCE (No. 3) ACT, 1930

UNEMPLOYMENT INSURANCE (No. 4) ACT, 1930

These three Acts, dated the 15th April, 1930, 1st August, 1930, and 19th December, 1930, respectively, increased the amounts which could be borrowed from the Treasury to £50,000,000, £60,000,000, and £70,000,000, respectively. The amount of the debt due to the Treasury at the end of December, 1929, was £37,850,000, at the 30th June, 1930, £42,930,000, and at the 31st December, 1930, £59,990,000. The amount paid by the Exchequer during 1930 to meet the cost of transitional benefit and cost of its administration was £18,710,000.

On the 28th October, 1930, it was announced that it was proposed to set up a Royal Commission to inquire into the whole question of Unemployment Insurance, and in particular, the allegations of abuse; and the Commission was appointed on the 9th December, 1930 (see Chapters XXVIII and XXIX).

UNEMPLOYMENT INSURANCE ACT, 1931

This Act, dated 3rd March, 1931, raised the amount of advances which could be made by the Treasury to £90,000,000 and extended the transitional period during which persons who had not paid 30 contributions in the last two years might receive benefit for a further period of 6 months as from 19th April, 1931, i.e. the transitional conditions could be applied to claims made during any benefit year beginning on or before 18th October, 1931.

UNEMPLOYMENT INSURANCE (No. 2) ACT, 1931

This Act, dated 11th June, 1931, extended the transitional benefit for another 6 months (forty-eight months in all); benefit could thus be drawn on claims made during any benefit year commencing on or before 18th April, 1932. The amount which could be borrowed from the Treasury was raised to £115,000,000. The debt due at 30th June, 1931, was £88,030,000.

CHAPTER XXVIII

THE INTERIM REPORT OF THE ROYAL COMMISSION ON UNEMPLOYMENT INSURANCE, 1931, AND AFTER

THE Royal Commission was appointed on the 9th December, 1930. Members: His Honour Judge Holman Gregory, K.C. (Chairman), Councillor W. Asbury, Mr. Henry Clay, Dr. H. J. W. Hetherington, Mr. E. C. P. Lascelles, Mrs. C. D. Rackham, and Mr. H. M. Trouncer. Mr. H. C. Emmerson and Mr. H. R. Hodges, both officers of the Ministry of Labour, were appointed Secretary and Assistant Secretary respectively.

TERMS OF REFERENCE

The Terms of Reference of the Royal Commission were as follows—

To inquire into the provisions and working of the Unemployment Insurance Scheme, and to make recommendations with regard to—

1. Its future scope, the provisions which it should contain, and the means by which it may be made solvent and self-supporting; and

2. The arrangements which should be made outside the scheme for the unemployed who are capable of and available for work.

THE SCOPE OF THE INQUIRY AND INTERIM REPORT

In the Interim Report which is dated 1st June, 1931,* the Commissioners stated that it had not been possible to make a complete study of all the questions which should be taken into account before the basis of a satisfactory permanent scheme of Unemployment Insurance can be determined; and they confined their recommendations to the matters which have been reported to them as urgent, as follows—

1. The increasing indebtedness of the Unemployment Fund, out of which Unemployment Benefit under the Insurance Scheme is paid;

2. The increasing cost to the Exchequer of Transitional Benefit; and

3. The suggestion that Unemployment Benefit is being paid to

* *First Report of the Royal Commission on Unemployment Insurance* 1931 (Cmd. 3872).

certain classes of persons in circumstances which the Unemployment Insurance Scheme was never intended to cover.

The May Committee on National Expenditure in their Report dated 24th July, 1931 (Cd. 392), on page 145, dealing with the Social Services, state "Between 1911 and 1929 the total cost of these Services grew to more than five times its former figure, and a charge on the Exchequer was multiplied 4½ times. Since 1929 there has been a further increase of roughly 70 millions (£70,000,000) in the gross cost of Unemployment Insurance. An increase of this charge on the country's productive capacity would have been a serious matter notwithstanding the change in the value of money, had our trade continued to develop as in the years immediately prior to the War. Under the difficult conditions of the post-War period the increase of burden has been a grave handicap, and we cannot shut our eyes to the fact that the enormous increase in the Exchequer charge for these Services has been the prime cause of the present crisis in National Finance."

In order to make clear the essential facts of the present situation the Commissioners referred briefly to—

1. The extent of unemployment;
2. The development of Unemployment Insurance;
3. The provisions in force; and
4. The finances of the Unemployment Fund and the cost of unemployment benefit to the Exchequer.

EXTENT OF UNEMPLOYMENT

The Commissioners reviewed the position and stated that a most serious element in the situation was that the average level of unemployment at the end of each month since December, 1920, when the Unemployment Insurance Scheme was extended to its present limits, was 12·2 per cent, representing nearly one and a half million persons. This represented a persistent and obdurate problem, and in the view of the Commissioners it would be unwise to treat experience of the previous ten years as transitory, or to assume that it over-valued the risk that had to be provided for in the next few years. Moreover, for the purpose of immediate measures, it must be noted that the present (1931) percentage of unemployment is, in fact, far higher than 12·2 per cent; since December, 1930, it has been 20 per cent or over. Indications were that unemployment would not fall appreciably in the next few months below the present level. What was necessary now was to adjust the finances of the Fund in present circumstances, and for the purposes of this Report the Commissioners did not feel justified in anticipating an average live register of less than 2,500,000.

THE DEVELOPMENT OF UNEMPLOYMENT INSURANCE

This is dealt with under six headings—

1. The position before 1911.
2. The 1911 Scheme.
3. The 1920 Scheme.
4. Extensions of the Scheme.
5. Dependants' Benefit; and
6. The Scheme of the Blanesburgh Committee.

These have been considered in detail in the two preceding Chapters.

THE PROVISIONS THEN IN FORCE

The provisions then in operation with regard to—

1. The Insurance Scheme;
2. Transitional Benefit; and
3. Public Assistance (Outdoor Relief);

were considered by the Commissioners. These have been dealt with elsewhere.

FINANCES OF THE SCHEME

Under conditions then existing, the cost of the Unemployment Insurance Scheme in 1932 was estimated (on the basis of a live register of 2,500,000) as follows—

	£
The Insurance Scheme	84,000,000
Transitional Benefit Scheme	35,000,000
Total	£119,000,000

This estimated cost of the Insurance Scheme proper in 1932–3 was made up as follows—

	£
Benefit	74,500,000
Administration	5,000,000
Interest on Debt	4,500,000
	£84,000,000

Towards this expenditure and the further payments amounting to £35,000,000 under the transitional benefit scheme, the beneficiaries contributed at the rate of about £13,650,000 per annum, or only 12 per cent. Under the temporary recommendations in the Majority Report of the Commission the expenditure on the Insurance Scheme would be reduced to £61,200,000, and the income increased to £53,550,000.

The Majority Report of the Commission submitted Interim

Recommendations in regard to the Transitional Benefit Scheme, to bring the cost (which would be increased from £35,000,000 to £44,100,000 by the operation of a 26 weeks' limit of insured benefit which was suggested) down to £34,000,000. The Recommendations included the introduction of a condition as to need in regard to special categories of claimants. They were, however, of the opinion that this condition should apply to all applicants for benefit, who have exhausted their insurance rights.

The May Committee stated that "Government Departments have not the machinery for inquiry into personal circumstances, and to set up special machinery for this purpose would be a wasteful duplication of the reconstructed machinery now operating under the County and County Borough Councils as Public Assistance Authorities. At the same time we recognize the strength of the feeling against any immediate outward and visible differentiation against those who have fallen out of insurance. Subject to the assessment of need by the public assistance authority we suggest that it might be possible, in the case of an intermediate class of persons who are still suitable for employment, to arrange for any necessary allowances to be paid by the Employment Exchanges as agents for the local authority."

It was in this manner that the proposals for a Means or Needs Test came into being.

Turning again to the Interim Report of the Royal Commission, it pointed out that when the Act of 1920 came into operation the Fund had a credit balance of over £22,000,000. In July, 1921, this reserve was exhausted and recourse was had to borrowing. This borrowing was continued because it was considered that the heavy unemployment, though not likely to fall appreciably in the immediate future, could not be of long duration, and in March, 1923, the Fund was in debt to the amount of £16,750,000.

The various changes in the finances of the Fund have been dealt with in the two preceding Chapters.

INTERIM MEASURES

Borrowing. To make recommendations by which the Unemployment Insurance scheme may be made "solvent and self-supporting" in the circumstances of the present time, the Commission observed, is "an objective which cannot be fully realized without much greater changes in the provisions of the scheme than they are prepared to recommend." They considered, however, that immediate measures should be taken "to arrest the deterioration of the scheme."

Pending their final report, the Commission made no recommendation for dealing with the accumulated debt. They pointed out, however, that it is important that borrowing on behalf of the fund should, as nearly as possible, cease, and that the liabilities of the fund, as such, should be restricted to those which can substantially be met from its current income.

The Controller of Finance and Supply Services to the Treasury in his evidence before the Royal Commission in January, 1931, showed that the cost of Unemployment Insurance to the Exchequer increased from £11,750,000 in 1928–29 to nearly £37,000,000 in 1930–31 (estimated).

The Royal Commission stated (par. 78) that—

"Whatever may have been the position in the past it is plain that the Fund is in no position now to borrow on its own security on any considerable scale. It is, therefore, important that borrowing on behalf of the Fund should, as nearly as possible, cease, and that the liabilities of the Fund, as such, should be restricted to those which can substantially be met from its current income. . . . We are not able at this stage to suggest alterations in the general conditions for the receipt of benefit so that, apart from savings due to the removal of anomalies, and excluding borrowing, there are only three methods by which the deficit can immediately be reduced." They are—

1. By a reduction of the period for which benefit is paid.
2. By an increase in the rates of contributions.
3. By a reduction in the rates of benefit.

The Period of Benefit. It is inherent in any scheme of insurance that the contingency to be covered by the policy shall be defined as precisely as possible. The Commissioners stated that they cannot conceive of an insurance scheme within the meaning of their Terms of Reference which will cover the mere fact of unemployment, without a limiting definition both of time and circumstances, if the scheme is to be fair to the general body of contributors. Hence, given the present easy qualifying contribution condition, as to which at present the Commissioners suggest no change, they think it would be reasonable to restrict the payment of insurance benefit to 26 weeks within the period of 12 months following the application for benefit. This period of benefit will cover the ordinary short term unemployment which, even in these days, constitutes the great bulk of unemployment. About six-sevenths of those now in receipt of insurance benefit would be unaffected by this limit; the remainder would be transferred to transitional benefit, and the Report deals later with their position.

Rates of Contributions. The Commissioners pointed out that

the most direct method of restoring solvency to the Unemployment Fund would be by increasing contributions. An increase of 1d. in the worker's contribution for an adult male, with proportionate increases for other classes, would increase the annual income of the Fund by £2,000,000; and since the contributions are fixed approximately on the basis of equal thirds for each of the contributing parties, this would secure a total increase in income of £6,000,000.

Any substantial increase in contributions is, however, in their view inadvisable in the present circumstances of British industry, and they limited their immediate proposals to the restoration for an adult male worker of the rate of contribution in force in 1924, with the same figure for the employers and Exchequer.

The rates recommended were as follows—

Class of Employed Persons	*Employers' Contribution*	*Employed Persons' Contribution*	*Exchequer Contribution*	*Total*
Man (21–64) . .	9d.	9d.	9d.	27d.
Woman (21–64) .	8d.	8d.	8d.	24d.
Young Man (18–20) .	8d.	8d.	8d.	24d.
Young Woman (18–20)	7d.	7d.	7d.	21d.
Boy (16, 17) . .	4½d.	4½d.	4½d.	13½d.
Girl (16, 17) . .	4d.	4d.	4d.	12d.

Rates of Benefit. The Commissioners recommended that the following rates of benefit should be adopted, viz.—

Age	*Males*	*Females*
Over 21 . . .	15s.	13s.
18–21 . . .	12s.	10s.
17–18 . .	7s.	6s.
16–17 . . .	5s.	5s.

Dependants' Benefit—

Rates of additional benefit for an adult dependant 8s. per week
Rates for dependent child . . . . . 2s. „

The Report showed that in view of the changes in the cost of living, the rates proposed were, in effect, higher than those in operation in the more prosperous years of 1924 and 1928.

TRANSITIONAL BENEFIT

The Commissioners pointed out that it was the intention of the Act of 1920 to maintain some of the original principles of the 1911 schemes. Benefit was to be payable according to the number of the contributions paid and limited to a maximum period of 15 weeks a year. These restrictions had a short life, for in

1921 an amendment was made to the effect that benefit was to be paid in advance of contributions to unemployed persons, who, it was anticipated, would ordinarily find work in insurable trades. This was the first of a succession of attempts to adapt the Scheme to carry a load which it was not designed to bear, and successive Governments, confronted by an unprecedented mass of unemployment, failed to recognize the limitations of the Insurance Scheme and, finding it available, have used it as a means of dealing with a situation for which it was not suited. These transitional provisions were amended from time to time, and the existing provisions were timed to expire on the 18th October, 1931. In the absence of alternative arrangements, those persons disqualified for transitional benefit, who have no other resources, would be obliged to apply to the Poor Law authorities for relief. In the circumstances the Commissioners were not prepared to suggest that transitional benefit should terminate in October, 1931, and they recommended, as an interim measure, and subject to the modified conditions, that the transitional period should be extended.

RATES OF TRANSITIONAL BENEFIT

The Commissioners stated that they saw no reason at that stage for proposing that workers in receipt of transitional benefit should receive less than the lower rates of benefit recommended for the worker in receipt of ordinary benefit.

CONDITIONS FOR THE RECEIPT OF TRANSITIONAL BENEFIT

A worker with 8 contributions to his credit in two years, or 30 contributions *at any time*, could qualify for transitional benefit, if he satisfied certain other conditions. The Commissioners stated their opinion that this lenient condition admits to benefit persons who have ceased to be within the industrial field and have become a social, rather than an industrial insurance problem. The Commissioners recommended, therefore, that the qualifying contribution condition for transitional benefit should be as follows—

"That a Claimant to Transitional Benefit shall be required to prove, at the beginning of each benefit quarter, that he has paid not less than 8 contributions during the period of 2 years, or not less than 30 contributions during the period of 6 years immediately preceding the date of the application for benefit."

A MEANS TEST

The Majority Report recommended that the following classes of claimants to transitional benefit should be required to prove

that, having regard to their circumstances, it is expedient that benefit should be paid to them—

1. Single persons (both young persons and adults, including widows and widowers without dependent children) who are living with parents or relatives to whom, having regard to all the circumstances, they could reasonably look for support during unemployment;

2. Married women living with their husbands who are in employment, and married men whose wives are in employment; and

3. Persons in receipt of workmen's compensation, Service pensions (other than War disability), and other fixed income (other than income from savings).

ANOMALIES

The Majority Report referred to the fact that much attention has been directed to certain provisions of the scheme which give rise to what have been commonly termed the "abuses" of the Acts but which may more fairly be called "anomalies." The classes of claimants to which attention had been particularly directed are—

1. Intermittent, short-time, and casual workers.
2. Married women.
3. Seasonal workers.

They made various recommendations for the exclusion of what they described as unreasonable claims for benefit by these classes.

INTERMITTENT, SHORT-TIME, AND CASUAL WORKERS

This group is sub-divided into the intermittent workers, casual workers, and short-time workers.

Intermittent Workers. By the term "Intermittent Workers" the Commissioners mean those workers who habitually find their employment in occupations which require their services for only one or two days in the week and often only for the week-end. As they pay contributions regularly they are able to satisfy the 30 contributions condition for insurance benefit. Included in this clause are, for example, some shop assistants, barmen, market porters, sandwichmen, bill distributors, and certain workers in the printing and laundry trades.

The Commissioners recommended that no claimant shall be treated as unemployed within the meaning of the Unemployment Insurance Acts who habitually works for only two days or less in each week, and is unable to satisfy the statutory authorities that he is normally employed in regular insurable employment for the other working days of the week.

Casual Workers. The Commissioners recognize that it may be necessary to devise special measures to deal with occupations characterized by a large amount of casual labour, but as an interim measure they recommended that the casual worker should be treated in the same way as the short-time worker.

Short-time Workers. The criticism of the payment of benefit to short-time workers may be summarized as follows—

(*a*) That it enables industries to maintain a reserve of labour at the cost of the contributors to the Unemployment Fund.

(*b*) That it is equivalent to a subsidy of wages.

(*c*) That many short-time workers receive benefit which they do not really need.

The proposal which the Commissioners made was that the conditions should be modified by the introduction of the principle of an over-riding limitation.

They suggested that, after the usual waiting-period, benefit should be paid in respect of any three or more days of unemployment within a period of six consecutive days, but that the amount of benefit to be paid should be the usual amount due subject to the following proviso: "That in respect of any period comprising both days of employment and days of unemployment, the amount of benefit payable for the days of unemployment shall be not more than the full amount of benefit, which would be payable for the whole period, less half the earnings received for the period."

The Commissioners considered this rule to be the only method they could devise to effect the three results which they wished to achieve, viz.—

(*a*) To provide reasonable benefit for short-time working where such working represents a loss of wages;

(*b*) to prevent the payment of benefit in those cases of high earnings where no reasonable claim to benefit lies; and

(*c*) to make it worth a man's while, whatever the amount of benefit to which he is entitled, to find or accept additional employment.

MARRIED WOMEN

The position of the married women workers under an Unemployment Insurance Scheme, the Report pointed out, differed substantially from that of other insured contributors. It is a common, and perhaps a growing, practice among employers to refuse to engage married women, and to dismiss women on marriage. It is clear that in the case of married women as a class, industrial employment cannot be regarded as the normal condition. These facts must be remembered in considering

whether special provisions should not be made for married women claimants under the Unemployment Insurance Acts. This is one principal consideration.

A second consideration is that, whereas the volume of unemployment among married women might have been expected to bear to the unemployment of women workers as a whole approximately the same relation as the total number of married women workers bears to the total number of women workers, the figures reveal a remarkable disparity.

The evidence of the Ministry of Labour shows that whereas the number of insured married women is estimated to be between 25 per cent and 30 per cent of all insured women, the proportion of married women among the women claimants has, for some time past, been between 45 per cent and 50 per cent. The main increase followed the Unemployment Insurance Act of 1927, and this would seem to show that the new conditions for the receipt of benefit encouraged applications, which would have been deterred by the previous restrictions of benefit to one week in respect of six contributions.

The Commissioners therefore recommended that a married woman shall be entitled to benefit only if she has satisfied the statutory authorities that—

(*a*) she has not abandoned insurable employment; and

(*b*) that having regard to her industrial experience and to the industrial circumstances of the district, she can reasonably expect to obtain insurable employment in the district in which she is residing.

SEASONAL WORKERS

The Ministry of Labour defined the position to the Commission as follows: the term "seasonal workers" is used to cover two different classes of case—

(1) where there is a busy season alternating with a slack season during which, nevertheless, some employment is available; and

(2) where the work is of a wholly seasonal character, beginning and ending on some more or less definite date and there is no work of the same sort available for the rest of the year.

Examples of the first class are the building, clothing, and certain other trades; and of the second class persons employed at seasonal and other holiday resorts, fish curers and others, such as jam workers.

The Commissioners recommended that a seasonal worker should be entitled to benefit in respect of unemployment occurring within the season subject to the general conditions applying

to all claimants, but that during the off-season a claimant who, from his industrial record, appears to the Insurance Officer to be a seasonal worker, should not be entitled to benefit unless he can prove to the satisfaction of the Court of Referees—

(*a*) That he has in the past worked in the off-season for a reasonable time in some insurable occupation; and

(*b*) that having regard to the industrial circumstances of the district, he can reasonably expect to obtain insurable work in the off-season in the district in which he is residing.

THE POOR LAW AND UNEMPLOYMENT

"We regard as a most important part of our inquiry" the Majority state, "the determination of the proper sphere of the central government and of the Poor Law authorities, and the best method of co-ordinating their activities so that the whole problem of the able-bodied unemployed may be properly covered without either gaps and hardships or duplication and waste."

Referring to public assistance (outdoor relief), the report states that about 6,000,000 workers employed under contracts of service and, in addition, a large number of persons engaged in business on their own account, were not covered by the Unemployment Insurance scheme. When unemployed, they might be relieved, according to need, by the Poor Law authorities. Many Poor Law authorities have adopted scales of relief for the guidance of their committees. In most areas the scale is below that of unemployment benefit. In some areas it is higher, particularly in the case of a person with a large number of dependants, and the Poor Law authorities were able to supplement the unemployment benefit paid by the Exchange.

The report adds that since 1921 there has been a great increase in the number of able-bodied persons applying for outdoor relief. Witnesses of experience and authority had stated that "the stigma which was formerly attached to outdoor relief had largely disappeared."

MINORITY REPORT

A Minority report was submitted by Councillor Asbury and Mrs. Rackham, who stated that they did not accept the position that the main object at the present time is a scheme under which income and expenditure can be made to balance. In their opinion, "the chief purpose to be kept in view is to maintain the unemployed on a level of subsistence at least no lower than that at

which it is to-day. It is the lowest paid workers who have already felt the force of economic depression with much greater severity than any other section of the community, and they should be the last to be called upon to bear any further burden." They recommended that there should be no changes in the Unemployment Insurance scheme until the Commission presented their final report. They expressed agreement with certain of the proposals of the Majority with regard to anomalies under the existing scheme. Mrs. Rackham added a note on the position of married women.

UNEMPLOYMENT INSURANCE (No. 3) ACT, 1931

This Act was passed on 31st July, 1931, for the purpose of removing certain anomalies in the operation of the Unemployment Insurance Acts mentioned in the Interim Report of the Royal Commission. The Minister of Labour was required, after consultation with an Advisory Committee to be constituted within six weeks of the Act receiving the Royal Assent, to make Regulations to impose additional conditions and terms with respect to the receipt of benefit by four classes of persons. The two main classes of persons concerned are seasonal workers and married women. The Act was to remain in force until 30th June, 1933.

Regulations were accordingly made on 2nd October, 1931, and came into force on the following day. The following conditions were applied—

Persons Habitually Working for Less than a Full Week. Benefit payable is to be reduced in certain circumstances.

Seasonal Workers. To receive benefit during the "off-season," a claimant must prove—

(*a*) within each of the two years preceding the claim a substantial amount of insurable employment during the "off-season";

(*b*) that he can reasonably expect to obtain insurable employment during a substantial period of the "off-season" in the district in which he is residing.

Persons whose Normal Employment is for not more than Two Days a Week. Benefit is not payable in respect of any days except those on which the person is normally employed.

Married Women. A married woman (other than a married woman whose husband is incapacitated or is unemployed and not in receipt of benefit) if she has since marriage paid less than 15 contributions, or, having been married more than six months has paid less than 8 contributions during the three months before the beginning of her benefit quarter, must prove—

(*a*) that she is normally employed in insurable work and

will normally seek to obtain her livelihood by means of insurable employment; and

(*b*) that she can reasonably expect to obtain insurable employment in the district in which she resides.

NATIONAL ECONOMY ACT, 1931

This Act, dated 30th September, 1931, was passed following recommendations of the May Committee on National Expenditure and the Royal Commission on Unemployment Insurance (Interim Report). Power was given for Orders in Council to be made for the purpose of effecting economies in State Expenditure or expenditure out of any Fund established by enactments in connection with certain named services, including Unemployment Insurance. Two Orders in Council affecting Unemployment Insurance were accordingly made.

UNEMPLOYMENT INSURANCE (NATIONAL ECONOMY) (No. 1) ORDER, 1931

This Order, dated 1st October, 1931, increased as from 5th October, 1931, the rates of contributions payable to the following—

Class of Employed Persons	*Value of new Stamp*	*Amount which may be Deducted from Wages by Employers*
Man (aged 21 but under 65)	1s. 8d.	10d.
Young man (aged 18 but under 21)	1s. 6d.	9d.
Boy (aged 16 but under 18)	10d.	5d.
Woman (aged 21 but under 65)	1s. 6d.	9d.
Young Woman (aged 18 but under 21)	1s. 4d.	8d.
Girl (aged 16 but under 18)	9d.	4½d.
EXEMPT PERSONS		
Man (aged 21 but under 65)	10d.	*Nil*
Young Man (aged 18 but under 21)	9d.	*Nil*
Boy (aged 16 but under 18)	5d.	*Nil*
Woman (aged 21 but under 65)	9d.	*Nil*
Young Woman (aged 18 but under 21)	8d.	*Nil*
Girl (aged 16 but under 18)	4½d.	*Nil*
PERSONS AGED 65 AND OVER		
Man	10d.	*Nil*
Woman	9d.	*Nil*

The Order also reduced the weekly rate of benefit to the following as from 8th October, 1931—

Man (aged 21 and upwards)	15s. 3d.
Young man (aged 18 and under 21)	12s. 6d.
Boy (aged 17)	8s. 0d.
Boy (aged 16)	5s. 6d.
Woman (aged 21 and upwards)	13s. 6d.
Young Woman (aged 18 and under 21)	10s. 9d.
Girl (aged 17)	6s. 9d.
Girl (aged 16)	4s. 6d.

The rate of additional benefit for an adult dependant was reduced from 9s. to 8s. per week, that for a dependent child remaining at the old rate of 2s.

UNEMPLOYMENT INSURANCE (NATIONAL ECONOMY) (No. 2) ORDER, 1931

This Order, dated 7th October, 1931, abolished transitional benefit which was replaced by Transitional Payments granted subject to a needs test administered by Public Assistance Authorities. As from and after 12th November, 1931, all persons who failed to satisfy the first statutory condition ceased to be entitled to claim insurance benefit even if they satisfied the transitional conditions. Further, as from the same date, any person who had become entitled to draw benefit in respect of 156 days in a benefit year was disqualified from receiving further benefit during the remainder of the same benefit year, and also in respect of any day in a subsequent benefit year until ten further contributions had been paid in respect of him since the last day for which he was entitled to benefit. This further benefit was conditional on the claimant continuing to satisfy the First Statutory Condition.

In the case of persons excluded from further right to insurance benefit the Order provided for assistance by the State of another kind in the form of "transitional payments." These payments were to be made to persons of the age of 18 and upwards who, but for the making of the Order, would have been entitled to insurance benefit, i.e. they must show that they have paid 8 contributions in the preceding two years or 30 contributions at any time, that they are normally employed in and will normally seek to obtain their livelihood by means of insurable employment; and further that they satisfy the usual conditions for the receipt of benefit and were free from disqualification. Transitional payments, however, were to be given only if the claimant proved that his circumstances are such that, whilst unemployed, he is in need of assistance by way of transitional payments.

The Order provided that the question whether an applicant

for transitional payments was in need of assistance was to be remitted to the Council of the County or County Borough in which the claimant resided.

The financial responsibility for these payments was placed on the Exchequer. They were to come out of the Unemployment Fund which was to be reimbursed from time to time out of moneys provided by Parliament in respect of the amounts of transitional payments made therefrom and the administrative expenses properly attributable thereto. The Local Authority was entitled to repayment of the additional expenses incurred in the discharge of the duties placed on it by the Order of determining questions as to need of assistance.

The amounts were to be assessed by the Council as if they were estimating the need of an unemployed able-bodied person who had applied for public assistance but were to be payable in cash only, and not partly in cash and partly in kind. Further, the payments to be made must not exceed the amount of unemployment benefit which would have been payable, and the local authority could not impose conditions as to test work or relief on loan. Payments were to be made by the local offices of the Ministry of Labour.

The Order provided that any deficiency in the insurance account of the Unemployment Fund over and above £115,000,000 which could be borrowed from the Treasury should be made good each year by the Exchequer. In May, 1921, the amount owed to the Treasury was £82,810,000; in September, 1931, it was £104,000,000, and at the end of 1931 it was £110,320,000.

Unemployment Insurance (Transitional Payments) Regulations, dated 16th October, 1931 (S. R. & O., 1931, No. 875), for giving effect to the Order in Council and regulating the procedure in dealing with claims for transitional payments were issued by the Minister of Labour. An Explanatory Memorandum, dated 17th October, 1931, was published. In order to give the Public Assistance Authorities time to investigate the circumstances of a person applying for transitional payment, payments at the appropriate rate of benefit were to be made by the Employment Exchanges for a period of two months from the 12th November, 1931. Power was given to extend the period for any area for a further two months if necessary.

The applications of persons who would have been claiming transitional payments on 12th November, 1931, would be investigated and determined before the cases of persons who would be claiming ordinary benefit on that date, but who, under the provisions of the Order in Council, will have exhausted their rights to insurance benefit. Application forms were available at the

Employment Exchanges at the beginning of November. Determinations were to have effect for four weeks unless altered meanwhile by the Authority, the four weeks beginning as from the commencement of the benefit pay week in which the determination was received at the local Employment Exchange.

The Public Assistance Authority had power to review a determination either because the circumstances of the applicant had changed since the date of the determination, or for any other reason for which they might review a decision regarding the grant of public assistance.

When an application for transitional payments was made, other than in the transitory period mentioned above, interim payments at the benefit rate could be made for six days while a determination was pending. If the applicant had received transitional payments under a previous determination within ten weeks immediately preceding the application, interim payments could also be made for six days, pending a new determination, at the previous rate.

The general arrangements were applied to Scotland with the necessary adaptation.

The memorandum said—

> The applications will represent all the degrees of industrial skill and experience that are to be found in the whole body of insured contributors; large numbers of the applicants, up to the beginning of the depression, have been employed regularly. Although many may have suffered the deprivations inseparable from long unemployment, they have in general been kept from the necessity of having recourse to public assistance by the receipt of unemployment benefit. In performing their function of public assistance it is the practice of authorities so far as may be to consider the circumstances of each case. The above points are brought to the notice of local authorities as being proper to be considered in dealing with these cases, and in determining the amount of transitional payments of which the applicant is in need while unemployed.

TRANSITIONAL PAYMENTS PROLONGATION (UNEMPLOYED PERSONS) ACT, 1932

As will have been gathered there were two classes of persons entitled to transitional payments. The first class consisted of those who did not satisfy the first statutory condition, i.e. have not paid 30 contributions in the last two years. The second class consisted of those who had satisfied the first statutory condition, but who had received 26 weeks' benefit in a benefit year.

This Act, which received the Royal Assent on 14th April, 1932, dealt with the first class, to whom transitional payments could only be allowed within the currency of a benefit year beginning not later than 18th April, 1932 (see page 501). It enabled the

Government to make transitional payments to such persons until 30th June, 1933, the date on which the Unemployment Insurance Act, 1930, and the Unemployment Insurance (No. 3) Act, 1931 (dealing with Anomalies), ceased to have effect and provided that the cost of the extension should continue to be met by the Exchequer. The National Economy Order of October, 1931, did not place any limit on the period during which the second class could receive transitional payments, but it should be noted that, failing the payment of further or sufficient contributions, they would, in course of time, cease to satisfy the first statutory condition, and would then fall into the first class of applicants.

FUTURE OF UNEMPLOYMENT INSURANCE

An explanation regarding the Government's intentions in respect of the future of the unemployment insurance system was given by the Minister of Labour in the House of Commons in April, 1932, when introducing the financial Resolution on the Transitional Payments Prolongation (Unemployed Persons) Act, 1932. He referred to the chaotic state of the law relating to unemployment insurance, and stated that, with the assistance of the Royal Commission which was then sitting, the Government hoped to place the system of unemployment insurance on a permanent footing next year and so avoid the necessity of these recurrent Bills of a temporary nature.

The Royal Commission was considering what arrangements were to be made outside the insurance scheme for the able-bodied unemployed, and that, of course, included the whole position of those who were now affected by transitional payments. Therefore, the Act of 1932 was simply a temporary carrying-over measure pending legislation which would be necessary in 1933. They could not, however, legislate until they had the report of the Royal Commission and until they had the opportunity of considering what that body recommended.

TRANSITIONAL PAYMENTS (DETERMINATION OF NEED) ACT, 1932

This Act, which received the Royal Assent on the 17th November, 1932, was passed to secure uniformity in the determination of needs of applicants for transitional payments by Public Assistance Authorities. It provided that in determining any question whether the circumstances of an applicant were such that whilst unemployed he was in need of assistance, the four

following exceptions to the general requirement that income and means from every source must be taken into account should be complied with—

(*a*) One-half of wounds or disability pensions and weekly payments of workmen's compensation to be completely ignored.

(*b*) Money and investments up to the value of £300 to be treated equivalent to a weekly income calculated on a basis of 1s. weekly for each complete £25 after the first £25.

(*c*) Regard not to be had to any sum which could be raised by mortgaging or selling the house in which an applicant resided.

Somewhat similar provisions are incorporated in the Unemployment Act, 1934, relating to unemployment assistance which replaced transitional payments (see Chapter XXXI), and have been added to and amended.

UNEMPLOYMENT INSURANCE (EXPIRING ENACTMENTS) ACT, 1933

This Act, which received the Royal Assent on 28th June, 1933, extended until 30th June, 1934, the operation of the Unemployment Insurance Act, 1930, and the Unemployment Insurance (No. 3) Act, 1931, and the grant of transitional payments which by the Transitional Payments Prolongation (Unemployed Persons) Act, 1932, were to continue during the operation of the Unemployment Insurance Act, 1930.

ANOMALIES REGULATIONS

The Regulations issued on 2nd October, 1931, under the Unemployment Insurance (No. 3) Act, 1931, for dealing with certain classes of anomalies were amended by the Minister of Labour so far as seasonal workers and married women were concerned on 7th September, 1933, after consultation with the Advisory Committee constituted under that Act. The principal changes made by the Amending Regulations were as follows—

Seasonal Workers. Under the original Regulations, a seasonal worker, in order to qualify for benefit in the "off-season," had to show a substantial amount of insurable employment during the "off-season" in each of the two years preceding the claim. The new Regulations permitted the satisfaction of an alternative condition, viz. employment to a substantial extent within one of the two years *and* employment to a substantial extent during the current period of "off-season."

Married Women. Under the original Regulations, a married woman to whom the Regulations applied had to show that she could reasonably expect to obtain insurable employment.

By the new Regulations, a claimant unable to satisfy this condition was permitted the option of satisfying a new alternative condition, viz. that her expectation of obtaining insurable employment in her usual occupation is not less than it would otherwise be by reason of the fact that she is married. It was also provided that the Regulations shall not apply to married women who prove that they have been deserted by, or are permanently separated from, their husbands.

CHAPTER XXIX

THE FINAL REPORT OF THE ROYAL COMMISSION ON UNEMPLOYMENT INSURANCE, 1932

THE Final Report* of the Royal Commission on Unemployment Insurance was presented on 27th October, 1932. The interim report, published in June, 1931, made emergency proposals, and is considered in Chapter XXVIII. The Report is signed by the Chairman (His Honour Judge Holman Gregory, K.C.), Mr. H. Clay, Dr. H. J. W. Hetherington, Mr. E. C. P. Lascelles, and Mr. H. M. Trouncer. There is a Minority Report signed by Councillor W. Asbury and Mrs. C. D. Rackham. Mr. H. C. Emmerson and Mr. R. H. Hodges, both officers of the Ministry of Labour, were Secretary and Assistant Secretary respectively.

TERMS OF REFERENCE

To inquire into the provisions and working of the Unemployment Insurance Scheme and to make recommendations with regard to—

(i) its future scope, the provisions which it should contain, and the means by which it may be made solvent and self-supporting, and

(ii) the arrangements which should be made outside the scheme for the unemployed who are capable of and available for work.

It will be seen that it was clearly the intention that the scheme which had hitherto been operative should be confined to an insurance one purely.

DEVELOPMENT OF UNEMPLOYMENT INSURANCE

Not the least valuable and interesting part of this report is the opening section, which traces the development of unemployment insurance from the Report of the Poor Law Commission of 1909 to the present day. An analysis is given of the extent and incidence of unemployment, and of the peculiar character of the post-War problems. Distinction is drawn between chronic and irremediable unemployment and that of an "intermittent and temporary character," and the Commissioners point out that the former is a "problem of relief, coupled with such measures of assistance, transfer and training as can be devised to

* *Final Report of Royal Commission on Unemployment Insurance*, 1932 (Cmd. 4185).

restore to the victims of it an opportunity of reabsorption in employment."

The development of unemployment insurance is reviewed and the facts of post-War (1914–18) unemployment are analysed. The conclusion reached is that since the War the element of persistent and chronic unemployment had become absolutely and relatively much more important. The greater part of the unemployment of the period 1923–29 was not due to trade depression, but was due to causes that were not transient. The post-War changes in the employment situation were due to loss of competitive effectiveness, the dislocation of employment caused by labour-saving inventions and other technical changes, and the divergent movements of prices and costs. Certain conditions which contributed to the high level of unemployment in the 11 years, 1921–31, were likely to persist for some years in this country even when the world-wide depression had passed.

The Commission conclude that while unemployment insurance is an appropriate way of dealing with intermittent and occasional unemployment to which all workers may be subject, it is quite inappropriate for dealing with chronic and continuous unemployment.

The report examines the principles of an insurance scheme, and points out how, since 1920, the insurance principles on which the original scheme was based have been disregarded. Successive Governments made changes which were determined "less by the careful balancing of anticipated claims and revenue than by a desire to find the politically easiest way of providing relief for the unemployed." This process of making fixed payments as of right, under the guise of insurance, but without requiring the fulfilment of the essential contribution conditions, was bound to bring about some confusion as to the nature of an insurance scheme.

"With the continued extensions of benefits and the relaxation of the conditions of the scheme, the fact that insurance could be only the first line of defence against unemployment was overlooked." Until urgent steps to effect economy had to be taken in September, 1931, political considerations made it difficult for any party in office to take steps to restore the scheme to the place among the social services which originally it was designed to occupy.

The experience of the past 10 years did not justify the assumption that insurance cannot be successfully applied, but that experience does show that if the limits of an insurance scheme are to be maintained in the face of adverse circumstances the alternative provision for unemployed workers who have ex-

hausted their insurance rights or have never been insured must be acceptable to the public conscience.

RECOMMENDATIONS

The Majority Report of the Royal Commission proposed fundamental alterations not only in the administration of the means test but also in the administration of the Poor Law, which would have affected local government administration. If these recommendations had been carried into effect the responsibilities of County and County Borough Councils would have been considerably extended.

The Royal Commission emphasized the limitations of State unemployment insurance. They stated that insurance cannot accomplish anything beyond the particular purpose for which it was established, i.e. the payment of benefit, as of right, for a limited period of time and subject to definite conditions. Insurance, therefore, meets the needs of workers, the great majority of whom are unemployed for a period of limited duration. But at all times some unemployed workers may find that they cease to qualify for insurance benefits under the terms of the scheme. Under the existing arrangements, such workers would normally quality for the transitional payments provided they satisfied the requirements of the Means Test.

The Commission's proposals were, therefore, briefly, a dual system of insurance and relief. An insured worker who has paid a minimum number of contributions would be entitled to a fixed payment for a limited time without inquiry into his needs. Workers who are not insured (including those over the income limit), and insured workers who have exhausted their insurance rights, would be relieved according to their needs under a relief service administered by the local authorities and supervised by the Minister of Labour. This method of relief was not followed in the Unemployment Act, 1934, which followed the consideration by the Government of the Commission's recommendations.

Over the eleven years, 1921–31, the average percentage of unemployment was over 13 per cent. The Commission criticize the action of successive Governments in ignoring this actual experience and basing the finances of insurance on a lower average. They state also that "it may well be that from time to time the interests of industry, both employers and workers, have been sacrificed to the interests of political expediency." On this account and also because the insurance scheme must be flexible if it is to be kept adjusted to changing industrial conditions, and if anomalies are to be avoided, the details of a scheme affecting 12,000,000 workers in a vast variety of occupations

are so technical that Parliament is often not the best qualified body to deal with them.

ADMINISTRATIVE DEFECTS

Existing arrangements for transitional payments and out-door relief were found to be unsatisfactory. Critics considered that although these defects required to be remedied, there was no need to set up expensive new machinery, as was enacted by the Unemployment Act, 1934, when the existing machinery of the local authorities could have been used. The Commission recommended that there should be a new statute giving local authorities the duty of administering a relief service for all unemployed industrial workers who are outside insurance. The service would be available to all unemployed workers who are ordinarily employed under a contract of service. It would not be confined to insured workers, but would be available, subject to proof of need, to all able-bodied industrial workers who satisfy certain conditions. An insured worker who has exhausted his insurance benefit is no more entitled to special treatment than workers in uninsured trades, including non-manual workers earning over £250 a year, and workers in agriculture. The Poor Law should remain for persons who are not able-bodied, as well as for the able-bodied who do not satisfy the conditions of the new service and may be in need of deterrent treatment or discipline.

The Ministry of Labour should be generally responsible for the control and development of the new service for maintaining through the employment exchanges the contact between the persons affected by the service and the opportunities of employment, and for ensuring that the test of needs is administered in accordance with uniform principles throughout the country.

SYSTEMS OF STATE ASSISTANCE

It was proposed to provide three systems of State assistance. The first, **Unemployment Insurance**, administered as now by the Employment Exchanges under the direct control of, and as part of the Ministry of Labour. An insured worker who had paid a minimum number of contributions would be entitled to a fixed payment for a limited time without inquiry into his needs.

The Unemployment Insurance Fund was intended to be self-supporting, so that this form of assistance would be insurance partly supported by the State contribution for each worker.

Secondly, **Poor Relief**, as administered by Public Assistance Committees under the general control of the Ministry of Health.

The Poor Law should remain mainly for persons who are not able-bodied. The industrious able-bodied poor should be altogether taken off the Poor Law, except where deterrent or disciplinary measures are necessary as, for instance, in the case of the casuals.

Thirdly, a new service of **Unemployment Assistance** provided for all the able-bodied persons who may be regarded as in the labour market, and who are not for the time being employed or in receipt of insurance. It would also include workers who are not insured (including those over the income limit).

Broadly, the proposals of the Royal Commission were to establish a service to be administered by the County and County Borough Councils, under the general direction and guidance of the Minister of Labour, who should lay down principles for the guidance of local authorities. This service was to provide generally for—

1. The able-bodied unemployed who are within the industrial field;

2. Those who are outside the scope of any insurance scheme; and

3. Those who, though included in some insurance scheme, have exhausted their rights under it or have not acquired rights.

CENTRAL CONTROL

The Royal Commission stated that closer central control of the arrangements for the assistance of able-bodied unemployed workers would be imperative. It is claimed that most of the inequalities in the present system of public assistance to able-bodied unemployed workers can be removed by a greater degree of central control and direction of local administration.

While, with the formation of the new Unemployment Assistance Service, the political dangers to the stability of an insurance scheme would be considerably reduced, the Commission felt that some further bulwark was necessary if the interests of industry, both employers and workers, were not again to be sacrificed to political expediency.

STATUTORY COMMISSION

The Royal Commission accordingly recommended that an independent *Advisory Statutory Commission* should be appointed to act outside the immediate political area as an advisory body to the Minister. This Advisory Commission would keep the scheme constantly under review, and in consultation with industrial organizations would recommend changes which appeared desirable. The responsibility of the Minister of Labour would, however,

remain unimpaired, but he would be required to consult the Commission before taking decisive action.

They considered it desirable that, in reviewing the provisions and working of the Insurance Scheme, the Statutory Commission should bear in mind and concern themselves with the interests of the complementary scheme. There should be a close relation between the field of references of the Statutory Commission and the arrangements outside the Insurance Scheme. They did not think it possible or indeed desirable for Parliament to abrogate its functions so far as to vote a large sum annually to be disbursed to unemployed workers in accordance with the standards prescribed by an independent Statutory Commission. They recommended, however, that before making general regulations with regard to the administration of the test of needs or the standard of payments for the relief service, the Minister of Labour should consult the Statutory Commission, and that any proposals he might bring before Parliament should be accompanied by a report by the Commissioners upon their effect. It should be a small body of about five persons and given such security of tenure as would enable it to function with independence.

The Statutory Commission would report annually on the finances of the scheme and make suggestions for keeping the Insurance Fund solvent and self-supporting.

In relation to the relief scheme the Minister should also have the advice and support of the Statutory Commission before taking any decisive step, such as making general regulations which would be binding on local authorities.

The Royal Commission pointed out that their proposals as regards the making of regulations are in accordance with the principles laid down by the Committee appointed to examine the Powers of Ministers which reported early in 1932.

PRINCIPLES OF INSURANCE SCHEME

The Commission reached the conclusion that in such a scheme—

1. The major part of the cost must be borne by the potential beneficiaries and by their employers.
2. Taking one year with another, income must balance expenditure.
3. The receipt of benefits must be conditional upon the payment of contributions.
4. The contributor's title to benefit on occurrence of the contingency insured against must be a matter not of discretion but of right.

Looked at from this point of view it was clear that the benefits of an Insurance Scheme must be limited both in duration and

amount. If it is not found possible to maintain these limitations in adverse circumstances, the scheme would have no claim to the name Insurance.

SCOPE AND PROVISIONS OF INSURANCE

In considering the insurance scheme in detail, the Commission dealt principally with the classes of employment to be insured, the contributions, and the conditions to be fulfilled for the receipt of statutory benefit.

CLASSES OF EMPLOYMENT

For reasons of administration it was considered that no differentiation in contributions or rates of benefit should be made between different industries, although the risks vary widely.

Railways. As regards the railways, it was recommended that if it should become necessary to insure more than 30 per cent of the personnel in order to cover expenditure on benefit, then all the workers should be brought within the scheme.

Agriculture. The Commission found that there are strong arguments for the extension of unemployment insurance to agriculture, but in view of the formidable difficulties they did not recommend the inclusion of the industry in the State scheme. They recommended, however, that the proposed Statutory Commission should forthwith explore the possibility of a special scheme with representatives of the industry.

Private Domestic Service. Private domestic service should continue to be excepted. Some minor changes were suggested with a view to removing certain anomalies which have arisen out of the definition of the present insured classes of domestic service, and the interpretation of "employed in any trade or business carried on for the purposes of gain."

Income Limit. The income limit for non-manual workers should be raised from £250 to £350 if and when the same limit can be adopted for National Health Insurance.

THE AGE LIMITS

The age of entry into insurance should correspond with the statutory school-leaving age. Contributions (with a maximum of 20) should be credited to children in respect of each two weeks of voluntarily continued full-time education, and attendance at an approved course of instruction, should be a normal condition for the receipt of benefit for juveniles under 18. It is suggested that the age-limits under the National Health Insurance Scheme should be brought into line.

No change in the upper age-limit of 65 was recommended.

CONTRIBUTIONS

The three contributing parties to the scheme—employers, workpeople, and Exchequer—should remain as at present. The Commission recommended no change in contributions. The Commission favoured the principle of differential rates of contributions and benefit in relation to wages, but considered that the time was not opportune for making such a radical change.

CONDITIONS FOR THE RECEIPT OF BENEFIT

As regards the conditions for benefit, the Commission recommended in general the retention of those at present in force. They were, however, in favour of restoring the principle of relating the period of benefit to the record of insurable employment over a recent period, and proposed a rule whereby the maximum period of benefit for workers with a good record might be 39 weeks in a year, and that instead of a uniform limit of 26 weeks, the period of benefit should be adjusted from a minimum of 13 weeks to a maximum of 39 weeks. In making the adjustment, account would be taken of contributions paid and benefit drawn in the past five years. The financial effect would not be very different from the existing fixed limit of 26 weeks; it would result in a transfer from the insurance scheme to the relief scheme of about £4,000,000 a year out of a total expenditure of about £115,000,000.

BENEFITS

The rates of benefit recommended were those which were suggested in the Commission's First Report—namely, for adult males, 15s. a week, and for adult females, 13s. a week, with lower rates for persons under the age of 21. No change was recommended in the rate of 8s. a week for an adult dependant, but it was recommended that the rate of dependant's benefit for the first child should be increased to 2s. 6d., while the rate for other dependent children should be 2s. as then operative. The general effect would have been to reduce the rate of contribution for adult single persons by 3d. per week and to increase the rate for married men with children by 3d. per week.

FINANCE

On the assumption of a Live Register of 3,000,000 unemployed with existing rates of benefit and contributions and no changes in conditions, it was estimated that the financial position for 1933–34 would be as follows—

EXPENDITURE

	£
Insurance benefit	59,000,000
Administration	4,000,000
Interest on debt	5,500,000
	£68,500,000

RECEIPTS

	£
Contributions in equal shares by Exchequer, employers and employed	59,100,000
Deficiency	£9,400,000

The total charge on the Exchequer (for the insurance scheme only) would be £29,100,000, consisting of £19,700,000 ordinary contribution and £9,400,000 deficiency grant.

PROVISIONS OUTSIDE INSURANCE

Under the scheme in force when the Commission reported, a worker who could show that he had made some small contribution to the Insurance Fund at some date, and that he would normally seek insurable employment, had considerable privileges as against an unemployed worker who had not been insurable, although he may have received all the insurance benefit to which he is properly entitled.

The Commissioners did not feel that distinction should be made among those unemployed on the basis of having contributed to the Insurance scheme, but that "the arrangements for relief of unemployment should be made available for all able-bodied workers who are involuntarily unemployed, irrespective of their insurance status." The distinction should rather be that the unemployed person is seeking work in industry. Such person would receive cash payments, adjusted according to needs, and administered by a Public Assistance Committee. A condition should be that the recipient would be willing to accept training or occupation. While such a system of relief would be available for those "permanently" unemployed, there would still remain the necessity and value of a compulsory insurance scheme to cover intermittent periods of unemployment.

PRINCIPLES OF UNEMPLOYMENT ASSISTANCE

The Commission stated that the principles upon which the general provision for unemployed workers should be based are—

1. Assistance should be subject to proof of need;
2. The need of the applicant should be judged after an assessment of the resources of the household of which he is a member;
3. The amount of the payment should, as a rule, fall so definitely

below the prevailing level of wages as to avoid the danger that applicants might consider themselves to be in a better position when receiving relief than when earning wages;

4. The payment must be at the discretion of an authority, other than the Employment Exchange, acting locally.

These four principles were present in the existing arrangements for transitional payments and out-door relief, but the Commission considered that these arrangements fell short of a satisfactory scheme of assistance for the following reasons—

(1) The test of needs is not administered in accordance with uniform principles.

(2) The areas of administration are in some cases too small. Where their boundaries cut across a homogeneous industrial area it is desirable that some arrangements for co-ordinated action on uniform principles should be made.

(3) The central authority has insufficient responsibility for standards of administration and cannot exercise effective control.

(4) The central authority charged with the oversight of the administration of Public Assistance, the Ministry of Health, is not primarily an industrial authority, and is not otherwise directly concerned with the problem of unemployment.

(5) The local authorities have no financial responsibility for the administration of the test of needs for transitional payments.

The Royal Commission's proposals were therefore a dual system of insurance and relief.

UNEMPLOYMENT ASSISTANCE SCHEME

With regard to the proposed scheme of unemployment assistance, the intention was that all persons, whether in the trades at present covered by the insurance scheme or, for example, in non-manual occupations earning over £250 a year, or in agriculture, should fall within the scheme of unemployment assistance when they are unemployed, provided that they would be effective industrial workers if employment were available for them, and subject to their readiness to accept suitable occupation, training, or instruction. The general conditions and disqualifications of the insurance scheme would not be specifically applied to claims for unemployment assistance, but no one would be eligible who refused suitable employment.

Each local authority should form a new statutory committee, to be called the "Unemployment Assistance Committee," for the determination of the rate of payment to be made in each case, and, in co-operation with the Ministry of Labour, for the conduct of schemes of occupations and training for persons in receipt of unemployment assistance.

A person claiming unemployment assistance would register at the employment exchange and would then present himself to the local authority for the assessment of the rate at which payment was to be made to him. Payment would ordinarily be made by the local authority.

The Poor Law would, therefore, remain as the basic service to meet deficiencies of other services and as the final resort for persons in distress through want of employment, infirmity, sickness, or other causes.

Similarly, if the local authority considered that the amount of assistance to be paid to an able-bodied unemployed worker, either as insurance benefit or unemployment assistance, is insufficient to meet his needs, owing to exceptional circumstances, e.g. high rent, it will have a discretion to grant supplementary relief, the cost of which will be borne by the local authority.

(1) **Conditions of Relief.** The Ministry of Labour, as the department concerned with problems of employment and unemployment, should be the central department responsible for the scheme of unemployment assistance. The Minister should lay down principles for the guidance of local authorities and provide that the standards to be established should be those which experience shows to be required to relieve need.

(2) **Needs Test Suggestions.** The Commission did not recommend a legal definition of the household, but considered that ordinarily the household should be regarded as consisting of husband, wife, sons, and daughters. Other persons living in the household should be treated as members (and so concerned in the maintenance of other members during unemployment) or as lodgers (and so not concerned) according to the facts of each case.

In the absence of an exact definition of the household the Commission urged the adoption of intelligible principles of treatment with regard to different elements of family income and particularly with regard to earnings.

They say that "the practice of regarding almost the whole income of each member of the household as available equally to all the other members is not easily defensible, and we think it necessary that, under any system of discretionary assessment, definite guidance should be given to the assessing bodies as to the treatment of different kinds of income."

They suggested the lines on which the guidance might be given on the following items—

1. Earnings of the applicant.
2. Earnings of other members of the household.
3. Other items in the household budget.

4. Capital assets.
5. House property.
6. Disability pension.
7. Workmen's compensation.
8. Health Insurance Benefit. The existing statutory exception of the first 7s. 6d. (now 10s. 6d.) of health insurance benefit should continue.
9. Friendly Societies' Sick Pay. The existing statutory exception in England and Wales of the first 5s. of friendly societies' sick pay should continue and this provision should be extended to Scotland.
10. Unemployment Insurance Benefit received by other members of the household.

(3) **Relief Less than Wages.** The standard of relief payments must depend on the general level of national prosperity and the amount of money available out of public funds for the purpose. But the amount of relief should, as a rule, fall so definitely below the prevailing level of wages as to avoid the danger that applicants might consider themselves to be in a better position when receiving relief than when earning wages.

The cost of this new service must be borne in the major part by the Exchequer, but local authorities should contribute a share. The local authorities must have a financial interest in their decisions.

Given this system of relief there is still great advantage in maintaining insurance. It gives a worker a definite right to a fixed payment for a limited time without inquiry into his needs, in return for contributions. Even to-day by far the larger proportion of workers who suffer unemployment in the course of the year can be covered by an insurance scheme. It is reasonable, also, that so long as the responsibility for the employment of labour rests upon industry and not upon the State, industry should bear the first charge of unemployment as part of its normal expenses. The Commission, therefore, strongly recommended the retention of insurance.

DEPRESSED AREAS.

Local authorities were paying the cost of outdoor relief for the able-bodied unemployed, and the Commission recommended that the cost of the new service should be shared between the Exchequer and the local authorities, the Exchequer being responsible for the greater part of the cost. For the first year of operation of the scheme, each local authority would bear the first cost of its unemployment assistance service to the extent of a uniform local rate in the pound. A 4d. rate would produce

about £5,000,000 for the whole of Great Britain. In most areas a 4d. rate would not cover the cost.

The estimated cost to the Exchequer of transitional payments in 1933, with an average live register of 3,000,000, was estimated to be £58,000,000; the Commission recommended that the Exchequer liability should be fixed at this level of unemployment, and that the Exchequer contribution should be distributed among local authorities in whose areas the cost exceeds the product of a 4d. rate, so that a higher percentage of actual expenditure would be borne by the Exchequer in the depressed areas than in the more prosperous areas. The proposed allocation was intended to relieve the distressed areas of some part of their present charge for outdoor relief.

THE EMPLOYMENT SERVICE OF THE MINISTRY OF LABOUR

The Report drew attention to the distinction between—

(*a*) The primary purpose of the Employment Exchange as "any office or place used for the purpose of collecting and furnishing information . . . respecting employers who desire to engage workpeople and workpeople who seek engagement or employment" (Labour Exchanges Act, 1909); and

(*b*) its function as an integral part of the Unemployment Insurance Scheme.

The Commission considered that the Employment Exchanges—

1. Reduce unemployment by decreasing periods of waiting between jobs and by filling marginal vacancies which would probably otherwise remain unfilled.

2. Increase the efficiency of labour by the careful selection of the employees to be submitted to employers who notify vacancies, and by offering employers a wider choice of labour than they would otherwise obtain.

3. Increase the fluidity of labour by linking together the supply and demand for labour over the whole country.

4. Provide an opportunity for the decasualization of labour.

The annual number of vacancies filled by the Employment Exchanges rose from 697,000 in 1922 to 1,952,000 in 1932. The Commission emphasized the importance of this side of the work of the Exchanges.

DECASUALIZATION

In order to enable the Minister of Labour to deal with irregular and casual employment he should be given powers of control to be exercised in the absence of approved voluntary schemes.

THE PROVISION OF TRAINING, INSTRUCTION, AND OCCUPATION FOR UNEMPLOYED WORKMEN

The Commission attached great importance to the provision of occupation for unemployed workers, particularly with regard to younger persons, and, while commending warmly the existing training schemes of the Ministry of Labour, they pressed for the development in the future of a more comprehensive policy in the execution of which the Ministry of Labour, local authorities, and voluntary associations should all have a part.

THE FINANCES OF UNEMPLOYMENT INSURANCE

The debt on the Fund was £115,000,000, the annual charge for interest alone being £5,500,000. No less than £76,000,000 was incurred in the two years following 1st April, 1930, and this increase was solely due to insurance benefit as distinct from transitional benefit. The Commission recommended that the whole of the debt should be transferred to a separate account, and provision made to amortize it in a definite number of years. If the rate of interest could be reduced to 3½ per cent, a charge of £4,500,000 a year would enable the debt to be repaid in 65 years. This charge should be borne as to two-thirds by the Exchequer, and as to one-third by the Unemployment Fund. The charge on the Fund would thereby be reduced by £4,000,000 from £5,500,000 to £1,500,000. The Exchequer would be responsible for the balance of £3,000,000.

As regards the formulation of a solvent and self-supporting insurance scheme for the future the Commission said that, if the mistakes of the past are not to be repeated, it is essential that the finances should be adjusted annually in the light of experience. They, therefore, recommended that the Statutory Commission should be charged with the duty of reporting annually on the finances of the scheme and of making recommendations as to changes in contributions and benefits. The Minister, on receipt of the report, would be under an obligation to make such alteration in the scheme as would maintain it on a solvent and self-supporting basis.

LIMITS OF INSURANCE

The cost to the Exchequer of payments to the unemployed, including benefit of all kinds and transitional payments, increased from £11,800,000 in 1928–29 to £80,500,000 in 1932–33 (based on the rate of expenditure in September, 1932), while the local authorities' cost of out-relief to persons ordinarily engaged in some regular occupation and their dependants, varied between £3,900,000 and £8,500,000 a year.

Generally, the Commission took the view that it is possible and worth while to maintain the insurance scheme in a form which will be solvent and self-supporting, even when the register of the unemployed is as high as 3,000,000. They regarded, however, the level of contributions and benefits which they recommended as marking practically the limits to which it is reasonably possible to go. If, therefore, the course of employment is such that further adjustment in the finances of the scheme is necessary, special emergency measures should be considered. Of these two are mentioned: (i) borrowing, and (ii) a deficiency grant by the Exchequer.

ESTIMATE OF INCOME AND EXPENDITURE OF THE UNEMPLOYMENT FUND FOR THE FINANCIAL YEAR 1933-34

With the assumed register of 3,000,000 it was estimated that the financial position in 1933–34, if effect were given to the Commission's recommendations, would be as follows—

		£
Receipts from contributions at present rates		59,100,000
Estimated cost of benefit at present rates		59,000,000
Savings		
Revised rates of benefit for single persons	£1,000,000	
Period of benefit (minimum 13 weeks, maximum 39 weeks)	4,000,000	
Earnings test for workers employed during the week	2,250,000	
Changes in classes of dependants	50,000	
		7,300,000
		£51,700,000
Additional 6d. for first dependent child		340,000
Cost of administration		3,500,000
Contribution from fund to amortize debt		1,500,000
		£57,040,000
Estimated excess of receipts over expenditure		£2,060,000

The total Exchequer contribution to the Insurance Scheme would be about £22,700,000, consisting of the ordinary contribution, and £3,000,000 for amortization of debt.

This estimate made no provision on either side for juveniles aged 14–16 years. The estimated balance of income over expenditure when the scheme was in full operation would be at the rate of £700,000 per annum.

THE FINANCES OF UNEMPLOYMENT ASSISTANCE

As regards unemployment assistance as distinct from unemployment insurance, it was estimated that with an average live register of 3,000,000 the expenditure for 1933–34 for transitional payments would amount to £55,500,000 under the existing system, of which £3,000,000 would be the cost of administration.

Exchequer Liability. With the changes recommended, the Exchequer contributions for the financial year 1933–34, would, with a live register of 3,000,000, be as follows—

	£
Ordinary contribution to Unemployment Fund	19,700,000
Contribution in respect of juveniles aged 14–16	470,000
Contribution to Amortization of Debt Account	3,000,000
Amount transferred for administrative costs from the Insurance Fund to the Ministry of Labour vote	500,000
Exchequer contribution to cost of new service by Local Authorities	58,000,000
	£81,670,000

Cost of Insurance and Relief. *Effect of Changes.* As regards the cost to the Exchequer of the two schemes of insurance and relief, the following statement offers a comparison—

UNDER EXISTING ARRANGEMENTS

	£
Ordinary Contribution to Unemployment Fund	19,700,000
Deficiency Grant	9,400,000
Cost of Transitional payments including administration	55,500,000
	£84,600,000

MR. TROUNCER'S PROPOSALS

Mr. Trouncer made a reservation to the Majority Report, claiming that a greater immediate saving to the Exchequer might be effected on the insurance scheme, and that the recommended scheme of assistance for workers outside insurance should not be brought into full force under present conditions, but should be limited in scope. He considered that the cost of the assistance scheme on the local authorities would be too great and would break down. Agriculture, in particular, should be excluded from the new service, but steps should be taken to bring in a special scheme for agriculture as soon as the difficulties can be overcome. He considered, however, that nothing short of the temporary restriction of the new service to persons who could then qualify for transitional payments would provide an adequate safeguard from the financial standpoint.

Urging the need for economy and taking account of the fall in the cost of living, he said that there was justification for a reduction in the rates of benefit recommended in the Report of 1s. for adults and 6d. for juveniles, leaving the rates for dependants as at present. The rate for an adult man would then be 14s. He suggested also an increase of the worker's contribution from 10d. to 1s., and a reduction in the Exchequer contribution from 10d. for each insured worker in employment, to 5d. a week for each insured worker whether in employment or not. He submitted a table showing a saving to the Exchequer of £18,000,000.

THE MINORITY REPORT

The signatories of the Minority Report agreed with the Majority that the Ministry of Labour should be responsible for the central control of all measures for dealing with able-bodied unemployed workers, but they disagreed with the proposal for a contributory insurance scheme. They say that such a scheme cannot cover all unemployed workers, and they objected to an arrangement whereby some workers had a right to insurance benefit and others were dealt with on the basis of need. The scheme which they proposed follows in many respects the lines of that proposed to the Commission by the Trades Union Congress General Council, but differs from that scheme in certain details. The "Conclusions" of the Minority were as follows—

The cost of unemployment is too heavy and too unpredictable to be met by a system of mutual insurance.

The attempt so to meet it results in the exclusion from the benefits of the scheme of genuinely unemployed persons who have then to be maintained in some other way.

Such a division of the unemployed, based on the amount of their employment, has no basis in any real difference among them, and must always appear inequitable to the unemployed themselves.

The advantages of insurance (without the above disadvantages) can be achieved by a contributory scheme, giving a statutory right to benefit to all who comply with the conditions.

The scheme proposed should cover all manual workers and all salary earners below £350 a year. The age of entry should be the school-leaving age. The scheme would make provision, within itself, for maintaining the employability of the unemployed, for placing them in employment, and for the payment of benefit at fixed rates during unemployment. It should be administered by the Ministry of Labour, through the employment exchanges. It would be partly financed by contributions from employers and workpeople, and the remainder of the cost would

be a charge on the national Exchequer. No part of the cost should fall on local authorities.

The scheme would continue to pay benefit at a fixed rate to the unemployed worker for as long as he remained unemployed and was free from disqualification or disallowance. There is no reason for the imposition of a means test at the end of a specified period. Benefits should be restored to the rates payable before the recent Economy Act. Other social services must also bear their appropriate part. Generally speaking, the conditions for the receipt of benefit (apart from the contribution qualifications), and the machinery for the determination of claims, should be as at present under the existing Insurance Acts.

The proposal of the Majority that the unemployed should be provided for under two separate schemes—Insurance and Relief—is criticized as fundamentally unsound. If the unemployed are to be provided for under two separate schemes, domestic service should be included in the general scheme of insurance, and a special scheme of insurance should be set up for agriculture.

The relief scheme should not be administered through the machinery of public assistance or through new machinery set up for the purpose. The employment exchange should be the centre for all the services for the unemployed, whether on insurance benefit or on relief, and the machinery of the Court of Referees should be used for the adjudication of all claims.

FINANCIAL ARRANGEMENTS WITH LOCAL AUTHORITIES

The Royal Commission pointed out that a matter of primary importance to local authorities is the incidence of the cost of the new form of relief between the Government and the ratepayers. In this connection the Commission state—

> The Associations of Local Authorities have unanimously pressed upon us the view that the cost of unemployment should be a national and not a local charge. We have much sympathy with this view. The causation of unemployment is a difficult and complex subject, but it will be agreed that widespread dislocations are likely to be due to national rather than to local conditions. Often enough, indeed, they are due to world-wide causes which are beyond the control even of the national authority. National policies, as for example, in foreign, fiscal and monetary questions, have a more direct bearing on the course of employment than action which is within the competence of any locality. And, in so far as unemployment is the result of extra-national causes, it is reasonable that so far as possible the burden of it should be spread over the larger unit of the nation rather than fall upon the particular areas which may happen to be particularly affected.

The Royal Commission stated that whatever the theoretical merits of the case, it is certain that areas in which the industrial

depression is deepest cannot bear their present burdens. In those areas, unquestionably, this new service should be financed almost wholly by Exchequer grants. At the same time it is claimed that some of the conditions which cause or perpetuate unemployment may be either relieved or aggravated by local action—either public or private—and it is desirable that each locality should continue to have some direct financial interest in its own unemployment situation.

On the question of the method of distributing the cost of the service as between national and local funds, the Royal Commission expressed the following views—

> For these reasons it is clear that the cost of this new service must be shared between the Exchequer and the Local Authorities. But what precisely the principle of the sharing should be, and what should be the detailed financial arrangements between the authorities concerned are difficult questions to determine. Whatever the general policy adopted, we think that it should be reached by negotiation between the central departments and representatives of the Local Authorities. We give here an outline of a scheme which, in our view, would make possible the immediate introduction of our proposals and provide the experience on which later negotiations should proceed.
>
> It is unnecessary at this stage to try to determine in principle what the exact shares of central and local governments should be. In point of equity, we think that the central government should bear considerably the greater part of the cost: in point of practice it is inevitable in existing circumstances that it should. The problem, therefore, is to devise a method of financial adjustment which (*a*) will place much the greater part of the burden on the Exchequer; and yet (*b*) will not undermine the Local Authority's sense of financial responsibility. No solution can be found if the arrangements are such as to leave to the practice of Local Authorities the effective determination of the total expenditure of the National Exchequer in this service. Hence in our view, the first step is that the central government should retain the control of this element and itself fix the basis upon which its total contribution to this service is to be determined.

They pointed out that a further important question is that of the distribution of the Exchequer assistance between the local authorities. The distribution clearly must be weighted in favour of those areas of heavy unemployment, but the Royal Commission stated that it is not easy to translate this general principle into simple rules of administrative practice. The Royal Commission expressed the opinion that it should be possible for the authorities to work out a formula which will give effect to the various factors, and that this formula could best be determined by the Central Government in consultation with the Associations of Local Authorities.

The Royal Commission did not, therefore, lay down principles governing the amount of the Exchequer Assistance or how such assistance is to be distributed between the local authorities.

One paragraph of the report is, however, of interest as indicating the views of the Royal Commission as to the extent to which the extra cost of the new service should be borne by local rates. This paragraph is reproduced below—

In our view, therefore, the central departments will have to determine the appropriate allocations, so that each area receives a share of the total Exchequer appropriation corresponding, as nearly as possible, to the relative weight of its experience of unemployment which is not covered by the Insurance Scheme; and that share would represent a certain percentage of its expenditure under approved standards of payment and administration. It would, we believe, greatly diminish the number and complexity of the questions confronting the central departments, and it would also further the process of "weighting" the grants in favour of the distressed areas, if each area bore the first cost of its Unemployment Assistance service to the extent of a uniform local rate. Thus, a uniform rate of 4d. in the pound over Great Britain would yield about £5,000,000. The estimated cost of outdoor relief in the financial year 1933–4 is about £8,000,000, which is now borne out of local funds, and part of which at least would be transferred to the new service. For the most favourably placed areas the product of this rate would probably suffice to cover the cost of the service and those areas would be removed altogether from the calculation of the Exchequer grant. In other areas, the expenditure of which the central department would take cognisance and in relation to which a grant would ultimately be available would be the excess of the total cost over the yield of a 4d. rate. On the figures which we have given, we think that in the areas where the need of central assistance is greatest, a very high proportion of this excess would be covered by the Exchequer grant.

The suggestion contained in this paragraph is that each area should bear the first cost of its unemployment assistance service to the extent of a uniform local rate. A uniform rate of 4d. in the £ is mentioned, although it is not thought that the Royal Commission intended this figure to be regarded as a definite recommendation; nor should it be construed as indicating the extent of the local authority's liability.

CONCLUSION

This outline gives the general idea of the system proposed by the Royal Commission.

Local authorities did not greet the proposals with favour. There were several fundamental objections, apart altogether from difficulties of administration.

The first and probably the main objection, was that the service was not rightly a local service at all. Indeed, the close central control which was proposed makes this perfectly clear. Unemployment is not a local problem. It cannot be solved by local methods, and local action can hardly make it worse. It is an international problem, though national action by means of fiscal and monetary policy can change its local incidence. It should never be suggested that a local authority should be replaced because the

local unemployment figures have increased. There had never been a time since the break-up of the feudal system when the relief of the able-bodied poor had been more than an historical anomaly. Yet the Royal Commission proposed not only to perpetuate this state of affairs, but to take the retrograde step of casting upon local government the care of the unemployed who had been looked after nationally since 1920.

It is true that the main financial burden would remain imposed upon the taxpayer and not upon the ratepayer. But it was not only a question of finance. It was a question also of local politics. Enough had already been said of the red herring of the needs test. Now it was to be not a temporary herring but a permanent shoal. It would make local government permanently responsible in the administrative sphere for a service which was recognized in the financial sphere to be a matter of central government. The Royal Commission, in their Report, dealt with this problem: "Some of the conditions which cause or perpetuate unemployment may be either relieved or aggravated by local action—either public or private, and it is desirable that each locality should continue to have some direct financial interest in its own employment situation. Moreover, under our proposals local authorities will be relieved of some part of the charge of unemployment which at present they bear under the Poor Law." It had been recognized since 1909 that the cost of the able-bodied poor is one which ought not to be borne locally, and it would be a fallacious argument which claimed that, because local authorities have for many years borne an expense which they ought not be bear, therefore they should have imposed upon them the cost of a service with which their connection should logically be remote.

None of these social services had reached finality in development, and every form of political thought was anxious, and no doubt rightly anxious, that their evolution and extension should be continuous. But this evolution cannot usefully be considered as an abstract ideal; it must be studied as a practical reality in the light of the social and economic conditions of the time. The community gains from these services, but it has to pay for them.

CHAPTER XXX

UNEMPLOYMENT INSURANCE AFTER THE REPORT OF THE ROYAL COMMISSION OF 1932

WHEN the principle of state insurance was adopted for the first time in 1911, it was not dreamed that the country would have to pass through such a period of distress as it has encountered since the Great War (1914–18). It will not be denied that however beneficial the scheme may have been upon its auguration, its value during the periods of depression is inestimable. Nations who were cynical and critical at its birth have subsequently hurried to adopt a similar plan.

For many years prior to the War a public sentiment had been growing in intensity, which considered it exceedingly repugnant to drive men and their families who were in need of public assistance through no personal reasons but on account of industrial conditions, to the Poor Law with its traditional pauper taint.

To apply such a system to the army of ex-service men was of still greater repugnance. Hence, there developed a tripartite system of insurance and poor relief with an intermediate method of assistance neither insurance proper nor with the stigma of the Poor Law. Under varying terminological descriptions—uncovenanted, extended, and transitional benefit and transitional payments—thousands of workers who would have had no alternative but to turn to poor relief, were assisted during unemployment although unqualified for insurance benefits.

Unfortunately, for some years, the distinction between the nature of the payment made went unrecognized and the Insurance Fund became seriously loaded with a debt which ultimately threatened not only the insurance scheme but the financial stability of the nation. In 1930, steps were taken to remedy the bankrupt condition of the Insurance Fund by transferring the cost of the uncovenanted payments to the Exchequer, and the insurance principle was preserved in this manner.

As industrial conditions worsened from 1929 onwards, large numbers of the unemployed ceased to be entitled to transitional benefit and, if necessitous, were turned over to the poor law authorities. In this way, an almost intolerable burden was thrown on the "distressed areas" and in the worst areas there was a strong contingency that the machinery of local administration might crash under the strain. The distressed areas began

to make appeals for State aid and for the State to take over what was very widely admitted to be a national responsibility.

The Royal Commission on Unemployment Insurance in the Final Report of 1932 recommended, *inter alia*, a scheme of unemployment assistance which in essence was a system for the equalization of poor law charges under which the more prosperous areas would have shared the burden of the depressed areas. The scheme proved unacceptable to the former notwithstanding an offer by the State to give financial assistance, and the proposals were allowed to lapse.

Another grave problem was that of employability. It had become recognized that many men would never return to their former occupations. The Government rejected the provision of work relief schemes as too costly and failing in their primary purpose. Endeavours were made to encourage the establishment of training centres on a voluntary basis, and in some areas these centres were set up by the local authority, the Minister of Labour, or some voluntary body. In many areas no provision was made for this purpose; and, in the distressed areas, where the need was greatest, the cost was prohibitive.

Such was the picture of industrial conditions when the Government outlined its proposals for the provisions which were incorporated in the Unemployment Act, 1934.

On 12th April, 1933, the Minister of Health, in the House of Commons, said "the central government shall accept responsibility, both administrative and financial, for assisting all the able-bodied unemployed who need assistance."

The salient features of the Act may be summarized as follows—

1. To extend and improve the benefits of State Unemployment Insurance.

2. To establish the unemployment insurance scheme on a solvent and self-supporting basis free from the danger of bankruptcy or continual borrowings.

3. To secure opportunities for instruction and training for unemployed persons with a view to preserving their employability.

4. To relieve local authorities by transferring to the State the responsibility for the industrial able-bodied unemployed.

5. To remove the granting of assistance from political influences.

UNEMPLOYMENT ACT, 1934: PREAMBLE

The preamble of an Act is a very sure guide to the policy or purpose which underlies the Government of the day in promoting its legislation. While the preamble is brief, at the same time it is explanatory. It is as follows—

"An Act to amend the Unemployment Insurance Acts, 1920

to 1933, and to make further provisions for the training and assistance of persons who are capable of, and available for, work but have no work or only part-time or intermittent work; and for purposes connected with the matters aforesaid."

This is pretty clear and explicit. The Act is the first measure introduced into this country dealing comprehensively with the whole body of able-bodied industrial unemployed. It was framed after very careful examination and consideration of the recommendations made in the Reports of the Royal Commission on Unemployment Insurance, which were issued in 1931 and 1932 and have been considered in earlier chapters, and several of their proposals were adopted.

PARTS OF THE ACT

The Act is divided into three parts, viz.—

Part I relates to the amendment of the Unemployment Insurance Acts. It is provided that this Part may be cited separately as the Unemployment Insurance Act, 1934.

Part II deals with the administration of a *New National Service of Unemployment Assistance* to the able-bodied unemployed, who have no claim to benefit under the contributory scheme of unemployment insurance. It is provided that this Part may be cited separately as the Unemployment Assistance Act, 1934.

Part III contains transitory provisions relating in the main to the period between the coming into operation of Part I and the full operation of Part II.

PART I. AMENDMENT OF THE UNEMPLOYMENT INSURANCE ACTS

With certain exceptions, this Part of the Act came into force on the 26th July, 1934. It was repealed by an Act which came into force on 18th March, 1935, under the title of the Unemployment Insurance Act, 1935, which consolidated the whole of the unemployment insurance legislation previously in force into one Act. The main provisions of the Act of 1934 were as follows.

Insured Persons. The existing provisions of the Unemployment Insurance Scheme were, in the main, continued. As from 3rd September, 1934 (or earlier date if fixed by the Minister of Labour) the minimum age of entry into insurance was lowered from 16 to the school-leaving age (not less than 14 years).

Excepted Employments. In order to avoid anomalies in the operation of the Unemployment Insurance Acts in cases where the terms and conditions of service of and the nature of the work performed by any class of persons employed in an excepted employment are similar to those of a class of persons employed

in an insurable employment, the Minister may, by regulations, made with the consent of the Treasury, either unconditionally or subject to such conditions as may be specified in the regulations either—

(*a*) Provide for including the class of persons employed in insurable employment amongst the class of persons in excepted employment; or

(*b*) Provide for including the class of persons in excepted employment amongst the class of persons in insurable employment.

The Minister may also by regulations provide for adding to the classes of excepted employments a class of employment in which persons are in any week employed only to a negligible extent.

Among the duties imposed on the Unemployment Insurance Statutory Committee constituted under the Act (see later) is the making of such proposals as may seem to them practicable for the insurance against unemployment of persons engaged in employment in Agriculture (including horticulture and forestry), which was one of the excepted employments.

Contributions. No change was made in the rates of contributions in force at the passing of the Act, but the rate fixed for persons under the age of 16 newly brought into insurance is 2d. from the employer, 2d. from the employed person, and 2d. from the Exchequer.

Provision is made by means of regulations for the crediting of contributions, not exceeding twenty, to children who continue to receive whole-time education after attaining the school-leaving age. This provision was not to come into force until the expiration of a year after the date on which the minimum age for entry into insurance is lowered.

The provision in Section 39 of the Widows', Orphans', and Old Age Contributory Pensions Act, 1925, requiring the employer to pay contributions at the employers' rate only in the case of persons of the age of 65 or upwards, was amended so as not to be applicable to blind persons in receipt of a pension under the Old Age Pensions Acts, 1908 to 1924, as extended by the Blind Persons Act, 1920.

Benefits. During the year 1933 the income of the Unemployment Insurance Fund exceeded the expenditure. This was due to continuing improvement in employment and to the relief afforded to the Fund by the transitional payment scheme. Of the possible alternatives for dealing with a surplus of income over expenditure, the Act extended the period of benefit. This was for two reasons. First, working people need as much economic security as possible in their lives. Secondly, the method in the

Act of giving additional benefit represents a sound insurance principle.

The existing provision entitling claimants to 26 weeks benefit in a benefit year, provided they have paid 30 contributions in the last two years and are otherwise qualified for benefit, was retained.

Under the provisions of the Act, however, they could become entitled to additional days of benefit in accordance with the following rule: Persons who have been in insurance for five insurance years at the beginning of the benefit year are allowed additional days of benefit at the rate of three extra days of benefit for every five contributions paid in the preceding five insurance years, subject to a deduction of one day of benefit for every five days received in benefit years which ended in those insurance years.

To put it simply, if an insured contributor during the previous insurance five years has paid the full number of contributions, viz. 260, and has received no benefit during those years, he is entitled to draw benefit for an additional 26 weeks over and above the original allowance of 26 weeks. In other words, he is entitled to draw benefit for a full year. If, during the previous five years, he has drawn benefit, say, for 50 days and the full number of contributions were paid, then the additional period of 26 weeks would in his case be reduced by 10 days.

The transitional payments scheme was, however, abolished from a date fixed by the Minister of Labour, and superseded by an unemployment assistance scheme established under Part II of the Unemployment Act, 1934. (This scheme is dealt with in Chapter XXXI.) During the interim period the transitional payments scheme in force continued as a temporary measure.

Rates of Benefit. In accordance with proposals made by the Chancellor of the Exchequer when opening his Budget in April, 1934, the Minister tabled a new clause in April restoring as from 1st July, 1934, the 10 per cent cuts made in October, 1931, in the rates of benefit, and this clause passed into law. The rates of benefit from 1st July, 1934, are as shown on page 497.

In August, 1934, the rates of benefit were increased—

Ages	*Males*	*Females*
21 to 65	20s.	18s.
18 to 21	16s.	14s.
17 to 18	9s.	7s. 6d.
16 to 17	6s.	5s.

Minimum Age for Benefit. Owing to the lowering of the age for entry into insurance, benefit may become payable at the age

of 16, whereas formerly it was not payable at the earliest until the age of rather more than 16½ years. The first statutory condition for benefit requires the payment of 30 contributions for two years before the claim for benefit, and this could not occur, therefore, before a claimant had reached the age of 16 years and 30 weeks.

For the purpose of the rule regarding the additional days benefit payable according to the number of contributions paid, and the number of days of benefit drawn in the five previous insurance years, every two contributions paid before the age of 18 count as one, and contributions credited for continuous education after the school-leaving age do not count.

Benefit Year. The definition of a benefit year was altered. For all the purposes of the Unemployment Insurance Acts, it is provided that the expression "benefit year" now means in relation to an insured contributor the period of twelve months beginning on the date on which, on an application for benefit, he proves for the first time after the commencement of the Act—

(*a*) that the first statutory condition is fulfilled in his case; and

(*b*) in the case only of an insured contributor who has exhausted his benefit rights in his last preceding benefit year, also that ten contributions have been paid in respect of him since the Sunday last before the last day in respect of which he was entitled to benefit;

and every subsequent period of twelve months commencing on the date on which that contributor on an application for benefit proves the matters aforesaid for the first time after the termination of his last preceding benefit year.

Conditions and Disqualifications for Benefit. First Statutory Condition. It is provided that where this condition, viz. payment of 30 contributions in the two years preceding the claim for benefit, is satisfied at the beginning of a benefit year it will hold good for the whole of the benefit year and is not required to be reviewed quarterly as formerly.

Third Statutory Condition. It is provided that an insured contributor shall not be deemed to be not available for work by reason only that he is attending at an authorized course, or at a training course or course of instruction approved by the Minister of Labour in his case.

Fifth Statutory Condition. This condition, which relates to the requirement of attendance of a claimant for benefit at an authorized course was made applicable to both adults and juveniles. Since the passing of the Act of 1930 it had been applied only to adults, the juveniles being dealt with under a

separate provision of that Act. It is provided that the requirement to attend is for the purpose of making or keeping the claimant fit for employment, and is to be issued by the Minister of Labour whether the claimant is over or under the age of 18. Previously, in the case of persons of the age of 18 or over, the requirement was issued by the Insurance Officer.

Further, the excuse of good cause for failure to attend the course was made available for adults as well as juveniles. The question whether there is good cause for failure to attend is decided by the Court of Referees, and in the event of a claimant being excluded from a course for misbehaviour, the period of disallowance is fixed by the Court of Referees.

Disqualification for Retusal of Suitable Employment. This disqualification was applied also to cases where "it is proved by an officer of the Ministry of Labour that the claimant has neglected to avail himself of a reasonable opportunity of suitable employment."

Disqualifications for Leaving Employment Voluntarily without Just Cause or Losing Employment through Misconduct. Prior to the passing of the Act the period of disqualification ran from the date on which the employment was left or lost. The Court of Referees and the Umpire have now the power to fix the date from which the disqualification is to apply.

Dependants' Benefit. The definition of "a dependent child" was amended and now means any child, younger brother, or younger sister of the person entitled to benefit who—

(*a*) is under the age of 14 and is maintained wholly or mainly by him; or

(*b*) is between the ages of 14 and 16 years and is maintained wholly or mainly by him and is either—

(i) a person under full-time instruction at a day school; or

(ii) a person who is unable to receive such instruction by reason of physical or mental infirmity; or

(*c*) is a person between the ages of 14 and 16 years, and is while unemployed, maintained wholly or mainly by him, and is a person in whose case the statutory conditions for the receipt of benefit are (fulfilled or would be fulfilled if he were an insured contributor), and who is not disqualified (or would not be disqualified if he were an insured contributor) for the receipt of benefit.

For this purpose the statutory conditions requiring payment of contributions and the making of a claim in the prescribed manner are not applicable to the dependent child himself.

Under par. (*c*) dependants' benefit is payable to a parent who is a claimant for benefit in respect of his children, younger

brothers and younger sisters (including half-brothers and step-brothers and half-sisters and step-sisters) who are aged between 14 and 16, and are, while unemployed, wholly or mainly maintained by him, and satisfy the statutory conditions (with the exceptions named) and are free from disqualification.

Further changes made by the Act in connection with dependants' benefit were as follows—

(1) Under the law in force before the passing of the Act, benefit was not payable in respect of a dependant who is in regular wage-earning employment or is engaged in any occupation ordinarily carried on for profit. "Regular wage-earning employment" does not include employment where the amount of wage earned is less than the amount of dependants' benefit, and an "occupation ordinarily carried on for profit" does not include the performance of work for payment which is less than the amount of dependants' benefit. It was provided that if the dependant is both in employment and following an occupation which consists of the performance of work for payment, dependants' benefit is not to be payable if the aggregate of the amounts earned is equal to or exceeds the amount of dependants' benefit.

(2) The Minister of Labour was empowered to make regulations for providing that where two or more persons entitled to benefit together wholly or mainly maintain a dependant in respect of whom each of them would be entitled to dependant's benefit if he were wholly or mainly maintaining that dependant, one of them may receive dependant's benefit. Under the old law neither of them could do so unless one individually provided the whole or main maintenance of the dependant.

Anomalies Regulations. (1) It was provided that Section 1 of the Unemployment Insurance (No. 3) Act, 1931, which relates to removing anomalies which have arisen in the operation of the Unemployment Insurance Acts in connection with the classes of persons mentioned in the section, should continue in force, subject to the amendments specified in the Act.

This made permanent the power to deal with these anomalies which was to operate only for a special period under the Act of 1931, which was not a permanent Act. It would otherwise have expired on 30th June, 1934.

(2) The Minister has the power to make Orders imposing additional conditions and terms for the receipt of benefit for the purpose of removing any anomalies which may arise from time to time in the operation of the Unemployment Insurance Acts in connection with the classes of persons mentioned therein.

The Act originally provided for the regulations to be approved

by an Advisory Committee specially constituted. This Committee no longer functions, but any draft orders which the Minister desires to make under these provisions must now be referred to the Unemployment Insurance Statutory Committee for consideration.

(3) The paragraph relating to Married Women contained in Section (1) of the Act of 1931 was amended to read as follows—

> (*d*) Married women who, since marriage, or in any prescribed period subsequent to marriage, have had less than the prescribed number of contributions paid in respect of them, *but not including a married woman who proves that she has been deserted by, or is permanently separated from, her husband, or that her husband is incapacitated from work and has been so continuously for at least six weeks.*

(The words in *italics* indicate the amendment made in the Section.)

It should be noted that the Regulations made before this amendment remain in force unless and until they are amended by an Order made under the amended provision. One such Order has been made relating to Seasonal Workers.

Determination of Claims for Benefit. The procedure for deciding whether a claimant is entitled to benefit was considerably amended. The Insurance Officer's powers to disallow claims to benefit—hitherto confined to questions arising under the trade dispute section—were extended. He may now disallow claims on any ground except—

(1) that the claimant has failed to prove that he is capable of and available for work;

(2) that the claimant has lost his employment through his misconduct or has left his employment voluntarily without just cause;

(3) that the claimant has refused to apply for a situation notified to him or has failed to carry out written directions or has neglected a reasonable opportunity of employment;

(4) that the claimant does not satisfy one or more of the Anomalies conditions or is subject to restrictions on the amount or period of benefit imposed under Anomalies Orders;

(5) that the claimant has not duly attended a course of instruction when required (except that the Insurance Officer may disallow to the extent of one day's disallowance when a juvenile is excluded from a course for one day on account of misbehaviour);

(6) that the Insurance Officer must also refer to the Court of Referees any question whether a claimant is liable to repay benefit wrongly received by means of deductions from future benefit.

In all cases where the Insurance Officer has power to disallow the claim he has the power to refer the claim to the Court of Referees for decision instead of disallowing the claim himself. Where he disallows the claim himself, the claimant has the right of appeal to the Court of Referees against the decision.

The Act restricts the right of an association of employed persons to appeal to the Umpire against a decision of the Court of Referees to cases where the claimant was a member of the association when last in employment and has remained a member of the association until the date when the appeal is made.

The decision as to whether a claimant should be given leave to appeal to the Umpire against a decision of the Court of Referees now rests with the Chairman of the Court instead of the Court itself. Where the Chairman grants leave he must state the grounds on which leave to appeal is granted. Where leave is not granted when the decision of the Court is given on the claim, the claimant has a right within a prescribed period after the hearing to apply to the Chairman for such leave to appeal.

It is laid down by the Act that the Court of Referees must record their decisions in writing and include in the record a statement of their findings on questions of fact material to the decision.

INSTRUCTION AND TRAINING

Provision for instruction and training was contained in two sections of the Act of 1934, viz. 13 and 14 (now Section 10 of 1935 Act).

Section 13 is headed *Provision of Authorized Courses and other Courses of Instruction and Training, and Payments to persons attending thereat.*

In any area where the number of unemployed or partly unemployed juveniles between the minimum age for entry into insurance and the age of 18 is considerable, the Local Education Authority is under obligation to provide courses of instruction. Attendance at these courses is compulsory for all unemployed juveniles over the school-leaving age and under 18 (whether an insured contributor or not) unless there is some good grounds for excusing attendance.

Schemes have to be submitted to the Minister of Labour for approval, with the consent of the Treasury, after consultation with the Board of Education. In areas where the number of unemployed juveniles does not justify the provision of special courses arrangements may be made, so far as is practicable, for the attendance of unemployed juveniles at some other form of educational classes.

Apart from courses for juveniles, the Minister was given power

to continue and extend the existing system of training centres for persons over 18 years capable of, and available for work, but having no work or only part-time or intermittent work. Attendance at such centres may be made a condition for the receipt of benefit.

The Minister, subject to the approval of the Treasury, may—

1. Defray the cost of authorized courses provided by him;
2. Contribute towards the cost of any other authorized courses;
3. Defray or contribute towards the cost of—
   (*a*) Training courses; or
   (*b*) Courses of instruction; or
   (*c*) Courses of occupation

provided in pursuance of arrangements made with the Minister by

   (i) Any public authority; or
   (ii) other body;

for persons who are capable of, and available for, work, but have no work or only part time or intermittent work.

In cases where the Minister may contribute towards the cost of courses of instruction, it is provided that part of the amount, not exceeding 50 per cent, may be recovered from the Unemployment Fund. Where the Minister himself provides training courses for persons over the age of 18 and defrays the cost, a grant not exceeding 75 per cent of the cost in respect of the attendance at such courses of persons in receipt of benefit may be made out of the Unemployment Fund.

The Act provides for regulations to be made by the Minister requiring employers to notify him whenever any person (whether an insured contributor or not) who is between the minimum age for entry into insurance and 18 years leaves their employment.

FINANCIAL PROVISIONS

Establishment of Unemployment Insurance Statutory Committee, and the duties of the Committee as respects the Insurance Fund. The proposals of Part I of the Act of 1934 were framed with due regard to the importance of establishing the Unemployment Insurance Scheme on a solvent and self-supporting basis. With the object of providing machinery for the continuing solvency of the Scheme, the Act set up an Unemployment Insurance Statutory Committee consisting of a Chairman, and not less than four or more than six members. Of the members one must be appointed after consultation with organizations representative of employers, one after consultation with organizations representative of employees, and another after consultation

with the Minister of Labour of Northern Ireland. At least one member of the Committee must be a woman.

The duties of the Committee are to examine the financial conditions of the scheme immediately after the close of each calendar year and within two months to make a report to the Minister on the financial conditions of the Unemployment Fund. The Committee must also make a report at any other time if they consider that the Fund is, or is likely to become, insufficient to discharge its liabilities, and may make a report at such other times as they think fit.

If the Committee at any time report that there is an existing or prospective deficiency, or that there is, and is likely to continue to be, a surplus to an extent greater than is required for working purposes, their report must contain recommendations for the amendment of the Acts which will have the effect of restoring the balance of Income and Expenditure.

One of the chief benefits attaching to this method of procedure is that it will be possible to adapt the insurance scheme rapidly to changes in the industrial situation without the delay which the repeated passage of successive Acts of Parliament must necessarily involve. The great advantage to be gained by the appointment of a permanent Statutory Committee is, that while the final decision will rest upon Parliament, a large measure of responsibility for the preservation of the financial stability of the Insurance Fund is entrusted to a body to whom the existence of the Fund is a matter of vital concern.

The matters on which the Committee may recommend amendments cover a wide range, and include rates of contributions and rates of and conditions for benefit. Their Report must also give an estimate of the effect which the amendments will have on the financial condition of the Fund. The Minister must lay the Committee's Report before Parliament, together with the draft of an Order making either the amendments recommended by the Committee or other amendments having substantially the same financial effect.

In the latter event he must give reasons for not adopting the recommendations of the Committee.

The Report with the Draft Order will be considered by both Houses of Parliament, and if both Houses pass Resolutions approving the proposed amendments an Order will be made in the terms of the Draft and will, thereupon, become law.

Unemployment Fund. The borrowing powers of the Unemployment Fund were repealed, but where the Fund is unable to meet its immediate liabilities, temporary loans may be made by the Exchequer. If these cannot be repaid out of the ordinary

revenue of the Fund within a limited period, the machinery just described may be set in motion to restore the solvency of the Fund and to provide for the repayment of the Loans out of the Fund.

The balance outstanding at the commencement of the Act of the advances made to the Unemployment Fund by the Treasury, and borrowed by them from the National Debt Commissioners amounted to £105,780,000. Such a debt could not be written off in the sense that it could be made to disappear. It could only be transferred on to the National Debt. While this had some obvious superficial attractions, it should be remembered that if the Insurance Scheme is to maintain its contributory principle, it ought not to be able to continue to pay benefits out of income which it does not possess and then transfer to the general taxpayer the liabilities incurred in carrying out this unsound process. Provision was made for the debt to be redeemed out of the Unemployment Fund both as regards Capital and Interest by the payments of the appropriate number of half-yearly instalments of £2,500,000.

The rate of interest for this purpose was agreed at 3½ per cent (subsequently to be reduced to 3⅛ per cent) per annum, with a reservation for the continuation of existing rates for unexpired periods of current advances which in no case exceeds 5 years. The period required to complete repayment was approximately 37 years. The outstanding debt was wholly repaid on the 31st March, 1941. Owing to the disappearance of unemployment during the present War, the fund carried a credit balance of £170,694,370 at the close of the financial year ending on 31st March, 1943.

There is provision whereby moneys may, on recommendation of the Unemployment Insurance Statutory Committee, be used in repayment of debt to the extent that they are more than sufficient to discharge the Fund's liabilities.

MISCELLANEOUS AND GENERAL

The Duties of the Unemployment Insurance Statutory Committee as regards Regulations, Orders, and Advice. The Committee are required—

1. To consider and report upon Draft Regulations and Orders affecting the Unemployment Fund proposed by the Minister.

2. To consider and advise upon questions affecting the operation of the Unemployment Insurance Acts which are referred to them by the Minister.

As previously mentioned, the Statutory Committee were required to make such proposals as seemed to them practicable

for a scheme for the insurance of workers in Agriculture (including Horticulture and Forestry) and to report to the Minister who must lay the report before Parliament. Such a scheme could not be brought into operation without further legislation.

There are a number of miscellaneous provisions, including—

Men Discharged from H.M. Forces. Provision was made for men discharged from His Majesty's Forces, whether before or after the commencement of the Act, to be credited with a number of contributions equal to the number of weeks of service since 30th June, 1927. The effect is to give these men the benefits of the extended period of benefit to which they would be entitled had they been insured during their service.

The additional cost of this provision was estimated at about £300,000 a year in respect of men discharged after the commencement of the Act. The cost in respect of men discharged before the commencement of the Act was estimated to be about £400,000 in all over a period not exceeding five years.

The provisions of the Acts under which men of the Army, Navy or Air Force, reserve or territorial force are treated as insured contributors during any period of training, or during any period of emergency service up to four months, were applied to officers of Reserve Forces and to persons given temporary commissions in the naval, marine, land, or air forces or temporary warrants in the Royal Navy, Royal Marines, or Naval Reserves.

Short Service Constables of the Metropolitan Police Force. Provision was made for the crediting of contributions for the purpose of entitlement to benefit in respect of short-service constables of the Metropolitan Police Force upon completion of their service.

Under the Metropolitan Police Act, 1933, a new grade of officer is recruited for a period of ten years. Section 3 of that Act provides for the adjustment of the National Health and Widows' and Orphans' Contributory Pensions Acts. For the first time a class of ex-policemen came under the Unemployment Insurance provisions also.

Outdoor Relief. The provisions of the Unemployment Insurance Acts for the repayment to a Public Assistance Authority of excess outdoor relief granted to a person not in receipt of benefit or the full amount of benefit to which he was entitled were extended to the Unemployment Assistance Scheme set up under Part II of the Act of 1934. Repayment of allowances granted by the Assistance Board to a person not in receipt of benefit may be made out of arrears of benefit which may afterwards become due for the period.

Power of Minister to Assist Schemes for Promoting Greater

Regularity of Employment. The provision made for this in the Act was virtually a statutory recognition of the work of attempting to regularize dock labour which has been done so adequately by the Joint Committee of Employers and Workers and Clearing Houses as described in detail in the chapter on the Ministry of Labour Employment Exchanges (Chapter XXV).

Where any Scheme for promoting greater regularity of employment is approved by the Minister he may in accordance with arrangements made by him, with the consent of the Treasury, assist the scheme by attaching officers of the Ministry of Labour to help in the administration thereof and by such other means as he thinks fit.

Benefits payable under the Unemployment Insurance (Increase of Benefit) Act, 1944—

	Per week
Males	24s.
Females	20s.
Females, if no aid from husband	22s.

Youths—

	Males	Females
18–21 years	19s.	17s.
17–18 ,,	12s.	10s. 6d.
16–17 ,,	7s.	6s.

Dependants—	
Adult	16s.
Child: First and second	5s.
,, Subsequent	4s.

CHAPTER XXXI

UNEMPLOYMENT ASSISTANCE

THE original national unemployment insurance scheme was based upon the principle of a relationship between contributions and benefits which was continued until 1921. The amendment of 1921 extended the scheme to cover, by means of "uncovenanted benefit," unemployed persons who, it was anticipated, would ordinarily find work in insurable trades. Owing to the failure of industry to recover in the manner expected, this uncovenanted benefit was continued, under various names—"extended benefit," "transitional benefit," and "transitional payments."

The crisis of 1931 proved that the hope that these unemployed persons would be absorbed into insurable industry was not likely to be fulfilled. The numbers covered by these transitional arrangements were as follows—

October, 1929	130,000
February, 1930	140,000
May, 1930	300,000
May, 1931	410,000
October, 1931	500,000

These increases occurred notwithstanding the large number of persons who were being turned over to the poor law authorities under decisions of Courts of Referees on the grounds that they had no chance of ever returning to insurable employment. The numbers of persons in receipt of poor relief on account of unemployment in England and Wales for the following years on the 1st January were—

1926	487,000
1927	632,000
1928	450,000
1929	313,000
1930	250,000
1931	156,000
1932	263,000
1933	418,000
1934	425,000
1935	452,000
1936	330,000 (*a*)
1937	241,000 (*b*)
1938	56,285

(*a*) The Unemployment Assistance Scheme commenced on 7th January, 1935, for "transitional payments" claimants (see later).

(*b*) The scheme was in full operation from 1st April, 1937.

As previously explained, the crisis of 1931 brought about an arrangement whereby public assistance authorities assessed the needs of the large group of unemployed persons who had been in receipt of transitional benefit, the Exchequer bearing the cost of the assistance provided and known as Transitional Payments. It was recognized that this system could only be of a temporary nature and that some more permanent and comprehensive arrangement should be made for the able-bodied unemployed.

Part II of the Unemployment Act, 1934 (see Chapter XXX), was the first attempt on the part of this or any other country to deal comprehensively on a national scale with practically the whole of the able-bodied unemployed. It was brought forward as a result of very careful consideration of the recommendations of the Royal Commission on Unemployment Insurance. Under the system existing prior to the operation of the Act the able-bodied unemployed were of three categories—

(*a*) Those receiving benefit by reason of contribution to the Unemployment Insurance Fund. These are now covered by the Unemployment Insurance Act, 1935.

(*b*) Those under the Unemployment Insurance Scheme who had exhausted their rights to benefit and were in receipt of transitional payments according to determinations made upon the basis of their needs through the machinery of the public assistance committees.

(*c*) Those not entitled to unemployment benefit or transitional payments and who, if necessitous, were relieved by the public assistance authorities.

There are still virtually three groups—

(*a*) Those in receipt of unemployment benefit.

(*b*) Those in receipt of unemployment assistance.

(*c*) Those outside the scope of Part II of the Unemployment Act, 1934, and relieved by the Public Assistance Authority.

This Part deals not with statutory insurance benefit, but with unemployment assistance according to need. It may be referred to alternatively as the Unemployment Assistance Act, 1934, but throughout this chapter is referred to as Part II of the Act.

OBJECTS OF THE SCHEME

Local authorities have repeatedly urged that the State should take over full administrative and financial responsibility for the maintenance of all the able-bodied unemployed. This was virtually promised by the Minister of Health in the House of Commons in a speech made in April, 1933. To a great extent the Act gives effect to this principle. The administration of assistance to the

able-bodied unemployed was imposing excessive strain on the machinery of local government, especially in the distressed areas. The Act and the financial provisions made in connection with the scheme have relieved local authorities of a large proportion of a very heavy burden.

The problem is not local but national in its scope, and it was recognized that if it was to be effectively handled it must be through some national machinery. The creation of a Central Authority to administer the Scheme has helped in many directions. Fairness and uniformity of treatment can be secured subject to the varying conditions in different areas. The Central Authority are able to co-operate more fully with voluntary associations which help the unemployed. They are able to view the problem as a whole, and, through contact with the Ministry of Labour, are in a better position than a local body to help the unemployed to transfer to places where work is obtainable. They are in a position to finance, co-ordinate, and control the arrangements for maintaining employability of the able-bodied unemployed. The Scheme remedies an injustice, as it places on an equal footing, so far as State assistance is concerned, the able-bodied unemployed who have exhausted their insurance rights and nearly all the able-bodied unemployed who have never come within the unemployment insurance scheme at all. The scheme removed a large proportion of the able-bodied unemployed from the scope of the poor law, and linked them more closely with the established machinery, the main purpose of which is to secure for them opportunities of employment.

The Act creates permanent machinery by which the problem may be treated as an industrial problem, not only by the provision of assistance for those out of work, but also by devoting attention to the more important question of making provision for the improvement and re-establishment of the condition of the unemployed coming within the scheme with a view to making them in all respects fit for entry into, or return to, regular employment.

CONSTITUTION OF THE UNEMPLOYMENT ASSISTANCE BOARD (NOW ASSISTANCE BOARD)

The Unemployment Assistance Board created under Part II of the Act have relieved the public assistance authorities of the duties they were performing with regard to transitional payments and also of the administration of assistance required by a large number of able-bodied unemployed persons, not only all those previously in receipt of Transitional Payments but also the greater part of those previously in receipt of Public Assistance.

The Board consists of a Chairman, a Deputy Chairman, and not less than one nor more than four other members. At least one member of the Board must be a woman. No member of the Board shall be capable of being elected to or sitting in the House of Commons. The Board is a body corporate with a Common Seal and power to hold land without licence in mortmain. The members are appointed by His Majesty by Warrant under the Sign Manual.

The salaries of the Board are payable out of the Consolidated Fund, the amount of such salaries being determined by the Treasury at the time of their appointment, so, however, that the aggregate amount shall not exceed the sum of £12,000 per annum.

The members of the Board, being appointed by the Crown, occupy a very similar position to that of Judges, the Umpire under the Unemployment Insurance Acts, and the Comptroller and Auditor-General, who are also appointed by the Crown. They can be removed from office only by a resolution of both Houses presented to His Majesty. The Board is, therefore, placed in an almost impregnable position and the functions of the Board and their officers are exercised on behalf of the Crown.

In the House of Commons on the 29th June, 1934, the Prime Minister announced that Sir Henry Betterton (now the Right Hon. Lord Rushcliffe, C.B.E.,) then Minister of Labour, had agreed to the unanimous request of the Cabinet to become the first Chairman of the Board; Sir Ernest Strohmenger, K.C.B., C.B., then Under Secretary at the Treasury, Deputy-chairman; and Professor H. M. Hallsworth, C.B.E., Mr. Thomas Jones, C.H., LL.D., Miss Violet Markham, C.H., J.P., and Mr. Matthew Reynard, J.P., to be the other members.

The Chairman is now the Right Hon. Lord Soulbury, O.B.E., M.C. Miss Markham is Deputy-chairman. Mr. J. J. Mallon, C.H., LL.D., D.Litt., J.P., has taken the place of Mr. Thomas Jones.

This machinery is in substitution for administration by elected representatives, although Local Advisory Committees must be set up by the Board for such areas as may be considered necessary.

ASSISTANCE BOARD

Assistance Board is the name by which the Unemployment Assistance Board is known consequent upon the administration of the Supplementary Pensions being given to the Board under Part II of the Old Age and Widows Pensions Act, 1940.

FUNCTIONS OF ASSISTANCE BOARD

The functions of the Board include the assistance of all persons to whom Part II of the Act applies who are in need of work, the

promotion of their welfare, and, in particular, the making of provision for the improvement and re-establishment of the condition of such persons with a view to their being in all respects fit for entry into, or return to, regular employment. The grant and issue to such persons of Unemployment Allowances is in accordance with the provisions of Part II of the Act and Regulations made thereunder. Provision is made in the Act, for both Rules and Regulations to be made.

Rules deal with matters of procedure and are made by the Board and confirmed by the Minister. Regulations deal with the conditions applicable to allowances. They are drawn up by the Board. The Minister lays them before Parliament as Draft Regulations, and if both Houses approve them, the Minister issues the Regulations.

The Board is required to report annually to the Minister who will lay the report before Parliament.

Local administration is carried out by the local officers of the Board, although the duty of investigating may be carried out by officers of the Minister of Labour or of local authorities by arrangement between the Board and the Minister or the local authority, as the case may be.

LOCAL ADMINISTRATIVE ORGANIZATION

The Board's administration in Great Britain is organized on the basis of 28 Districts, each of which is in charge of a senior officer—a District Officer. Under each District Officer are a number of Area Officers each in charge of an Area Office. Investigation into the circumstances of applicants for assistance by means of visits to their homes is carried out by the staff of the Area Officers who are also given the responsibility of deciding whether applicants come within the scope of the Board, of determining whether they are in need, and of assessing the amount of the allowance to be issued. The applicant has a right of appeal from the decision of the Officers of the Board. This is dealt with later.

PERSONS WITHIN THE SCOPE OF PART II

As the phrase "able-bodied unemployed" has so many meanings, it was thought proper to define the scope of the Board by reference to some existing statutory definition. Accordingly, the scheme extends to all unemployed persons between the ages of 16 and 65 whose normal occupation is employment in respect of which contributions are payable under the Widows', Orphans', and Old Age Contributory Pensions Acts, or who can show that, not having had any remunerative occupation, they might

have such insurable occupation, but for the industrial circumstances of the district in which they reside, and who are capable of and available for work. This has the widest scope of any of the statutes dealing with the social services, and covers practically all able-bodied persons who are employed under contract of service. Persons who are disqualified for benefit under the Unemployment Insurance Acts owing to having lost employment by reason of a stoppage of work due to a trade dispute, or who would have been so disqualified if they had been insured contributors, are excluded from the scope of the Board for the period of the disqualification.

Those who have been insured against unemployment, but have dropped out of benefit may qualify for unemployment assistance. Agricultural workers and domestic servants are also included. The scope is, therefore, much wider than the transitional payments scheme, about seventeen millions of persons being now covered, compared with about twelve millions previously.

The duty of deciding initially whether a person is within the scope of Part II of the Act rests, subject to provision for appeal, on officers of the Board.

PERSONS OUTSIDE THE SCOPE OF PART II

The following classes, although normally able-bodied workers, are not qualified to receive unemployment assistance and, if in need of assistance through unemployment, will have to apply to the public assistance authority for relief—

(1) Persons "incapable of work" or "not available" for work;

(2) Those disqualified on grounds of age;

(3) Those outside the scope of the Pensions Acts such as those who normally worked on their own behalf, for example, hawkers, rag-gatherers, newsvendors, taxi-cab owners, commission agents, shopkeepers and general dealers, and non-manual workers remunerated at £420 or more when in employment;

(4) Persons temporarily suspended from assistance under the Act for

(i) Persistently refusing to maintain himself or his family;

(ii) Persistently contravening the conditions attached to the granting of unemployment assistance;

(iii) Failing to register at the Employment Exchange;

(iv) Implication in a trade dispute;

(5) Persons who are incapable of work through sickness for periods in excess of those allowed under the Board's Occasional Sickness Rules; and

(6) Persons requiring assistance on account of sudden and urgent necessity.

The cost of relief in such cases, apart from medical assistance, will be repaid by the Board, except to those contravening conditions imposed by the Board. The Board also accept responsibility for periods of occasional sickness in respect of those in receipt of unemployment assistance.

OPERATION OF THE ACT—TEMPORARY AND PERMANENT

Part II of the Act provided for the termination of the transitional payments scheme and for the Board to take over the responsibility for unemployed persons coming within its scope in two stages, the first stage affecting only those for whom public assistance committees had made determinations for transitional payments and the second stage including all others within the scope of the scheme. Provision was made for these stages to operate from days fixed by Order of the Minister with the consent of the Treasury (Sect. 63). The provisions of the Unemployment Insurance Act, 1930, as extended by the Unemployment Insurance (Expiring Enactments) Act, 1933, were due to expire on the 30th June, 1934, on which date transitional payments, in the absence of further legislation, would have ceased. The Act of 1934 received the Royal Assent on the 28th June, 1934, and repealed, among others, the above-mentioned Act of 1933. It provided, however, that notwithstanding any enactments repealed by the Act, the said enactments should continue to have effect in relation to transitional payments until allowances from the Board were substituted, except that from the first appointed day no more determinations should be made by the public assistance authorities, but any determinations in force before that day should continue in force unless revoked by the Board (Sect. 59). From the date fixed as the first appointed day the Board was made directly responsible for all those in the former transitional payments class. All other unemployed persons coming within Part II of the Act remained the responsibility of the public assistance authorities until the second appointed day.

Under the Unemployment Act, 1934 (Appointed Days) Order, 1934, the Minister fixed the 7th January, 1935, as the first appointed day and the 1st March, 1935, as the second appointed day, although, as described below, the latter was postponed, and local authorities received Exchequer grants to compensate them in respect of the extra burden thrown upon them by this delay.

From the 7th January, 1935, no further determinations were made under the transitional payments scheme, all fresh applications by those in the transitional payments class being made to the Board for unemployment assistance, those in that class being,

in this manner, progressively transferred to the Board as their former determinations expired. It was intended that all these cases would shortly be determined according to regulations drawn up by the Board. Regulations were approved by Parliament on the 20th December, 1934, but their application engendered so much criticism and opposition that their operation was modified, and "standstill" arrangements were introduced under which those formerly in receipt of transitional payments were secured unemployment allowances not less than what their transitional payments would have been, but receiving the benefit of the regulations where they operated to their advantage.

Legislative approval was given to the "standstill" arrangements under the provisions of the Unemployment Assistance (Temporary Provisions) Act, 1935, which also postponed the second appointed day. Applicants for assistance coming within the scope of Part II, but not in the transitional payments class, remained subject to public assistance for a further period, which proved to be until the 1st April, 1937.

The Unemployment (Temporary Provisions) (No. 2) Act, 1935, was passed to provide compensation for public assistance authorities for the additional expense falling upon their funds as a result of the postponement of the second appointed day. Exchequer grants were provided so that they would be placed as closely as possible in the financial position they would have occupied if the second appointed day had not been postponed.

It was estimated that the annual rate of the cost to the Exchequer would be approximately £4 million for England and Wales and £1·6 million for Scotland.

This last-mentioned Act also authorized public assistance authorities to raise funds by temporary loans to meet deficits in connection with their expenditure on poor relief during the year ending the 31st March, 1935. Some public assistance authorities had anticipated that the second appointed day would have been fixed at an earlier date than that fixed by the Minister, and had made their estimates accordingly. The excess expenditure proved to be a heavy burden in some cases, particularly in distressed areas.

Where it could be shown to the satisfaction of the Minister of Health that a deficiency had been occasioned owing to the expenditure during the year ending the 31st March, 1935, being in excess of the amount provided in the estimates for that year, he was authorized to sanction a loan for the purposes, provided the money would be repaid within such periods, not exceeding five years, as the Minister might direct. This provision only applied to England and Wales as the matter was already provided for in the case of Scottish authorities.

The financial arrangement whereby the Exchequer made good the excess cost of relief was due to end on the 30th September, 1935, but, under the provisions of the Unemployment Assistance (Temporary Provisions) (Extension) Act, 1935, the period was extended to the 31st March, 1936, and an undertaking was given by the Minister that it would be continued until the second appointed day, the Unemployment Assistance (Temporary Provisions) (Amendment) Act, 1937, being passed to implement this promise.

On the 15th July, 1936, the Minister made an order terminating the Unemployment Assistance (Temporary Provisions) Act, 1935, after the 15th November, 1936. Amending regulations were approved by Parliament in July, 1936, and as the Unemployment Assistance (Determination of Need and Assessment of Needs) Regulation, 1936, came into force on the 16th November, 1936. The rules allow for a reasonable discretion to be exercised in exceptional cases. The Unemployment Act, 1934 (Second Appointed Day) Order, 1936, was made by the Minister on the 28th July, 1936, fixing the 1st April, 1937, as the second appointed day. From that date the Board took over the remaining cases from the public assistance authorities. There were about 90,000 cases, estimated to be with their dependants about 200,000 persons, taken over from the public assistance authorities from the 1st April, 1937, being those within the scope of Part II of the Act who were never insured or whose insurance has lapsed and who were not therefore in the transitional payments class.

The financial effect of these provisions is dealt with later.

DETERMINATION OF APPLICATIONS FOR ALLOWANCES

All applications for allowances under Part II of the Act and all questions arising in connection with such applications are determined by Officers of the Board. Applicants for assistance must be registered at an Employment Exchange in order that they may be kept in touch with opportunities of employment in the same way as workpeople in receipt of insurance benefit. Generally, they receive their unemployment allowances at the Employment Exchanges.

The administration is through the Officers of the Board co-operating for certain purposes with the Employment Exchanges.

ASSESSMENT OF NEEDS

The Act does not prescribe the standard of assistance. This is laid down in statutory Regulations.

The Board submitted to Parliament, through the Minister,

the Unemployment Assistance (Determination of Need and Assessment of Needs) Regulations, 1936, which came into force on the 16th November, 1936, dealing with the standard and policy of the Board, including the assessment of need. Thus, not only do the standards of the Board receive the sanction of Parliament but, in the process, a greater measure of uniformity will be achieved.

Under the Act, for this purpose "Needs" do not include medical needs, which still remain the responsibility of the Local Authority, except for periods of occasional sickness in respect of persons in receipt of allowances from the Board. The assistance which the Board may grant is not limited to the maximum rates of benefit. Relief in kind will be given only in cases of special difficulty.

The amount of the applicant's scale allowance is calculated in the manner provided by the First Schedule to the Regulations and from that amount is deducted the amount (if any) of his available resources calculated in manner provided by the Second Schedule to the Regulations.

The protection for certain classes of resources conferred by the Transitional Payments (Determination of Needs) Act, 1932, is continued in the Act, as amended during the Committee Stage in the House of Commons.

Section 38 (3), as amended by the Pensions (Determination of Needs) Act, 1943, provides that

(*a*) The first five shillings per week of any sick pay from a Friendly Society, and the first 7s. 6d. of any benefit under the National Health Insurance Acts, 1924–32, and the whole of any maternity benefit under those Acts (exclusive of additional or second benefits) shall be disregarded, but this 7s. 6d. has been increased to 10s. 6d. by the National Health Insurance Act, 1941. The first 10s. 6d. of any superannuation allowance; the first 10s. 6d. of earnings; the first 7s. 6d. dependant allowance; and the first 7s. 6d. service pension.

(*b*) The first £1 of any wounds or disability pension shall be disregarded.

(*c*) Any weekly payments by way of compensation under the enactments relating to Workmen's Compensation shall as respects one-half be disregarded.

(*d*) All money and investments treated as capital assets shall—

(i) In so far as the value of all such money and investments considered in the aggregate does not exceed twenty-five pounds, be disregarded;

(ii) In so far as that value exceeds twenty-five pounds and does not exceed four hundred pounds, be treated as equivalent

to a weekly income of sixpence for every complete twenty-five pounds.

(*e*) In taking into account the value of any person of any interest in the dwelling-house in which he resides, any sum which might be obtained by him by selling or borrowing money upon the security of that interest shall be disregarded.

It is particularly desirable that the determination of need under the Act shall not be a destitution test. The determination is made by an officer of the Board of what he believes to be the man's need in accordance with the regulations approved by Parliament.

THE DETERMINATION OF NEEDS ACT, 1941

This Act substituted a personal or family needs test for the former household needs test. Regulations issued under the Act provide certain rules whereby the resources of the applicant, the husband or wife of the applicant, and any member of the household dependent on the applicant only can be regarded. Scales are provided fixing the contributions towards household expenses from other members than dependants. If the applicant is not the householder, his rent contribution will be considered to be not less than 2s. 6d. or more than 7s. where the applicant has no dependants.

The scales of allowances were, subject to a needs test, fixed in 1944 as follows—

	Per week
	s. *d.*
Married men	31 –
Single householder	18 –
Single non-householder—	
Over 21 years	15 6
Under 21 years	12 6
Dependent children according to ages	6 – to 15s.

Plus rent allowance, but including the former winter allowance.

RELATIONS WITH SERVICES OF LOCAL AUTHORITIES

It is a corollary of the scheme that the Act withdrew from local authorities power to issue outdoor relief to persons whose needs have been met by the Board, though the duty of giving relief in cases of sudden or urgent necessity remains with the Relieving Officers. The Board will reimburse the public assistance authorities for any such relief except medical relief. The public assistance authorities retain their existing powers and duties in relation to assistance for the sick, aged, and infirm and certain other classes, e.g. under the Acts relating to maternity and child welfare, tuberculosis services, and education. Occasional sickness in respect of those in receipt of allowances is not a disqualification

for unemployment assistance. This is governed by Rules issued by the Board. The public assistance committees remain responsible for the medical needs and institutional or surgical treatment of all persons requiring such relief, even though they are qualified for insurance benefit or unemployment assistance. Apart from temporary sickness of those in receipt of allowances from the Board, assistance required during sickness or on medical grounds, remains the responsibility of public assistance authorities, and, by arrangement with such authorities and the Board, persons within the scope of the unemployment assistance scheme may be admitted to a public assistance institution as a condition of their dependants being assisted by the Board (Sect. 40 (2) (*d*)).

Where a person receiving benefit under the Unemployment Insurance Acts can establish his claim the Board may supplement that benefit under Part II and they may also meet the whole needs other than benefit needs to the extent that the meeting of those needs requires.

TRAINING COURSES

In order that an applicant for an allowance may be given an opportunity of becoming fit to enter or return to regular employment the Board has power to determine that the allowance shall take the form of maintenance at a training centre (at which the applicant attends voluntarily) provision being made at the same time to meet the needs of any dependants he may have (Sect. 39 (2)).

MAINTENANCE OF EMPLOYABILITY AND TRAINING ALLOWANCES

The Board is given power in co-operation with the Minister of Labour to provide training courses to enable unemployed persons to maintain physical fitness and to improve their chances of employment, and to give training allowances to persons at such courses. In order that the training may include familiarity with actual working conditions, the Board also has power to make arrangements with local authorities whereby applicants for assistance may, as part of the course of training, be employed for short periods, not exceeding three months, upon work for the authority at ordinary rates of wages customary in the district. The Board may contribute towards any additional expenditure incurred by the local authority by reason of the fact that the work is being utilized as part of a training course.

The Part of the Act dealing with training is carefully drawn so as to prevent any interference with the schemes of voluntary occupation. The Minister is given statutory power to aid such work.

In the case of boys and girls under 18, provision of training is a statutory duty upon the local Education Authority with the help of an Exchequer Grant of 75 per cent, and it is intended that compulsory training at Juvenile Instructional Centres shall be made general. As regards adults, the Act gives power to the Minister and the Board to make provision for attendance at a training centre. In certain cases of special difficulty an allowance may be granted only upon condition that the applicant attends a work centre.

A person shall not be disqualified as not capable of or available for work by reason only that he is attending—

(*a*) An authorized course under the Unemployment Insurance Act, 1935 (Part I of the Act of 1934); or

(*b*) A training course, or course of instruction approved by the Minister in his case under the Act of 1935 (formerly Part I of the 1934 Act); or

(*c*) A training course or courses of instruction in accordance with the determination made under Part II of the Act of 1934 (Sect. 36 (2)).

These powers were not altogether new. Since 1912 it has been possible to require a claimant for insurance benefit to attend a training centre as a condition of receiving benefit. It is not financially expedient to provide centres to which all the unemployed can be compelled to attend.

Training will not be a deterrent or a punishment. It is designed in the interests of the unemployed.

The condition which may be imposed requiring an applicant to attend an authorized work centre as a condition of receiving an allowance should also be considered in this connection.

MINISTRY OF LABOUR INSTRUCTIONAL CENTRES FOR UNEMPLOYED MEN

Men attending at these Instructional Centres continue to receive any unemployment benefit (including Dependants' Benefit) to which they may be entitled. Out of this they make contributions to the cost of board and lodgings, which leave them with a personal allowance as follows—

(*a*) Men without dependants, living at the Centre, 4s. per week, or 5s. if in lodgings.

(*b*) Men with adult dependants (recognized for purposes of the Unemployment Insurance Acts) receive 4s. per week, or 5s. if in lodgings, for their own personal expenses, together with their Dependants' Benefit, and in approved cases, an additional 12s. a week to send home to their families. If there are non-adult dependants only, the additional allowances may be less than 12s.

Men with dependants who are eligible to receive unemployment assistance receive allowances at varying rates sufficient to cover the cost of board and lodging, plus an allowance of 4s. weekly if living at the Centre, or plus 5s. weekly if living in lodgings.

Where a trainee in receipt of unemployment assistance has dependants, or where he belongs to a household in which there is someone in receipt of an allowance, the allowance payable to the dependants or other members of the household will be such as will avoid hardships.

Trainees eligible for unemployment assistance allowances receive the following allowances—

(*a*) If living at home, 2s. per week and travelling expenses, in addition to their unemployment allowance.

(*b*) If living in lodgings, 5s. per week, in addition to board and lodging.

CASES OF SPECIAL DIFFICULTY (SECTION 40)

Having regard to the wide scope of the scheme, there will be a limited number of cases of special difficulty where the applicant has shown that he cannot be properly dealt with by the ordinary procedure under the Act, e.g. the work-shy or professional vagrant. Regard must have been given by the Officer or Appeal Tribunal as to whether an applicant has failed to avail himself of opportunities for employment or training and as to the necessity for protecting the applicant or his dependants. In such cases the Board is given power to attach conditions to the grant of assistance, failure to comply with the conditions rendering the applicant unable to receive assistance from the Board.

Where an applicant persistently breaks the conditions or persistently refuses or neglects to maintain himself, the Board may apply to the Appeal Tribunal for the exclusion of the applicant from their jurisdiction for a period. In such cases the applicant cannot be properly considered as one of the ordinary unemployed for whom the scheme is designed. The Officer of the Board or Appeal Tribunal may determine to deal with such cases by issuing the allowance granted in one of the four following ways—

(*a*) To issue the whole or any part of the allowance to such member of the applicant's household as may be specified in the determination.

(*b*) To issue the allowance otherwise than in cash.

(*c*) Upon condition that the applicant attends an authorized work centre, and that whilst so attending at such centre or place he complies with the rules enforced thereat.

(*d*) Where arrangements in that behalf have been made with a public assistance authority, only upon condition that the applicant

becomes an inmate of a workhouse and be payable only by way of payments to the authority in pursuance of the arrangements and payments to a member of his household while he is such inmate.

The applicant in all the above circumstances has a right of appeal without leave to the Appeal Tribunal.

SUSPENSION FROM UNEMPLOYMENT ASSISTANCE (SECTION 41)

If the Officer of the Board is satisfied that an applicant has persistently refused or neglected to maintain himself or his family or persistently contravened the conditions under which an allowance has been issued, he must report the case to the Appeal Tribunal, who may then exclude him for a specified period from the scope of this Part of the Act. The applicant must be heard by the Appeal Tribunal, and any public assistance authority to whom the applicant becomes chargeable may apply to the Appeal Tribunal for reconsideration of the case.

It follows that the burden of assistance in cases coming under Sections 40 and 41 may be transferred from central to local funds. It is provided, however, that when the aggregate cost of relief provided in these cases in Great Britain exceeds 5 per cent of the aggregate amount of the annual contributions payable by the local authorities to the Board, the cost of such excess relief shall be repaid to each local authority in the proportion which the cost of such relief paid by the local authority bears to the aggregate cost of such relief provided in Great Britain.

Under Part II of the Act the Board may provide and maintain work centres for the purpose of affording occupation suitable for applicants whose cases are dealt with, and may make arrangements with any public assistance authorities for the attendance of applicants whose cases are dealt with at any work centre or similar place provided and maintained by that authority. This may be operated direct by the Board or by the public assistance authority acting for the Board.

ISSUE OF ALLOWANCES

Any allowances granted under Part II of the Act are, in accordance with the Rules made under this Part of the Act, issued by Officers of the Board, or by arrangement with the Minister by any of his officers, or by arrangement with the Education Authorities by their officers. Education Authorities may continue, therefore, to deal with juvenile unemployed persons as heretofore. Rules made under this Part of the Act may, with the concurrence of the Postmaster-General, authorize the payment

of allowance through the Post Office in such cases as may be provided by the Rules. This has been arranged in order to provide a convenient method of payment in rural areas and for those in training centres in areas remote from Employment Exchanges.

APPEALS AND APPEAL TRIBUNALS

Provision is made for the constitution of appeal tribunals consisting of a chairman and two other members (Sect. 39 (4)). The chairman is appointed by the Minister, one of the other members by the Board from a panel of persons nominated by the Minister to represent workpeople and the other by the Board to represent the Board. The chairman receives remuneration for his services and the two members are entitled to travelling allowances and other expenses. The tribunal is assisted by a paid staff of officers. The tenure and procedure of tribunals is regulated by Rules made by the Board. Each tribunal has jurisdiction over an area assigned to them by the Board. Any decision of the tribunal is final.

Any question whether a person comes within the scope of Part II of the Act is decided in the first instance by the officers of the Board. Any applicant or any public assistance authority may appeal against the officer's decision and the appeal in this respect is to the chairman of the tribunal only, and his decision is final. If there is doubt on appeal whether an applicant's employment comes within the ambit of the Pensions Acts this must be referred to the Minister of Health and appeal lies from his decision to a judge of the High Court. If there is doubt on appeal as to whether disqualification arises owing to a trade dispute, this must be referred to the insurance officer to be decided in the same manner as an unemployment insurance appeal, except that a public assistance authority has no right of appeal from the decision of an insurance officer or court of referees.

Appeals against the Board's officers in respect of allowances lie to the appeal tribunal, but, except in cases of special difficulty (Sect. 40), the leave of the chairman is required. This requirement is intended to prevent waste of time and expense upon frivolous and unnecessary appeals. The chairman must satisfy himself that there is doubt whether the determination of the officer was in accordance with the Regulations approved by Parliament or that other special circumstances warrant the hearing of an appeal. Any public assistance authority may appeal to the tribunal for reconsideration of a case of suspension from Part II of the Act under Section 41.

The tribunal on appeal shall certify the amount of any sum recoverable from an applicant due to an overpayment obtained,

fraudulently or otherwise, by the non-disclosure or misrepresentation of a material fact if any question arises as to the amount of any excess (Sect. 48 (2)).

All appeals, whether to the Chairman or to the Tribunal, must be made on a special form to be obtained either from an employment exchange or at an office of the Board. This form, on which the grounds of appeal must be clearly stated, includes an application for leave to appeal and must be lodged at the office of the Board from which the decision appealed against was issued and within fourteen days of the date of issue.

Where the appeal is to the Chairman alone, the applicant has the right to appear before him in person. If desired, the applicant may obtain and fill up a form of request which can be obtained from the office where he obtained his notice of appeal and will then be informed in due course when and where the Chairman will sit to hear the appeal.

Where the appeal is to the full Tribunal the applicant will, in those cases where leave to appeal is necessary, be informed whether leave has been granted or refused.

If leave is granted, or in cases where leave is not necessary, the applicant will be informed where and when the case will be heard and will be supplied with a statement of the particulars which will be put before the Tribunal. He will at the same time be asked to state in writing whether he is unable to attend the hearing.

The Rules about appeals provide that in a case of necessity the appeal may with the consent of the applicant be heard by two members of the Tribunal only, of whom one must be the Chairman or Acting Chairman. If the applicant does not propose to attend, he will therefore be asked to give his consent to the appeal being so heard; if he does not attend and has not given his consent to the appeal being heard in this way, the hearing of the appeal may be delayed.

An Officer of the Board or Chairman of the Appeal Tribunal, on new facts being brought to his knowledge, can revise a decision given in any particular case. The object of this provision is to allow the re-opening of a case disallowed by a Chairman or the Officer of the Board in the event of changing conditions making it reasonable that the person concerned should have the right to have his case re-opened.

It was feared that the Appeals Tribunals might act in a similar manner to the Courts of Referees in finding reason for turning cases over to the Poor Law, although the Parliamentary Secretary to the Minister of Labour allayed these fears to some extent by stating that the "mere length of time a man has been unemployed will not of itself, without a host of other circumstances, put him

outside the scope of Part II." Subsequent events have shown that large numbers of applications have been refused assistance by the Board on the grounds of being not capable of and available for qualifying employment. An applicant is entitled to be represented before a Chairman or an Appeal Tribunal in order to have his case properly presented. Decisions, whether by the Chairman or by the Tribunal, are final.

UNEMPLOYMENT ASSISTANCE LOCAL ADVISORY COMMITTEES

In October, 1935, the Unemployment Assistance Board set up 140 area committees, and asked local authorities to nominate members outside the areas where the county councils were administering the Act by delegation.

The Circular stated that the membership of a committee would not exceed thirty, at least in the first stages, and would vary according to the nature and circumstances of the area. It was suggested that each committee should comprise, as a nucleus, members with experience of public assistance and public health administration in the locality; members representing the point of view of employers and workpeople; and members engaged in voluntary social services in the area. Apart from these, there would be a number of other members selected in relation to the special requirements of the locality, the aim being to gather into a compact body as wide a range of persons with experience of social administration as possible. Only the members with experience of public assistance and public health will be nominated by councils of counties and county boroughs. The chairman will be nominated by the Board, and members will receive travelling expenses.

The types of cases on which the Board considers that the advisory committee could be useful are—

(1) Cases in which the proper assessment of allowances under the Regulations might have to depend on an acquaintance with special technical matters or matters peculiar to the locality, e.g. matters affecting special types of occupation in the area.

(2) Cases in which the reasonableness of the accommodation occupied by a household of an applicant might require special consideration because of the peculiar local housing situation or of local levels of rent.

(3) Cases in which social and moral considerations are involved in the determination of the most appropriate treatment to be given to an applicant apart from the actual assessment of the allowance in terms of money, i.e. cases in which it may appear to be necessary to consider treatment as cases of special difficulty under the provisions of Section 40 of the Act.

(4) Cases in which it might appear that apart from assistance by means of cash allowances the applicant or a member of his household requires help which some public or voluntary social service operating outside the province of the Board's own administration is in a position to give, e.g. children requiring country holidays or convalescent treatment; wives requiring help under the maternity and child welfare services; persons requiring preventive treatment for tuberculosis.

In addition to advising on the above type of cases, the revised Regulations in November, 1936, provided for Advisory Committees to recommend local rent rules for the purpose of adjusting allowances consistently with the applicants' rent liability.

The effective exercise of these powers would, clearly, do much to abate the necessary hardships imposed under a more or less clockwork system of administration of officials acting under Regulations and instructions. The need for the services of the advisory committees points to what is contended by some people to be the major defect of the whole Unemployment Assistance scheme, viz. that the exercise of a discretion which involves local and personal knowledge would be left to those who possess the knowledge; primarily, the elected members of local authorities and the officers under their control.

INCIDENCE OF UNEMPLOYMENT ASSISTANCE

The cost of unemployment assistance differs from the former expenditure by reason of the following four factors, viz.—

(*a*) The transfer to unemployment benefit of certain classes of persons who, under previous legislation, were in receipt of transitional payments.

(*b*) Changes in the level of unemployment.

(*c*) Changes in the conditions of and standard of applying the grant of unemployment allowances—

(i) As compared with those which applied to transitional payments (in particular the fact that the benefit rate will not be a maximum limit to the amount of the allowance); and

(ii) As compared with those which applied to persons who previous to the Second Appointed Day received outdoor relief.

(*d*) The possibility of an increase or decrease in the number of applicants.

FINANCIAL ARRANGEMENTS WITH LOCAL AUTHORITIES

The Act provides for the establishment of an Unemployment Bssistance Fund to meet the liabilities incurred under this part

of the Act. The Fund is provided out of moneys voted by Parliament and contributions from the local authorities as described below. From the Fund are paid all the expenses of the Board except the salaries of the Board, which, as already described, are charged on the Consolidated Fund.

CONTRIBUTION OF LOCAL AUTHORITIES

Section 45 provided that every county and county borough should pay an annual contribution to the expenses of the Board in respect of the saving to them arising out of the transfer to the Board of the classes of persons not formerly covered by the Transitional Payments scheme. This is an entirely new principle, and is considered to be the first instance in which local authorities have been required to make a direct contribution towards what will become a state service over which they have no control.

The Act provided that for the first three years of the scheme the contribution of local authorities should be 60 per cent of the sum of the two following amounts, viz.—

(*a*) The estimated expenditure, excluding the cost of administration, incurred by the council in the year ending 31st March, 1933, on the provision of relief, not being relief in respect of medical needs, to persons to whom Part II of the Act would have applied if it had been in operation during that year.

(*b*) The difference between the estimated cost of administration incurred by the council in the same year in connection with provision of relief, and the estimated cost of administration which would have been so incurred if Part II of the Act had been in operation. This expenditure was estimated by taking 1½ per cent for counties and 2 per cent for county boroughs of the amount of (*a*) above. In the case of local authorities receiving distressed area grant in the year 1934–35 they were allowed to deduct the amount thereof from the sum of (*a*) and (*b*) above in order to calculate their contribution.

The contributions were subject to adjustments necessitated by any alteration in boundaries since 1932 to 1933, and also, in the first year, to an abatement in respect of the fact that the Act was not fully in operation for the whole year.

The Act authorized the Minister of Health to give directions as to the method in which the contributions should be calculated (Section 45 (3)). Accordingly he issued Circular 1423 (9th July, 1934) explaining the method of calculation. A direct analysis of the expenditure of 1932–33 was considered impracticable. It was decided, therefore, to use test periods in the current year (1934–35), and certain weeks ending in July, September, November and December, 1934, were selected for the purpose, the results being

applied to the gross expenditure of 1932–33 to arrive at the estimated saving by the transfer of the expenditure on out-relief. Expenditure on institutional relief was estimated by taking two-thirds of the average number of persons within the scope of Part II of the Act actually in institutions during the test period at the rate of 1s. per head per day for the year.

Owing to the standstill arrangement, the Unemployment Assistance (Temporary Provisions) (No. 2) Act, 1935, provided for a grant to be paid to local authorities in respect of the additional expenditure falling upon local funds so as to place them as nearly as possible in the same financial position as if the second appointed day had not been postponed. To ascertain the amount of the additional estimated expenditure in respect of out-relief the proportions ascertained by reference to the four test periods in 1934 for the calculation of the local authority's contribution, were applied to the months of December, 1934, and January and February, 1935, and the annual equivalent calculated. The additional expenditure on institutional relief and the saving in cost of administration were estimated in the same manner as for the local authority's contribution. From the total of these items the amount of the local authority's contribution was deducted before the grant was paid. This arrangement was due to expire on the 31st March, 1937.

The Unemployment Assistance (Temporary Provisions) (Extension) Act, 1936, extended the period during which the grants were payable. In consequence of the postponement of the Second Appointed Day, the "standstill" arrangements were terminated on the 15th November, 1936, from which date the new Regulations operated, subject to a period of eighteen months being allowed for the downward adjustment of allowances which were greater under the Standstill Rules than under the Regulations. Certain increases in the scale rates, adjusted according to net rent paid and personal allowances to dependants, were made.

In the House of Commons on the 21st July, 1936, the Minister explained that consideration was being given to the merging of the contributions of local authorities in the block grant as from the 1st April, 1937. Effect has been given to this proposal in the provisions of the Local Government (Financial Provisions) Act, 1937, and the sum of £2,187,000 will, in future, be deducted in calculating the amount of the General Exchequer Contribution to local authorities. The effect of merging these contributions in the block grant is to spread the cost over all local authorities so that each bears its block grant share of the total burden in proportion to weighted population for block grant purposes.

This means that the burden is spread, for a time partly, and ultimately wholly, upon the basis of local needs as determined by the block grant formula and the more prosperous areas will be helping to bear the unemployment burdens of the less prosperous and distressed areas.

As a result of the basis of test periods upon which the Exchequer grants to public assistance authorities have been made, authorities for areas where unemployment has diminished gained, whereas those distressed areas in which unemployment has increased lost. The Unemployment Assistance (Temporary Provisions) (Amendment) Act, 1937, gave the Minister power to adjust the amount of the grants payable for the year 1936–37 so that he could increase the grants to the latter authorities by decreasing the grants to the former, in such a manner that the aggregate amount of the grants was not affected.

The provision for additional benefit under Part I of the Act of 1934 was estimated to add £8,350,000 to the amount of benefit paid in a year when the average number of unemployed is 2,500,000. This money will be paid to persons who were previously within the transitional payments scheme. After allowing for the fact that some of these persons were not receiving any payments or were receiving payments at less than benefit rates owing to the operation of the needs test, it was estimated that the expenditure in respect of transitional payments would be reduced by about £6,250,000.

The general standards of the allowances are determined by the Regulations under Section 38 (3), which require the approval of each House of Parliament (Sect. 52). The limited scope of the Act, leaving as it does certain classes of able-bodied unemployed persons to the Public Assistance Authority, has been the subject of criticism by some local authorities, especially those in the distressed areas. They were led to expect that they were going to be relieved of the whole burden of the able-bodied unemployed. They contend that it is the duty of the State to maintain all the able-bodied unemployed and that it is not fair to impose burdens upon the rates for their maintenance. They consider that the 60 per cent provision is far too large a burden to place upon the backs of local authorities already overburdened and overdistressed. There is no precedent for imposing a burden of this kind on local authorities for moneys to be handed over to the State and spent by the State. It contravenes the principle of "no taxation without representation." The Minister of Labour in the House of Commons on the 30th November, 1933, stated "it is indefensible that one authority should provide the money while another spends it."

This, however, is just what is happening with regard to the transferred services.

NECESSITOUS AREAS

It has been claimed that the necessitous areas cannot be treated as though they were a normal part of the structure of local government in this respect, as such treatment does not deal with the problem of the necessitous areas in particular.

The basic year 1932–33 was objected to, as it was a year in which poor relief was heavy in respect of persons ordinarily engaged in some regular occupation, as the following figures show.

	£
1928–29	5,367,000
1929–30	4,487,000
1930–31	3,313,000
1931–32	4,265,000
1932–33	6,461,000

On the other hand, the year 1933–34 might have been selected, when the corresponding figure was £7,510,078.

Again the local authorities complain that they will receive no benefit in this connection from any improvement in industrial conditions subsequent to the year 1932–33.

Particular dissatisfaction is expressed in some quarters that certain classes of unemployed persons outside the scope of Part II are left to the relief provided by the poor law service, which is still called upon to meet the limitations of the unemployment insurance.

It is difficult to find any satisfactory explanation for the view that many persons compelled to apply for poor relief should be regarded as not being so deserving of consideration as those receiving unemployment assistance.

The Exchequer now pays not only the whole cost of former transitional payments, but in addition is relieving the local authorities of a large proportion of the cost of the services transferred to the Board which would otherwise have fallen upon the local authorities. It is estimated that the local authorities are relieved to the extent of £2,600,000 by these provisions.

It was originally anticipated that some adjustment might be made in the block grant payable to local authorities because of the factor in the formula which provides a weighting for unemployment, but no reduction has been made in the General Exchequer Contribution on this account. Moreover, as a further concession those local authorities which received a share of the special distressed area grant of £500,000 for 1933–34 were

authorized to deduct from their 60 per cent calculation, their share of this Grant. It is claimed by the promoters of the scheme that only a very small proportion (about 5 per cent) of the total cost of the relief of the unemployed is left to be borne by local authorities, and it is only right that they should be, to this extent at least, associated with the misfortunes of the unemployed in their areas.

FINANCE OF PART II OF THE ACT

Several factors make any attempt to compare the financial position before and after the introduction of the new Scheme ineffective. An industrial improvement enabled many of those previously receiving transitional payments to secure employment. The "standstill" arrangements were responsible for allowing approximately one-half of the recipients of unemployment allowances to receive their former transitional payments rate. From the 1st July, 1934, rates of insurance benefit were increased accompanied by an increase in transitional payments.

The following estimated figures give some indication of the changes anticipated upon the introduction of the scheme—

Expenditure other than Administration—

	£
Cost of Transitional Payments for twelve months ending 31st October, 1933	51,000,000
Less transfer to Insurance Account by the operation of the new Ratio Rule for unemployment benefit	6,250,000
	44,750,000
Relief to Local Authorities	2,600,000
Additional cost of Training Schemes	750,000
	£48,100,000

This total takes no account of any increase of expenditure, such as is referred to above.

Administrative expenditure—

	£
Cost of administration of the Transitional Payments Scheme	3,500,000
Additional cost of administration, say	1,000,000
	£4,500,000

The First Report of the Board (Cmd. 5177) dealt with the calendar year 1935, from the 7th January, the date when the scheme commenced, and the following figures (excluding administration) are supplied—

	Transitional Payments 1934	Unemployment Assistance 1935
Total amount paid	£43,137,000	£42,607,000
Average weekly number of payees .	806,000	712,500
Average payment per week per payee .	20s. 7d.	23s.

For the calendar year 1936, the corresponding amount was £39,297,000 in respect of 630,000 persons, an average of 23s. 9d. At the end of 1936 the average had increased to 24s. 8d. Including administration (but excluding that borne on the separate vote of the Board) the expenditure for 1936 was £41,777,000. Together with administration expenses (£1,740,000) the total expenditure was £43,517,000.

For the financial year ended the 31st March, 1936, the cost of allowances, including £198,132 in respect of outstanding payments in connection with the transitional payments scheme, together with the expenses of administration, other than those borne on the separate Vote of the Unemployment Assistance Board, was £45,057,196, or £555,007 less than the previous financial year. The staff of the Board was augmented from 6,907 to 7,598, chiefly on account of the transfer of work on the Second Appointed Day.

The total expenditure for 1937 was £41,420,000. The determinations increased from 3,968,434 in 1936 to 3,990,660 in 1937.

Under the Unemployment Assistant Fund (Closing) Order, 1941 (S. R. & O. 1296) the Fund was wound up from the 31st March, 1942. Receipts will now be paid to the Exchequer and payment made out of money provided by Parliament.

With the operation of the 1944 Regulations it is estimated on the basis of a register of about 25,000, including 7,000 special war-time cases, the cost will be £200,000 more than the approximately £1,600,000 per annum payable previously.

THE SPECIAL AREAS

Mr. P. Malcolm Stewart in his Third Report as Commissioner for the Special Areas makes the following significant statement—

> The only solution which I can envisage as being adequate to meet the needs of the situation is a measure to reduce the cost of public assistance in the Special Areas to the level of the averages of that for the country as a whole.

The Commissioner, after years of experience of the problem

in these Areas, considered the work of public assistance to be the fundamental factor to be dealt with. Consideration of the situation in the distressed areas is, therefore, part of the problem of public assistance.

Growing recognition of the national or international cause of the plight of the areas suffering from excessive unemployment has led to special consideration being given to the needs of those areas on national as distinct from local action. Whereas, in days when the parish was established as the unit of poor law administration, unemployment was an incident of parochial organization, the parish being a self-contained community, the changed conditions of modern commercial and industrial activities have caused local communities to be bound together in united life, making the whole nation, under normal conditions, an economic unit. The inland manufacturing towns flourish upon an export trade which depends upon the seaport towns for the import of their raw materials and the export of their finished products, and the mining areas for the coal, which is necessary for power purposes, and iron for their machinery. The reverse is equally true, that the prosperity of manufacturing centres is necessary for the progress of the seaport and mining towns. It is unreasonable and inequitable that the large pool of labour concentrated in the seaport towns in times of prosperity to handle the freights of the industrial areas should become the burden of the area in which the workers reside in periods of distress brought about by world conditions.

Neither unemployment insurance nor transitional payments have proved sufficient to save the distressed areas from the slough of depression. Recognizing the necessity for further action on national lines in April, 1934, the Government appointed three investigators to make inquiries and report upon conditions in the three worst industrial areas the north-east, the north-west, and South Wales. The reports of these investigations issued in November, 1934, led to the passing of the Special Areas (Development and Improvement) Act, 1934, for the initiation, organization, prosecution, and assistance of measures designed to facilitate the economic development and social improvement of those areas.

Two Commissioners were appointed, one for England and Wales (Mr. P. Malcolm Stewart) and one for Scotland (Sir Arthur Rose). The sum of £2 millions was allocated to a Special Area Fund, merely as an initial payment, out of which the Commissioners were authorized to make grants for the purposes of the Act. Two limits were placed upon the distribution of this money. Grants had not to be made to persons and bodies established for

the purpose of gain, nor to services already aided out of Government grants. Places outside the Special Areas could be assisted provided such assistance would afford employment for substantial numbers of persons.

The Commissioner for England and Wales issued three reports—

First Report, July, 1935 (Cmd. 4957, 2s.)
Second ,, Feb., 1936 (,, 5090, 2s.)
Third ,, Nov., 1936 (,, 5303, 3s. 6d.)

In the first Report the Commissioner describes something of the organization established. A District Commissioner was appointed for each Area and for each there was an Industrial Development Council.

In order to discover the attitude of industry towards these areas the Commissioner sent out a circular of inquiry to 5,800 firms soliciting replies to the following questions—

(1) Whether the firms had established any works or branches in a Special Area.

(2) Whether they had considered the choice of a site in a Special Area.

(3) Whether they were prepared to consider such a choice.

Only 1,763 replies were received and of these 1,700 replied in the negative to all questions.

The difficulties in the way of re-establishing industries in these areas were stated by the Commissioner to be: Inaccessibility to markets, High rates, Fear of industrial unrest, Psychological effect of being distressed areas, Difficulty of raising capital.

The Commissioner expressed a doubt as to whether any organization run on a purely commercial basis could meet the needs of these Areas. On the other hand, he pointed out that relief works having no permanent effect on unemployment, only left the areas finally in a worse condition. There was no justification in his view, for spending money without resultant economic value, merely to provide employment. He decided, therefore, only to assist work with some economic or social value. His decision to work chiefly through the agency of the local authority was established by the fact that they had skilled staffs ready for action which could be set up otherwise only after considerable delay; the authorities had experienced knowledge of local conditions and were likely to be called upon to bear the cost of maintenance of work undertaken.

The Commissioner found the limitations originally placed upon his activities a handicap in his endeavours to establish new

industries in the Special Areas. Being satisfied that there was a real demand for financial assistance to be given to private enterprise to attract development, he recommended State assistance for this purpose. The Special Areas Reconstruction (Agreement) Act, 1936, authorized the Treasury to come to an agreement with a company to be incorporated as the Special Areas Reconstruction Association, Ltd., with a nominal capital of £1,000,000. No capital was contributed by the State but grants were made available toward preliminary and winding-up expenses, maintenance expenses, and a guarantee against losses up to £100,000.

The recommendations of the Commissioner in his Third Report on the "Financial Position of Local Authorities in the Special Areas" is so highly relevant to the subject of public assistance that the following extracts are quoted—

> I am still of the opinion that, whilst high rates may not be one of the main factors which deter employers from establishing industries in the Special Areas, they constitute a definite disadvantage which needs removing at the earliest opportunity. The high rate burden and the constant anxiety of local authorities about the means of meeting increasing liabilities with a falling income are steadily undermining the standards of service provided and leaving no scope for initiative or a forward view. For instance, in south-west Durham the authorities are so concerned with their financial troubles that they have been unable to consider the question of enlisting my help in site clearance or other measures which might lead to economic development, and the result has been—and one can hardly blame the authorities for it—that it has been impossible to secure the provision of such schemes by co-operation with the local authorities in that Area.
>
> * * * * * * *
>
> I agree in principle with the view that in any schemes which local authorities undertake they should contribute part of the cost, since it is their responsibility to administer such schemes. It is in only a few cases that I have offered grants exceeding 75 per cent of the total cost. By making substantial grants I have, of course, relieved authorities of considerable capital expenditure which they ought in any case to have incurred on schemes urgently necessary on grounds of public health. But every scheme to which I contribute less than 100 per cent means an increased burden on rates already too high. Local authorities in these Areas should be in a position, without any special Government assistance, to carry out schemes of urgent necessity on grounds of public health, and indeed other schemes, which though not so urgently necessary, would improve the amenities of their districts and help to attract new industries. At present this is impossible, and the primary reasons are—
>
> (*a*) a diminishing rateable value, owing to declining industry and dwindling population;
>
> (*b*) an increasing burden of public assistance.
>
> Both these reasons are due to economic causes outside the control of the Areas, namely, the decline in the heavy industries which have always been their mainstay. Inasmuch as the cause is national or international, the Areas have a clear justification for claiming that relief should be given on a national basis, and that their excess burden of expenditure on public

assistance should be reduced to the national average. This, it will be remembered, was also the conclusion reached in 1934 by Captain Euan Wallace after his thorough investigation into conditions in Durham and Tyneside, but the matter still waits to be dealt with.

The only solution which I can envisage as being adequate to meet the needs of the situation is a measure to reduce the cost of public assistance in the Special Areas to the level of the average of that for the country as a whole. Ultimately, as indicated above, I think this should be done by levying additional rates in the more prosperous areas. But if this is not within the realm of immediately practicable politics—and the problem is so urgent that its solution must not wait on long-drawn-out negotiation—then I recommend strongly that the Government should step in and provide the necessary financial aid to these authorities without further delay.

If this assistance were provided the authorities could not, of course, expect to retain absolute autonomy in the administration of public assistance in their areas. They already receive from the Government a large amount of financial assistance towards the various services they administer. In the case of some of the local authorities in the Special Areas this assistance represents approximately 60 per cent of the income on rate fund services. If still further assistance is to be given from the National Exchequer, it is right and proper that the Central Government should take further steps to see that the help given is spent wisely and in accordance with standards approved for the country as a whole. If my recommendation in regard to public assistance is accepted, the existing machinery should, I suggest, be retained, but a Government representative should be appointed, with power of veto, to attend meetings of the Public Assistance Committees of the authorities and to call for any papers required in order to ensure a proper standard of administration.

I hope that the Government will give this recommendation their urgent and careful consideration. I believe that the effect of removing the excess burden of public assistance from the local authorities in the Special Areas would be profound; it would remove what is at once one of their chief difficulties and a long-felt grievance, and would enable them to devote themselves wholeheartedly to the economic development and social improvement of their areas.

The Special Areas (Development and Improvement) Act, 1934, was due to expire on the 31st March, 1937, but was extended under the Expiring Laws Continuance Act, 1936, to the 31st May, 1937. The Special Areas (Amendment) Act, 1937, was passed to extend the provision for a further period until the 31st March, 1939, and to grant further assistance to special and distressed areas. A White Paper (Cmd. 5386) was issued to explain these provisions.

The amount of the commitments of the Commissioner for England and Wales up to the 31st January, 1937, was approximately £9 million of which approximately £2 million had been expended.

In order to encourage the establishment of new industries the new Act authorized the Commissioners, for the first time, to assist undertakings notwithstanding that they are being conducted for gain. For periods not exceeding five years, contributions could be paid towards rent, rates and taxes. Grants may

also be paid to local authorities in the Special Areas towards expenses in the repair and improvement of streets for other than through traffic, and the expenses of field drainage in respect of agricultural land.

Assistance may also be rendered in other areas, as well as Special Areas, where the Minister of Labour certifies that certain conditions obtain. The areas must be suffering from severe unemployment which has persisted for a considerable time. The Minister must be satisfied that unless financial assistance is afforded, there will be no immediate likelihood of a substantial increase in employment in the areas and that employment in the area is mainly dependent on one or more industries which are unable to provide sufficient employment by reason of general depression in those industries. An advisory committee, appointed by the Minister, considers any representations made to him, and which he may refer to them, and assistance will only be forthcoming if the committee so recommend. Treasury loans are available, up to a limit of £2 million, to assist industrialists occupying factories in these areas provided by a "site-company," i.e. one which does not trade for profit or whose interest or dividend payments do not exceed a rate prescribed by the Treasury, and which provides factories with a view to the introduction of industrial undertakings in the area. If the advisory committee so recommend, the Treasury may assist a site-company either by subscriptions to share capital or by way of loan, up to one-third of the company's capital.

Towards the end of 1936, Sir P. Malcolm Stewart's place as Commissioner was taken by Sir George M. Gillett and that of Sir H. A. Rose by Sir David A. Hay. The latter resigned in July, 1937, and his place was taken by the Hon. A. Hamilton.

At the outbreak of the present war in 1939 the work of the Commissioners was transferred to the Minister of Labour and National Service and the Secretary of State for Scotland. The Minister is responsible to Parliament for the Vote for the expenditure of the Commissioners amounting to nearly one million pounds in 1942.

CHAPTER XXXII

LATER UNEMPLOYMENT INSURANCE LEGISLATION

THE working of the unemployment insurance scheme following the passing of the Unemployment Act, 1934, can be described broadly under the following headings—

(1) The termination of transitional payments and the institution of the scheme of unemployment assistance.

(2) The consolidation of the statutes relating to unemployment insurance in one Act, viz. the Unemployment Insurance Act, 1935.

(3) The extension of unemployment insurance to persons engaged in agriculture (including horticulture and forestry).

(4) The machinery for securing the continued solvency of the Unemployment Fund.

(5) The exercise of the powers of the Minister of Labour with regard to the inclusion in or exclusion from the scheme of classes of persons or employments and other matters in the administration of the scheme after reference to the Unemployment Insurance Statutory Committee.

TRANSITIONAL PAYMENTS

The institution of transitional payments was a measure of national economy taken by the Government in October, 1931. The scheme replaced transitional benefit which under certain conditions was paid to insured contributors who were unable to satisfy the First Statutory Condition for the receipt of benefit, viz. the payment of thirty contributions in the two years preceding the date of claim. The whole of the funds required came from the Exchequer and they were an addition to the State's ordinary contribution to the Unemployment Fund. The effect of the introduction of transitional payments was to make the payment of assistance from the Unemployment Fund to contributors who were unable to qualify for insurance for the reasons stated and to contributors who had received twenty-six weeks' benefit in a benefit year, subject to a needs test administered by the public assistance authorities.

The enactments relating to transitional payments were due to expire on 30th June, 1934, and Part II of the Unemployment Act, 1934, passed on the 28th June, 1934, created a new service of unemployment assistance. This new service is fully described

in Chapter XXXI. So far as unemployment insurance is concerned, it remains to be said that it was provided by the Act that the enactments in question should continue to have effect until a date fixed by the Minister of Labour, viz. 7th January, 1935, as from which date no further determinations were made under the transitional payments scheme. It was provided, however, that determinations in force immediately before the 7th January, 1935, should continue in force until they were due to expire unless previously revoked by the Assistance Board.

UNEMPLOYMENT INSURANCE ACT, 1935

In the Report of the Ministry of Labour for the year 1933, it was stated that as soon as the Bill which became the Unemployment Act, 1934, had been passed, it was intended to proceed with a Bill to consolidate the whole of the existing unemployment insurance legislation in one Act. Such a Bill was introduced and became law on 18th March, 1935, under the title of the Unemployment Insurance Act, 1935.

Provision was made in the Act for the continued operation of all Orders, Regulations, etc., made under any previous enactments (except where revoked by the Act). Most of the Regulations made under the previous Acts were, however, re-made in consolidation form in 1936. The most common of these Regulations prescribe the procedure for the collection of contributions and the making of claims for benefit.

UNEMPLOYMENT INSURANCE IN AGRICULTURE

The Unemployment Insurance Statutory Committee set up in accordance with the provisions of the Unemployment Insurance Act, 1934, were required, as soon as may be after the passing of the Act, to make such proposals as may seem to them practicable for the insurance against unemployment of persons engaged in employment in agriculture, and to make a Report to the Minister of Labour containing the proposals and any recommendation with respect thereto. The Committee was appointed on 18th July, 1934, and presented its Report to the Minister of Labour on the 20th December, 1934.

In an historical survey, the Committee pointed out that the question of extending unemployment insurance to agriculture had repeatedly been under consideration since the general application of insurance to other industries in 1920. A Committee appointed by the Agricultural Wages Board reported in 1921 that there was general opposition by both employers and workers to extension and that there was no evidence as to how far a

special scheme for agriculture would be acceptable. In 1926 a Committee, appointed as an Inter-departmental Committee by the two Ministers concerned with agriculture, recommended by a majority of members the adoption of a special scheme providing the same rates of benefit as the general scheme but with lower rates of contribution. The minority Report stated that it did not appear that the immunity from the risk of unemployment enjoyed by agriculture had decreased since 1920 and that therefore there was no case for a scheme. Both reports agreed that unemployment insurance should not be applied to agriculture in Scotland.

After considering these Reports, the Government announced in Parliament their decision that no case had been made out for an extension of unemployment insurance to agriculture.

In their Report published in 1927, the Blanesburgh Committee on Unemployment Insurance indicated that they had read the Inter-departmental Report which had only recently been published and that they were in favour of leaving things as they were.

In January, 1930, the Minister of Labour generally welcomed a motion in the House of Commons in favour of the extension of unemployment insurance to include agricultural workers, but pointed out some of the difficulties which would have to be overcome before a scheme of unemployment insurance for agriculture could be instituted. The outstanding points of difficulty were—

(1) the absence of reliable information as to the rate of unemployment among agriculture;

(2) the financial basis of the scheme;

(3) the need for securing, if possible, the agreement of both employers and workers to a scheme.

The motion was carried by 185 votes against 82.

In May, 1930, the Minister of Labour received representatives of the Trades Union Congress, the Labour Party Agricultural Advisory Committee, and the Scottish Farm Servants' Union, and discussed with them the broad outline of a scheme.

In June, 1930, the matter was again raised in the House of Commons, and the Minister of Labour made the following statement—

> I have said before, and I repeat it to-night, that one of my main reasons for wishing to see agricultural workers brought within the Insurance Scheme is because I am convinced that we must try and break down the wall of separation between workers in industry and workers in agriculture.
>
> Whether we like it or not, there will have to be an interchange of labour between the towns and the countryside. And why not?

> It is a most wholesome thing that there should be this interchange, and all we require is that the wages and general conditions shall be as applicable to the agricultural worker as to the town worker.
>
> I hope we shall go ahead with the discussions which have begun and get some agreed scheme which we can present to the House. It is obvious that there are two parties to the scheme; in fact there are more than two parties, but the primary parties are the farm workers and the farmers, and I am hoping that the negotiations will enable us to get something near to an agreed scheme.

Further discussions with workers' organizations took place, and in November, 1930, a further motion in the House of Commons for the extension of unemployment insurance to include agricultural workers was "talked out."

In December, 1930, the Royal Commission was appointed, and by their terms of reference the question whether agriculture should be included in the scope of the Unemployment Insurance Acts came under their consideration. In the Report presented in November, 1932, the Commission took the view that "broadly, insurable employment will cover productive industry and its ancillary services," and that "uninsured occupations will be those concerned in what might be called the general administrative services—Government, Police, Educational—but this, of course, gives only the simplest rubric and leaves unsolved many marginal problems. On this account of the matter, agriculture, a productive service, would fall within the class of insured industries, but the conditions of employment differ in important ways from conditions in other industries, so that the matter cannot be thus simply settled."

The Commission, after consideration of the question, came to the conclusion that "there are strong arguments for the extension of unemployment insurance to agriculture," but in view of the difficulties involved, a majority of the members of the Commission recommended that the Statutory Commission which they proposed "should forthwith explore, with representatives of the industry and the Government Departments concerned, the possibility of devising a special scheme of insurance for agriculture which will secure the co-operation of those engaged in the industry and overcome the difficulties to which we have drawn attention."

In the months following the issue of the Royal Commission's Report, numerous resolutions were passed at district meetings of the National Union of Agricultural Workers throughout the country, urging the enactment of a scheme of unemployment insurance to cover all persons engaged in agriculture, and deputations were received by the Minister of Labour from the Union and the Agricultural Section of the Transport and General Workers' Union, advancing arguments in favour.

The Act of 1934 broadly carried out the recommendations of the Royal Commission.

Under their terms of reference the Unemployment Insurance Statutory Committee considered that their primary duty was not to discuss the question of principle whether insurance in agriculture is desirable or not, but to frame, if it is possible, a scheme of insurance in order that His Majesty's Government might decide to proceed or not to proceed further in the matter, in the light of concrete proposals.

The Committee expressed the view that the Census returns for 1931 and subsidiary information from approved societies in rural areas, disposed finally of the argument that insurance is not needed in agriculture because there is practically no unemployment.

They pointed out that from the Census figures they were compelled to take as the basis of their proposals for insurance the general rate of unemployment in agriculture was 7·5 per cent, which was materially higher than the rate of unemployment in a number of industries already insured under the general scheme.

The Committee found that in respect of the attitude of those concerned in agriculture towards proposals for unemployment insurance there had been a progressive change since the matter was first discussed seriously fourteen years earlier. Between 1926 and 1930 there was a change in the views of the Scottish Farm Servants' Union, and they became strongly in favour of insurance.

During the course of the Committee's inquiry, the trade unions of agricultural workers in England and Wales presented a strong demand for insurance at special rates of contributions and benefit, but otherwise on the same lines as other workers. The Scottish Farm Servants' Union took the same line as the English trade unions, and submitted that "opinion amongst farm workers in Scotland has grown rapidly in recent years in favour of insurance and the majority of the workers are now in favour of a scheme of insurance."

The Committee pointed out that the trade unions included only a small proportion—less than 10 per cent—of the agricultural workers, but that it was possible to obtain a more extensive opinion among the approved societies operating health insurance in rural areas. In August, 1934, after an extensive inquiry to ascertain the attitude of agricultural workers, the Annual Conference of the Federation of Rural Approved Societies adopted a resolution urging the introduction of insurance in agriculture, and including Scotland under an independent scheme.

Among employers also in England and Wales the Committee

found a change of attitude from the time of former inquiries. Even though the majority of branches of the National Farmers' Union were still opposed to insurance, even under a special scheme, a substantial minority favoured it. The majority appeared to object not so much on principle as on grounds of practicability and of the risk that insurance would further casualize the industry and endanger good relation between employer and worker.

As regards Scotland, a summary of replies to a circular issued by the National Farmers' Union of Scotland to twenty-one county or area secretaries asking for the views of local committees or members of the Union, showed that only one of the replies indicated any substantial division of opinion; the rest were all strongly opposed to the extension of unemployment insurance to agriculture. The main ground of opposition was that unemployment amongst the workers in the district concerned was "very little," "negligible," "almost non-existent," "practically of no account," or even that there was "no unemployment." Subsidiary arguments were (1) that introduction of insurance would interfere with the present system of yearly or six-monthly hirings and lead to shorter engagements and sending men off in slack seasons; (2) that the men themselves did not desire insurance. The views of the National Farmers' Union of Scotland were supported substantially by the Scottish Chamber of Agriculture.

The Committee were not able to reconcile the main argument advanced with other evidence, or to discover any marked distinction between Scotland and the rest of Great Britain in respect of agricultural unemployment. They pointed out that the Census statistics of 1931 show for every important agricultural or horticultural occupation a percentage of unemployment in Scotland which is actually higher than the corresponding percentage in England and Wales. The differences were not great, and when allowance is made for the fact that, at the Census date, the farming season would be less advanced in Scotland than farther south, the Committee considered it was fair to say that, occupation by occupation, Scotland shows about the same percentage of unemployment as England and Wales, rather than a higher percentage. They pointed out, however, that as Scotland had a larger percentage of men tending live stock, among whom there is little unemployment, than England and Wales, in all the occupations taken together Scotland had for men a lower percentage of unemployment, i.e. 6·2 per cent as compared with 7·0 per cent.

With regard to the system of yearly or six-monthly hirings

for regular men, the Committee pointed out that it is not confined to Scotland and stated that it does not save Scotland from having nearly as high a percentage of agricultural unemployment as the rest of Britain. The system is, however, prevalent throughout Scotland and the Committee had little doubt that it contributed materially to the attitude of the employers there towards the problem of insurance. Some of those who said that there was no agricultural unemployment in Scotland were clearly thinking only of the yearly or half-yearly servant during the period of his contract, losing sight of the man not re-engaged at the end of his contract, and not regarding the essential "casual" worker as an agricultural worker at all.

The Committee came to the conclusion that the facts made it impossible for them to propose either the exclusion of Scotland from an agricultural scheme of insurance or its inclusion on terms different from the rest of Great Britain. The facts, however, led them to suggest a reduced rate of contributions on long hirings.

The Unemployment Insurance Statutory Committee finally quote a Report prepared by the Standing Committee of the Council of Agriculture for England, and adopted by the Council on the 13th December, 1934. The Council is a statutory body set up by the Ministry of Agriculture and Fisheries Act, 1919, to consider and discuss questions of agricultural importance. Membership is of two kinds resting (1) on appointment by County Agricultural Committees of two members for each county in England; and (2) on nomination by the Minister of Agriculture of about forty persons chosen to represent equally the three classes of landowners, tenants, and workers. The Report is as follows—

"The Standing Committee has reported to the Council on one or two occasions in previous years in favour of agricultural workers being brought into benefit under the statutory unemployment insurance provisions. It is of interest in this connection that in recent months the Unemployment Insurance Statutory Committee has taken evidence on the subject to deal with it. The opportunity is therefore present for the Council to re-affirm the view it formerly expressed, namely, that a scheme of unemployment insurance for agricultural workers is eminently desirable, and to add that in its opinion the scheme should be self-contained and have special provisions which could meet the peculiar case of agriculture. The Standing Committee hope that the Council, or at any rate the Standing Committee on its behalf, will have an opportunity of considering the details of any proposed scheme before it is brought into operation."

The Committee submitted what they described as a self-contained scheme of unemployment insurance for agriculture

with adequate special provisions to meet the peculiar case of agriculture. They pointed out that the existing scheme was not based on an estimate of needs for a complete cover against loss of income through unemployment, but upon practical consideration of how large a contribution it is feasible to require on roughly equal terms from all employees and employers, and of what is the best use that can be made of such resources in contributing to the maintenance of those out of employment. The Committee accordingly made their proposals for the extension of insurance to agriculture on this basis and not on the basis of saying, for instance, that the benefits proposed are in all cases adequate for the full maintenance of those who would receive them if they had no other resources.

The Committee stated that in framing their proposals they proceeded on two main principles: first, that agricultural workers cannot be put direct into the general scheme; second, that insurance in agriculture should not differ from insurance in other industries except for good reason. The main differences were—

(1) The general level of money wages is lower in agriculture than elsewhere and the difference is sufficient to make it equitable to propose for agricultural workers a lower rate of unemployment benefit.

(2) Unemployment, though substantial in agriculture, is still materially less than in the insured industries taken as a whole.

(3) Insurance in other industries has involved accumulation of a debt of over £100,000,000, and to pay interest on this debt, and in due course, repay the capital, a charge of £5,000,000 a year, representing 2½d. out of the joint weekly contribution of 2s. 6d. for an adult worker, has been imposed on the other industries. Workers in agriculture have not drawn any of the benefits represented by this debt, and contributions should only be such as required to provide the lower agricultural benefit, on the basis of the lower agricultural unemployment, and without liability for the existing debt of the Unemployment Fund.

As regards the *scope* of the scheme proposed, the Committee recommended that it should be the same as that of the exception from the general scheme, that is to say, the scheme should cover agriculture, horticulture, and forestry, subject to a few limited exceptions. Under this head they proposed—

(*a*) To exclude the employment, whether paid or unpaid, of a wife or husband, a son or son's wife, a daughter or daughter's husband, a father or mother of the employer.

(*b*) In certain types of agricultural work, such as thatching or hedging and ditching, it is sometimes doubtful whether the contract is equally a contract *of* service paid for by piece-work

wages, or a contract *for* service to be performed independently and not under the control of the employer; and the Minister of Labour should have the power to bring into insurance, persons working under contracts *for* services.

(*c*) To except from insurance "employment in harvesting or gathering of fruit or flowers, peas or potatoes, or tying, training, or picking of hops or in the peeling of onions" unless the person so employed is at the time of entry on the employment already insured against unemployment. (Such a provision is in force for Health Insurance.)

(*d*) Persons ordinarily resident in Ireland (or elsewhere outside Great Britain) and not insured in their own countries against unemployment should be entitled to claim exemption from the agricultural scheme.

(*e*) Persons employed in horticulture as private gardeners should be specifically excluded unless and until the Minister of Labour by regulation otherwise determines.

The weekly rates of benefit and contributions proposed by the Committee and the rates under the general scheme were as follows—

Benefit	Males		Females	
	General	Agricultural	General	Agricultural
	s.	*s. d.*	*s. d.*	*s. d.*
Ages 21–64 .	17	12 –	15 –	10 6
18–20 .	14	9 6	12 –	8 –
17 .	9	6 –	7 6	5 –
16 .	6	4 –	5 –	3 6
Adult Dependant . .	9	6 –		
Dependent Child . .	2	3*s.* for first child and 2*s.* 6*d.* for each of the others. Subject to a maximum of 30*s.* for any one claimant.		

Contributions (Joint—employer, employee, and State).

	Males		Females	
	General	Agricultural	General	Agricultural
	d.	*d.*	*d.*	*d.*
Ages 21–64 .	30	12	27	10½
18–20 .	27	10½	24	9
16–17 .	15	6	13½	4½
14–15 .	6	4½	6	3

The Unemployment Insurance (Contributions) (Agriculture) Order, 1942, amended the contributions by re-impositon of ½d. from 6th July, 1942. The Unemployment Insurance (Increase of Benefit) Act, 1944, amended the rates of benefit which are now—

Present Contributions			Benefits		
Ages	*Males*	*Females*	*Ages*	*Males*	*Females*
21 to 65	3½d.	3d.	21 to 65	22s.	18s.
18 to 21	3d.	2½d.	18 to 21	18s.	15s.
16 to 18	2d.	1½d.	17 to 18	10s. 6d.	9s.
Under 16	1½d.	1d.	16 to 17	6s.	5s.
			Adult dependants		14s.
			Children: First two		5s.
			Thereafter		4s.
			Maximum benefit—54s.		

In suggesting a higher rate of benefit for dependent children, the Committee referred to the unemployment assistance scheme and to the probability of an increase of children's benefit generally, and stated that they regarded the immediate choice between the two scales as a matter to be judged by others rather than themselves, having regard to the opinion of all those interested either in the general scheme or in the agricultural scheme.

The Committee expressed the view that most of the statutory conditions and disqualifications under the general scheme could be applied without difficulty to the agricultural scheme but stated that the conditions in the general scheme relating to the period of benefit and the Seasonal Workers' Regulations appeared unsuitable because of the large number of persons who obtained partial employment in agriculture. It was desirable not to deprive these persons of any interest in getting insured and it was, therefore, necessary not to have too high a contribution fence in the first statutory condition which might at the same time cast out the regular agricultural labourer who had been unfortunate for a year or two. At the same time the application of the Seasonal Workers' Regulations would have a drastic effect. It would deprive of any chance of benefit large numbers of men who look to agricultural employment for their livelihood and leave a sense of grievance if men working and paying contributions normally for seven or eight months in each year got nothing for their contributions. In respect of seasons, agriculture stands on a different footing from all other industries. It continues as a whole throughout the year, but practically all operations go with the seasons, seasonal variation of work being the essence of agriculture.

The Committee accordingly proposed that both the provisions

in question should be replaced by a plan of defining the period of benefit, by relation to the contributions paid and exhausted. The rule suggested was as follows—

"In order to begin a benefit year a contributor must have not less than ten unexhausted contributions: the period of benefit payable in the benefit year will be defined as two weeks of benefit for the first ten unexhausted contributions, and one further week of benefit for each two unexhausted contributions beyond ten, subject to a maximum of fifty weeks of benefit in any benefit year. When an agricultural worker had exhausted his claim, either under the ratio rule or the fifty weeks' maximum, he should not be able to claim again till he had ten fresh contributions. We suggest further that there should be an initial qualification condition of (say) twenty contributions; at the outset of the scheme contributions should run for six months before any benefit is paid." As regards *long hirings* which "prevent the standing off of men in periods of slackness," the Committee proposed that in such cases there should be a lower rate of contribution to be paid in advance, and suggested, in the case of men aged 21 and over, that there should be a reduction of 25 per cent on a yearly hiring and 12½ per cent on a six-monthly hiring.

The foregoing is a summary of the recommendations of the Unemployment Insurance Statutory Committee in regard to a proposed scheme of unemployment insurance for agricultural workers and of the considerations taken into account in framing the proposals.

The Committee estimated that the scheme would cover approximately 750,000 persons aged 14 to 64 (703,000 males and 47,000 females).

UNEMPLOYMENT INSURANCE (AGRICULTURE) ACT, 1936

Scope. The Act repealed the exception of agriculture from the scope of the unemployment insurance scheme and consequently made employment in agriculture (including horticulture and forestry) insurable. It provides, however, that employment in the service of a person to whom the employed person bears any of the following relationship shall be excepted—

Son, stepson, adopted son, son's wife, stepson's wife, adopted son's wife, daughter, stepdaughter, adopted daughter, daughter's husband, stepdaughter's husband, adopted daughter's husband, mother, stepmother, father, stepfather, adopted grandparent, or grandchild. Employment as a private gardener was also excepted from the Act, but it was provided that the question whether it was desirable and practicable to include employment as a

private gardener among insurable employments should be referred by the Minister of Labour to the Unemployment Insurance Statutory Committee for consideration and report; power being given to include the employment by order with the approval of both Houses of Parliament.

The question was duly referred to the Committee on 26th April, 1936, and on 3rd July, 1936, the Committee recommended the inclusion of private gardeners in the agricultural scheme. An Order giving effect to this recommendation was made on the 10th December, 1936, after approval by Parliament, as the Unemployment Insurance (Private Gardeners Inclusion) Order, 1936. The Order came into force on 1st February, 1937.

Under the general scheme, employments declared by the Minister as being of such a nature that they are ordinarily adopted as subsidiary employment only, and not as the principal means of livelihood, were excepted from the Acts. Power was given to the Minister of Labour in the Unemployment Insurance (Agriculture) Act, 1936, to make Regulations to provide that in the case of any persons employed in any class of employment in agriculture declared by the Minister to be of such a nature that it is ordinarily adopted as subsidiary employment only, and not as the principal means of livelihood, his employment shall not be an excepted employment if he proves either—

(*a*) that his employment in such classes of employment is not by way of subsidiary employment and is his principal means of livelihood; or

(*b*) that he is normally employed in insurable employment or in such employment as would make him an employed person within the meaning of the enactments relating to unemployment insurance in Northern Ireland.

Provisional Regulations on these lines were made by the Minister of Labour on 23rd April, 1936, under the title of the Unemployment Insurance (Subsidiary Employments) (Agriculture) Provisional Regulations, 1936, specifying the following employments—

(1) Employment in harvesting or gathering flowers, fruit, peas, or potatoes, or in the tying, training, or picking of hops, or the peeling of onions.

(2) Employment as a milker, that is to say, as a person engaged in milking.

(3) Employment in Scotland involving part-time service only (i) on or in connection with a pasture or grazing held in common under the Small Land Holders (Scotland) Acts, 1886 to 1919, either as a grazing constable or as a shepherd or other kind; (ii) as a keeper or custodian of a bull.

These regulations have not yet been reported on by the Unemployment Insurance Statutory Committee.

The following persons were excluded by the Act from unemployment insurance in respect of employment in agriculture—

(*a*) Persons not domiciled in the United Kingdom who are ordinarily resident outside the United Kingdom.

(*b*) Persons who are, to such extent and in such circumstances as may be prescribed, ordinarily dependent for their livelihood on occupations in agriculture that are not insurable employment.

Under the general provisions of the Act, the employer of any such person must pay his share of contributions.

The Unemployment Insurance Act, 1938, and Regulations made thereunder, brought within the Agricultural Scheme as from 4th April, 1938, certain classes of persons employed in domestic service. Particulars are given later in this chapter.

An important clause of the agricultural scheme which is not applicable to other industries in the general unemployment insurance scheme, and which provides for a possible extension of the class of persons who may be insured, is that which gives the Minister power to make Regulations to provide either generally or in specified areas that where manual labour in agriculture is performed in Great Britain under a contract for the performance of such labour for the purpose of any trade or business, the performance thereof shall be deemed to be insurable employment in agriculture, notwithstanding that it is not an employment specified as insurable employment within the meaning of the Unemployment Insurance Act, i.e. employment under a contract of service. No Regulations of this kind have yet been made.

Contributions. Contributions under the Unemployment Insurance (Agriculture) Act, 1936, were payable from the 4th May, 1936, and the weekly rates fixed are as follows—

	Employer's Contribution	Employed Person's Contribution
	d.	*d.*
Man, aged 21 but under 65	4½	4½
Young man, aged 18, 19, and 20	4	4
Boy, aged 16 and 17	2	2
Boy, aged 14 and 15	1½	1½
Woman, aged 21 but under 60	4	4
Young woman, aged 18, 19, and 20	3½	3½
Girl, aged 16 and 17	1½	1½
Girl, aged 14 and 15	1	1

Under the general provisions, the Exchequer contributes one-half of the aggregate amount of the contribution paid by the employer and employed person.

Long Hirings. The Act contained a section giving the Minister of Labour power to make Regulations providing for the employer and employed person to be entitled, in cases where a contract is made for the employment of the employed person in agriculture for a period of yearly or half-yearly hiring, to have repaid the appropriate portion of the contribution paid during the period of the hiring. Provisional Regulations were made and came into force on the 4th May, 1936.

Substantive Regulations incorporating suggestions by the Unemployment Insurance Statutory Committee were made on the 4th September, 1936, under the title of the Unemployment Insurance (Long Hiring in Agriculture) Regulations, 1936.

The effect of these provisions is to enable the parties to a hiring of not less than 21 weeks to obtain a repayment of part of the contributions paid during the hiring.

The rate of repayment varies with the length of the hiring, being 25 per cent where the hiring is for not less than fifty consecutive weeks and 12½ per cent if it is less than fifty but not less than twenty-one consecutive weeks. The Act requires that to obtain repayment it must be proved not later than twenty-eight days after the commencement of the period of hiring that the contract was made, and application for repayment must be made within one month after the completion of the contract. During the period 4th May, 1936, to the end of 1936 the number of declarations that contract of long hirings have been made was 43,235; of these 28,828 related to yearly contracts and 14,235 to half-yearly contracts.

Benefit. The weekly rates of benefit in respect of agricultural contributions were not those in force under general scheme but were (1936) as follows—

	Men		Women	
	s.	*d.*	*s.*	*d.*
Age 21 and under 65 . . .	14	–	12	6
,, 18 ,, ,, 21 . . .	10	6	9	6
,, 17 ,, ,, 18 . . .	6	–	5	–
,, 16 ,, ,, 17 . . .	4	–	3	6

The increase in the rate of benefit in respect of dependants is 9s. for an adult and 4s. for first two dependent children and 3s. thereafter.

It is provided that the total rate of agriculture benefits shall not exceed 30s. a week, and that contributors are not entitled to receive benefit in respect of agricultural contributions for any day before the 5th November, 1936.

The conditions and disqualifications for the receipt of general scheme benefit including the waiting period of six days and the

continuity of unemployment rule are applied to agricultural benefit with the following modification—

For agricultural benefit the first statutory condition requires the payment of twenty contributions in the last two years instead of thirty.

The rules for determining the duration of general scheme benefit are not applicable to agricultural benefit, but the amount of agricultural benefit the claimant may receive in his benefit year is determined by the number of agricultural contributions standing to his credit at the beginning of the year. The rules are—

(*a*) Twelve days' benefit for the first ten contributions standing to the claimant's credit at the beginning of the benefit year.

(*b*) Three further days' benefit for each such contribution over the first ten.

(*c*) A maximum of 300 days' benefit in a benefit year.

(*d*) No benefit if there are less than ten contributions standing to the claimant's credit at the beginning of the benefit year.

There are special conditions for reckoning the number of agricultural contributions standing to the credit of a contributor at the beginning of any benefit year.

Power was given to the Minister of Labour to make Regulations as to persons who are insured contributors both in respect of employment in agriculture and otherwise, and subject to certain conditions such Regulations may modify the provisions of the principal Act as the Minister thinks proper for the purpose of making necessary adjustments in the operation of the Act with respect to such persons. In the Ministry's Annual Report for 1936, it is stated that after careful consideration it was found that there was no satisfactory method by which contributions paid under one scheme might count for benefit under the other.

Regulations made—the Unemployment Insurance (Persons Employed in Agriculture and Otherwise) (Miscellaneous) Regulations, 1936—kept the two schemes quite distinct as regards the treatment of contributions and benefit for the purpose of assessing benefit rights. They provided also that a claimant should draw benefit at the highest rate to which he was for the time being entitled.

The Minister of Labour made an Order, after submitting a draft order to the Unemployment Insurance Statutory Committee, to the effect that the Unemployment Insurance (Anomalies) (Seasonal Workers) Order, 1935, shall not apply to agricultural benefit. The Order is entitled the Unemployment Insurance (Anomalies) (Seasonal Workers) (Amendment) Order, 1936, and came into force 5th November, 1936, when benefit under the agricultural scheme first became payable.

Finance. The Act provides that the accounts of the Unemployment Fund shall show a separate Agricultural Account and that the functions of the Unemployment Insurance Statutory Committee relating to Reports on the financial condition of the Unemployment Fund are to be exercised separately with regard to the General Account and with regard to the Agricultural Account. The Committee's power of making recommendations for the application of any sum towards the discharge of the liabilities imposed on the Unemployment Fund in respect of the advances made by the Treasury extends only to the making of recommendations for the application towards the discharge of those liabilities of sums standing to the credit of the General Account of the Unemployment Fund.

At July, 1937, there were 654,000 persons insured under the Agricultural Scheme, of whom 625,000 were males.

UNEMPLOYMENT FUND

When the Royal Commission on Unemployment Insurance reported in October, 1932, the debt on the Unemployment Fund was £115,000,000. This amount could not be exceeded because provisions had been made in 1931 that any further deficiency on the insurance account in any year should be made good by the Exchequer. From November, 1931, when the number of persons reported as unemployed was 2,661,710 or 21·1 per cent of the numbers insured, until April, 1933, the income of the Fund was insufficient to meet expenditure. From that date there was a gradual reduction in the numbers of persons unemployed, and the income of the Fund was greater than the expenditure. By June, 1934, when the Act of 1934 came into operation, the debt on the Fund had been reduced to £105,780,000. The number of unemployed then was 2,061,744 or 16·3 per cent of the numbers insured.

One of the objects of the Act of 1934 was to establish the unemployment insurance scheme on a solvent and self-supporting basis, and for this purpose it established the Unemployment Insurance Statutory Committee. The Committee was appointed on the 18th July, 1934, and consists of a chairman and six other members, two of whom are women. Sir William Beveridge, K.C.B., who was the first director of Labour Exchanges when they were instituted, was appointed as chairman.

The Committee was constituted "to give advice and assistance to the Minister in connection with the discharge of his functions under the Unemployment Insurance Acts" and to perform other specified duties. The normal work of the Committee can be divided into three sections—

(1) Examining and reporting upon the financial position of the Unemployment Fund.

(2) Considering and reporting upon draft Regulations and draft Orders.

(3) Considering and advising the Minister upon such questions relating to the operation of the Unemployment Insurance Acts as he may refer to the Committee from time to time, including questions as to the advisability of amending the Acts.

Financial Position of General Insurance Account. The income of the Unemployment Fund exceeded the expenditure during 1934. This was due to the continued improvement of the employment position and the debt outstanding at the 31st December, 1934, was £105,741,109. There was a credit balance of £10,527,185 carried forward on the Insurance Account at 31st December, 1934. The number unemployed then was 2,016,929 or 15·9 per cent of the number insured.

The Committee is under a statutory obligation to make a report to the Minister annually on the financial condition of the Fund at the 31st December and is bound also to make a Report whenever it considers that the Fund is, or is likely to become, and likely to continue to be, insufficient to discharge its liabilities. This was suspended by the Unemployment Insurance (Emergency Powers) (Amendment) Regulations, 1943.

In their first Report in February, 1935, on the financial condition of the Fund on the 31st December, 1934, the Committee stated that they had come to the conclusion that they were not in a position to say that the fund was more than reasonably sufficient to discharge its liabilities. They adopted the policy of stabilizing the Fund on the basis of a long-term view of the course of employment and unemployment in order to avoid repeated changes in the rates of contribution or rates or conditions of benefits. The Committee concluded that the first necessity was to build up a reserve for future depression and to obtain independent expert advice about the probable future course of employment over the next ten years or so.

As a result of the Committee's request for advice, the Minister of Labour decided to invite the Economic Advisory Council to make an investigation for the use of the Committee.

In the first Report, however, the Unemployment Insurance Statutory Committee indicated its intention to make a further Report on the financial condition of the Fund before the end of June, 1935, and the second Report was presented to the Minister in July, 1935. The Committee stated that they had reached the conclusion that the income of the Unemployment Fund was, and was likely to continue to be, more than reasonably

sufficient to discharge its liabilities to an extent justifying an increase in the rate of benefit for dependant's children from 2s. to 3s. a week. They accordingly recommended this increase estimating the additional cost at £1,250,000 a year. The recommendation was accepted and approved by Parliament and the necessary Order made—the Unemployment Insurance (Increase of Benefit in Respect of Dependent Children) Order, 1935, dated 25th October, 1935—being operative from 31st October, 1935.

The Committee also recommended that this change shall be accompanied by a proviso that the total benefit to any claimant should not exceed a certain limit, and suggested 41s. a week. This recommendation was not adopted.

The income of the Unemployment Fund during 1935 was more than in 1934, due mainly to the increased contributions by reason of the continued improvement in the employment position during the year, and to the inclusion of juveniles under 16, for a whole year in place of four months only in 1934. There was also an increase of expenditure mainly through the operation for a whole year in place of six months or less of the higher rates of benefit restored on 1st July, 1934, and of the extension of the maximum period of benefit in certain cases.

The debt of the Unemployment Fund outstanding at 31st December, 1935, was £105,510,388 and there was a credit balance of £21,229,810 carried forward on the Insurance Account at that date. The number unemployed then was 1,792,487 or 13·9 per cent of the numbers insured.

In their Report on the financial condition of the Unemployment Fund at the 31st December, 1935, the Unemployment Insurance Statutory Committee stated that, on the basis of advice as to the future trend of unemployment given by the Committee on Economic Information of the Economic Advisory Council, they had come to the conclusion that the income of the Fund was, and was likely to continue to be, more than reasonably sufficient to discharge its liabilities. This conclusion was based on a working hypothesis suggested by the Committee on Economic Information which placed the probable mean level of unemployment during the eight years 1936–43 at 16·25 per cent or 16·75 per cent.

The Committee felt justified in treating the income as sufficient for its liabilities, not merely on the basis of balancing income and expenditure if unemployment averaged 16·75 per cent during the eight years' period, but on the basis of using up in that period the bulk of the accumulated reserves. The Committee, therefore, concluded that the disposable surplus of the Unemployment Fund should be put at something approaching

£6,500,000 a year, and they recommended by a majority as changes required to make the Fund not more than reasonably sufficient, that the weekly rate of contribution payable by employers and employed persons in respect of insured contributors aged 18 and over should be reduced by 1d. for each contributing party. The Committee estimated that this recommendation would diminish the income of the Fund by approximately £6,500,000 a year.

The Committee examined the arguments for making a reduction in the rates of contribution and for increasing the rates of benefit or otherwise improving benefits. Representations were received from the National Federation of Employers' Organizations who urged the former alternative, and from the Trades Unions Congress Council supported by the Parliamentary Committee of the Co-operative Congress and the Co-operative Union in favour of the latter alternative. The majority of the Unemployment Insurance Statutory Committee were of opinion that there was not any proved case for improvement of benefits as a matter of urgency and that there was a proved case of justice and expediency for remission of taxation.

The Minister, with the approval of Parliament, made an Order —the Unemployment Insurance (Reduction in Weekly Rates of Contribution) Order, 1936—to operate from 6th July, 1936, carrying out the Committee's recommendation. The Order reduced the weekly rates of contribution payable by employers and employed persons respectively in respect of persons aged 18 and over in employment other than agriculture by 1d. The rates now in force under the general scheme are—

	Employer's Contribution	Employed Person's Contribution
	d.	*d.*
Man, aged 21 but under 65	10	10
Young man, aged 18 to 21	9	9
Boy, aged 16 to 18	5	5
Young persons under 16	2	2
Man over 65 working	10	Nil
Women, aged 21 but under 60	9	9
Young woman, aged 18 to 21	8	8
Girl, aged 16 to 18	4½	4½
Woman over 60 working	9	Nil

There was a small increase in the income from contributions in 1936, due partly to normal growth of the insured population

and partly to the decline of unemployment. The increase would have been greater but for the reduction in the rates of contribution which came into operation on 6th July, 1936.

The number unemployed in December, 1936, was 1,549,379 or 11·8 per cent of the numbers insured. The decline in unemployment led to a reduction in the expenditure on benefit of over £6,000,000. There was a credit balance of £38,977,280 carried forward on the general Insurance Account at the 31st December, 1936, and the debt on the Unemployment Fund outstanding at that date was £104,741,034.

In their Report on the financial condition of the Fund on the 31st December, 1936, the Unemployment Insurance Statutory Committee referred to their Report for 1935 in which they made proposals accepted by the Government for reducing contributions having regard to the accumulated reserve of £21,450,000 at the end of 1935. If the expectations of unemployment in the years 1936–43 were exactly realized, the whole of the accumulated reserve would have been used. The balance at the 31st December, 1936, was expected to be £32,272,000 instead of the £38,977,280 realized, and the Committee's expectations for the year 1936 were accordingly improved upon to the extent of £6,700,000. They stated that the circumstances appeared to call for a revision of the original expectations for the coming year, 1937.

After discussion with a representative of the Committee on Economic Information, the Committee assumed that unemployment will not be greater than 12 per cent instead of 15·0 per cent. On this assumption the income of the Fund would exceed the expenditure by £17,600,000 instead of £5,325,000, a surplus above expectation of £12,275,000. The Committee felt that such a surplus was nearly certain, but that they must allow sufficiently for the small element of uncertainty, by treating as realized, not the whole of the prospective net profit in 1937, but 80 per cent of it. This gives, as the surplus above expectation which can be brought into account from 1937, 80 per cent of £12,275,000 or £9,820,000 which, added to the £6,700,000 realized for 1936, gives as the disposable surplus, a sum of above £16,500,000. The Committee pointed out that keeping the original estimates of unemployment in the eight years of 1936–43 as the ground plan (see page 598), it is as if they had started with an accumulated reserve, not of £21,450,000, but of £37,950,000.

The Committee referred to the fact that the surplus of £16,500,000 is a non-recurrent surplus, and that the suggestion is often made that the accumulated reserve of the Unemployment Fund should be used, in part at least, to reduce the debt, i.e. paying it off more rapidly than by the statutory sinking fund.

They pointed out that the only effect of using surpluses of the Fund to pay debt is to bring about the extinction of the debt somewhat earlier without reducing the existing annual debt charge of £5,000,000, and that the surplus of £16,500,000 has been accumulated by contributions by or in respect of persons now or recently employed in the insured trades. If this sum were used to pay off debt, the debt would be extinguished in 1963 in place of 1971 and the only effect would be to relieve the contributory parties of a charge of £5,000,000 each year from 1964 to 1971 when a large proportion of the present generation of insured persons would no longer be in industry.

The Committee referred to the fact that this use of the surplus would not only make it impossible for a large proportion of the present contributors to get the advantage of the surplus in better benefits but would also expose them to risk of losing some of the benefits now enjoyed if through an unfavourable turn of events it was found that the Unemployment Fund was deficient. They realized, however, that it may be argued that the contributors of the 1960's, a full generation after the debt was incurred, should get whatever relief is possible from the burden of the debt charge. The Committee suggested for consideration that, if any opportunity for fresh legislation on the matter offers itself, the opportunity might be taken to revise the existing laws and secure extended power for the treatment of the debt. Two particular changes were suggested for examination, (1) that payment of debt should be allowed to bring about a proportionate reduction of the debt charge, (2) that if any additional sum is allocated to payment of debt it should be possible for the Unemployment Fund within a stated period to borrow again, for meeting temporary deficiencies, either the whole or a certain proportion of the sum repaid. The Committee accordingly made no recommendation for the payment of debt.

As regards the disposal of the surplus the Committee received representations from the National Confederation of Employers' Associations, the Trades Union Congress General Council, and the Parliamentary Committee of the Co-operative Congress. The employers urged that reduction of contributions should be regarded as the first charge on any surpluses until contributions had reached a level of 6d. a week from each party for an adult workman. The Trades Union Congress Council placed in order of priority for use of a surplus (1) abolition of the waiting time, (2) increase of benefit rates, the rate for dependent children being most important, and (3) extension of the period of benefit. The Parliamentary Committee of the Co-operative Congress supported the representations of the Trades Union Congress Council,

particularly in urging abolition or reduction of the waiting time and opposing any further reduction of contributions.

On a review of these representations and all relevant consideration, the Committee by a majority concluded that the best use to make of the surplus lies in (1) reducing the waiting time for contributors other than agricultural contributors from six days to three days, and (2) extending the period of benefit by increasing the number of additional days' benefit that can be drawn by persons who have contributed regularly and drawn little benefit in the past five years. With the exception of two members the Committee were satisfied that these two changes represented an improvement of the insurance scheme which it is highly desirable to accomplish with the financial means at their disposal. It was stated in the Report that individual members of the Committee would have been glad if it had appeared possible to use part of the surplus in certain other ways—such as increase of benefit for women. The two dissentient members considered that the existing rates and conditions of benefit were on the whole fair and reasonable, and that, while being in agreement with the general findings as to the financial condition of the Unemployment Fund, the money should be used for reducing the present rates of contributions, or if that is not done, for reducing the debt still due by the Fund. They pointed out that the debt was in the main incurred during the abnormal trade depression, when the unemployment figure rose from 1,400,000 to 2,800,000 and when contributions were raised for adult males to 10d. for each contributory party and proportionately for other classes of contributors. The Committee estimated that the recommendation of the majority would increase the expenditure of the Fund by approximately £2,250,000 or £17,250,000 in the eight-year period 1937–44.

The recommendations of the Committee were accepted, and the Unemployment Insurance (Additional Days and Waiting Period) Order, 1937, dated 10th March, 1937, came into force with the approval of Parliament. The Order provides that—

(1) in calculating the number of additional benefits payable in a benefit year, the reduction made in respect of the days of benefit received in the last five years is to be reckoned as one day for every eight days' benefit instead of for every five days;

(2) benefit other than agricultural benefit is to be payable after the first three days of a continuous period of unemployment instead of after the first week.

The Unemployment Insurance Act, 1938, which passed into law on the 17th February, 1938, includes provisions which give effect to a suggestion made to the Minister of Labour by the

Chairman of the Unemployment Insurance Statutory Committee, on the subject of the debt of the Unemployment Fund. The Minister may, on the recommendation of the Committee, use moneys in the general account of the Unemployment Fund (which moneys have hitherto been invested in short-dated securities) in reduction of debt. This power is additional to the existing statutory provision whereby moneys may, on the recommendation of the Committee, be used in repayment of debt to the extent that they are more than sufficient to discharge the Fund's liabilities. The annual debt charge of £5,000,000 will be reduced proportionately in respect of all sums so applied in the reduction of debt.

Where moneys have been previously applied under this new provision to reduction of debt, the Treasury may, on the recommendation of the Unemployment Insurance Statutory Committee, make advances to the Fund for the purpose of enabling the Fund to meet its liabilities under the general scheme. The amount of such advances is limited to the difference between the amount at which the debt of the Fund then stands, and what it would have been if payments towards the reduction of debt had not been made under the new provision.

Over the year 1937 there was a decline of unemployment which led to a reduction in expenditure on benefit of £4,850,000 as compared with 1936, but in December, 1937, the number unemployed was 1,581,962 or 11·8 per cent of the numbers insured, as compared with 1,549,379 unemployed in December, 1936. The receipts for the year declined by £740,325 as compared with 1936. As regards contributions from employers and employed persons, the growth of insured population and decline of unemployment offset almost completely the much larger loss of income which would otherwise have followed from the lowering of contribution rates, which was effective only for six months of 1936 and for the whole of 1937. There was a credit balance of £60,379,006 carried forward on the general Insurance Account at the 31st December, 1937, and the debt outstanding at that date was £103,122,281.

In their report on the financial condition of the fund on 31st December, 1937, the unemployment Insurance Statutory Committee referred to the fact that, after consulting in 1935 the Committee on Economic Information of the Economic Advisory Council, they assumed for the eight years' period 1936–43 a mean level of unemployment of 16¾ per cent, of which 45 per cent would rank for benefit, and expected during 1936 and 1937 to be in a relatively favourable period of the trade cycle. Their original expectations on this basis required the accumulation by the end of 1937 of a balance in the General Account of £37,597,000

as a reserve to meet future depression. In addition, after allowing for the expenditure during 1937 incurred on improvements in the Scheme that were introduced on the Committee's recommendation in the report for the year 1936, a further sum of £15,366,000 is regarded as hypothecated to meet the cost of these improvements during the seven years 1938–44. These two amounts together make up a total of £52,963,000 at the end of 1937 as the sum already earmarked to meet losses in trade depression and the additional benefits already approved.

The actual balance at the end of 1937 was £60,379,000, which exceeded by £7,416,000 the balance already required to be in hand by the end of 1937, and in view of the advice given them by the Committee on Economic Information as to the prospects of employment in 1938, the Statutory Committee came to the conclusion that they were justified in regarding this achieved surplus of £7,416,000 at 31st December, 1937, as disposable for improvement of benefits or lowering of costs. The Committee, by a majority, recommended that this disposable surplus should be distributed over the eight years, and thus translated into an annual surplus of £1,000,000. The Committee points out that this decision, although justified on the present occasion, is a procedure which almost certainly cannot be repeated on later occasions.

Under the Unemployment Insurance Act, 1938, the power to apply part of the Unemployment Fund towards reduction of the funded debt (standing at £103,122,181 on 31st December, 1937) is no longer restricted to disposable surplus, and any reduction of debt now brings about a proportionate reduction of the debt charge. The use of any part of the Unemployment Fund to reduce the debt represents accordingly an immediate gain to the Fund, the degree of which depends upon which particular investments are sold in order to pay off debt. With a view to making such a saving the Committee recommended that £20,000,000 out of the moneys standing to the credit of the Unemployment Fund should be applied to reduction of the debt, with effect, if possible, not later than 31st March, 1938. The annual charge of £5,000,000 would thereby be reduced by about £987,000. Against this would be set the loss of interest on £20,000,000, and the immediate gain to the General Account is put by the Committee at about £500,000 a year. The total sum available for reduction of contributions or improvement of benefits thus amounted to £1,500,000.

In their review of alternative methods for spending this sum and particularly in connection with the question of improving rates of benefit, the Unemployment Insurance Statutory Committee give a summary of the results of a sample investigation by the Ministry of Labour regarding the weekly rate of wages

earned in their last employment by persons applying for benefit on 30th August, 1937. The Committee point out that this Enquiry shows that benefit rates are a long way below wages rates taken as a whole. The average weekly rate of benefit including dependants' benefit paid to adult men is 24s. 6d. a week. The median wage rate (that is to say, the rate in the middle if all rates are arranged in order from bottom to top) is 55s. 6d. For women the difference is not so great, but is substantial. Individual wage rates, however, range from less than 14s. to more than 100s. per week for men, and from less than 12s. to more than 60s. per week for women. It was estimated that of 411,191 men claiming benefit in August, 1937, 9510, or 2·3 per cent, were as well off, or better off, on benefit than in their last employment; among 138,920 women the number was 7240, or 5·2 per cent, of all claimants. If instead of taking benefit rates all together, the different rates are looked at separately, the proportions of those who are as well off on benefit as in employment rise steadily to large percentages. At a 50s. rate of benefit the proportion of men as well off unemployed as employed exceeds one-third. The Committee point out that the Unemployment Insurance Scheme works without serious anomalies in most of the main industries, and confers immense benefits on the industrial population. They believe that these benefits could be increased if protection were obtained against minor abuses and dangers by suitable changes of the law. Under present conditions the introduction of either a "wage-stop" or a "ceiling" above which benefit could not rise, might increase the number of cases in which unemployed men with families would obtain supplementation of benefit from the Unemployment Assistance Board. The Committee take the view that, apart from this practical difficulty, the introduction of such measures into unemployment insurance raises issues of social policy which should be dealt with only by full parliamentary procedure after special enquiry directed to the question. If in the General Scheme there was either a "wage-stop" or a "ceiling," or if on the other hand the wage system made allowance for dependency, the main objection to further increases in rates of benefit would be removed. In the present report the Committee had to take the law as it is, and they came to the conclusion by a majority that in spite of the certainty of adding to the cases of over-insurance there was justification for using part of the disposal surplus for increasing the incomes of persons when unemployed. In connection with their choice of the benefit for adult dependants rather than the benefit for children as the particular form of benefit to be increased, the Committee point out that the enquiry had shown

that an increase of benefit for dependent children would increase substantially the proportion of cases in which men are as well off unemployed as employed.

The Committee, by a majority, recommended that the sum available for disposal should be used to improve in two ways the provision for unemployment. First, they recommended that the number of additional days of benefit that can be drawn by men who have worked regularly during the past five years while drawing relatively little benefit should be increased. At present an insured person who has paid thirty contributions in the two years before his claim can draw benefit for 26 weeks, that is to say, 156 days of unemployment. Persons who in the past five years have had relatively little unemployment may be qualified for additional days of benefit beyond 156; the maximum number of additional days is three for every five contributions paid less one for every eight days of benefit drawn in the past five years. The Committee suggests that the provision of additional days should be made more ample by subtracting one additional day for every ten days in place of every eight days of benefit already drawn. They suggested that the new provision should apply to benefit years beginning on or after 1st January, 1938. In the second place they recommended that as from 1st April, 1938, or as near as may be thereto, the benefit for an adult dependant should be increased from 9s. to 10s. a week.

Taking good and bad years together the first of these changes is estimated to cost about £500,000 a year, and the second change is estimated to cost about £1,500,000.

Two members of the Committee presented a minority report recommending that the surplus should be used for reducing rates of contributions during each of the two years commencing 4th July, 1938.

The majority recommendations of the Committee were accepted, and the Unemployment Insurance (Additional Benefits) Order, 1938, dated 25th March, 1938, came into force with the approval of Parliament. It provides—

(1) as regards benefit years commencing on and after 1st January, 1938, that when additional days, i.e. days of benefit in excess of 156 days in a benefit year, are computed claimants will lose only one additional "day" for every ten days benefit drawn in the preceding five years, instead of one day for every eight days benefit drawn.

(2) that the weekly rate of benefit for an adult dependant shall be increased from 9s. a week to 10s. a week on and from 31st March, 1938.

The Receipts and Payments of the General Account of the

Unemployment Fund for the years ending 31st March, 1934, 1941, 1942, and 1943, were as follows—

		1934	1941	1942	1943
		£	£	£	£
Receipts[1]		61,195,627	70,997,952	77,485,100	78,728,292
Payments	Benefit	40,588,000	19,802,089	5,804,554	3,263,548
	Other[2]	9,190,442	6,603,152	2,905,000	2,756,858
	Total	49,778,442	26,405,241	8,709,554	6,020,406
Surplus		11,417,185[3]	44,592,711	68,775,546	72,707,886

[1] Contributions from employers, employed persons, Defence Departments, Exchequer, income from investments, and miscellaneous receipts.
[2] Refunds of contributions wrongly paid, grants towards cost of courses of instruction and training, grants towards travelling expenses of insured contributors for the purpose of obtaining employment, administrative expenses, and debt service.
[3] Part of this surplus was utilized, prior to 1st July, 1934, in repayment of Treasury advances and the amount carried forward at 31st December, 1934, was £10,527,185.

UNEMPLOYMENT FUND ACCOUNT, 1942–43

GENERAL ACCOUNT

Receipts	£	*Payments*	£
Contributions—		Benefits	3,264,000
Employed Persons	25,250,000	Administration	2,476,000
Employers	25,250,000	Other Payments	280,000
Exchequer	25,250,000	Surplus	72,708,000
	75,750,000		
Investments	2,975,000		
Miscellaneous	3,000		
	£78,728,000		£78,728,000

AGRICULTURAL ACCOUNT

Receipts	£	*Payments*	£
Contributions—		Benefits	97,000
Employed Persons	480,000	Other Payments	56,000
Employers	480,000	Surplus	1,287,000
Exchequer	480,000		
	£1,440,000		£1,440,000

The Committee pointed out that the percentage of the numbers insured who were recorded as unemployed, taking all classes of workers together, was 3 per cent on 23rd November and 4·4 per

cent on 14th December. Both these figures are materially below the rate of unemployment, namely, 7½ per cent, upon which the finance of the agricultural scheme is based, but naturally no conclusion of any kind can be drawn from this fact as to the future level of unemployment in agriculture. The Committee referred to the markedly high level of unemployment among females; in December, 1936, the percentage of unemployment among females in farming was nearly five times that among males, and in market gardening more than six times. The Committee remarked that it is impossible yet to say how far this is a purely temporary phenomenon due to the incidence of seasonal unemployment, and that on the figures recorded at the date in question it is fortunate for the solvency of the Agricultural Account that the numbers of women employed in the industry are relatively small.

The Committee stated that it was clearly impossible for them to express any opinion as to the financial solvency or otherwise of the agricultural scheme after the short experience, and accordingly made no recommendation.

The balance in hand at the 1st January, 1937, was £647,375, so that the balance at 31st December, 1937, was £1,824,987. Part of the gain during 1937 was due to the fact that the rate of unemployment and the proportion ranking for benefit were lower than the figures assumed when the finance of the Scheme was framed. It is also explained by the inclusion of private gardeners in the scheme; by the relatively large proportion of the total unemployment that is contributed by women at a lower rate of benefit than men, and seldom with any claim for dependants; by the small amount refunded for long hirings; and by the receipt in 1937 of interest earned on the balance in the account and of contributions that should have been paid in 1936.

The Committee point out that the experience in 1937 cannot be taken as typical of the normal working of the Scheme, and they take the view that it is by no means certain from that experience that the income of the Agricultural Scheme is permanently and largely in excess of its expenditure. The Committee felt bound, however, to report their opinion that the income of the Unemployment Fund on the Agricultural Account is and is likely to continue to be more than reasonably sufficient to discharge its liabilities. They accordingly recommended that four changes should be made in the Scheme—

(1) That the waiting period for benefit should be reduced from six days to three, thus bringing the Agricultural Scheme into line with the General Scheme.

(2) That the weekly rates of contributions by employed

persons and by employers in respect of men, women, and young men and women should be reduced by ½d.

(3) That the benefit for young men of 18 and less than 21 should be raised from 10s. 6d. to 12s. a week.

(4) That the requirement of ten fresh contributions since exhausting benefit should apply under the Agricultural Scheme only where a man has exhausted his benefit through drawing 300 days in a benefit year and not where he has exhausted benefit under the ratio rule proportioning benefit to unexhausted contributions.

The Committee estimated that their recommendations will increase the expenditure of the fund on the Agricultural Account by approximately £42,500 a year, and will decrease its income by approximately £180,000 a year.

The recommendations of the Committee were adopted by the Government, and the Unemployment Insurance (Additional Benefits and Reduction in Contributions) (Agriculture) Order, dated 25th March, 1938, which received the approval of Parliament, carries their recommendations into effect; those relating to benefit from the 31st March, 1938, and that relating to reduced contributions for men, women, and young men and women from 4th July, 1938.

EXERCISE OF CERTAIN POWERS BY MINISTER OF LABOUR

The Unemployment Insurance Act, 1934, gave the Minister of Labour power to deal with certain matters in the administration of the scheme, to make Regulations providing for including or excepting certain classes of persons, and to refer to the Unemployment Insurance Statutory Committee for consideration and advice questions relating to the operation of the Acts, including questions as to the advisability of amending the Acts. Among the matters which have been dealt with are the following—

Crediting of Contributions. Under the provisions of the Unemployment Act, 1934, the minimum age of entry into insurance was lowered from 16 to the school-leaving age as from 3rd September, 1934, and power was given for the making of Regulations for the crediting of contributions to children who continue to receive whole-time education after attaining the school-leaving age. The Unemployment Insurance (Crediting of Contributions) Regulations, 1935, were made on the 8th August, 1935, and operated from the 3rd September, 1935. The object of the Regulations is to give boys and girls who have continued their education voluntarily after the normal elementary school-leaving age

some measure of compensation in respect of the contributions they would have earned if they had left school earlier and begun work at an age when employment is generally easy to find. The contributions so credited can accordingly be reckoned for the purpose of the satisfaction of the First Statutory Condition. The number of contributions which may be credited varies according to the length of the period of continued whole-time education and must not exceed twenty.

The provisions of the 1934 Act gave power only to credit contributions to those continuing to receive whole-time education at the 3rd September, 1935, or later, and the Unemployment Insurance (Crediting of Contributions) Act, 1935, was passed on the 2nd August, 1935, to enable persons who continued their education throughout the year ending with the summer term of 1935 to receive credit. The Regulations by reason of this Act applied to persons who were continuing to receive whole-time education on and after 4th May, 1935.

Inconsiderable Employments. The Act of 1934 gave the Minister of Labour power to add to the Excepted Employments the employment of persons who in any week were only employed to an inconsiderable extent as defined in Regulations, and the Unemployment Insurance (Inconsiderable Employment) (Persons under Sixteen) Provisional Regulations, 1934, were made on the 28th August, 1934. These Regulations from 3rd September, 1934, excepted from insurance persons under the age of 16 who are employed in the retail distributive trades, unless the employment by any one employer exceeds in the aggregate eight hours in any week or four hours on any day. These Regulations were referred as draft Regulations to the Unemployment Insurance Statutory Committee who reported that the draft Regulations had given rise to strong differences of opinion among interested parties and they recommended that the Regulations should not be made. The provisional Regulations accordingly lapsed.

Eventually the Unemployment Insurance (Inconsiderable Employments) Regulations, 1935, made on the 20th December, 1935, came into operation on the 3rd February, 1936.

The Regulations except from insurance persons of the age of 16 years or over who are employed by an employer (*a*) for less than four hours in any week, or (*b*) as snow clearers on not more than four days in any week. The Regulations also make provision, as from the age of entry into insurance in any case, for the payment of one contribution instead of two as hitherto where there is employment under the same employer only on Sunday in any week which is followed by employment on the succeeding Monday, or where there is employment only on Monday in any

week and there has been employment on the Sunday and on at least one other day in the preceding week.

By the Inconsiderable Employments (Amendment) Provisional Regulations, 1936, dated 20th April, 1936, which operated from 4th May, 1936, the following classes of persons were taken out of exception regarding employment of less than four hours in the previous Regulations—persons employed in loading, unloading, moving, or handling goods in, on, or at any dock, wharf, or quay, or in loading, unloading, or coaling any ship in any dock, harbour, or canal or in assisting in the navigating or mooring of vessels in, or in the neighbourhood of, any dock, harbour, or canal if they are normally employed in any such employment.

These Regulations in draft were referred to the Unemployment Insurance Statutory Committee, and in their Report on them to the Minister of Labour the Committee state that they received representations from the Trades Union Congress Council who, while agreeing to the exclusion of dockers from the operation of the main Regulations of 3rd February, 1936, requested that the exclusion should be extended so as to cover also platers, helpers, boiler scalers, and other men engaged in ship repairs who, it was alleged, are to a great extent employed on less than 4-hour shifts, and also jobbing bakers in Scotland who may be employed by the half-day for a period of only $3\frac{3}{4}$ hours.

As a result of inquiries the Committee came to the conclusion that there was not sufficient grounds for making a distinction, as regards payment of contributions, between port transport dock workers and those employed in dry docking and undocking of vessels in the ship-repairing industry, and recommended the inclusion of the latter class of workers in the amending Regulations, excluding classes of workers from the operation of the main Regulations. As regards jobbing bakers, the Committee with one dissentient made no recommendation. They pointed out that baking is not in its nature a casual occupation and the fact that some men under agreement may work for less than four hours on a job did not appear to the Committee to be a ground for exempting them from the general provision which requires four hours at least under the same employer in a week as the basis of a full insurance contribution.

The Inconsiderable Employments (Amendment) Regulations, 1937, dated 29th July, 1937, were accordingly made by the Minister, revoking the provisional Regulations but in addition taking "persons employed in taking or assisting in taking vessels into or out of dry dock" out of the exception regarding employment of less than four hours in the main Regulations of the 20th December, 1935.

Pit-Head Bath Attendants. Under the provisions of the Act, the Minister of Labour is empowered to make Regulations for the inclusion within the unemployment insurance scheme of any class of persons employed in excepted employment when the terms and conditions of service and nature of the work performed are so similar to those of a class of persons employed in insurable employment as to result in anomalies. In 1935 draft Regulations to provide for the inclusion of persons employed as pit-head bath attendants who were excepted from insurance on the grounds that their employment was in domestic service and not in a trade or business carried on for the purposes of gain were referred to the Unemployment Insurance Statutory Committee. Bath attendants employed in baths which are provided by and owned and controlled by colliery companies, have been regarded as domestic servants employed in a business carried on for the purposes of gain, and therefore as insurable. Bath attendants employed in pit-head baths provided through the agency of the Miners' Welfare Fund established under Section 20 of the Mining Industry Act, 1920, had been regarded as domestic servants not employed in a trade or business carried on for the purposes of gain, and therefore as not insurable. The Committee came to the conclusion that the distinction between the two classes of persons resulted in anomalies in the operation of the Act, and recommended the inclusion of the class of persons referred to in the draft Regulations in the unemployment scheme. Regulations were accordingly made by the Minister on the 10th February, 1936, under the title of the Unemployment Insurance (Insurable Employment) Regulations, 1936, giving effect to the recommendation.

Seasonal Workers. On the 18th March, 1935, the Minister of Labour referred to the Unemployment Insurance Statutory Committee the question of the operation of the Unemployment Insurance (Anomalies) Regulations in relation to seasonal workers (see page 519) and on 29th August, 1935, made the Unemployment Insurance (Anomalies) (Seasonal Workers) Order, 1935, giving effect to the Committee's recommendations. The Order superseded the Anomalies Regulations so far as seasonal workers are concerned. Two important changes made were—

(1) the Order does not apply to a seasonal worker in whose case the aggregate of the seasons in the district or districts in which he is normally employed amounts to thirty-nine weeks in the year; nor to

(2) a seasonal worker who can prove the actual payment of at least 150 contributions in any period of four out of five consecutive insurance years in the last ten complete insurance years immediately preceding the claim.

By a further Order of the Minister—the Unemployment Insurance (Anomalies) (Seasonal Workers) (Amendment) Order, 1936, which operated from the 5th November, 1936, and was made after reference to the Unemployment Insurance Statutory Committee—the Order of the 29th August, 1935, does not apply to claims for agricultural benefit.

Non-private Domestic Servants. Under the same provisions of the Act referred to in the case of pit-head bath attendants, the Minister of Labour on the 23rd April, 1936, referred to the Unemployment Insurance Statutory Committee draft Regulations which would have the effect, if made, of applying the unemployment insurance scheme to a number of persons who are excepted from its operation because they are employed by way of domestic service in a trade or business not carried on for the purposes of gain. Persons held to be employed in domestic service fall into three main groups—

(1) those in private domestic service, i.e. working in a private household;

(2) those employed by a Government Department, or public or local authority or by or under any association, club, institution, religious body, society, or similar body of persons whose work is not carried on for the purposes of gain, or by any other employer otherwise than for the personal service of his household and otherwise than in a business run for gain;

(3) those employed in hotels, restaurants, and similar businesses carried on for gain.

The Committee in its Report published in December, 1937, state that the classes of persons who would be brought into the scheme by the draft Regulations include attendants, porters, messengers, stokers, butchers, bakers, cooks, waiters, waitresses, kitchen hands, lodgekeepers, caretakers, and other domestic staff. Persons in these occupations who are employed in a trade or business carried on for gain are already within the scheme, and the object of the draft Regulations is to remove anomalies arising from the different treatment.

The Committee were satisfied that there are indefensible anomalies as between domestic servants employed in a trade or business carried on for gain and those employed in a trade or business not carried on for gain, and they were of opinion that in order to reduce those anomalies to a minimum the greater part of the domestic servants to be covered by the Regulations should be brought within the scope of unemployment insurance. They suggested, however, that the Regulations, as drafted, covered too wide a field. They were of opinion that in the case of residential educational institutions domestic service is more

analogous to private domestic service than to employment in hotels and the like, and they recommended accordingly that domestic servants employed in residential colleges and schools should be excluded from the operation of the Regulations as their work is substantially the same as that commonly performed by private domestic servants as their principal employment. Two problems that caused the Committee most doubt were those of non-residential educational institutions and hospitals. On the balance of consideration, the Committee were of opinion that the domestic staff of these institutions should be brought within the scheme.

The Committee accordingly recommended that the draft Regulations should be made subject to an amendment designed to exclude from their operation the persons employed in residential educational institutions referred to above.

The Unemployment Insurance (Insurable Employments) Regulations, 1937, were made by the Minister on the 22nd December, 1937, to come into force on 4th April, 1938, which have the effect of including among the classes of persons employed in insurable employment the following class of persons hitherto regarded as employed in Excepted Employment.

Persons employed in domestic service in any trade or business (not being a trade or business carried on for the purposes of gain) except persons so employed—

(i) in horticulture, or

(ii) in any of the following capacities—

gamekeeper, warrener, ghillie, river keeper, water bailiff, groom, stableman,

boatman, coachman, gatekeeper, lodgekeeper, kennelman, beater, hunt servant, rabbit trapper, ranger; or

(iii) in an employment which assists wholly or mainly in the rendering of services in any one or more of the undermentioned capacities to, or for the benefit of, persons residing at an educational establishment—

bedmaker, chambermaid, cleaner, cook, dairy hand, general, housemaid, kitchen hand, nursemaid, pantryman, parlourman, sculleryman, sewing maid, waiter, boots, page, butler, footman, plateman, silverman, gateporter, gyp, messenger, porter, housekeeper, matron, steward, storekeeper.

Non-manual Workers. On the 27th February, 1935, the Minister of Labour referred to the Unemployment Insurance Statutory Committee the question of raising the salary limit for unemployment insurance in the case of non-manual workers. The reference was made in pursuance of an undertaking given in the House of Commons on 2nd May, 1934, when the Un-

employment Bill was under discussion, that the Minister would do all he could to ensure as soon as possible that the case of non-manual workers had the full consideration of the Committee.

Employment otherwise than by way of manual labour is excepted from the scheme where the rate of remuneration exceeds in value £420 a year, or in cases where the employment involves part-time service only, where the rate of remuneration is equivalent to a rate of remuneration exceeding £420 a year for whole-time service and there is an identical exception in the National Health Insurance Scheme, but the latter provides for an insured person to continue insurance as a voluntary contributor when he has passed the remuneration limit of £420 a year. There is no corresponding provision for continuation of voluntary insurance against unemployment.

In their Report dated 7th February, 1936, the Committee stated that till about 1929 there was general acceptance of the existing exception. Employers did not desire to have their burdens increased by an extension of compulsory insurance, and most employees felt that, on passing the remuneration limit, they were passing into a sphere with little risk of unemployment and there was no need for any provision that they could not make by personal saving.

In the past years, the attitude of many employees had been changed, no doubt as a direct consequence of the depression. From 1930 onwards insecurity of tenure spread into sections of the population who had felt themselves immune from unemployment; a persistent demand began to be made by various associations of professional and clerical workers in favour of raising the remuneration limit.

The Royal Commission on Unemployment Insurance, who considered the question, came to the conclusion in 1932 that so far as unemployment insurance was concerned, it was desirable, on general grounds, to raise the limit from £250 to £350 a year. The Commission felt it desirable, however, for administrative reasons to maintain the same limit for the several branches of social service, and expressed the opinion accordingly that the income limit for unemployment insurance should not be raised unless and until the limit for health insurance was raised.

The Committee state that since the date of the Royal Commission's Report it is fair to say that the demand for extension of unemployment insurance has strengthened. With few exceptions the evidence tendered from the side of the employees has been in favour of raising the limit. The views of the employees in the occupations that are affected substantially by the remuneration limit, so far as the Committee were able to obtain them from

associations (journalists, printing trade, textile managers, coke-oven managers, colliery under-managers, navigating officers, marine engineers, chemists, shop assistants, actors, musicians, theatrical employees, life assurance workers) are all but universally in favour of raising the limit above the then figure of £250 a year.

The National Confederation of Employers' Associations pointed out to the Committee that, owing to the fall in the cost of living, a salary of £250 a year in 1936 was equivalent to a salary of £496 a year in 1920 when the present limit was fixed, and that therefore the effective operation of the limit has been materially extended. Further, it would be a disadvantage to have different limits for unemployment insurance, unemployment assistance, health insurance, and contributory pensions insurance, and if the limit were raised for unemployment insurance the issue would arise of making a similar increase in the limit for other services for which industry is already required to bear heavy burdens. The Confederation had no evidence tending to show that the amount of unemployment amongst non-manual workers above the present limit would justify their inclusion within the scheme of compulsory unemployment insurance, or that there is any substantial or well-founded demand for the change.

Some organizations of employers, while holding that there was no need for the extension to their own industries, took the view that, if there were general agreement in favour of extension, they would not oppose it so far as their own industries were concerned. The opinions of the various Chambers of Commerce and of such bodies as the Newspaper Proprietors' Association, and the Corporation of Insurance Brokers were divided.

The Parliamentary Committee of the Co-operative Congress expressed themselves as in favour of an increase from the present limit of £250 a year to £400 a year, although security of tenure among the employees of co-operative societies was held by them to be greater than among the employees of private traders.

The Report of the Committee referred to the anomalies involved in applying the £250 remuneration limit. The distinction between manual and non-manual work to-day is often so fine as to be unreal, and also that the limit is and must be a remuneration limit and not an income or salary limit. The application of the limit involves two assumptions: first, that a satisfactory practical distinction can be drawn between manual labour and other work; second, that those excluded by the limit are not liable to risk of unemployment comparable to the risk of those not excluded, or such as they cannot meet by private savings. The

Committee, after consideration of the representations made, state that both assumptions fail to stand the test of examination, and that there is in fact unemployment for which provision should be made. The Committee agreed with the opinion expressed by the Royal Commission in 1932 that the £250 remuneration limit for non-manual workers should be raised, but did not agree that this change should depend upon making a corresponding change at the same time in health insurance. After discussion with representatives of the Ministry of Health and Ministry of Labour, the Committee were satisfied that there would be no serious administrative difficulty in having different remuneration limits for non-manual workers in different schemes of social insurance.

The Committee, by a majority, proposed that the limit should be raised to £400 a year, believing that such a limit would be accepted as a fair settlement of the issue. Two members were not in favour of exceeding a figure of about £300 a year.

The Committee referred to the fact that some witnesses before them pointed out that for men earning £5 a week and upwards, the ordinary rates of benefit were inadequate to provide for loss of employment and earnings. They state that they considered with some care the desirability and practicability of giving special terms of insurance to those affected by the proposal to raise the remuneration limit, and came to the conclusion that apart from any question of practicability the objections on grounds of principle to a separate scheme for persons above the present limit were overwhelming. Such persons do not constitute a separate industry like agriculture. They are found in all industries, and can make no claim to be treated separately for purposes of unemployment insurance, *or to get the advantage of a low risk of unemployment, that could not be made as strongly by many others.* In respect of insurance benefits and contributions, no distinction should be drawn between insured persons on account of differences or their normal earnings, *or standard of life.*

Fresh legislation extended the Act to £420 limit as from September, 1940.

Share Fishermen. In December, 1935, the Minister of Labour referred to the Unemployment Insurance Statutory Committee the question of the inclusion of share fishermen within the scope of the unemployment insurance schemes, and the Committee reported in the matter in October, 1936.

Fishermen who are outside the insurance are—

(1) those not employed under a contract of service;

(2) those who, although employed under a contract of service, are "wholly remunerated by a share of the profits or gross earnings

of the vessel" on which they are working (par. 12 of Part II of the First Schedule to the Unemployment Insurance Act, 1935);

(3) those employed otherwise than by way of manual labour and remunerated at a rate exceeding £420 a year.

The Committee point out that, so far as they are aware, the term "share fishermen" is not to be found in any Act of Parliament, and they take the term to mean fishermen who live, not by a wage paid under a contract of service, but by sharing in agreed proportions in the proceeds of a fishing voyage or voyages.

The Committee refer to the conclusions of the Royal Commission on Unemployment Insurance of 1932 in regard to share fishermen. The Commission stated that it was clear "from the evidence received that the fishermen themselves are by no means unanimous on the question" and that "it was difficult even to say whether the balance of opinion is for or against their inclusion." They recommended that share fishermen should not be brought into the unemployment insurance scheme. The Committee state that the position has changed since 1932. There has been a growing demand for the extension, and the demand, even if it cannot be described as unanimous, is certainly general; except in regard to the special case of skippers and mates on steam trawlers, where the owners oppose any change, nearly all the formal representations made to the Committee from all sections of the industry have been insistently in favour of insurance.

The Committee find that there is a prevalence in a substantial proportion of the industry of the practice of working partnership which gives rise to the problem under consideration, but that a large and increasing proportion of all working fishermen is already insured against unemployment by reason of being employed under contract of service and remunerated on a wage basis or part-wage basis. The number of unemployment books issued to men in the fishing industry in July, 1930, was 26,930 and in July, 1935, was 31,690. The figures show a rise of 18 per cent in five years.

The number of fishermen working on their own account has declined in recent years. Working ownership and partnership now applies to much less than half—probably less than a third—of all fishermen. The trawling fleets of Hull, Grimsby, Aberdeen, and other East coast ports are for the most part controlled by share-owners taking the risks of ownership. and employing fishermen under contract of service. Moreover, except in the case of skippers and mates, the employees receive the bulk of their remuneration in the form of a weekly wage; they are now, and always have been, insured against unemployment in the general scheme like other workmen. The English herring drifters

are also for the most part share-owned with crews under contract of service, though the fact that, till the year 1936, most of the crews were paid, not a wage, but only a share of the earnings, caused them to be excluded from unemployment insurance. By a revision of the terms of engagement in May, 1936, the position was altered and the bulk of the crews have been brought into unemployment insurance.

But those wholly remunerated by shares of profits or gross earnings are still excluded from Unemployment Insurance, although within the scope of Health and Pensions Insurance.

In Scotland, the crews of herring drifters formerly fell into three classes—

(1) men (engineer, fireman, and cook) on wages who are and always have been insured against unemployment;

(2) "hired fishermen" not owning any part of the boat or nets but sharing, in respect of their labour, equally the net earnings of the boat with other fishermen in the boat. These men are under contract of service, but until recently were excluded from insurance by the exception of Share Fishermen;

(3) owners of the boat (whole or part) or of the nets taking a share of the nett earnings in respect of their ownership and another share in respect of their labour. These men, by contrast to the "hired fishermen," were marked as partners.

Even in Scotland, however, there has been a movement in the last year or two to extend unemployment insurance to as many men as possible by agreements to pay a wage, usually 10s. or 15s. a week, plus food, to the fishermen as a first charge on the earnings of the voyage. The Committee were told that in some of the Scottish fishing ports there were no longer any share fishermen. Their Report gives various instances of the devices by which in other fishing districts the men are brought within the scope of unemployment insurance.

The Committee formed the conclusion that the exclusion of share fishermen as such is now not itself of great practical importance. The crux of the problem is the requirement of a contract of service under an employer as a condition for inclusion within the scheme and various devices are being used by owners of boats or nets to qualify for insurance equally with other workers.

The Report states the grounds on which the demands for insurance are substantially based—

(*a*) For different reasons in different places the working fisherman is less prosperous than he used to be, e.g. by loss of markets, failure of fishing grounds, competition of more efficient methods, and larger boats.

(*b*) All who are not owners are either increasingly insistent on

being insured as fishermen or are taking work in other occupations (on yachts, cargo boats, or on shore) in order to collect stamps.

(*c*) Health insurance has been applied to all working fishermen as such, irrespective of contract of service.

The Report examines in some detail the distinction between health insurance and unemployment insurance in relation to fishermen and refers to the importance for the purpose of the latter scheme of a genuine contract of service.

The Committee came to the opinion that the working partnerships of the fishing industry should not be brought within the scope of unemployment insurance. It is in their view no proper remedy for the hardships to many of the fishermen which the Committee recognize to be great. They say "neither its uniform scale of relatively high benefits nor its requirement of standing idle and available for other work as the condition of benefit fits the case of the working owner and his partners. Nor can the scheme of unemployment insurance be extended to cover all working fishermen, without departing from the control principle of the scheme and establishing unanswerable precedents for extension to all others working on their own account—as small holders, shopkeepers, carriers, cab-drivers, entertainers, and innumerable other ways."

In the Committee's view, if the requirement of a contract of service is retained, there is nothing to be gained and something to be lost by omitting the Exception of Share Fishermen from the Acts.

The Committee suggested, however, that some other body with a wider reference than their own should study the problems of the fishing industry (certain branches of which are in their opinion as depressed as coal mining or textiles) with a view to finding a more proper remedy for its troubles than unemployment insurance.

Outdoor Private Domestic Servants. In April, 1936, the Minister of Labour referred to the Unemployment Insurance Statutory Committee for consideration and advice the question of the extension of the unemployment insurance scheme to outdoor private domestic servants or certain classes of such servants. The principal classes are—

(1) chauffeurs (including lorry-drivers);

(2) gamekeepers (including warreners, ghillies, river keepers, and water bailiffs); and

(3) grooms (including stablemen).

Other small classes are boatmen, coachmen, gatekeepers, and lodgekeepers, kennelmen, and handymen. It is estimated that about 69,000 would be affected.

In a report published in December, 1937, the Committee state that the majority of the employers and nearly all the employees who replied to the Committee's public notices of their intention to consider the matter were in favour of the extension. It was stated that, though many employees might remain with the same employer for many years or even for life, there was no general security of employment and they were specially dependent upon the fortunes of an individual as employer. The hardship of losing employment in the case of these classes of employees is increased by the fact that very often housing is provided, so that when a man loses his employment he loses his home also. Various anomalies are pointed out. For example, a chauffeur employed by a doctor for the purposes of his profession is insured, while a chauffeur engaged in driving for the purposes of his employer's pleasure or convenience is not insured. These anomalies have been increased since the extension of unemployment insurance to private gardeners.

The Committee reported that in their opinion the case for extending unemployment insurance, if practicable, to all classes of outdoor private domestic servants is established. They suggested that chauffeurs should be brought into insurance under the general scheme and the other classes under the agricultural scheme. The Committee expressed the opinion that chauffeurs could be brought into insurance by Regulations under powers already possessed by the Minister, but that the other classes would require fresh legislation.

Under the Unemployment Insurance (Insurable Employments) Regulations, 1938, made by the Minister on 18th January, 1938, persons employed in domestic service in driving or attending to a mechanically propelled vehicle where the employment is neither in a trade or business carried on for the purposes of gain, nor in horticulture, are included within the classes of persons insured under the general scheme. The general effect is to bring within the unemployment scheme as from 4th April, 1938, all persons employed as chauffeurs, lorrydrivers, etc.

The Minister also accepted the recommendation of the Committee regarding gamekeepers, grooms, stablemen, etc., and a suitable clause is contained in the Unemployment Insurance Act, 1938, which passed into law on the 17th February, 1938. Under this Act, persons employed in domestic service as gamekeepers, warreners, ghillies, river keepers, water bailiffs, grooms, or stablemen, except where they are employed in any trade or business carried on for the purpose of gain, are brought into the agricultural scheme of unemployment insurance from the 4th April, 1938. The Act also gave the Minister of Labour power to

bring into the agricultural scheme, by Regulations, any class of persons employed wholly or mainly out of doors in an excepted employment in domestic service, and he has made the Unemployment Insurance (Insurable Employments) (Agriculture) Regulations, 1938, dated 7th March, 1938, under which persons employed in domestic service, wholly or mainly out of doors, as boatmen, coachmen, gatekeepers, hunt servants, kennelmen, lodgekeepers, rabbit trappers, and rangers, except where the employment is in any trade or business carried on for the purposes of gain, are brought into the agricultural scheme as from 4th April, 1938.

UNEMPLOYMENT INSURANCE ACT, 1938

In addition to the two matters previously mentioned, i.e. reduction of debt and the extension of insurance to outdoor private domestic servants just referred to, the Act deals also with the following matters—

Courses of Instruction. The Act gives legislative effect to certain recommendations of the National Advisory Councils for Juvenile Employment for England and Wales and Scotland. Education authorities for higher education in England and Wales and education authorities in Scotland will be able to provide for unemployed juveniles attending junior instruction centres and classes in accordance with the provisions of the Unemployment Insurance Acts.

(*a*) meals in the same circumstances and under the same conditions as meals may be provided by authorities for elementary education in England and Wales for children attending public elementary schools, and by education authorities in Scotland for children under obligation to attend and attending school;

(*b*) during the hours when instruction is being given, milk and biscuits free of charge.

Education authorities desiring to use the proposed powers will be required to submit proposals to the Minister of Labour, who may approve them if they are in accordance with a scheme drawn up by him with the consent of the Treasury. Exchequer grants will be made towards the additional expenses of the authorities in providing the courses of instruction incurred by them in using the powers conferred by the Act.

Men Discharged from H.M. Forces. The Act extends the existing provision for crediting men upon leaving the Forces with unemployment insurance contributions in respect of their services. Under existing legislation the great majority of such men are credited with a contribution for each week of service; but there are certain exceptions. Most men discharged from the

Services at their own request and all men who leave as the result of a military or naval or air force or civil offence are disqualified for any such credit. The Act repeals this disqualification, but the credit which will in future be given to men who leave as the result of a military or naval or air force offence will be subject to a disqualification for the receipt of benefit during the six weeks after the date of discharge.

The Act also provides that there shall be no credit of contributions in respect of complete weeks in respect of which there has been forfeiture of pay.

The Unemployment Insurance (Emergency Powers) (Amendment) No. 5 Regulations, 1942, added officers (other than regular officers), persons prevented from returning to this country owing to war conditions (e.g. merchant seamen) and war workers enrolled overseas and discharged in this country. Regulations (No. 799), 1944, have also safeguarded those engaged abroad in relief and rehabilitation work by British organizations on U.N.R.R.A.

HOLIDAYS AND PERIODS OF SUSPENSION

Where a person receives during holidays, or other periods of suspension, remuneration as a condition of employment, it has been held that a contribution is payable in respect of the period of absence. As regards benefit, the Umpire has held that where, in accordance with the customary or expressly agreed terms of his employment, a workman receives wages or part wages during periods when his services are not required, he is not unemployed. The Umpire has also held that persons cannot be regarded as unemployed and qualified for benefit on customary holidays falling within a period of employment although they do no work or get wages. Such days, however, may serve as waiting days for the purpose of the waiting period or for the purpose of establishing continuity of unemployment.

During the last two years there has been considerable extension of the grant of holidays with pay in various industries; and in the *Labour Gazette* for May, 1938, it was announced that the Minister of Labour had referred to the Unemployment Insurance Statutory Committee, for consideration and advice, the question whether any change in the law of unemployment insurance, either as regards contributions or benefit, is required.

The matters the Committee examined among others were—

(1) the payment of unemployment insurance contributions in respect of paid holidays;

(2) the question whether unemployment benefit ought in any circumstances to be payable for days of holidays;

(3) the question whether unemployment benefit ought in any circumstances to be payable for periods during which workpeople not on holiday are suspended from work and are in receipt of payments from their employers;

(4) the present rule that days of recognized holiday for which no payment is received are treated as days of unemployment for the purpose of serving the waiting period and for the purpose of preserving the continuity of unemployment but not for the purpose of drawing benefit.

AGRICULTURAL SCHEME

The Minister of Labour and National Service made the Unemployment Insurance (Contribution) (Agriculture) Order, 1942, amending the Unemployment Act, 1940, to give effect to the Statutory Committee's recommendation that the increase in rates of contribution due to take place on the 6th July, 1942, should not take place owing to the satisfactory financial condition of the Unemployment Fund at the end of 1941.

THE UNEMPLOYMENT INSURANCE (EMERGENCY POWERS) (AMENDMENT NO. 2) REGULATIONS, 1942

These regulations were made as part of the plan to encourage employment of part-time workers. Liability from payment of contributions is removed in respect of not more than 30 hours worked in any week if employment began after the 2nd September, 1939, and the Minister considers the employment to be due to war conditions. An amending Regulation—Amendment No. 3—modified this exception to remove the difficulties arising in cases where employment is arranged over a cycle of two or more weeks.

A further Regulation—Amendment No. 4—excepted from liability the employment by the Postmaster-General of scholars or students employed for not more than three weeks during the special periods such as the Christmas Season.

UNEMPLOYMENT INSURANCE ACT, 1939

The Unemployment Insurance Act, 1939 (2 & 3 Geo. VI, c. 29), which came into force on 13th July, 1939, amended the Unemployment Insurance Acts, 1935 to 1938, and provides for the payment of contributions under the National Health Insurance Act, 1936, and the Widows, Orphans and Old Age Contributory Pensions Act, 1936, in respect of holiday periods. An insured contributor is not to be deemed to be unemployed for the purpose of the principal Act on any day on which he is on holiday, and the Minister may make regulations for determining whether the

insured contributor is or is not to be deemed to be on holiday. (Sect. 1.)

Where an employer has been convicted of the offence of failing or neglecting to pay a contribution in respect of any person, or has been charged with such an offence and an order made under the Probation of Offenders Act, 1907, evidence may be given on the conviction or making of the order of the failure or neglect of the employer to pay other contributions during the preceding two years in respect of any other employee. (Sect. 9.)

At an inquiry ordered by the Minister, power is given to the person appointed to issue a summons requiring the attendance of any person to give evidence or to produce any documents; but such a witness shall not be required to go more than ten miles from his residence unless the necessary expenses are paid or tendered to him; refusal or wilful neglect to obey such a summons is punishable on summary conviction by a fine not exceeding £5. (Sect. 10.)

FAMILY ALLOWANCES ACT, 1945

At the time of going to press with this Edition this Bill had passed unanimously a second reading in the House of Commons. It provides for an allowance of 5s. weekly for each child after the first. There was considerable discussion on the question whether the money should be the right of the father or mother. The Bill provided for the allowance to belong to the father although it might be obtained by the mother. The point was left for determination during the Committee stage. Income tax will be payable on the allowance by the father. The allowance will be payable to the mother of an illegitimate child. It will not be paid to administering authorities of institutions. The parent will continue to draw the allowance when a child is resident temporarily in an institution unless parental rights have been taken away, such as may be the case when a child is sent to an approved school. The scheme is estimated to cost £57 million yearly, increasing by £2½ million if the school age is raised to 15. It was intended to bring the scheme into operation at the close of hostilities.

On the 10th May, 1945, the House of Commons decided, without a division, that the payment be made to the mother.

PART VII

STATE PENSIONS

CHAPTER XXXIII

OLD AGE PENSIONS, BLIND PERSONS' PENSIONS, AND FAMILY ENDOWMENTS

NON-CONTRIBUTORY PENSIONS

THE subject of pensions for the aged had engaged the attention of philanthropists and economists for many decades. The subject may be said to have entered into practical politics in 1879, when the late Canon Blackley outlined his original scheme in the *Nineteenth Century*. This was followed by the scheme of the National Provident League, to which, it was stated, Canon Blackley was not opposed. The next important scheme was that devised by the sub-committee appointed by the Voluntary Parliamentary Committee, formed for inquiring into old age pensions, which, for the sake of a short title, is generally called the Chamberlain Scheme, because the late Mr. Joseph Chamberlain was a member of that sub-committee. The most popular proposal for old age pensions was the universal pension scheme of the late Mr. Charles Booth, who, with Mr. Arthur Acland, prosecuted an inquiry into the condition of the aged poor of the country generally, taking certain villages selected as types for this purpose.

The Poor Law Reform Association propounded a scheme, which was followed by one submitted to the meeting of the British Association in 1893 by the Rev. W. Moore Ede.

APPOINTMENT OF ROYAL COMMISSION, 1893

A Royal Commission was appointed in 1893 and reported in 1895. A Committee (known as the Rothschild Committee) was then appointed in 1896 and reported in 1898. A Select Committee (Mr. Chaplin's Committee) was appointed in 1899 to consider certain Bills then before Parliament and reported that year. A Departmental Committee sat immediately afterwards to report upon the financial proposals made by Mr. Chaplin's Committee.

THE SELECT COMMITTEE ON AGED PENSIONERS, 1903

In 1903, a Select Committee dealt with the case of Aged Pensioners, and came to the conclusion that it would 'be

practicable in this country to create a workable system of old age pensions.

It was in consequence of the report of this Committee that a Departmental Committee of experts was appointed, presided over by Sir Edward Hamilton, to consider what the cost of carrying out this scheme would be. They found that, for the year 1901, the population of the United Kingdom over 65 years of age might be estimated at a little over 2,000,000. If the whole of these 2,000,000 were to be entitled to receive a pension upon the scale suggested, viz. 5s. a week—that is to say £13 a year—the total cost would obviously be £26,000,000. But from these 2,000,000 people the Select Committee deducted no less than 1,350,000 as persons who would not come within the conditions which were suggested, leaving 650,000 people who would legitimately become entitled to pensions charged upon the Exchequer or the rates, as the case might be. Assuming that these people were to receive a pension varying somewhere between 7s. and 5s. 6d. a week, the estimated total annual cost would be £10,300,000. Sir Edward Hamilton subsequently stated that he believed this to be an underestimate; it might approach something like £13,000,000,

HOUSE OF COMMONS MOTION, 1906

Several private members' Bills followed and the House of Commons on the 14th March, 1906, agreed to the motion that—

> "A measure is urgently needed in order that, out of funds provided by taxation, provision can be made for the payment of a pension to all the aged subjects of His Majesty in the United Kingdom."

The Government, through its Chancellor of the Exchequer (the Rt. Hon. H. H. Asquith), reserved the fullest liberty as to the time, mode, and extent of the application of this principle. The Right Hon. John Burns expressed the view that the best, simplest, and fairest was Mr. Charles Booth's scheme, by which everybody was to receive a pension, irrespective of condition and means, of 5s. a week at 60 years of age. But it was the most costly scheme.

In support of the motion it was stated that, in 1905, £14,000,000 was spent on 800,000 men, women, and children in connection with the Poor Law. Of these, nearly 300,000 were 65 years of age and over, and to keep them in and out of the workhouse cost £6,000,000. But that sum would not be saved by old age pensions; if so, many of the aged poor would be worse off with 5s. outside the workhouse than inside, where they cost from 8s. up to even 17s. per week.

THE REPORTS OF THE POOR LAW COMMISSION, 1909

While the Chancellor of the Exchequer (Mr. H. H. Asquith) had anticipated the recommendations of the Reports of the Royal Commission on the Poor Law and Relief of Distress by his Budget Speech of 1908 and the Old Age Pension Act, 1908, which followed, it must be borne in mind that the Reports of the Commission considerably influenced this action. Thus, in the Minority Report is the remarkable forecast: "That the establishment by Parliament in 1908 of a National Pension Scheme affords the proper provision for the aged who satisfy the necessary conditions in respect to income, residence in the United Kingdom, and conduct, but that it will be requisite at the earliest possible date to lower the pensionable age to 65, if not to 60; and that it is neither practicable nor desirable to make the previous receipt of any form of public assistance a ground for disqualification."

Estimate of Annual Cost. The Budget statement of 1908, made by Mr. H. H. Asquith, showed that there had been a realized surplus of four and three-quarter millions which was applied to the reduction of the National Debt. The estimated revenue for the coming year was £157,770,000 and the estimated expenditure £152,869,000. This allowed a remission of the sugar duty, costing £3,400,000; and left enough for the cost of the first quarter's Old Age Pensions, £1,200,000, which was all that would fall on the current estimates. Thus announced, the Old Age Pensions Scheme was introduced in a separate Bill, and piloted through the Commons by the Right Hon. David Lloyd George, who had succeeded Mr. Asquith as Chancellor of the Exchequer.

OLD AGE PENSIONS ACT, 1908

Pensions were to begin at the age of 70 years, and were to be 5s. a week. It was calculated that half-a-million people would come into the scheme, and that the cost would amount to about six millions a year. The hope was held out that in time the pensionable age would be reduced to 65 years. There was criticism of the scheme from the Opposition. The Unionist theory of the old age pensions had always been that the scheme should carry with it some form of contribution during early life—should be, in fact, an insurance rather than a gift. Some Radical individualists of the older school steadfastly maintained a similar attitude. The complaint about the free gift of the pensions was largely met by the answer that very many of the beneficiaries would, without the pension, be costing the community more money as inmates of workhouses and infirmaries. Criticism of the Bill was, of course, dangerous ground; few men wished to be notable in their constituencies as opponents of old age pensions;

and the measure had therefore no real difficulties in the House of Commons. In the House of Lords, where there was no fear of constituents, opposition was rather more open. Lord Cromer went so far as to carry an amendment limiting the operation of the Act to seven years, but as this was an infringement of the privileges of the House of Commons, as touching finance, the Speaker disallowed the amendment. Pensions became payable as from 1st January, 1909.

The Old Age Pensions Act, 1908, has been amended by the Acts of 1911, 1920, and 1924. The Act of 1920 increased the maximum pension to ten shillings per week from 2nd January, 1920.

ADMINISTRATION OF THE ACTS

The administration of the Acts is divided. The Commissioners of Customs and Excise constitute the Central Department. Applications are investigated by the local Pension Officer appointed by the Treasury and usually in the service of the Commissioners of Customs and Excise. Assessments are made by the Local Pensions Committees. Appeals against assessment may be made by claimant, or pensioner, or Pension Officer or other aggrieved person to the Minister of Health. The pensions are payable through the Post Office, which also provides the necessary forms of application for the pensions.

THE LOCAL PENSION AUTHORITIES

The council of every borough or urban district with a population of 20,000, according to the last published Census, as well as the council of the county, excluding the areas of such boroughs or urban districts, appoints a Local Pension Committee for its own area. The members of such committee are not necessarily members of the council, and women may be members. The number must not be less than seven or not more than the number of members of the council, as decided by them. The quorum is not less than three. The term of office is three years, or such less time as the council decide. The Clerk of the committee is to be a fit person appointed by the committee, to hold office during their pleasure. Usually the Clerk of the appointing council is chosen. Remuneration is according to scale fixed by the Treasury.

QUALIFICATIONS FOR PENSIONS

A person who is not entitled to an Old Age Pension by virtue of the Widows', Orphans', and Old Age Contributory Pensions Acts (see next chapter) may be entitled to a pension under the Old Age Pensions Acts.

The qualifications for pension are that the applicant must satisfy the pension authorities—

1. That he has attained the age of 70.

2. That for at least ten years up to the date of the receipt of any sum on account of a pension the applicant has been a British subject. The condition as to nationality shall not be required to be fulfilled in the case of a woman who satisfies the pension authorities that she would have fulfilled the conditions but for her marriage with an alien.

3. That the applicant has been resident in the United Kingdom for at least twelve years in all since attaining the age of 50 in the case of a natural-born British subject, and for at least twenty years in all in the case of a naturalized British subject.

"Residence" means actual presence for the prescribed number of years in the aggregate. For the purpose of computing the years of residence in the United Kingdom the following are included—

(*a*) Employment in the service of the Crown, or as the wife or servant of a person in any service remunerated by the Crown.

(*b*) Any periods spent in the Channel Islands or the Isle of Man by a person resident in the United Kingdom.

(*c*) Periods spent abroad while maintaining or assisting dependants in the United Kingdom.

(*d*) Service on board a vessel registered in the United Kingdom.

(*e*) Periods of temporary absence, not exceeding three months in duration at any time, are to be counted as periods of residence in the United Kingdom if throughout absence the home was in the United Kingdom.

The applicant must satisfy the pension authorities that his yearly means as calculated under this Act do not exceed £49 17s. 6d. after deducting such part, if any, not exceeding £39 as is derived from any source other than earnings.

Disqualifications. Disqualification attaches to a person while an inmate of any workhouse or Poor Law institution (other than for medical or surgical treatment), during detention under the Mental Treatment Acts as a rate-aided patient, while serving a term of imprisonment without the option of a fine, or as a criminal lunatic, and having been convicted at the age of 60 or over and liable to have a detention order made against him as an inebriate and the Court has ordered diaqualification.

PROCEDURE.

If a person desires to claim a pension under the Act, he or she may obtain the necessary form at the local Post Office. The Postmaster will give any necessary help in filling up the form, and will furnish the address of the Local Pension Officer to whom, after the form has been filled up, it should be posted or delivered.

Proof of Age. Claimants may prove their age by one of the following documents, viz. certificate of birth; certificate of baptism; certificate of service in any of the forces of the Crown; certificate of membership of any friendly or provident society or trade union; certificate of marriage; or by any other evidence which appears sufficient for the purpose, such as an old entry in a Bible. If the applicant has no certificate of birth or baptism, and can give the Pension Officer particulars of the date and place of birth and the names of both parents, the Pension Officer is empowered to ask the Registrar-General to make a search for an entry of the birth free of charge.

On receipt of the claim the Pension Officer will investigate it and then submit it to the Local Pension Committee with a report. The Local Pension Committee meets once a month and reports are required to reach the Clerk of the Committee not later than 7 days before the meeting in order to give claimants who have been recommended for a pension at less than the full rate an opportunity of attending. In case of objection, the claim is adjourned for a further meeting not more than a month after the date of original meeting, and notice is sent to the claimant. At the adjourned meeting the committee give a decision, and send notice to the Pension Officer and the claimant.

Appeals. Notice of appeal may be sent within seven days to the Ministry of Health, whose decision is final.

AMOUNT OF PENSION

1. Where the yearly means of the claimant or pensioner as calculated under the Old Age Pensions Acts, 1908 to 1924—

	Per Week s.	d.
(*a*) Does not exceed £26 5s.	10	–
(*b*) Exceeds £26 5s. but does not exceed £31 10s.	8	–
(*c*) Exceeds £31 10s. but does not exceed £36 15s.	6	–
(*d*) Exceeds £36 15s. but does not exceed £42	4	–
(*e*) Exceeds £42 but does not exceed £47 5s.	2	–
(*f*) Exceeds £47 5s. but does not exceed £49 17s. 6d.	1	–
(*g*) Exceeds £49 17s. 6d.	nil.	

2. Where the combined yearly means of husband and wife, living together and both pensioners—

	Per Week s.	d.
(*a*) Does not exceed £52 10s.	20	–
(*b*) Exceeds £52 10s. but does not exceed £63	16	–
(*c*) Exceeds £63 but does not exceed £73 10s.	12	–
(*d*) Exceeds £73 10s. but does not exceed £84	8	–
(*e*) Exceeds £84 but does not exceed £94 10s.	4	–
(*f*) Exceeds £94 10s. but does not exceed £99 15s.	2	–
(*g*) Exceeds £99 15s.	nil.	

CALCULATION OF MEANS

(1) The Old Age Pensions Act, 1919, introduced the present method of calculating annual means from capital, viz.—

(*a*) In calculating the means of a person, account is taken of all items of income and benefits in cash or kind, from whatever source received, including the yearly value of any property belonging to that person (not being property personally used or enjoyed by him) which is invested, or is otherwise put to profitable use by him, or which, though capable of investment or profitable use, is not so invested or put to profitable use by him. This is calculated as follows, viz.—

(i) The first £25 of the capital value of the property shall be excluded; and

(ii) the yearly value of the next £375 of the capital value of the property shall be taken to be one-twentieth part of the capital value; and

(iii) the yearly value of so much of the capital value of the said property as exceeds the sum of £400 shall be taken to be one-tenth part of the capital value.

(*b*) Account is also taken of the income which that person may reasonably expect to receive during the succeeding year in cash, excluding any sums receivable on account of an old age pension under this Act, and excluding any sums arising from the investment or profitable use of property (not being property personally used or enjoyed by him); such income, in the absence of other means for ascertaining the income, shall be taken to be the income actually received during the preceding year. In calculating the income mentioned, no account shall be taken of any amounts received during a period of not more than three months in any year by a person, or by the husband or wife of a person, as the case may be, under a medical certificate as sickness benefit from a friendly society or trade union, or under the National Insurance Acts.

(*c*) No account shall be taken of the furniture and personal effects of a person, whatever the value thereof may be.

(*d*) Where a husband is separated from his wife, any sum paid by him to her under a deed of separation shall be deducted in calculating his means.

(2) In calculating the means of a person being one of a married couple living together in the same house, the means shall be taken to be half the total means of the couple, and where either of the couple or the couple jointly are entitled to any property, each of them shall be deemed to be entitled to one-half of that property.

(3) The Old Age Pensions Act, 1924, introduced with effect from the 7th August, 1924, an important alteration in the calculation

of means by providing for a deduction not exceeding £39 a year (or £78 a year in the case of a married couple living together) from means other than earnings. This alteration was made in order to meet the plea that the means limit penalized thrift and to discourage old people from competing in the labour market. Thus, it is now possible for a married couple to draw the full pensions of 10s. a week each if they have already total means (other than from earnings) amounting to £52 10s. + £78 = £130 10s., thus giving them a total income of £182 10s.

SUPPLEMENTARY PENSIONS

The Old Age and Widows' Pensions Act, 1940, Part II, provided for the supplementation of old age pensions (other than those payable to blind persons) under a needs test on the same basis as that described with regard to Unemployment Assistance, *ante*.

FINANCE

The sums required for the payment of old age pensions under these Acts are paid out of moneys provided by Parliament.

THE BLIND PERSONS ACT, 1920

The Blind Persons Act, 1920, came into operation on 10th September, 1920. Section 1 of the Act (1) reduced the statutory age for the receipt of an old age pension in the case of blind persons from 70 to 50; and (2) provides that a blind person, if a natural born British subject, must have resided in the United Kingdom for at least twelve years since the age of 30, instead of since the age of 50. Section 2 imposes an obligation upon county and county borough councils, including the Common Council of the City of London, to make arrangements to the satisfaction of the Minister of Health for promoting the welfare of blind persons ordinarily resident in their area. Section 3 applies the provisions of the War Charities Act, 1916, with certain modifications, to charities for the blind as defined in the section. By Section 2 the councils mentioned were required within 12 months to prepare and submit to the Minister a scheme for the exercise of their powers under the section, and a memorandum on the subject was prepared by the Ministry for their guidance.

Grant by Minister of Health. The Act authorized the Minister of Health to pay certain grants towards the approved capital outlay incurred by a council in the provision of new accommodation or equipment under the powers conferred by subsection (1) of Section 2 of the Act, but grants under the Blind Persons Act, 1920, were among the grants discontinued by the Local Government Act, 1929. The grants formerly paid by the Minister direct

to the voluntary agencies and local authorities were included as discontinued grants in the calculation of the General Exchequer grant out of which the block grant is paid to the county and county borough councils, who are required to make grants to the voluntary agencies according to a scheme approved by the Minister.

BLIND PERSONS ACT, 1938

The Blind Persons Act, 1938, reduced from 50 to 40 years the age at which blind persons, who are qualified as to means, may receive pensions. Local authorities are required to grant all domiciliary assistance to a blind person, under the Act of 1920 and not as poor relief, and in deciding what amount of financial assistance is to be granted, are required to take into account not only the needs of the blind person himself but also the needs of the dependent members of his household. Institutional and medical relief may be granted under this Act or the Poor Law.

Power of recovery of assistance granted to blind persons resident in one area but belonging to another area is provided in the Act, but on a different method to that applying to Poor Law Settlement. The cost of blind persons' allowances is borne out of local rates but the Pensions and Determination of Needs Act, 1941, provided that the allowance shall not be taken into consideration in calculating the blind person's need for the purpose of granting an old age pension. In most cases the blind person will be eligible for an old age pension at 40, and this may be taken into consideration in fixing the blind person's allowance and thus lighten to that extent the rate burden.

The Blind Persons Act, 1938, also made applicable to the determination of blind persons' allowances the "statutory disregard" contained in the Unemployment Act, 1934, Sect. 38 (*b*). This provides for disregarding the first 5s. per week sick pay from a Friendly Society; the first 7s. 6d. National Health Insurance Benefit (increased to 10s. 6d. by the National Health Insurance, 1st October, 1941); the first £1 of wounds or disability pension; and over half workmen's compensation. The section also provided a method for the treatment of money and investments owned by an applicant, but the rule was amended by the Pensions and Determination of Needs Act, 1943, so that a blind person may have £400 in addition to disregarded war savings (up to £375 and the income therefrom), and every complete £25 after the first (which is totally disregarded) is treated as equivalent to a weekly income of sixpence. The Determination of Needs Act, 1941, provided that the first £375 of savings and the income therefrom should be disregarded.

The Pensions and Determination of Needs Act, 1943, also applied to blind members of a household the Rules set out in the First Schedule to the Determination of Needs Act, 1941, subject to the exception that Rules *a* and (3) (*a*) will not apply unless the local authority so determine. The Act preserves the discretion of the local authority and of their committee and officers to determine any question arising under relevant statutes and the rules.

A blind person who has qualified for a contributory old age pension is entitled to a second pension payable between the ages of 65 and 70.

FAMILY ENDOWMENT

Three methods of financing the payment of Family Allowances have been considered—

1. **Family Endowment Paid for Out of Taxation.** Many supporters of the principle advocate a national scheme paid for out of taxation, either to all mothers on behalf of their children, or to those below a certain income level. This is the method advocated by the Majority Report (1930) of the Joint Committee of the Labour Party and Trade Union Congress, which for two years had been thinking out the means of securing for the workers a living wage. It recommended an allowance of 5s. a week for the first child and 3s. for each succeeding child up to school-leaving age, in respect of whom Income Tax Rebate is not obtainable. The estimated cost to the State is £70,000,000 a year. The Independent Labour Party has included a similar scheme, but with allowance of 5s. for each child, as part of its programme of "a living income for all."

The only country where a scheme of this kind, financed by the State, is in operation is New Zealand, where 2s. a week is paid out of general revenue in respect of each child under 15 in excess of two, provided the family income is below £4 a week.

The Australian Commonwealth and almost all European States pay Family Allowances to their own employees (see below).

2. **Family Endowment Paid by Employers.** Another alternative is that the allowances should be paid for by employers, either directly or through the machinery of the Equalization Pool. This form of Family Endowment is the one which has been adopted in private industry in many continental countries. The most successful schemes are those where the allowances are paid through an Equalization Pool to which each employer contributes in proportion either to his total wage bill or to the total number of workers he employs, irrespective of whether they are married or single. This has proved completely effective

in preventing the danger that employers, if required to pay directly, would avoid employing men with families. On the Continent the widest application of this system is in France and Belgium, where it has proved so successful that the Belgian Parliament passed a law in 1930 making it compulsory on all employers to pay Family Allowances to their workers through an approved Equalization Pool; a similar Bill was also passed without opposition by the French Chamber. Family Allowances are paid in some employments in most of the industrial States of Europe. The State as an employer pays Family Allowances to its civil servants in the Commonwealth of Australia and in all European countries with the exception of Great Britain, Turkey, and Russia. The system is also practically universal in the coal mining industry on the Continent.

In New South Wales a statutory allowance of 5s. a week is paid in respect of each child under 14 to families below a certain income level. The cost is met by a levy on employers.

In this country the Equalization Pool system is frequently urged as specially applicable to those large and highly organized industries which find the payment of a "living wage" difficult because they are subject to foreign competition. The adoption of Family Allowances on these lines was recommended in 1926 by the Samuel Commission on the Coal Industry as "one of the most valuable measures that can be adopted for adding to the well-being and contentment of the mining population." It has also been suggested as offering a solution of the problem of securing a better standard of living for the agricultural worker.

3. **Family Endowment Paid for Through Contributory Insurance.** Several economists have suggested that Family Allowances might be included in an all-in scheme financed by voluntary or compulsory contributions, the cost being shared by the three parties actually interested in the children's well-being, the worker, the employer, and the State, or simply by the workers and the State alone, the employers paying through taxation.

FORMS OF FAMILY ALLOWANCES PRIOR TO 1945

It may perhaps be useful to summarize the various instalments of Family Allowances achieved in this country prior to the passing of the Family Allowances Act, 1945.

1. **Family Allowances to Payers of Income Tax.** These are on the substantial scale of a total remission of tax on £60 for a wife; £50 for each dependent child; £25 for a dependent relative; and £50 for a housekeeper employed by a widow or widower with dependent children, and in certain circumstances by an unmarried person. These abatements are equally claimable by all taxpayers.

The State also confers recognition in the shape of social services to the weekly wage earner, but for those whose incomes are at the middle levels there is little such recognition.

2. Widows' Pensions, for which see the succeeding chapter.

3. War Pensions to Widows and Orphans. These are granted on a substantial scale, differing with the service grades, to the widows and orphans of all men, whether officers or belonging to the non-commissioned ranks, in the Army, Navy, or Air Force, who were killed or died in consequence of war injuries. In respect of the 1939–45 War the allowances were extended to the mercantile marine, civil defence personnel, and civilians gainfully occupied. With the 100 per cent disability pension the allowance for a wife is 9s. 2d. per week, and the child's allowance 7s. 1d. for the first, and 5s. 5d. for subsequent children.

4. Pensions for Widows and Orphans of Men in the Armed Forces (other than War Pensions).

5. Separation Allowances for Wives and Children of Men Serving in the Army and Air Force. These allowances are paid on behalf of the families of men of all ranks in the Army and Air Force; but in the case of the Navy only of men in the non-commissioned ranks. Repeated efforts have been made to secure the extension of these benefits to the higher ranks of the Navy by those (irrespective of party) who act as its spokesmen in Parliament. The value of the allowances paid during 1930, in all three forces, in non-commissioned ranks amounted to £1,924,000.

6. Dependants' Allowances under Unemployment Insurance. These were first introduced in 1921, following shortly after a deputation by women's organizations to press for such allowances. The present scale is 16s. for the wife of an unemployed insured person; agricultural scheme 14s.; 5s. each for the first two children, and 4s. for each additional child; and 16s. for a housekeeper having the care of his dependent children, or widowed mother living with and totally dependent upon him. This allowance of 16s. is also payable in certain circumstances in respect of a husband, father, or stepfather unable to support himself, and a widowed or unmarried mother, or a stepmother with a disabled husband, or a female caring for the dependent children of the insured person. Insured men pay exactly the same contribution whether married or single; and protests are made against, or discontent aroused by, this method of paying for "other men's children."

If the serviceman is killed the widow receives 25s. per week (17s. 6d. if under 40 without children). The children's allowances are 9s. 6d. for the first child; 7s. for the second; and 5s. 6d. thereafter. For orphans the allowance is 11s. in each case.

7. Public Assistance and Blind Persons' Allowances. Scales of allowances for dependent wives and children are usually in operation which vary locally.

8. School Maintenance Allowances. Local authorities pay maintenance allowances in respect of children over 14 continuing their education. Now provided under a means test.

9. Unemployment Assistance and Supplementary Pensions. Subject to the applicable means test the following weekly dependants' allowances are payable—

Ages	*Allowances*
Under 8	6s. 0d.
Between 8 and 11	7s. 6d.
,, 11 and 16	9s. 0d.
,, 16 and 21	12s. 6d.
Over 21	15s.

10. The Housing Act, 1936, enables a local authority to grant to the tenants of houses, provided under that Act, such rebates from the standard rent, subject to such terms and conditions as they think fit. An opportunity is thus given in such cases to make rebates based upon the number of children.

11. Voluntary Schemes. In addition to the Statutory Provisions mentioned above there are voluntary schemes of Family Allowances on a fairly generous scale in the Ministry of the Methodist Church, and in a number of dioceses in the Church of England. A scheme is also in operation among the staffs of the London School of Economics and Birmingham Corporation.

12. Contributory Pensions. The sum of 7s. 6d. per orphan child per week is provided.

BEVERIDGE PLAN

One of the three assumptions upon which the Beveridge Plan of Social Security is based is that children's allowances will be in operation. See Chapter XXXIX.

MEMORANDUM OF CHANCELLOR OF THE EXCHEQUER

The Chancellor of the Exchequer issued a "Memorandum on Family Allowances" (Cmd. 6354) in May, 1942, setting out various types of schemes and providing estimates on the basis of a flat weekly allowance of 5s. per child for non-contributory and contributory schemes where (*a*) each child qualifies, (*b*) the first child would not qualify, and (*c*) the first two children would not qualify.

CHAPTER XXXIV

THE WIDOWS', ORPHANS', AND OLD AGE CONTRIBUTORY PENSIONS ACTS

THE Chancellor of the Exchequer (Mr. Winston Churchill) announced on the 28th April, 1925, that a contributory, compulsory and comprehensive scheme of national insurance would be laid before Parliament to operate from 4th January, 1926. The scheme would complete the British system of insurance.

The objects of the Widows', Orphans', and Old Age Contributory Pensions Act, 1925, are the provision of—

(*a*) Pensions to widows of insured men.

(*b*) Allowances to widows of insured men in respect of certain children.

(*c*) Pensions for orphans of insured men and women.

(*d*) Pensions to insured men and their wives upon attaining age 65 and for insured women at 60.

DATES OF COMMENCEMENT

The Act became completely operative in three stages and the dates under which these stages operated were as follows—

1. The Act itself came into operation on the 4th January, 1926, on which date the payment of contributions commenced, and widows' pensions, children's allowances, and orphans' pensions became payable.

2. The second stage was the 2nd July, 1926. On that date the old age pensions to insured persons over 70 years of age without inquiry as to means, residence, or nationality became payable.

3. The third date was the 2nd January, 1928. Three provisions came into operation on that date—

(*a*) The payment of old age pensions to insured persons over 65 years of age, and to insured men as and when they attain the age of 65, and insured women at 60.

(*b*) Contributions under the Health, Pensions, and Unemployment Insurance Acts ceased to be payable by insured men attaining 65 years of age (women at 60), but the employers' portion continues to be payable if the insured person remains at work.

(*c*) Sickness, Disablement, and Unemployment Benefits under the Health and Unemployment Acts ceased to be payable at the age of 65 for men and 60 for women.

Amending Acts, passed in 1929, 1931, 1936, and 1937, extended pension rights to certain classes which had previously been excluded and rectified certain anomalies which had become apparent in the administration of the original 1925 Act.

CENTRAL AUTHORITY

The Acts are administered by the Ministry of Health. The Welsh Board of Health and the Department of Health for Scotland are responsible in their respective countries. Claims are made to the Minister, and claimants have a right of appeal (except on certain points reserved for the Minister's decision) to one or more referees selected from a panel, appointed under the regulations of the National Health Insurance Joint Committee.

Pensions are paid weekly, in advance, through a Post Office selected by the pensioner.

Approved societies collect contributions and furnish to the Minister information respecting claimants' contribution records. Certificates of births, marriages and deaths of persons who claim pensions, or on whom pension rights are conferred under the scheme, may be obtained at a reduced fee.

LOCAL AUTHORITIES UNDER THE ACTS

For the purpose of the Acts the Local Authorities are—

(*a*) For County Boroughs—County Borough Councils.

(*b*) For Counties (other than London)—

(i) In non-county boroughs and urban districts the councils of which are local authorities for maternity and child welfare —the councils of those boroughs and urban districts.

(ii) In the remainder of the County—the County Council, which may make arrangements with the council of any county district whose area is wholly or partly situate within the county for the exercise and performance of any of the powers and duties of the County Council under the Acts.

(*c*) For London—the London County Council, with power to make arrangements with the City Corporation and the Metropolitan Borough Councils for the exercise and performance of any of the powers and duties of the County Council under the Acts.

COMMITTEES

Local authorities appoint Committees on which may be co-opted not more than one-third of the members, including women. The local authority may delegate its functions to their education or maternity and child welfare committee or in the case of a county council to any sanitary authority whose area is wholly or partly contained in the county.

INSURED PERSONS

Insured persons included—

1. Employed contributors under the Health Insurance Act, 1936 (see Chapter XII).

2. Voluntary contributors including special voluntary contributors.

3. Exempt persons under the Health Insurance Act (see "Exempt Persons").

4. Certain classes of persons whose employment is specially excepted by virtue of a Certificate of Exception (see "Excepted Employment").

VOLUNTARY CONTRIBUTORS

The classes of persons who have a title to be voluntary contributors are described in Chapter XII. Until 2nd January, 1929, any person who having a title elected to become or continue as a voluntary contributor for pension purposes had also to be a voluntary contributor for health insurance purposes. As from 3rd January, 1938, by virtue of the 1937 Act, voluntary insurance for health and pensions was separated and persons commencing voluntary insurance on or after that date can claim to be insured for pensions only and pay the pension contributions accordingly.

Special voluntary contributors, a class who came into existence by virtue of the Widows, Orphans', and Old Age Contributory Pensions (Voluntary Contributors) Act, 1937, are described on page 652.

EXEMPT PERSONS

Exempt persons are those who hold a certificate of the Minister of Health exempting them from the payment of contributions under the National Health Insurance Act (see Chapter XII).

Such persons have no title to Old Age Pensions at 65, and the contributions payable by them and their employers are reduced accordingly. Exempt women pay no contribution for pension purposes.

EXCEPTED EMPLOYMENT

Certain employments under the Crown, local or public authorities, railway or other statutory companies are excepted from compulsory health insurance by virtue of certificates of exception issued by the Minister on the ground that benefits equivalent to health insurance benefits are secured to the persons employed.

Persons engaged in such excepted employment are required to be insured under the Pensions Acts except in so far as the

terms of their employment secure them benefits equivalent to those of the Pensions Acts. In this respect their position varies according to whether they fall within one or other of the following classes—

CLASS A. Where the Minister certifies that the employment secures, by Act of Parliament or other approved means, benefits on the whole equivalent to all the benefits of the Pension Acts, i.e. widows', orphans', and old age pensions.

This class pay no contributions and are entitled to no pension benefits.

(Police officers fall within this class.)

CLASS B. Where the Minister is satisfied that provision is similarly made for securing benefits on the whole equivalent only to the old age pensions conferred by the Acts.

In this class men pay reduced contributions and are insured for Widows' and Orphans' pensions. Women pay nothing and are not insured for any pension. (The majority of established civil servants, railway clerks, and officers of local and public authorities fall within this class.)

CLASS C. Cases which do not fall under A or B above.

This class pay full contributions and are insured for all pensions.

CONTRIBUTIONS

These are paid by means of affixing a stamp as one combined contribution payable under the Health Insurance and Pensions Acts to a contribution card obtainable from an Approved Society or the Post Office. The normal weekly rates, as from 6th January, 1936, are as follows—

	National Health Insurance			Pensions			Totals		
	Employee	Employer	Total	Employee	Employer	Total	Employee	Employer	Total
Man	5½d.	5½d.	11d.	6½d.	6½d.	1/1d.	1/-	1/-	2/-
Woman	5d.	5½d.	10½d.	3½d.	5d.	8½d.	8½d.	10½d.	1/7

There are special rates and methods of payment of contributions in respect of persons over 65, exempt persons, excepted persons, voluntary contributors, and foreign-going seamen.

Low wage earners contribute in the same circumstances as for health insurance. Those under 16 years do not contribute. While the modified proportions of contributions by employer and employee respectively continue for health insurance, low wage

earners are required to contribute at the ordinary rates for pensions insurance.

BENEFITS

Benefits are of three classes—

(I) Widows' Pensions and Additional Allowances.
(II) Orphans' Pensions.
(III) Old Age Pensions.

(I) Widows' Pensions and Additional Allowances. Widows' pensions are of 10s. a week payable during widowhood until the age of 70 is reached. At that age, if a pension is still payable it becomes an old age pension of 10s. a week (without inquiry as to means, residence, or nationality).

Allowances by way of addition to Widows' Pensions are payable for children under the age of 14, or between 14 and 16 if under full-time instruction in a day school, at the rate of 5s. a week for the eldest (or only) child and 3s. a week for each other such child. In the case of orphans it is 7s. 6d. a week for each child. The allowances may continue to the 31st July following the 16th birthday if the child remains at school.

Children's allowances may continue notwithstanding cessation of the widow's pension (e.g. on remarriage), and on the death of the widow the allowances become orphans' pensions.

An allowance for a posthumous child is payable as from the date of birth.

"Child" includes a stepchild and in relation to a man, an illegitimate child whether his or his wife's, who was living with him at the time of his death.

A child adopted, under the provisions of the Adoption of Children Act, 1926, by a married couple is treated as a child of the couple, unless an allowance (or orphan's pension) was in payment for the child at the date of the adoption.

STATUTORY CONDITIONS. The conditions attached to the payment of widows' pensions depend upon certain considerations of insurance, age and date of death of her husband as follows—

1. Where the husband died on or after 4th January, 1926, and was under the age of 70 on that date—

(i) He must have been an insured person under the Contributory Pensions Acts at the time of his death and must have been insured for 104 weeks and had 104 contributions paid for him since his last entry into insurance; and

(ii) if four years or more have elapsed since his last entry into insurance, an average of 26 contributions must have been paid for each of the three contribution years preceding his

death, or his 65th birthday, if he was over 65 at death. Weeks of sickness and genuine unemployment count as contributions for this purpose.

If the husband had been continuously insured for ten years on reaching age 60 or had been entitled to an old age pension between the ages of 65 and 70, only the first of these two conditions needs to be satisfied.

(iii) If the husband was over the age of 60 at the date of the marriage, and the marriage took place after 29th April, 1925, the widow will not be entitled to a pension unless (*a*) there is or has been a child of the marriage; or (*b*) three years have elapsed between the date of the marriage and the date of the husband's death; or (*c*) immediately before her marriage she was, or but for disqualification would have been, in receipt of a widow's pension.

NOTE that it is not a necessary condition for a widow's pension that there shall be a child of the marriage where the husband died on or after the 4th January, 1926, except as in (iii) above.

2. Where the husband died on or after 4th January, 1926, but was 70 or over on that date, he must have been an insured person from 29th April, 1925, to 2nd July, 1926 (or the date of his death, if before 2nd July, 1926).

(i) If there is at the date of death of the husband at least one legitimate child or stepchild under the age of 14, the pension is payable from the date of the husband's death and will continue until the youngest or only child reaches the age of 16, or until 31st July following the 16th birthday if the child is still at school.

(ii) Where there is no child under the age of 14 at the death of the husband, the widow must show that she was resident in Great Britain or Northern Ireland on 25th July, 1929, and for two years before the date on which the pension would commence to be payable. If she was under the age of 55 at the date of death of the husband, the pension will not be payable until she reaches that age.

3. Where the husband died before 4th January, 1926. Widows of at least 55 years of age may be entitled to pension if the following conditions are satisfied.

The husband must—

(i) Have been at some time within three years before his death (or before his 70th birthday, if he survived that age) registered as a member of an Approved Society or as a deposit contributor for National Health Insurance; or

(ii) have been at some time within the said three years engaged in an employment, as his usual means of livelihood,

which would have been insurable under the Contributory Pensions Act, 1925, if the Act had then been in force; or

(iii) have served during the late War (1914–18) in the naval, military, or air forces, or as a master or seaman in the mercantile marine or sea-fishing service, for not less than two years and been entitled to be insured while so serving, and died within three years of the end of that period; or

(iv) having volunteered for temporary service abroad in the Army or Navy in connection with any naval or military operations previous to the War, 1914–18, have served for not less than a year and died within three years thereafter.

The widow must have been resident in Great Britain or Northern Ireland on 25th July, 1929, and for a period of two years before the date on which she would be entitled to pension.

The widow of a man in this class was entitled, subject to certain conditions, to a pension on 4th January, 1926, if there was on that date a legitimate child or stepchild under the age of 14. That pension ceased when the youngest child attained the age of 14½ (or 16 if that age was not reached before 2nd January, 1930). A widow who has been entitled to one of these pensions can again claim a pension when she reaches the age of 55.

(II) **Orphans' Pensions.** These are of 7s. 6d. a week and are payable for the orphan children of insured married men and widowers or of insured widows, while under the age of 14 or between 14 and 16 when the child is under full-time instruction in a day school.

Orphans' pensions are paid to the guardian or person having the charge of the child.

An orphan is a child both of whose parents are dead, but if an additional allowance can be claimed for a child who has lost both parents (e.g. as a stepchild) an orphan's pension is not paid.

The conditions are the same as those for widows' pensions described earlier.

If the mother survived the father and claim is made in right of her insurance (or employment) the conditions must be satisfied in respect of the mother. Special conditions apply when the parent in right of whose insurance (or employment) pension is claimed died before 4th January, 1926.

(III) **Contributory Old Age Pensions.** These pensions are of two classes—

(*a*) Contributory Pensions at 65.

(*b*) Unrestricted Old Age Pensions at 70.

(*a*) *Contributory Pensions at* 65. Insured men who fulfil the statutory conditions are entitled to a pension of 10s. a week, on attaining the age of 65 (insured women at 60). A married woman

is entitled to a pension of 10s. a week at age 65 provided that her husband is himself 65 or over, and is himself entitled to a pension in right of insurance.

On attaining the age of 70 persons who have been entitled to a contributory pension continue to receive a pension of 10s. a week under the Old Age Pensions Acts without the usual tests as to means, residence, and nationality (see Chapter XXXIII).

(*b*) *Unrestricted Old Age Pensions at 70.* (i) Men and women who had been continuously insured from 29th April, 1925, and were over 70 before 2nd July, 1926, were entitled to an unrestricted pension of 10s. a week as from the latter date.

(ii) Men and women who had been continuously insured from 29th April, 1925, and attained age 70 between 2nd July, 1926, and 2nd January, 1928, became entitled to an unrestricted pension of 10s. a week on attaining 70.

(iii) Wives of insured men who came under either of the two preceding classes also became entitled to an unrestricted pension on attaining 70.

STATUTORY CONDITIONS. The statutory conditions which have to be satisfied in order to qualify for a pension at 65 (or 60 for women) are—

(i) The claimant must be an insured person on reaching 65 and must have been continuously insured for at least 5 years since the date of last entry into insurance.

(ii) 104 contributions must have been actually paid in the course of the current insurance.

(iii) The number of contributions, weeks of sickness and weeks of genuine unemployment (taken together) for the three contribution years immediately before age 65 must, on the average, be at least 39 in each of those years.

This test does not apply in the case of a person who, on reaching age 60, had then been continuously insured for 10 years.

(iv) If a person, on attaining age 65, has not been insured for 5 years, then he or she must wait until the 5 years have elapsed before becoming entitled to the pension.

(v) If an insured man marries after 29th April, 1925, and was at least age 60 at marriage, his wife will not be entitled to the pension in right of his insurance, even if otherwise qualified, before the expiration of three years from the marriage unless she was immediately before marriage in receipt of a widow's pension.

WIDOWS', ORPHANS', AND OLD AGE CONTRIBUTORY PENSIONS (VOLUNTARY CONTRIBUTORS) ACT, 1937

The purpose of this Act is to extend the benefits of voluntary insurance for widows', orphans', and old age pensions to the

great body of independent workers, professional and other persons of small incomes, e.g. ministers of religion, shopkeepers, farmers, dressmakers, music teachers, and individual traders, and craftsmen of all kinds, who are outside the earlier Contributory Pensions Scheme. The Act came into force on 3rd January, 1938. It is administered by the Ministry of Health and applications are made to the Minister on a prescribed form, which may be obtained gratis at any post office.

Qualification for Insurance. The considerations which determine title to admission to insurance are age, residence, and income. A person so admitted is classed as a "special voluntary contributor."

AGE. Favourable terms applied to persons who became special voluntary contributors during the first year of the operation of the Act. Such persons, known as "initial entrants," were admitted if under the age of 55 on 3rd January, 1938. On and after 3rd January, 1939, however, no person who has attained the age of 40 is eligible to enter into the scheme.

RESIDENCE. Applicants must be resident in Great Britain at the date of application and must then have been continuously so resident for a period of ten years.

INCOME. In the case of a man, the income limit, which is applicable only at the time of entry into insurance, is £420 a year, of which £200 may be unearned; in the case of a woman, the respective figures are £250 and £125. Where income fluctuates from year to year and the applicant's income exceeds the above-mentioned figure in the year ending on the 5th April last preceding the date of application, an alternative basis of assessing income may in certain circumstances be substituted.

Benefits. The benefits are the same as those provided by the Widows', Orphans', and Old Age Contributory Pensions Act, 1936 (see page 649). The full rates of pension are also the same, but to secure a pension at the full rate, an average of at least fifty contributions for each contribution year over the whole period of insurance is required. If the yearly average is less than fifty, pension (and allowances) are reduced in accordance with a prescribed scale based upon the number of contributions paid. In calculating the yearly average in the case of a person who enters the scheme after the beginning of a contribution year, a contribution is credited for every week of that year up to the actual week of entry.

Contributions. Male initial entrants contribute 1s. 1d. a week if insured for all pensions, or 7d. a week if they elect to be insured for Widows' and Orphans' pensions only. Female initial entrants contribute 8½d. a week. The rates of contributions in

the case of entrants after the first year are graduated in accordance with the applicant's age at entry, and range in the case of men from 1s. 3d. a week where age at entry is 20 to 2s. 11d. a week where age at entry is 39. For women the corresponding rates are 6d. and 11d.

Contributions cease at the age of 65.

Men who May Insure for Widows' and Orphans' Pensions, but Not for Old Age Pensions. Persons in employment in which by statutory enactment, or other approved means, provision is made for Old Age Pensions at least equivalent in value to the Old Age Pensions provided by the Act, but not for Widows' and Orphans' Pensions.

Persons who May Not be Insured under the Scheme—

(*a*) Persons who are employed in employments in respect of which contributions are required to be paid under the Pensions Act.

(*b*) Persons who are already voluntary contributors or who have a title to become a voluntary contributor under the Widows', Orphans', and Old Age Contributory Pensions Act, 1936.

(*c*) Persons in certain employments where the Minister of Health has certified that provision has already been made for pensions equivalent to all the benefits of the scheme, and persons who have retired from such employments with a superannuation allowance.

(*d*) The wives of men in any of the classes mentioned at (*a*), (*b*), and (*c*) above, and the widows (unless they are entitled to Widows' Pensions) of men who were within those classes immediately prior to death.

(*e*) Women in certain employments who are entitled to superannuation on retirement, and women who have already retired on superannuation from such employments.

(*f*) The wives of men who are entitled to insure in the scheme for Widows and Orphans', but not Old Age Pensions.

Qualifying Conditions. The statutory conditions which have to be satisfied in order to qualify for a pension are as follows—

(*a*) FOR A WIDOW'S OR ORPHAN'S PENSION. At least two years must have elapsed since the date of entry into insurance under the scheme, and at least 104 contributions must have been paid.

(*b*) FOR AN OLD AGE PENSION. There must have been continuous insurance under the scheme for at least ten years prior to age 65 and at least 260 contributions must have been paid.

Provision is made for the crediting of a certain number of contributions in the case of a protracted illness of a contributor who is normally engaged in a gainful occupation.

If a contributor has fewer than twenty-six contributions to his credit for any contribution year, he will cease to be insured

at the end of the following contribution year unless in the meantime he pays enough contributions to bring the total for each of those two years up to twenty-six. Voluntary contributors who lapse (i.e. cease to be insured) will be advised individually of the benefits, if any, remaining to them after the lapse.

Contributors removing to any of His Majesty's overseas dominions can continue to pay contributions and eventually draw their pensions in the dominions.

Pensions are not payable elsewhere than in Great Britain, Northern Ireland, and the Dominions.

POWER TO MODIFY EXISTING SUPERANNUATION SCHEMES

A number of local authorities have during recent years established superannuation schemes for the benefit of their employees principally under the Local Government and Other Officers' Superannuation Act, 1922, and from the 1st January, 1939, must adopt such schemes in accordance with the provisions of the Local Government Superannuation Act, 1937. Such employees will thus, independently of the State scheme, be entitled to a pension under the local scheme. Moreover, they may also be entitled to State pensions under the Act of 1925. Full contributions for the local authority and the employees, both to the State pensions scheme and to the local superannuation scheme, may prove an undue burden. To meet this difficulty most important provisions are contained in the National Health Insurance Act, 1936, and the Pensions Act of 1936, whereby under certain conditions local authorities with superannuation schemes for their employees may: (*a*) obtain exception from the liability to contribute in respect of (1) national health insurance; and (2) widows', orphans', and old age pensions (see "Excepted Persons"); or (*b*) modify their local superannuation schemes in accordance with the provisions of Section 28 of the Widows', Orphans', and Old Age Contributory Pensions Act, 1936. Where a superannuation scheme has been established pursuant to the provisions of the Local Government and Other Officers' Superannuation Act, 1922, steps in regard to modification can be taken under Section 28 (3) of the Act of 1936, which provides for a local authority with a superannuation scheme submitting to the Minister of Health a scheme to modify the basis of the superannuation scheme (both contributions and benefits) in respect of those employees who are insurable under the National Health Insurance Acts. The modification will be in ratio to the value of the old age pension for the employee and, if married, his wife, at 65 years of age.

If the local superannuation scheme has been established under the provisions of a local Act the modification will be governed by subsection (2) of Section 28, the provisions of which are somewhat similar. Subsection (4) provides that no modification of a local superannuation scheme shall prejudicially affect the solvency of the scheme. It is important to bear in mind that a modification scheme affects only the local superannuation scheme. Subsection (6) provides that a scheme under Section 28 shall not affect the benefits of, or contributions by, any person under the State Act. Under a modified scheme full contributions will therefore be payable for health and pensions insurance. The scheme of modification must be submitted to the Minister of Health, who may confirm the scheme after giving the persons affected an opportunity of objecting thereto. The nature and extent of the modified scheme is largely within the discretion of the local authority. The first thing to be decided is the extent of the reductions in the allowances from the local superannuation scheme. Subject to the Minister's approval the local authority is free to determine this, but the maximum reduction in the local superannuation allowance is not to exceed the amount of the State pension to which the employee is entitled under the Contributory Pensions Act at the age of 65.

When the before-mentioned reductions have been fixed the next step is to determine the amounts by which the contributions to the local superannuation scheme are to be reduced. This, of course, is a matter for the actuary. The reductions in the contributions will extend to—

(*a*) The employees' contributions to the local superannuation scheme;

(*b*) the equivalent contribution made by the local authority; and

(*c*) the equal annual charge made by the local authority.

In considering whether it is advisable for a local authority to proceed by way of modification or to apply for exception, regard must be had to local circumstances.

DISQUALIFICATION

A person is disqualified under the Pension Acts from receiving or continuing to receive a pension while—

(i) An inmate of a Poor Law Institution (other than for the purposes of medical and surgical treatment);

(ii) undergoing a term of imprisonment without the option of a fine; or

(iii) being maintained in any place as a criminal lunatic;

(iv) detained in a Mental Hospital or maintained as a

rate-aided patient of unsound mind, except under Sections 3, 4, 8, and 11 of the Act of 1936, which relate to widows, orphans, and certain insured persons;

(v) in the case of a widow, whilst she is cohabiting with a man as his wife.

OFFENCES

Offences under the Acts are punishable, on summary conviction, by imprisonment for a maximum period of three months.

FINANCIAL PROVISIONS

A Pensions Account has been opened to which are carried all contributions paid under the Acts and out of which are met all pensions payable under the Acts.

Parliament provides a yearly sum to this account, which, for the years 1926 to 1930 was £4,000,000. The 1929 Act enlarged the scope of the benefits without increasing contributions and the increased expense is borne out of further money provided by Parliament which, for 1931, was £9,000,000. Under the Act of 1936, the contribution for the period of seven years up to 1943 will be £15,000,000, rising thereafter by one million pounds annually. For the three years 1944–46 the amount will be £21,000,000, and thereafter such sum as Parliament may determine.

EXPENSES OF ADMINISTRATION

The Act provides that any expenses incurred by a Maternity and Child Welfare Committee, in the exercise and performance of powers and duties delegated to them, shall be defrayed as expenses incurred under the Maternity and Child Welfare Act, 1918 (now Public Health Act, 1936), as the case may be. If a local authority incurs expenses in respect of work which has not been delegated to the maternity and child welfare committee, or if the council of a county district incurs similar expenditure which is not met by payments by the County Council, the Act provides for the expenses to be defrayed as follows—

(*a*) In the case of a County Council, as expenses for general county purposes, or if the Minister by order so directs, as expenses for special county purposes charged on such part of the county as may be provided by the order;

(*b*) in the case of the Common Council of the City of London, out of the general rate;

(*c*) in the case of a Metropolitan Borough Council, as part of the general expenses of the Council.

SURVEY OF PROBLEMS RELATING TO AGED PEOPLE

In March, 1944, it was announced that such a survey was to be undertaken by the Nuffield Foundation Trustees with the co-operation of the Ministry of Health and Assistance Board. The chairman of the Survey Committee is Mr. B. Seebohm Rowntree, C.H., LL.D.

SUPPLEMENTARY PENSIONS

The Old Age and Widows Pension Act, 1940, transferred from the 3rd August, 1940, the responsibility for granting any additional assistance to old age pensioners and widow pensioners over 60 from public assistance authorities to the Assistance Board. The Act does not apply to blind persons' institutional treatment, medical surgical needs and cases of sudden and urgent necessity. About 250,000 persons were affected, and the initial cost was estimated to be about five million pounds per annum, but one million pounds of this was secured by a reduction of the block grants paid to local authorities. The Determination of Needs Act, 1941, applies to these payments and the statutory disregards also apply. The Supplementary Pensions (Determination of Needs and Assessment of Needs) (Amendment) Regulations, 1942, increased the original rates of maximum allowances from the 17th August, 1942. There were then about 1,125,000 recipients and the cost was increased by about £9,250,000. New Regulations 1943, introduced in January, 1944, further increased the rates at an estimated additional cost of £7,250,000 a year, bringing the total annual cost to £51,250,000 paid to 1,475,000 pensioners. The new allowances additional to the pension are as below.—

	s.	*d.*	
Married couple	25	–	plus rent allowance
Pensioner living alone or as a householder	10	–	,, ,, ,,
Single pensioner . . .	7	6	plus contribution to rent (not less than 2s. 6d., not more than 7s.)
Dependant 21 or over . .	15	–	
between 16–21 . . .	12	6	
,, 11–16 . . .	9	–	
,, 8–11 . . .	7	6	
under 8	6	–	

Additions may be made in cases of sickness, age or infirmity or where domestic help is required.

The normal practice of the Assistance Board is to continue payment of a supplementary pension after admission to hospital when the pensioner has commitments such as rent or the maintenance of dependants which cannot be met out of his basic pension or other income and in other cases to suspend payment. In the case of widows with supplementary pensions, the determination will in all cases remain formally in force for at least six months after her admission to hospital

CHAPTER XXXV

WAR PENSIONS

THE Naval and Military War Pensions, etc., Act, 1915, has been amended by the Naval and Military War Pensions, etc., Act, 1916, the Naval and Military War Pensions, etc. (Transfer of Powers) Act, 1917, the Naval and Military War Pensions, etc. (Administrative Expenses) Act, 1917, and the War Pensions Act, 1921.

OBJECTS OF THE ACTS

The objects of the Acts are for purposes relating to pensions and grants and allowances made in respect of war service to officers and men, their wives, widows, children, and other dependants, and the care of officers and men disabled.

THE CENTRAL ADMINISTRATION

The Pensions Service has been administered by the Ministry of Pensions as from 15th February, 1917, in accordance with the Ministry of Pensions Act, 1916, from central offices in London and from Regional Headquarters.

THE MINISTRY OF PENSIONS ACT, 1916

On the 14th November, 1916, a Board of Pensions Bill was introduced by Mr. Arthur Henderson, then the Paymaster-General, with the general object of improving the administration of pensions and grants awarded for disablement sustained in war service. It was proposed by this Bill to constitute a Board of Pensions, with the Paymaster-General as President and the Parliamentary Secretaries of the Admiralty and Local Government Board and the Financial Secretary of the War Office as members. The Bill gave the proposed Board power to deal with military pensions only, and on this and other points met with considerable criticism in the House of Commons. As a result, substantial amendments were proposed by the Government while the Bill was in Committee, which were embodied in what was, in effect, a new Bill, "The Ministry of Pensions Bill." The Bill as amended was passed and became law on the 22nd December, 1916.

Constitution of the Ministry of Pensions. The Ministry of Pensions Act, 1916, constituted a Minister of Pensions responsible to Parliament for the administration of all pensions for disablement

or death. The Act provides that he shall be entitled to receive advice and assistance on any matter on which he may request it from the Parliamentary and Financial Secretaries of the Admiralty, the Financial Secretary of the War Office, and the Parliamentary Secretaries of the Local Government Board, now Ministry of Health.

Powers and Duties of Minister. Section 2 (1) of the Act transferred to the Minister of Pensions, as from a date to be prescribed by Order in Council (see next page), the powers and duties of the Admiralty, the Chelsea Commissioners, and the War Office in respect of the administration of pensions and grants to officers and men and to their widows, children, and dependants, and to persons in the nursing services of the Naval and Military Forces, except "service" pensions, in-pensions, and pensions or grants payable out of funds provided exclusively for the purpose of Greenwich Hospital. The award of "service" pensions remains under the control of the Admiralty and War Office.

Apart from the administration of war pensions, the Department is also concerned with the provision of medical treatment (including artificial limbs and appliances); the care and education of orphaned children; and the administration of the King's Fund.

Statutory Committee. The Statutory Committee, which had been formed under the Naval and Military War Pensions, etc., Act, 1915, for the purpose of administering supplementary assistance in cases of hardship where the State separation allowance or pension was deemed inadequate, was abolished. The provision for the after-care of disabled officers and men was not affected by the Ministry of Pensions Act, 1916, except that Section 3 of the latter Act provided that the powers and duties of the committee should be exercised "under the control of, and in accordance with the instructions of, the Minister of Pensions." The committee was required also to render to the Minister, when requested, its advice and assistance on any matter. By Section 4 of the Ministry of Pensions Act, the Local War Pensions Committee, also constituted under the Act of 1915, was required to render the same assistance to the Minister of Pensions in regard to furnishing information, making recommendations, and distributing grants as it was required to render to the Statutory Committee. The Local Committee remained responsible to the Statutory Committee and not to the Ministry.

NAVAL AND MILITARY WAR PENSIONS, ETC. (ADMINISTRATIVE EXPENSES) ACT, 1917

This Act deals mainly with the manner in which the administrative expenses of Local War Pensions Committees are to be met.

Section 3 of the Act, however, gives the Minister power to approve the formation of Local Committees in areas with a population between 20,000 and 50,000. Such decisions had been left exclusively to the discretion of the Statutory Committee by the Act of 1915. Section 5 of the Act enables the Minister to make an order to divert, on the application of the trustees, a local voluntary fund which had been raised for some specific purpose connected with the provision of assistance to disabled officers or men or to the wives, widows, or dependants of officers or men, to some other purpose of a similar kind, if the trustees of the fund apply to him. Section 6 of the Act further empowers the Minister to accept gifts of money or securities to be applied for the purpose of assisting disabled officers and men and the widows and dependants of deceased officers and men. Voluntary gifts of substantial amount have been made to the Minister under this provision.

NAVAL AND MILITARY WAR PENSIONS, ETC. (TRANSFER OF POWERS), ACT, 1917

The arrangements contemplated by the Ministry of Pensions Act under which the Statutory Committee continued to exercise its original powers and duties subject to the direction of the Minister of Pensions, proved in a short time to be unworkable in practice. In June, 1917, Mr. Barnes introduced a Bill which became law in August, dissolving the committee and transferring its functions to the Minister. At the same time, Section 2 of the Act required the Minister to appoint a committee, to be known as the Special Grants Committee, to which were transferred the functions of the Statutory Committee—

(i) To decide questions of fact on which the amount of a pension or grant to a dependant, other than a widow or child, might depend (Section 3 (1) (*a*) of the Act of 1915);

(ii) to frame regulations, subject to the approval of the Minister, for supplementary grants (Section 3 (1) (*b*));

(iii) to decide questions as to forfeiture of pensions, etc., in certain cases (Section 3 (1) (*f*));

(iv) to decide in cases of conflicting claims (Section 3 (1) (*g*));

(v) to determine questions referred by the Minister relating to pensions, etc. (Section 3 (1) (*h*)); and

(vi) to determine the amount of any grant, etc., provided for in Section 3 (1) (*c*), (*d*), (*e*), and (*k*).

The functions of the Statutory Committee relating to the establishment and control of the Local War Pensions Committees and to the after-care of disabled men were transferred to the Minister.

CENTRAL ADMINISTRATION

(*a*) **Original Organization.** In pursuance of the terms of Section 2 (1) of the Ministry of Pensions Act, 1916, an Order in Council was issued transferring to the Minister of Pensions the powers and duties of the Admiralty, the Commissioners of Chelsea Hospital, and the Army Council in regard to the administration of disablement pensions, as from 15th February, 1917.

Section 5 of the Ministry of Pensions Act, 1916, gave the Minister the usual powers for the appointment of secretaries, officers, and staff. Section 8 further provided for the transfer to the service of the Ministry of such numbers of the staff employed in the administration of pensions under the Admiralty, the Chelsea Commissioners, and the Army Council, as might be agreed upon between the Ministry and the respective departments. The work of the Ministry was, in the first instance, organized in four divisions, three of which were placed under the charge of Assistant Secretaries, whilst Finance was presided over by the Director of Finance. The Divisions were constituted as follows—

1. The award of pensions to disabled soldiers, seamen, and marines;

2. the award of pensions and gratuities to officers and widows and dependants of officers; and to widows and dependants of soldiers, seamen, or marines killed in war service;

3. the control and direction of the Statutory Pensions Committee, including the treatment and training of disabled men; the office establishment department; and general matters other than the award of pensions; and

4. finance, including the actual payment of all awards of pension or gratuity.

(*b*) **Subsequent Organization.** With the passing of the Transfer of Powers Act, 1917, the constitution of the department had to be modified to provide for the direct administration by the Ministry of the powers of medical treatment and of training taken over from the Statutory Committee, and for the establishment of a further division to deal with the work of the Special Grants Committee set up under that Act, for which an additional Assistant Secretary was appointed. Ultimately the Minister deemed it desirable, in view of the increase of the work connected with medical treatment and training, to entrust these branches to technical experts, and a Director of Training and a Director of Medical Services were accordingly appointed. It was also decided to form separate branches of the Ministry for the purpose of the supply and repair of artificial limbs, and for surgical appliances, which were respectively placed under the charge of

directors. At the same time, the Inspectorate which had been formed under the Statutory Committee to assist the Local War Pensions Committees was reorganized and increased, and its direction was entrusted to a Chief Inspector. The branches of the Ministry are as follows—

1. General Administration.
2. Awards Division.
3. Accounts Division.
4. Special Grants Committee.
5. Pension Issue Office.
6. Medical Services.
7. Hospitals,

together with various Area Offices.

The Central Administration is assisted by a Central Advisory Committee constituted under the War Pensions Act, 1921. This committee consists of officers of the Ministry (local and central), ex-service men, and representatives of any committees constituted under the War Pensions Acts. This committee considers such matters as may be put before them by the Minister for their advice.

The Local War Pensions Committees were formed under the Naval and Military War Pensions, etc., Act, 1915, for every county and county borough. Every borough and urban district having a population of not less than 50,000 may have a Local Committee where the Council so desires. Any other borough or urban district may have a Local Committee where the central authority, on the application of the Council thereof, considers it desirable.

The Constitution of Local War Pensions Committees is provided for under a scheme framed by the central authority under the War Pensions Act, 1921. The committee so established shall not exceed 25 members, appointed by the Minister, and the scheme shall provide for the inclusion of representatives of—

(*a*) Disabled men who have been discharged during the War.
(*b*) Women in receipt of pensions arising out of service during the War.

} not less than one-quarter

(*c*) Such local authorities whose districts are situated in the area.
(*d*) Employers and workmen in industry in equal numbers.
(*e*) Voluntary associations engaged in the care of ex-service men and their families in the area.

} one-fifth

Not less than four members of the committee shall be women.

Functions of Local War Pensions Committees. The functions of the committee as provided by the 1921 Act are—

(*a*) To consider and make recommendations as to the administration of War pensions.

(*b*) To receive reports from officers as to the state and progress of applications.

(*c*) To hear and consider complaints by persons in receipt of pensions and to make representations to the Minister.

(*d*) To inquire into any matter referred to them by the Minister.

(*e*) To make arrangements for the distribution of supplementary grants.

(*f*) To consider applications for grants from departments, bodies or associations.

(*g*) To perform duties in relation to the care of children for whom the Minister is responsible.

(*h*) To take steps to secure co-operation of voluntary workers.

(*i*) To perform such other duties as the Minister may by regulation prescribe.

The system is a very complicated one, too detailed to be dealt with fully, but the following points may be useful as a general guide to the subject.

I. PENSIONS FOR MEN

These are granted as follows—

(*a*) Disablement Pensions and Allowances or Gratuities to men who come within one of the following classes—

1. Discharged as Medically Unfit for further service or while suffering impairment of health attributable to or aggravated by war service.

2. If after demobilization or discharge he is suffering from a disablement which is certified as attributable to or aggravated by his service.

(*b*) Alternative Pensions are provided to meet the case of a man whose pre-War earnings (with the addition of 60 per cent) were higher than his pension and allowances together with the average earnings of which the man is still capable. If granted, it is in substitution for the Disablement Pension and allowances for wife and children.

II. PENSIONS FOR WIDOWS AND DEPENDANTS OF MEN

(*a*) **Widows' Flat-rate Pensions.** Widows' pensions are granted under three different conditions enumerated in the Articles of the Royal Warrant.

(*b*) **Widows' Alternative Pensions.** A Widow's Alternative Pension is a pension based on her husband's pre-War earnings,

and where granted is in substitution for the pension and children's allowance awarded under Article 11 of the Royal Warrant.

(*c*) **Pensions for Motherless and Illegitimate Children.** A pension may be granted where any child of a man who died is or becomes motherless, or has been removed from the control of its mother.

(*d*) **Separated Wives.** A wife who was separated from her husband and would otherwise have been entitled to a pension as widow may be granted a pension equal to the amount due to her under a separation order, or otherwise paid by her husband.

(*e*) **Unmarried Wives.** Any woman who has lived as his wife with a man for at least six months prior to his death and who died in circumstances similar to (*b*), may be granted a pension if she was wholly or substantially dependent on that man, and if she has been drawing or has been eligible for separation allowances as for a wife.

(*f*) **Parents.** "Parent" includes a grand-parent, or other person who has been in the place of a parent to the man, and has wholly or mainly supported him for not less than one year at some time before the commencement of the War.

The parent's pension is based on incapacity for self-support and inadequacy of financial resources of the parents. Incapacity is assumed in the case of a mother at the age of 60, but otherwise is, of course, a matter of medical ascertainment.

(*g*) **Other Dependants.** Pensions are granted to dependants other than parents and those mentioned above only where the dependant is wholly or partially incapable of self-support, and is in pecuniary need. There must have been dependence for at least six months prior to death.

Under the War Pensions Act, 1921, the Minister may, on the application of any person in receipt of a pension, commute any part of the pension by the payment of a capital sum. The War Pensions Act, 1921, limits the time for making claims to pensions in respect of disablement to seven years after the date on which the claimant was discharged or the date fixed for the termination of the War, whichever date is the earlier.

III. MEDICAL SERVICES

(*a*) **Organization.** Medical Boards are of three classes, viz.—

1. Medical Discharge Boards.
2. Medical Resurvey Boards.
3. Medical Appeal Boards.

Local Committees may send men to the Assistant Director of

Medical Services, who has the duty of examining and certifying men as to treatment, training, degree of disablement, extent of increase of disablement, and physical condition.

(*b*) **Treatment.** Treatment is available where a claim for pension has already been decided by the Ministry for a man suffering from a disablement attributable to or aggravated by service.

(*c*) **Training.** Training is provided under normal conditions by the Ministry of Labour or the Ministry of Agriculture and Fisheries.

IV. SUBSEQUENT APPEALS

(*a*) Claims are made in the first place to the Area Office under Article 9 of the Regulations.

(*b*) Within twelve months, appeal lies to the *Pension Entitlement Appeal Tribunal* where the decision is given against the claimant as not attributable to or not aggravated by military service or that the aggravation has passed away. (Min. Circ. 202, 201, 195.)

(*c*) If under-assessed, appeal lies to the *Assessment Appeal Tribunal* in all cases after the award of pensions as well as within twelve months in all cases.

(*d*) Where award has been "finalized" and not appealed against within twelve months, appeal lies to the *Errors Board* who put the claimant under observation in an hospital and then claimant is re-boarded and, if necessary, re-assessed.

SUPPLEMENTARY BENEFITS

In addition to the general scheme of pensions there has been provided a variety of arbitrary benefits adapted to special occasions or circumstances of need and ranging from benefits which are properly incidental to compensation for what has been suffered or lost by war service (and so fall on public funds) to those which are simply assistance and are provided mainly, though not entirely, by the King's Fund with the assistance of voluntary funds.

THE WAR PENSIONS (ADMINISTRATIVE PROVISIONS) ACT, 1919

This Act made further provision for the administration of War Pensions and Grants. In particular, the Act provides for the administration of pensions, etc., under the Injuries in War (Compensation) Acts. Power to obtain information from employers was extended to include information as to earning capacity, and

the power to pay pensions in advance was extended to six months. Further provision as to the audit of accounts of committees was made on the lines of the accounts of Insurance Committees and the audit of such accounts. The Act also gave to every officer or man suffering from a disability, due to or aggravated by service, a statutory right to a pension; and established a Pensions Appeal Tribunal. This Tribunal hears appeals against Final Awards made in respect of officers and men under the War Pensions Act, 1921.

REPORT OF COMMITTEE, 1921

Important recommendations were contained in the Report of the Departmental Committee of Inquiry into the machinery of administration of the Ministry of Pensions which, issued on the 5th July, 1921, is in the form of a Blue Book.

Among the important recommendations of the committee not included above, which were incorporated in the War Pensions Act, 1921, are the following—

Power is given to the Minister to accept custody of a child in respect of whom the Poor Law authorities have obtained parental rights by resolution under the Poor Law Act, 1930.

That regional awarding officers and medical officers should be instructed to explain briefly, in answer to queries by pensioners and claimants, the grounds of the decision.

That a complaints branch be set up in each regional office under the direct control of the regional director.

That a man, if he so desired, should be allowed the assistance of a member of his local committee or an official of his local ex-service men's association at the hearing of his appeal before the Pensions Appeal Tribunal, and that expenses be paid to such person on the same scale as for the man if the appeal be successful.

EXPENDITURE

The total expenditure on War Pensions since 1914 has aggregated £1,275,000,000 and will ultimately reach, even at the present reduced rate of about £40,000,000 a year, well over £2,000,000,000. The number of beneficiaries at its peak was over 3,000,000, and is still in the neighbourhood of 1,000,000.

OVERSEAS ORGANIZATION

The Ministry's responsibilities extend far beyond the British Isles. Pensioners are scattered over more than one hundred countries and in regions as far apart as the Faroe Islands in the north and the Falkland Islands in the south; they are to be

found in practically every British Dominion, Colony, Protectorate and Mandated Territory; in every country in Europe; and in most of the countries in Africa and Asia, and in North and South America.

EXTENSION OF SCOPE DUE TO 1939–45 WAR

A comparison of rates of pensions may prove interesting on a basis of 100 per cent disablement—

	War 1914–18	War 1939–45
Man	40s.	37s. 6d.
Woman	Nil	27s. 6d.

PART VIII

CONCLUSION

CHAPTER XXXVI

SOME CAUSES OF POVERTY

THE causes of poverty may be best considered by summarizing the conclusions of writers of authority upon this subject. Probably the work which is most familiar is *Poverty: a Study in Town Life*, published in 1899, by Mr. B. Seebohm Rowntree, who made a careful estimate of the minimum sum on which families of various sizes sustain life. Mr. Rowntree distinguished between "primary poverty" and "secondary poverty." A family was in "primary poverty" where the total earnings were insufficient to obtain the minimum necessaries for mere physical efficiency. A family was in "secondary poverty" where the total earnings were sufficient for physical efficiency if some portion of it had not been absorbed by other expenditure, either useful or wasteful.

After a careful house-to-house investigation it was found that in York, a small provincial city, in a year of normal trade, 9·91 per cent of the population were found to be living in "primary poverty," and 17·93 per cent in "secondary poverty"—a total of 27·84 per cent living in poverty.

The Rt. Hon. Charles Booth in his work, *The Life and Labour of the People of London*, published in 1891, estimated that 30·7 per cent of the population "lived in the perpetual grip of poverty," owing to the family earnings being less than 21s. per week.

A more recent inquiry was conducted by Professor A. L. Bowley and others in four typical provincial towns and published in 1913 in *Livelihood and Poverty*. From this it would appear that similar conditions exist in other parts of the country.

DISTRIBUTION AMONG PERSONS

Sir Leo Chiozza Money, in *Riches and Poverty*, estimated that in 1904 about a million and a quarter persons belonged to families with an income of more than £700 a year; another three and three-quarter millions to families with incomes between £160 and £700, and thirty-eight millions to families with incomes of less than £160 a year. He concluded that more than one-third of the entire income of the United Kingdom is enjoyed by less

than one-thirtieth of its people. Professor A. L. Bowley, in *The Change in the Distribution of the National Income*, published in 1920, estimated the income, wages, etc., in the United Kingdom, in 1910, as follows—

	Number of Incomes. Thousands	Aggregate Income £	Percentage Total	
			Numbers	Aggregate Income
Wages	14,800	720 Mn.	74.22	39
Intermediate Income .	4,050	335 ,,	20·31	18
Income Assessed to Tax—				
£160–700 . . .	880	250 ,,	4·41	13
£700–5,000 . . .	200	415 ,,	1·00	22
£5,000 . . .	12	150 ,,	·06	8
	19,942	1,870	100·00	100

These figures in the main were confirmed by the Reports of the Royal Commission on the Poor Law and Relief of Distress, which were issued in 1909. Moreover, these Reports confirmed many of the causes of poverty which had been suggested by various writers on sociology.

This apportionment must not be over-emphasized, as it is admitted to be little more than a rough estimate based upon statistics compiled by various writers from different sources at different times. Nor should income be considered the sole test even to determine whether a family is in poverty or not. There are families with incomes near the figure of primary poverty where the care of the housewife enables them to live without dire distress. On the other hand, there are many instances where thoughtless expenditure on the part of husband or wife or both keeps a family constantly on the poverty line which otherwise might reasonably be expected to live in comfortable circumstances.

It may, however, be safely inferred that prior to the War, 1914–18, many families in the land were fated to exist rather than to live. They were inadequately housed, and were constantly faced with the problem of deciding whether to economize in food or in rent. Expenditure on clothing was inadequate, and in the poorest classes practically all clothing was either bought second-hand, or was received gratuitously from various agencies.

CAUSES OF POVERTY

The causes which lead to a state of poverty and which eliminate possibilities of escape from it are many and varied. Booth in his desire for completeness gave no less than twenty-three. Writers upon the subject are agreed, however, as to the main contributory causes responsible.

The principal causes of primary poverty according to Rowntree are: low wages; largeness of family; death of chief wage-earner; illness or old age of the chief wage-earner; and irregularity of work. The causes of primary poverty which tend to render that state permanent and hopeless may be said to be low wages and casual or lack of employment.

The secondary causes of poverty are more difficult to classify, involving, as they do, social and personal factors. Chief among these are drink and gambling with attendant evils affecting the individual and unhappily, but inevitably, the family also. Environment and hereditary traits largely influence the standard of life resulting in social conditions, customs and habits which produce physical, moral, and mental degeneration. Indiscriminate charity, though it may have relieved the need of the hour, has only succeeded in fostering and encouraging a looseness of character and want of self-reliance which have left the individual still more helpless.

Immobility of labour has, until recent years, contributed to the increase of unemployment and consequently of poverty.

Finally, the question of age enters very considerably into the causes of poverty. It results in incapacity to or inefficiency of work; and, while all cannot expect to escape the evils attendant upon advancing years, much can be done by the exercise of provident habits in early years to mitigate the problem. Those who are in the grip of poverty—primary or secondary—cannot provide for the future when unable to meet the minimum demands of the present.

The modern practice for poor law authorities to grant relief to applicants according to scales of assistance, together with the establishment of trade boards, trade unions, and Whitley Councils covering together almost all occupations, has led to the provision of a higher standard of living for the poorest classes.

INDUSTRIAL RELATIONS

The development of industry, in the latter half of the eighteenth century, created a new class of rich men, usually called "self-made," whose autocracy was steadily resisted by the sense of fair play of the workmen, who did not consider themselves of

economic inequality, resisting the new employers' claim to superiority, until the absolute command once claimed and exercised by the owners has disappeared.

The town workman has no sense of inferiority; he considers himself as good as the owner or manager, though he lives in a smaller house; and where he is fairly treated there is no trouble. It is the suspicion of unfair treatment which rouses him. The same consideration of fairness also determines public opinion, which is always appealed to in important cases. No examination of the question of industrial relations which does not take account of this sense of justice can be called satisfactory.

INDUSTRIAL UNREST

The result of such conditions was reflected in the world-wide industrial unrest which was one of the many consequences of the Great War, 1914–18. Industrial unrest, partially obscured by the more arresting incidents of war, had already begun to make itself felt during the period from 1911 to 1914. Often the discontent is indefinable, merely a sense of grievance not clearly expressed. But it is apparent that, in addition to their dissatisfaction with the conditions of industry, workers have a further and deeper complaint which they cannot quite express. They feel that they are pawns in a game to make other men wealthy. Their drudgery is embittered by suspicion and they are conscious of little satisfaction in the existing social conditions.

This is particularly so in the trades and industries in which the rate of remuneration is small. It is felt by the worker and his family that the return, inadequate as it is as a wage, results in providing insufficient food and material for the home. But this is not all. Until the coming of National Health Insurance low wages meant that many small matters of health which might be put right were neglected and allowed to develop. Even at the present time quite a number of grievances, as, for example, the relations between landlord and tenant, have to be tolerated. On the other hand, it should be remembered that lowness of wage is a less evil than uncertainty of wage.

THE STANDARD OF LIVING

One of the methods of dealing with a large percentage of poverty is to raise the *efficiency* of wages, and to remove the obstacles which prevent labour securing for itself a reasonable sale. One of the unexpected results of the Great War was the raising in various ways of the standard of living among many of the working classes. Wages in themselves do not constitute any

final values. The standard of living is the final test as to whether poverty is being eliminated or not.

The report of the committee appointed to inquire and report upon the actual increase since June, 1914, in the cost of living, was issued in October, 1918. Among other points, the committee reported: "That in June, 1918, the working classes, as a whole, were in a position to purchase food of substantially the same nutritive value as in June, 1914. In fact, unskilled workmen were slightly better fed at the latter date in spite of the rise in the cost of food. That the clothing cupboards from which exceptionally necessitous children used to receive garments before the War are no longer resorted to. That there has been a remarkable decline in pauperism during the War, and since, which by July, 1918, was two-thirds what it was in July, 1914." The fear that the employing class, with the assistance of the Government, were endeavouring to lower this standard produced many industrial disputes. The further fall in the cost of living and the subsequent reductions in wages went to emphasize this point.

COST OF LIVING

Cost of living is defined in the *Encyclopædia Britannica* as "the cost in a defined region, to a person of a defined social or industrial class, of goods of a kind usually purchased at frequent intervals by the consumption of which a certain economic welfare is reached." The increase in the cost of living has been defined in the *Ministry of Labour Gazette* as the "average increase in the cost of maintaining unchanged the pre-War standard of living of the working classes." It will be observed that this definitely indicates the social region of the person in question, the type of goods purchased and the standard of economic welfare which is reached thereby.

Cost-of-Living Index Number. The Ministry of Labour compile statistics regularly to indicate the average level of working-class costs of living. The official index number is designed to show the average increase or decrease in the cost of maintaining unchanged the standard of living of working-class families prior to August, 1914, no allowance being made for any change in the standard of living since that date or for any economies or readjustments in consumption and expenditure since that date. By this is meant the standard actually prevailing in such families just before the War, irrespective of whether or not such standard was adequate.

A memorandum issued by the Ministry of Labour in June, 1931, deals with the question of the method of compiling the

cost-of-living index number. In view of the considerable number of collective agreements which are in operation embodying arrangements for the periodical adjustment of wage rates in accordance with the variation in the cost-of-living index figure, it was thought desirable that particulars which were given in 1921 and 1923 should be brought up to date and re-published. The principles on which the statistics were compiled had remained unchanged since the first inception of the index number, and the only noteworthy alterations which had occurred on points of detail were the exclusion of particulars relating to the area now within Eire (the Irish Free State) and the extension of the scope of the figures to include the rents of de-controlled houses.

The items included in the statistics fall into main groups, viz. food, rent, clothing, fuel and light, and certain other items. The prices used for the statistics are in all cases the retail prices. The statistics of wholesale prices published by the Board of Trade are an entirely different compilation.

As regards rents, inquiries have been made into the changes which have taken effect under the Rent and Mortgage Interest Restriction Acts. De-controlled rents are included in calculating the final percentage increase for all items.

As regards clothing, owing to the wide range of quotations, to changes in qualities and in stocks held by retailers, and the variations in the extent to which different articles and qualities have been affected by price changes, it is impossible to make an exact calculations of increase in prices.

The foodstuffs included in the statistics are beef, mutton, bacon, fish, flour, bread, cheese, tea, sugar, milk, butter, margarine, eggs, and potatoes. These normally account for three-fourths of working-class family expenditure on food, and the inclusion of a greater number of articles of relatively minor importance, it is stated, would not materially affect the average percentage increase. The most important omission is that of fruit and vegetables (other than potatoes), which it is impracticable to include in a monthly series of retail prices index numbers, owing to the wide variations in quality, the "seasonal" variations in supplies, and the consequent impossibility of obtaining continuous and comparable records of prices. The other items considered are soap, soda, ironmongery, brushware and pottery, tobacco, fares, cigarettes, and newspapers.

Information as to the predominant retail prices is obtained in all towns with a population exceeding 50,000 at the Census of 1911, and in a representative selection of 420 smaller towns and villages distributed throughout Great Britain and Northern Ireland; altogether in 509 towns and villages. The total number

of retailers from whom this information as to the price of food is collected is well over 5,000, and many of these retailers have a number of shops at which identical prices are maintained.

The average price of each article is arrived at, separately for large towns (those with populations over 50,000) and for smaller places, by taking the unweighted arithmetical average (i.e. the figures tabulated for each item are added together and divided by the total numbers of entries). A calculation is then made of the percentage increase in the price of each article, as shown by comparing the average price for the current date with that for July, 1914. The percentage for the country as a whole is obtained for each article by taking the arithmetic mean (i.e. the middle point) between the percentage for the large towns and that for the smaller places.

Having thus arrived at the average percentage increase in the price of each separate article of food, it is necessary to combine these percentages so as to obtain a single figure representing the general average increase in food prices. The individual percentages vary considerably, fish, for example, having increased in price at 1st November, 1943, by 173 per cent, and sugar by 93 per cent on average. As very different proportions of income were spent on fish, sugar, and other items, it would not be correct simply to add together the percentages shown for those items and divide by the number of items. It is necessary to allow for the difference in the importance of each item in the pre-War budget, and this is done by multiplying each percentage by a number (generally described, for convenience, as a "weight") based on the relative importance of the several articles and dividing the sum of the products by the sum of these "weights." The "weights" used are as follows: beef 48, mutton 24, bacon 19, fish 9, flour 20, bread 50, tea 22, sugar 19, milk 25, butter 41, cheese 10, margarine 10, eggs 19, potatoes 18, making a total of 334.

These "weights" are based on the average expenditure shown by 1,944 urban working-class family budgets collected by the Board of Trade in 1904. The adoption of "weights" based on the expenditure of 1904 was not invalidated by changes in quantities between 1904 and 1914, because the changes in quantity (which were generally slight) were largely counterbalanced by changes in price-level, with the result that the proportion of income spent on the different commodities could not have been sensibly altered except as regards margarine, for which a special allowance was made.

In order to arrive at a single figure representing the increase since July, 1914, in the prices of all the items taken together, the average percentage increases, under each of the main groups

of expenditure, are combined in accordance with their estimated relative importance in average pre-War working-class expenditure, the "weights" used being as follows: food 7½, rent (including rates) 2, clothing 1½, fuel and light 1, other items included ½. In other words, the percentage increase ascertained for food is multiplied by 7½, that for rent by 2, and so on with the other groups; the results are added together, and the total is divided by 12½ (the sum of the multipliers or "weights"). The effect is to obtain approximately the average percentage increase in the cost of maintaining unchanged the pre-War (1914–18) standard of living in working-class families.

With regard to the basis of these "weights," budgets collected in 1904 showed that, on the average, 22s. 6d. out of a family income of 36s. 10d. per week was spent on food, or about three-fifths of the total. Between 1904 and 1914 there were almost equal increases, on the average, in prices and wages, and although the cost of food rose less, on average, than that of other commodities, the Ministry observed, it is unlikely that expenditure on food before the War in 1914 would have varied materially from three-fifths of the total expenditure on all the items included in these statistics. The total "weight" allotted to food is, therefore, three-fifths of the total of 12½, i.e. 7½.

Information as to rents, which was obtained in the course of an inquiry into the cost of living in 1912, showed that the average working-class rent in the industrial towns was about 5s. 6d. to 6s. per week. In 1914 it was a little higher—probably about 6s. per week. In some towns, notably London, the rents paid were considerably higher than the amounts stated, whilst in others they were appreciably lower. The proportion which rent formed of the total weekly family expenditure on the items included in these statistics amounted to between one-sixth and one-seventh, and the "weight" taken for rent is accordingly 2, out of the total of 12½. Rents have increased 64 per cent over 1914 figures.

As regards clothing, there are wide variations in the expenditure of different sections of the working classes, but pre-War investigation showed that, on the average, expenditure on clothing before the War was less than that on rent, in many cases much less. In the absence of exact statistics, a "weight" of 1½ (out of a total of 12½) is taken for clothing, on the basis of pre-War expenditure by working-class families estimated to average 4s. 6d. to 5s. a week. Clothing has increased 240 per cent over the 1914 level.

For fuel and light also there are no extensive statistical data as to expenditure before the War, but the available information indicates that the average expenditure was probably about

2s. 9d. to 3s. a week, which yields a "weight" of 1 (out of a total of 12½). The "weight" of ½ for the other items included was taken as fairly representing average expenditure on these particular items. Fuel and light have increased by 144 per cent above the 1914 level.

The "weights" adopted in order to arrive at a general average increase are proportional to pre-War expenditure. If a calculation is designed, as the present calculation is, to show the average increase in the cost of maintaining the pre-War standard of living, the "weights" to be applied to the percentage increases over the pre-War level must be based on pre-War expenditures. A simple arithmetical experiment will show that if the percentage increases which are to be averaged are percentages of the 1914 prices, the correct result can only be obtained by using "weights" proportional to pre-War expenditures. These other items have increased 191 per cent above the 1914 level. If the average increases of all items are combined in accordance with their relative importance the general average increase over 1914 is approximately 99 per cent.

In conclusion, the Ministry state that the list of items included in the statistics is considered sufficiently extensive and representative to provide a sound basis for estimating the average increase in the cost of maintaining unchanged the pre-War standard of living of a working-class family. As regards items which are not included, they add, these form in the aggregate only a small proportion of total working-class weekly expenditure, and some have increased in price more, and others less than the average. "It will be evident," they state, "that if a particular item of expenditure had risen by about the same amount as the items included in the statistics, its omission or inclusion would have no effect on the general percentage, and that the omission of these minor items of expenditure which are not included in the calculations would only become important if the average percentage rise in the price of the omitted items (taken together) were either very much below or very much above the general average. So far as can be judged, in the light of the information available to the Department, it is unlikely that the general average increase would be appreciably affected by the inclusion of a larger number of items, even if it were found practicable to extend the list."

TREND IN THE COST OF LIVING

In December, 1920, the percentage increase had risen to 169 above the pre-War figures. Except for a period during 1924–25, there was a steady decline until June, 1933, when the figure

fell to 36. Subsequently there has been a steady increase up to a figure of 60 for December, 1937, followed by a slight decline to 55 for October, 1938.

SUMMARY TABLE: 1920–44

(From the *Ministry of Labour Gazette*)

The following table shows the average percentage increase, as compared with July, 1914, for all the items included in the statistics, at the beginning of each month, 1920–44:—

Average Percentage Increase since July, 1914—All Items
(Food, rent, clothing, fuel and light, etc.)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1920	125	130	130	132	141	150	152	155	161	164	176	169
1921	165	151	141	133	128	119	119	122	120	110	103	99
1922	92	88	86	82	81	80	84	81	79	78	80	80
1923	78	77	76	74	70	69	69	71	73	75	75	77
1924	77	79	78	73	71	69	70	71	72	76	80	81
1925	80	79	79	75	73	72	73	73	74	76	76	77
1926	75	73	72	68	67	68	70	70	72	74	79	79
1927	75	72	71	65	64	63	66	64	65	67	69	69
1928	68	66	64	64	64	65	65	65	65	66	67	68
1929	67	65	66	62	61	60	61	63	64	65	67	67
1930	66	64	61	57	55	54	55	57	57	56	57	55
1931	53	52	50	47	47	45	47	45	45	45	46	48
1932	47	47	46	44	43	42	43	41	41	43	43	43
1933	42	41	39	37	36	36	38	39	41	41	43	43
1934	42	41	40	39	37	38	41	42	43	43	44	44
1935	43	42	41	39	39	40	43	43	43	45	47	47
1936	47	47	46	44	44	44	46	46	47	48	51	51
1937	51	51	51	51	52	52	55	55	55	58	60	60
1938	59	57	56	54	56	55	59	56	56	55	56	56
1939	55	53	53	53	53	53	56	55	55	65	69	73
1940	74	77	79	78	80	86	87	85	87	89	92	95
1941	96	97	97	98	100	100	99	99	99	99	100	101
1942	100	100	100	99	100	99	100	101	100	100	100	100
1943	99	99	99	98	99	98	100	99	99	99	99	99
1944	99	100	100	100	100	100	101	102	102	101	101	101

THE ADOLESCENT

Irregularity of work may best be prevented by dealing with the adolescent and avoiding blind-alley occupations. The adolescent presents considerable difficulties to the social worker. It is necessary to approach the problem of the adolescent stage from the physiological, psychological, and ethical standpoints. To many workers the age of youth presents a variety of interesting aspects and a proper understanding of them demands sympathy, tact, and discretion. In many instances there has been in the past little assistance within the family circle in the right selection of work in order to avoid the pitfalls of blind-alley employment. A great amount of thought, time, and money is spent on the education of the child from 5 to 15 years of age,

yet it is undoubtedly true that much too large a part of this excellent work is lost to the nation by almost criminal weakness in the sequence. The logical outcome of these years is the right choice of employment, and it is at this critical juncture that some scientific control should be exercised to prevent the school-leaver being used in his employment for his present commercial utility only and without regard to his later functions as a producer, consumer, and citizen.

BOY LABOUR ON THE DOCKS

A report issued in 1920 by the Liverpool Juvenile Employment Committee at the instigation of the Ministry of Labour of an investigation into conditions of boy labour on the docks at Liverpool, bears particularly on this aspect, and reveals a state of affairs which should never be tolerated. The report deals with boys of the casual class, scalers and rivet-lads, and states that boys are allotted tasks in ships which have an injurious effect on their health, that these tasks are frequently repulsive and that a short term on such work is sufficient to render these lads "quite a pitiable sight." All school children are periodically examined during their school days by the doctor, and a careful record is kept of their medical history, but this supervision comes to an abrupt end when the schooling terminates. The report states "that when a large proportion of the lads employed on the docks set out in the mornings to work, or to compete for work on the stands, in a badly-rested, ill-fed condition, it is difficult to escape some responsibility if their attitude is anti-social and predatory." The public conscience has been aroused to the evils inherent in a system of casual dock labour to an extent that some attempt to modify the worst effects in the Clearing House registration scheme is the result. On the other hand, the scalers and rivet-lads are outside the scope of this scheme and remain subject to methods of engagement that are barbaric in their incidence and have already been condemned as deleterious to the adult docker. The National Council of Social Service in a report upon the question of economy in public expenditure, while acknowledging the need for economy is paramount, says of those public services which bring to the country a return in social well-being that "if their efficiency is impaired the community will in the end pay more for police and pensions, workhouses, hospitals, asylums, etc., while the indirect loss will be incalculable." The Report on the Dock Boys, after describing in detail their occupations, conditions of their labour, and environment, goes on to say "the conditions of the work develop tendencies of an anti-social nature, and the fate of lads employed

on the docks is very little better than that of street arabs, who accept their position as outside social life, and in defence adopt an Ishmaelitish attitude for their own protection and support. It is of little use to urge the practice of virtue; what is urgently needed is the modification of the type." The report connects these features of dock life with the unfortunate scenes which followed the Liverpool Police Strike in August, 1919, when, according to the Chief Constable: "The sudden withdrawal of police protection resulted in an outbreak of lawless disorder, looting, and violence. . . . The cost to the city in the payment of riotous damage claims amounted approximately to £120,000." During that period there were scenes of disorder and hooliganism that were a disgrace to the City of Liverpool. Shop windows were broken and the contents completely cleared, while the mob, in which the juvenile element predominated, gave itself up to an orgy of unrestrained looting. "To what degree," the Report most pertinently asks, "are the conditions at the docks responsible for the deplorably defective citizenship these occurrences reveal?" If, then, this is the present effect of casual industrial employment on the character of the adolescent, what hope of training a good type of citizen lies in the future when the limited expenditure for educative and social work may be reduced?

JUVENILE EMPLOYMENT EXCHANGES

The Juvenile Employment Exchanges are doing a work of incalculable value throughout the country. It is a considerable advance on previous conditions to be able to send a boy to a job instead of his wandering aimlessly looking for work. Through the co-operation of the school teachers, a boy or girl, at the outset of his or her career, is put in the most suitable employment, and an attempt is made to find suitable openings for those who possess special ability. The boys and girls are encouraged to come to the Juvenile Employment Exchange, with or without their parents or guardians, where they may receive advice. The Juvenile Employment Officer or After-care Visitor can advise as to their work, make suggestions as to continuation and technical classes and recommend membership of boys' or girls' clubs. The opportunities for social service as After-care Visitors have been dealt with in an earlier chapter.

SOCIAL CONDITIONS

The problem of drink is one which must be considered from all standpoints—physiological, economic, and moral. Excessive drinking is due in part to custom, weak will, and to a natural

love of excitement. One important aspect of the drink problem is the enormous revenue accruing to the State from this trade. While prohibition or local option may prevent people from getting drunk by cutting off the supply, it is always possible to evade the restrictions. Something more than the absence of opportunity is needed. What is required is a nation that is alive to the evils of excessive drinking and individuals strong enough in character to avoid excess even when facilities are within reach.

There are certain social evils of which drink is not the cause, but which are accepted as reasonable excuses for indulgence. In the industrial areas are insanitary dwellings, overcrowding, low wages, unemployment, and other evils. Intemperance is a cancer which has its roots in the general disorder of modern civilization. It is embodied in the philosophy of human emotions.

It may be claimed, therefore, that the complexity of the interrelations of the social evils, which are some of the causes of poverty, demand that we shall not fall into the error of supposing that by tackling any one of them singly we are likely either to get rid of it or to solve the social problem. The subject is much broader and deeper than that, for the reforms must strike at the root of the whole social structure of society as it exists to-day. There must be an awakening of a social conscience, civic as well as national. It is not to be wondered at that the man who works long hours at a monotonous task and returns to a closed-in tenement in a slum, seeks forgetfulness in drink. It is, according to his outlook, the one escape from the monotony of his existence.

LICENSING RESTRICTIONS

At the same time we must not forget the evils of proceeding to the other extreme. In 1874 an article in *The Times* drew the eyes of the nation upon "Drunken Liverpool." The deplorable state of the borough, as regards both its moral and its sanitary condition, was described in language humiliating to every self-respecting citizen. The essaying, as a remedy, "free trade in licences" increased the number of public-houses by twenty-four. The subsequent increase in crimes of violence was traced to the prevailing intemperance of the people. In that year, seven murder cases were tried at the Assizes. The Chief Constable also reported 23,303 cases of drunkenness out of a population according to the 1871 census of 493,405, but only three publicans were convicted of "permitting" drunkenness. At the suggestion of the Chairman of the Licensing Justices, Sir James Picton, a committee of citizens, known as the Citizens' Vigilance Committee,

was formed under the chairmanship of the late Reverend Robert Henry Lundie, D.D. One of the results of the work of that Committee may be seen in the report of the Chief Constable that, in 1936, with a population according to the last census of 855,688, there were only 3,421 persons arrested for drunkenness.

GAMBLING

No less important is the evil of gambling, not only at race-meetings, but also in connection with football and other forms of sport. It is not too much to say that many hours are devoted by the workers to the competitions which are now promoted by periodicals, the weekly "pools," and to the local "sweeps" which are to be found in nearly all our works. Nor does this end here, for women of all classes are equally prone to the habit, and the evil not only extends to youths but to school children also. Mere preventive measures are not sufficient. There should be some form of Government control adequate as a moral safeguard.

ORGANIZATION OF SOCIAL SERVICE

Society must, therefore, provide something to replace these unhealthy conditions both of mind and body. The first step towards obtaining reform is to desire it. The next to insist upon effecting it. There are people who are conscious of the horrors of certain aspects of our civilization and who desire to remedy its defects. They are to be found in all classes of the community and are not confined to any one political organization or religious denomination. There has been a steady growth of opinion in the direction of reform in recent years within the nation. There are many persons in all classes of the community who find our urban areas enervating, our housing of the working classes intolerable, and our industrial methods humiliating. It is from among these classes that there has arisen the demand for the improved organization of social service which has claimed attention in an earlier chapter.

CONCLUSION

Additional material and data relative to this subject have been removed from the Files under instructions of a former solicitor of the Supreme Court since deceased and have not been recovered. Consequently, the chapter remains incomplete.

CHAPTER XXXVII

SOME SOCIAL STATISTICS

PERSONS RECEIVING RELIEF

SINCE the passing of the Poor Law Amendment Act, 1834, the number of persons receiving relief in England and Wales steadily declined, with an occasional fluctuation, as shown by the following figures—

1849	1,637,523
1858	1,087,985
1862	1,070,374
1870	1,279,499
1875	1,002,475
1883	1,007,598
1888	1,031,527

Until the industrial depression of 1921, the improvement was even more manifest, as is shown in the table given on page 686, taken from the Report of the Ministry of Health, 1919–20. For the reasons which have been already explained, unemployment increased rapidly in 1921, so that the number of persons receiving poor relief reached the record of 1,519,823 on the 5th November, followed by a decrease to 1,363,569 on 31st December, 1921.

The Effect of the Industrial Depression. The fluctuations in Poor Law relief statistics during recent years are indicated in the table on the next page, which reflect the effect of the industrial depression, showing the number of recipients of public assistance at the end of March of each year.

Unemployed Persons in Receipt of Poor Relief. The average number of persons in England and Wales returned as *ordinarily engaged in some regular occupation* who were in receipt of poor relief in March, 1937, while resident in their own homes (including wives and dependent children), was 450,153, an increase of 6,093 as compared with the corresponding number in December, 1936. The total of 450,153 comprised 136,183 men, 118,549 women, and 195,421 children, and includes 246,822 persons who were registered at Employment Exchanges for employment or were dependent upon persons so registered.

At the end of March, 1938, the figures had dropped to 253,317, mainly due to the transfer of unemployed workers to the care of the Unemployment Assistance Board.

Year	Number of Persons in Receipt of Relief		
	Institutional Relief	Domiciliary Relief	Total
1920	192,044	302,278	494,322
1921	203,905	449,612	653,517
1922	217,581	1,248,018	1,465,599
1923	219,573	1,126,061	1,345,634
1924	221,386	1,004,382	1,225,768
1925	220,633	884,486	1,105,119
1926	223,326	1,016,764	1,240,090
1927	225,765	1,014,785	1,240,550
1928	226,675	956,413	1,183,088
1929	224,643	882,030	1,106,673
1930	223,886	823,140	1,047,026
1931	214,645	814,469	1,029,114
1932	197,544	990,533	1,188,077
1933	192,120	1,165,116	1,357,236
1934	185,836	1,223,253	1,409,089
1935	180,727	1,173,895	1,354,622
1936	171,776	1,156,656	1,328,432
1937	161,236	1,093,966	1,255,202
1938	155,127	911,790	1,066,917

These statistics reveal that the numbers of persons having recourse to public assistance hardly altered since 1922 and the numbers are larger than they were eighty years ago. The increase in the total population has to be considered, but the increase is in spite of the numbers being dealt with under unemployment insurance benefit and unemployment assistance. They represent a large section of the population living in a hopeless economic condition—"the people of the dead end."

The numbers in receipt of domiciliary relief have considerably decreased since 1938 because of the greatly increased demand for workers of all type due to war conditions. The number of institutional cases have decreased since 1929 due to the transfer of institutions from poor law to public health purposes. Recent figures are, therefore, incomparable with those of previous years.

Turning to the financial side, a similar story of increasing cost is portrayed. Appendix A, taken from the Local Government Financial Statistics of the Ministry of Health, shows the cost of public assistance trending upwards. The pre-War cost of just over £15,000,000 rose to the extraordinary sum of nearly £50,000,000 in 1927. There was some slight recovery after the economy restrictions of 1931, and in 1932 the figure had dropped to under £37,000,000, but only to trend

Statement Showing the Mean Numbers of Persons in Receipt of Poor Law Relief in England and Wales, and the Rates per 1,000 of the Estimated Population: Years 1895–96 to 1919–20

Year ended March	Mean Number of Persons (not being Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses, or Casuals) in Receipt of—						Mean Number of Persons in Receipt of Relief (including Lunatics in Asylums, etc., and Casuals)	
	Institutional Relief		Domiciliary Relief		Total			
	Mean Numbers	Rates per 1,000 of Estimated Population	Mean Numbers	Rates per 1,000 of Estimated Population	Mean Numbers	Rates per 1,000 of Estimated Population	Mean Numbers	Rates per 1,000 of Estimated Population
1896	203,515	6·7	539,592	17·7	743,107	24·4	813,300	26·7
1897	203,004	6·6	535,347	17·4	738,251	24·0	810,190	26·3
1898	205,102	6·6	530,336	17·0	735,438	23·6	809,306	26·0
1899	207,889	6·6	542,822	17·2	750,711	23·8	827,066	26·2
1900	206,083	6·5	505,098	15·8	711,181	23·3	788,473	24·7
1901	203,924	6·3	494,251	15·3	698,175	21·6	777,097	24·1
1902	212,936	6·5	502,125	15·4	715,061	21·9	797,243	24·4
1903	220,959	6·7	510,594	15·5	731,553	22·2	817,697	24·8
1904	229,035	6·9	516,036	15·5	745,071	22·4	832,454	25·0
1905	239,894	7·1	547,445	16·3	787,339	23·4	878,514	26·1
1906	247,758	7·3	549,796	16·2	797,554	23·5	891,637	26·2
1907	250,544	7·3	542,160	15·8	792,704	23·1	886,886	25·8
1908	255,958	7·4	540,098	15·6	796,056	23·0	892,972	25·7
1909	267,130	7·6	550,878	15·7	818,008	23·3	916,245	26·1
1910	275,075	7·8	539,642	15·2	814,717	23·0	916,377	25·9
1911	275,070	7·7	507,921	14·2	782,991	21·9	886,177	24·8
1912	267,426	7·4	408,106	11·3	675,532	18·7	780,329	21·6
1913	265,410	7·3	411,575	11·3	676,985	18·6	783,916	21·5
1914	254,624	7·0	387,208	10·6	641,832	17·6	748,019	20·4
1915	252,525	6·8	391,915	10·6	644,440	17·4	752,040	20·3
1916	225,767	6·1	364,888	9·8	590,655	15·9	695,600	18·7
1917	213,447	5·7	327,663	8·7	541,110	14·4	642,463	17·1
1918	199,422	5·3	302,431	8·0	501,853	13·3	596,163	15·9
1919	184,167	4·9	285,237	7 6	469,404	12·5	555,639	14·8
1920	180,927	4·8	297,834	7·9	478,761	12·7	563,045	15·0

upwards again to reach the sum of £44,378,546 in 1936. The increased cost of living must, of course, be taken into consideration, but on the other hand there is the cost which has been transferred to unemployment insurance, unemployment assistance, and other social services, such as hospitals and blind welfare, to be considered. It represents a large part of a huge burden of unremunerative expenditure falling upon the backs of ratepayers and taxpayers, which means, in effect, upon trade, industry, and commerce.

Perhaps the most striking feature of the burden of public assistance is its uneven distribution and the crushing burden falling upon the ratepayers of industrial districts, particularly the distressed areas.

The Ministry of Health issue monthly figures showing the number of persons relieved in forty-seven areas selected. The figures include dependants but not casuals, outdoor medical cases, and mental patients. The return for the 26th March, 1938, contains the following particulars, to which have been added the registered unemployed.

Town	Numbers	Rate per 10,000 Population	Registered Unemployed
Sunderland .	12,234	664	16,145
Liverpool .	53,074	627	79,088
Hull . .	19,514	607	16,284
Birmingham .	18,896	185	30,012
Huddersfield .	1,914	166	6,299
Coventry . .	2,121	109	5,151

In three county boroughs a poor rate of less than 1s. in the £ was required for 1935–36—Blackpool, 5·4 pence, Bournemouth, 9·7 pence, and Southport, 10·9 pence. It will be observed that these were the prosperous seaside resorts. Merthyr Tydfil required a poor rate of 13s. 9d. and Glamorgan County a poor rate of 8s. 3½d. When it is recognized that these disparities exist in spite of the transfer of a large section of the able-bodied unemployed to the (Unemployment) Assistance Board, it reveals that this change has failed to meet the real needs of the situation. There can be little doubt that the equitable solution of the problem is for some method of equalization of the cost of this service to be provided. This was the opinion reached by the Commission for the Special Areas after a careful and comprehensive review of all circumstances and conditions in the distressed areas.

The transfer of the larger part of the able-bodied unemployed to the care of the (Unemployment) Assistance Board appears as

though it will be a costly experiment to the taxpayer. During the years 1932–33 and 1933–34 the weekly transitional payments were 988,000 and 951,000, respectively, at a cost of £3,386,000 and £3,740,000, respectively. During the year 1936–37 unemployment assistance allowances averaged nearly 600,000 per week and cost the Government £37,428,000 during the year.

INDUSTRIAL RECOVERY

The following figures, taken from the *Statistical Abstract of the United Kingdom* and the *Ministry of Labour Gazette*, show the trend of employment and unemployment among insured workers from 1923 to 1937. It will be observed that there was a large increase in the number of employed—about 3,000,000 persons during the period—and although there has been a comparatively small increase (118,000) in the unemployed, the percentage of the insured out of work has recently been considerably reduced. The figures for 1938, however, show a considerable increase over 1937.

GREAT BRITAIN AND NORTHERN IRELAND

July	Insured Persons (Thousands)	Unemployed (Thousands)	Percentage Insured Workers Unemployed
1923	11,232	1,327	11·6
1924	11,404	1,138	9·8
1925	11,623	1,329	11·2
1926	11,774	1,737	14·4
1927	11,876	1,114	9·2
1928	11,629	1,377	11·6
1929	11,834	1,178	9·7
1930	12,138	2,070	16·7
1931	12,500	2,806	21·9
1932	12,543	2,921	22·8
1933	12,620	2,508	19·5
1934	12,690	2,162	16·7
1935	13,708	1,992	15·2
1936	13,980	1,717	12·4
1937	14,296	1,445	10·2
1938	14,097	1,875	13·3

To the above figures there must now be added the persons insured under the Unemployment Insurance (Agriculture) Act, 1936.

July	Insured	Unemployed	Percentage
1937	587,600	17,181	2·7
1938	686,000	30,866	4·5

The increase during 1938 occurred in the Midlands, Wales,

North-western and Scotland divisions, and in the cotton, woollen, worsted, metal manufacturing and distributive trades, in the main.

The following table, also from the *Statistical Abstract of the United Kingdom*, shows according to trades the changes in employment over the same period, 1923–37. From this table it will be seen that the only trades showing decreases are mining (356,000), metal manufacturing (24,840), shipbuilding (97,160), and textiles (145,850). The improvement has been most marked in the distributive trades (807,410), the building industry (485,440) the metal trades (259,190), and vehicle construction (144,720).

INSURED WORKERS, 1923–37

Industry	July, 1923	July, 1937	Increase (+) or Decrease (−)
Fishing	24,760	34,250	9,490 +
Mining	1,388,820	1,032,830	355,990 −
Bricks, Pottery, etc.	133,260	181,350	48,090 +
Glass	43,870	51,200	7,330 +
Chemicals	213,880	231,730	17,850 +
Metal Manufactures	360,780	335,940	24,840 −
Engineering	816,680	822,380	5,700 +
Vehicles	270,630	415,350	144,720 +
Shipbuilding	269,970	172,810	97,160 −
Metal Trades	480,630	739,820	259,190 +
Textiles	1,311,410	1,165,560	145,850 −
Leather	70,360	75,260	4,900 +
Clothing	579,210	617,430	38,220 +
Food, Drink, etc.	479,990	578,650	78,660 +
Sawmilling	191,930	248,680	56,750 +
Printing and Paper	347,960	438,690	90,730 +
Building	843,960	1,329,400	485,440 +
Gas, Water, and Electricity	173,040	218,480	45,440 +
Transport	791,800	910,680	118,880 +
Distributive	1,253,980	2,061,390	807,410 +
Commerce, Banking, etc.	226,660	269,380	42,720 +
National and Local Government	422,930	516,970	94,040 +
Miscellaneous	769,290	1,248,770	479,480 +
	11,485,800	13,697,000	2,211,200 +

TOTAL BURDEN OF POVERTY AND UNEMPLOYMENT

To the cost of poor relief there must be added the cost to the Government of unemployment insurance and unemployment assistance. From the 1st April, 1937, the cost of unemployment of the able-bodied is being met by the Exchequer. For the four weeks ended the 26th March, 1938, the cost of allowances

excluding the cost of administration) was about £2,783,000, compared with £2,822,000 the previous four weeks and £2,712,000 for the similar period in 1937.

The total cost to the Exchequer of unemployment insurance for the same periods was £1,644,000, £1,587,000, and £1,615,000, respectively.

The cost of poverty and unemployment for 1938–39 was in the neighbourhood of £161,500,000 per annum, made up as below—

	£ Million
Poor Relief	24
Unemployment Assistance	39½
Unemployment Insurance (Exchequer charge)	22½
Health Insurance (Exchequer share)	8
Blind Persons' Allowances	2
Old Age Pensions	65½
	£161½

This total was met out of—

Rates	26½	
Taxes	135¼	
		161½

COST OF NEW MEASURES, 1945

Sir John Anderson, Chancellor of the Exchequer, replying to a question in the House of Commons on 28th March, 1945, gave official figures showing that the estimated cost to the Exchequer of new permanent legislation passed since 3rd September, 1939, of a character not connected with the conduct of the war, and the Bills now before Parliament, is £190,368,000.

Other legislation, though not permanent in character, involves expenditure of £144,395,000 for various periods of years.

CHAPTER XXXVIII

SOME PROPOSALS

THE RELIEF OF UNEMPLOYMENT

THE position into which the nation has drifted with regard to the relief of the able-bodied unemployed seems to require consideration. In 1834, when the churchwardens and overseers were giving outdoor relief to somewhere between one and two hundred thousand able-bodied men (and their dependants), the practice was deemed so demoralizing, and the expense so ruinous, that the Poor Law Amendment Act, 1834, was passed in order to effect a drastic reform. By the end of the nineteenth century, the constant pressure of the Central Poor Law Authority on the Boards of Guardians had reduced the pauperism of able-bodied men in health to what seemed an almost irreducible minimum of a few thousand men throughout the whole of England and Wales; and in these cases usually only for brief periods of time, and partially safeguarded against abuse by the exaction of a "Labour Test."

Until the operation of the Unemployment Act, 1934, there were many thousands of healthy men getting outdoor relief merely on account of their unemployment—probably as many as in 1834. In many of these cases, there was no labour test imposed or exacted. It must be noted that in addition to this number, there are hundreds of thousands of men with their dependants in receipt of benefit under the Unemployment Insurance Scheme who are not "poor persons."

This state of things is not confined to a few areas, or to London, but is widespread throughout the larger cities and nearly all the industrial districts of England and Wales. Over more than one-third of the area of the whole country, measured by population, this formidable extension of unconditional outdoor relief to healthy able-bodied men prevailed. Something like a hundred of the areas, and these the most populous, appear to be affected.

It is, of course, plain that the cause for this momentous change of Poor Law practice, in one-third of England and Wales, was the long continued and all-pervading unemployment which has afflicted so many of our principal industries since the latter part of 1920. But the conditions which had led to the change of practice had continued so long, and were so little likely to alter for the better at any early date, that it became imperative to

investigate what were the social effects of the new way of treating the able-bodied. The nation had been taught for nearly a century that the continued maintenance of healthy men on weekly doles, without obligation to work, was demoralizing in character and even injurious to health.

It cannot be considered, in the twentieth century, that unemployed men and their families should be allowed to die of starvation, or even go short of necessaries to the extent of seriously impairing the health of any one of them. No one suggests, to-day, that they should, as a mass, be compelled to enter the workhouse. It is almost equally accepted that these hundred thousand or more families cannot be left to voluntary charity, which has its own characteristic drawbacks, and which, indeed, is plainly unable to cope with the task.

The nation has to find a way of maintaining in health and strength, without demoralization, all those able-bodied men, together with their dependants, for whom industry does not, for the time being, provide employment at the prescribed national minimum of civilized life, which cannot be abandoned without disaster, or even impaired without peril. It was a recognition of the difficulties of this problem which led to the establishment of the (Unemployment) Assistance Board as an attempt to solve one of the most pressing problems of our time.

UNEMPLOYMENT INSURANCE REFORM

In an undertaking of such magnitude it is inevitable that anomalies and irregularities should arise. The surprising thing is that they have been comparatively so few. Some of these may be considered at this juncture in the hope that they may be fruitful of improvement at no distant date.

MARRIED WOMEN

Many married women obtain insurance benefit, especially since the passing of the Unemployment Insurance Act, 1930, which repealed the "genuinely seeking work" condition. The Anomalies Regulations, 1931, require them to prove that they are seeking work, but in spite of these Regulations experience shows that very few of these women are normally employed or will seek normal employment subsequent to marriage.

For those who have contributed for many years there cannot be anything but a sincere appreciation of their desire to get out what they paid in.

It may be suggested that some provision like refunding contributions, as was contained in Section 95 (1) of the National

Insurance Act, 1911 (since repealed), be made to women on marriage, who are good lives, in the form of marriage gratuity, on the condition that no further claim will be made on the fund unless the woman becomes a widow or the husband is permanently incapacitated.

DOMESTIC SERVICE

Women appear to have an advantage over men because the period of two years preceding the date of the claim for benefit in which the payment of thirty contributions must be shown for the fulfilment of the First Statutory Conditions may be extended by any periods of excepted employment (e.g. domestic service) occurring in two years. Domestic service covers a wide field, and is probably larger than any other occupation open to women at the present time.

There appears to be a genuine dislike for such work, particularly by girls who have been engaged previously in factory work.

Many of these girls have undergone a course of training at the expense of the State, but have not given domestic service a fair chance, either for reasons of home difficulties or because of want of outfit. Both excuses appear unreasonable.

The amount of benefit which accrues to these girls constitutes an attraction whereby the mother is enabled to employ her as domestic help while the taxpayer pays the wages in the form of unemployment benefit.

A case which recently came to notice was that of a woman who applied to the Employment Exchange for a maid, and her own daughter who was drawing benefit was sent as an applicant for the situation.

It may be suggested that domestic service should be an insurable occupation of a lower stamp denomination, e.g. 1 week of benefit in 3 contributions, and that it should be a condition of benefit that a claimant must accept an offer of suitable domestic service.

DOMESTIC SERVICE

In January, 1944, the Minister of Labour and National Service announced the formation of a new Committee on domestic service to advise him on training prospects of advancement and other matters in regard to domestic workers. The Committee includes ten women with the Joint Parliamentary Secretary as Chairman and Miss Violet Markham as Vice-Chairman.

ELDERLY OR PARTIALLY INCAPACITATED CLAIMANTS

The Unemployment Insurance Fund is carrying many elderly or partially incapacitated claimants who are unlikely ever to

obtain employment again, not even as watchmen, sandwich-men, or bill distributors.

The Fund was never intended to carry such claimants, but there does not appear to be any statutory provision to remove such claimants from the Fund.

It may be suggested that the Courts of Referees should have power to refer such claimants to a medical referee with a view to the claim being transferred to the National Health Insurance Fund; and that in such cases the amount of sickness benefit should correspond with the amount of unemployment benefit to which the claimant would have been entitled. In this connection reference may also be made to the problem arising from the expectant mother for whom the Factories Act affords no protection and in whose interest and that of the child it may be suggested that the relations between the National Health Insurance Fund and the Unemployment Fund should be more clearly developed.

DEPENDANTS' BENEFIT

The law as at present in force may encourage immorality and discourage healthy moral relations. Two cases may help to prove the point.

(*a*) A West African negro applied for dependants' benefit for his housekeeper and his dependent child. His evidence showed that the housekeeper was a married white woman with whom he had been living for five years, and the child was the offspring of the immoral relation. The claim was allowed.

(*b*) A man giving a temporary address at a common lodging-house, who had a wife and children residing at another address (for whom he did not claim), made a claim for his housekeeper and his four illegitimate children, the said housekeeper being also in the employ of the public assistance authority and having a Court order against the claimant in respect of the four children.

On the other hand, a widower with dependent children who may live with his mother-in-law where the latter has a husband living, cannot obtain dependants' benefit for the service so rendered. It has been stated on numerous occasions that there is encouragement for a man to get a woman housekeeper and for perpetuating the conditions illustrated by the two cases above.

CERTAIN TYPES OF ABLE-BODIED MEN

There are two groups of able-bodied men who demand careful consideration and who may be classed as—

(i) Able-bodied men between the ages of 18 and 30 who are living at home but have no dependants.

(ii) Able-bodied single men or widowers above the age of 50 without dependants and who are living either in lodging-houses or in single rooms.

Both these groups contain persons who are quite content to exist upon the unemployment insurance benefit, unemployment assistance, or poor relief. Many of them are devoid of any ambition, and in the case of the elderly men, appear to have lost all hope. They give evidence of rapid moral and physical degeneration. Many of them have not worked for a decade, and it is evident some have no intention of doing so. As from 1st April, 1937, many of these persons were transferred to the (Unemployment) Assistance Board and will no doubt constitute cases of special difficulty provided for in the Act of 1934.

GENERALLY

(*a*) Where there exists a seasonal occupation, such as hop-picking, fruit-picking, and cotton importation, an endeavour should be made to ascertain the numbers of workers required in an area and then to issue permits to outsiders coming into the trade, as in the case of the Dock Scheme.

(*b*) In unsatisfactory cases, unemployment benefit might be paid by vouchers and not in cash. It should be made illegal for cinemas, bookmakers, publicans, tobacconists, etc., to accept such vouchers.

(*c*) Unemployment insurance might be made general for all workers irrespective of age, salary, or occupation. This would enable the "sheltered occupations" to contribute.

(*d*) Opportunity should be given to the person engaged in a "one-man" business to become a voluntary contributor to the unemployment insurance scheme. This principle is recognized in the Widows', Orphans', and Old Age Contributory Pensions Acts, and in the amendments to the Rating and Valuation (Apportionment) Act, 1928, incorporated in the Local Government Act, 1929. It would prevent many domestic tragedies when a man reaches the age of difficulty and his business may have failed.

PROPOSED REVISION OF THE POOR LAW CODE

Since the transfer of the functions of the boards of guardians to the county and county borough councils, attention has been devoted by the County Councils' Association and the Association of Municipal Corporations to the question of amendment of the Poor Law Acts and Orders with a view to the ultimate submission of proposals to the Minister of Health. The first report of the special sub-committee of the Joint Public Assistance Committee was presented to both Associations in March, 1933. The

sub-committee have completed a general survey of the provisions of the Poor Law Act, 1930, and have investigated the provisions of Sections 5 and 16 of the Local Government Act, 1929.

There still remain to be considered: (i) Amendment of Poor Law Orders; (ii) the inclusion, so far as possible, in one comprehensive code of Poor Law for England and Wales, of the provisions of those Acts which were not dealt with in the consolidation effected by the Poor Law Act, 1927 (recommendations are made in this report for the repeal of Poor Law provisions of some of those Acts); (iii) the formulation of a revised code dealing with the relations between the Poor Law Authorities of England and Wales and those of Scotland and Northern Ireland.

The sub-committee have given consideration to the opinion expressed by the Royal Commission on the Poor Laws and Relief of Distress of 1909, to the effect that one of the main defects in the Poor Law administration is the want of sufficient control and continuity of policy on the part of the central authority, and on the other hand to the declaration made by the Minister of Health, in 1926, that one of the main objects which he sought to obtain by the enactment of a measure for Poor Law reform was "the decentralization of the responsibility at present falling on the Minister."

"A reconciliation of these apparently conflicting views," the report states, "is not so difficult as might seem at first sight. In the opinion of the sub-committee a most effective and beneficial alteration of existing relations between the central and local authorities would be brought about by (i) the abolition of central control over details of administration; and (ii) the retention, and in some directions the strengthening, of central control in matters in which complete standardization of practice is desirable, or on occasions when interference by the central authority becomes essential."

The sub-committee considered the desirability of recommending the total abolition of the law of settlement, but came to the conclusion that abolition would be prejudicial in some areas, particularly to those county boroughs to which there is a normal movement of population from contiguous rural districts. As long as the cost of Poor Law relief remains a purely local charge and there is no general uniformity with regard to the standard of relief, the abolition of the law of settlement might cause persons to remove to those areas in which relief is granted more readily or on a more generous scale.

The sub-committee are of opinion, however, that much of the litigation connected with the interpretation of the settlement laws has caused considerable expenditure with little compensating

advantage. While, therefore, retaining the principles of the law of settlement, recommendations have been made with a view to simplifying the law on this subject as much as possible.

It is suggested that Section 5 of the Act of 1930 should be amended so as to provide that the County Council and the Public Assistance Committee shall have general control, together with power to rescind or vary decisions of a guardians committee. The term "Guardians Committee" should be replaced by the term "Local Relief Sub-Committee." As regards Section 7, it is proposed that the whole question of disqualification should be reviewed. In particular, the sub-committee are of the opinion that it is undesirable for persons certified under the Lunacy, Mental Treatment and Mental Deficiency Acts to take part in the administration of the Poor Law.

On Section 9 the sub-committee observe: "There is no justification for an inspector taking part in the proceedings of the council, committee, or sub-committee than there would be for an officer of the authority to do so. Subsection (2) of this section should therefore be amended by the deletion of the words 'and to take part in the proceedings,' and by the insertion of a provision that an inspector may attend any meeting of a county or county borough council or committee or sub-committee only during the time that matters relating to the relief of the poor or the administration thereof are under consideration."

It is further suggested that Section 13 (Power of Minister to remove or suspend officers) should be deleted.

As regards Section 17 (relief in sudden or urgent cases), it is proposed that subsection (1) should be extended so as to provide that, in cases where a person whose application for outdoor relief has been refused by a council declines to accept an order for institutional relief, the relieving officer shall not remain under the statutory obligation imposed by the subsection, but that he should have discretionary power to give relief.

THE COST OF PUBLIC SOCIAL SERVICES

Since 1918, as a consequence of the efforts of Mr. Geoffrey Drage and the Charity Organization Society, the Treasury have published an annual return, entitled "Public Social Services: Total Expenditure under certain Acts of Parliament." The term "expenditure" as used in the tables given is restricted to expenditure from (i) local rates; (ii) Parliamentary votes and grants; and (iii) other receipts not being receipts from loans on capital purposes accounted for, by or to Government departments and local authorities.

The cost of any central department which is devoted wholly

to one of the specified services is included in the amounts entered in respect of that service. Thus the cost of the Ministry of Education has been reckoned as part of the expenditure under the Education Acts; of the Ministry of Pensions as part of the War Pensions Act. The cost of the central department is also included in the case of National Health Insurance as part of the expenditure under the National Health Insurance Acts. In other cases the cost of central department administration is not included in the tables.

This document brings together in handy form the financial particulars so far as they are available, of the social services for which the State is responsible, either entirely, e.g. War and Old Age Pensions, or in co-operation with local authorities, e.g. public health, so far as they relate to hospitals, the treatment of diseases, and maternity and child welfare work, housing, education and Poor Law, or in co-operation with special classes of the community, e.g. health and unemployment insurance.

The returns under notice include each year a "Prefatory Note" and "Additional Notes on Details" which must be studied closely before conclusions of any value can be drawn. Further, though these notes provide much information in brief statements, reference must also be made to the annual reports of the various Government departments for the details needed to complete the picture before its real significance can be appreciated. These figures are quoted here and in greater detail in the Appendix subject to these reservations.

The returns divide the receipts into three main heads—

1. Specific Receipts from contributions, fees, interest, rents, etc.
2. Parliamentary Votes; and
3. Local Rates and Block Grants.

The Specific Receipts include, for example, in the case of education, revenue from endowments, voluntary contributions, etc.; in the case of health insurance and unemployment insurance, the contributions of employers and employed, which provide for the major part of the expenditure on these two services; in the case of housing, rents, and so forth. Taking every precaution to avoid the error due to concentration upon detail, it is impossible to resist the conclusion that the development of social and economic services is changing in character from the relief-giving or transfer of wealth type to the co-operation type. In this sphere of human activity, as in many others, the antithesis of man versus the State is being replaced by a synthesis in which the individual citizen, organized in groups according to locality, occupation, or other interest, co-operates with the State in producing social and economic well-being.

The progressive increase of expenditure from 1890 to 1942 is indicated by the following Table—

Amount in respect of England and Wales		*Main Cause of Increase*
Year ending 31st March	£	
1891	20,125,000	
1901	31,707,000	
1911	54,951,000	Old Age Pensions
1921	271,350,000	National Insurance and War Pensions
1922	328,492,000	
1923	297,686,000	
1924	291,638,000	
1925	297,222,000	Widows and Contributory Pensions, 1926
1926	308,017,000	Coal dispute
1927	335,700,000	General Strike
1928	322,700,000	
1929	348,900,000	
1930	356,600,000	Insurance and Transitional Benefits
1931	412,839,000	
1932	429,854,000	
1933	430,575,000	
1934	419,776,000	
1935	426,849,000	Education and Poor Relief
1936	440,529,000	
1936	441,753,000	
1937	437,265,000	
1938	465,293,000	Domiciliary Midwife Service
1939	449,876,000	Effect of War
1940	447,444,000	Supplementation of Pensions
1941	520,859,000	
1942	545,578,000	

These figures are given in detail in the Appendix to this book.

It will be seen that total expenditure which had been increasing each decade since 1890 rose enormously from 1920 to 1922, fell slightly in 1923 and 1924, and has increased since that date, with reductions in 1928 and subsequent increases.

ANALYSIS OF EXPENDITURE OF LOCAL AUTHORITIES

An interesting analysis of the distribution of the expenditure of local authorities as between the principal groups of local government services is reproduced (see next page) from a Ministry of Health Report. It shows the percentages of the total amount of rates received for 1928–29 which were applied in meeting expenditure on each of the principal groups of local services.

Owing probably to the impracticability of apportioning the

General Exchequer Contribution among the various services, this statement has not been included in subsequent reports.

		Per cent of Total Rates
Education (including public libraries)		21·5
Highways and bridges (maintenance, repair, improvement and scavenging, but not lighting)		19·6
Health—		
(i) Sewers; removal, etc., of house refuse; water supply; parks; baths; cemeteries; isolation hospitals; vaccination; salaries of medical officers of health, etc. (so far as not allocated to specific services) port sanitary service; other health services (so far as not included in (ii) and (iii))	15·4	
(ii) Maternity and child welfare; treatment, etc., of tuberculosis; diagnosis, etc., of venereal diseases	1·5	
(iii) Lunacy and mental deficiency	3·7	
		20·6
Housing and town planning		1·4
Relief of the poor (excluding maintenance of rate-aided patients in mental hospitals)		17·2
Administration of justice; police; fire brigade		7·5
Other specific services		4·1
Items common to two or more of the above-mentioned services but not allocated to them in the Returns (general administrative expenses, etc.)		8·1
Total		100·0

GROWTH OF PUBLIC EXPENDITURE

The following table shows the growth of public expenditure from the proceeds of rates and taxes in Great Britain from the ultimate pre-War year to 1935–36, and the percentage borne out of rates and taxes respectively. The year 1928–29 is also given because that was the "Standard year" under the Local Government Act, 1929, and facilitates an estimation of the effect of the transfer from rates to taxes under the de-rating scheme.

	Rates Per cent	Taxes Per cent	Total (millions)
			£
1913–14	28	72	257
1928–29	20	80	852
1931–32	17	83	881
1932–33	15	85	976
1933–34	15	85	979
1934–35	16	84	990
1935–36	16	84	1037

Reasons for the Increase. This great increase is accounted for to some extent by three items which did not figure in the returns for the earlier years, viz. War Pensions, Health Insurance, Unemployment Insurance, while Old Age Pensions are five times the amount since 1911.

These figures should not of necessity be taken as a sign of national demoralization, or an indication of the spread of pauperism and dependence. Social workers have too direct an acquaintance with the evils of lax administration and of waste through overlapping to be optimistic as to the effect on the national character of unchecked development of statutory social services. At the same time they realize the benefits that have resulted from the development of Public Health, Education, Health Insurance, and certain other services.

Social services have developed from voluntary work, but the past half century has been especially noteworthy on account of the rapid expansion of public social services. National Education, Public Health, National Insurance, and a host of others are all of this recent growth, and there are some who see in this expansion the key to all further progress. They regard voluntary work as having been superseded, and all their hopes are pinned on State and municipal action. Others see the public services as the outcome and necessary complement of voluntary work, but not as supplanting it.

Complete dependence on State or municipal provision would destroy progress and very seriously fetter the experimental work which has enabled voluntary bodies to contribute in the past solutions for the evils of the social organism of the State. If these new methods are to be discovered, voluntary work must be preserved and encouraged. The immediate need of the public social services is to transform the passive but reluctant ratepayer into an active worker.

Social and economic legislation has at the moment out-stripped the knowledge of the plain man and woman. Many public health provisions are largely inoperative because the public takes no interest in them and does nothing to make them effective. Much of the social service which is linked on to the educational work of the schools is done almost in spite of the parents, and only partly succeeds in the absence of their active co-operation. There is too great a gulf between electors and those who administer the social services. Local authorities must recognize that they cannot succeed fully without the real co-operation of the people, and must surely see that this is most easily won through those voluntary associations in which this land is rich.

CONCLUSIONS FOR CONSIDERATION

The figures which have been quoted indicate the vast responsibility which is laid on the shoulders of those who are responsible for their administration. To convert the figures into popular form: in the financial year ended 31st March, 1935, the nation spent considerably over one million pounds sterling a day on social services. Of every £1 so spent, the taxpayer found 11s. 6d., the ratepayer 2s. 6d., and 6s. came from other sources. Are we sure that so vast a sum is productive of good for all concerned? Do we contribute these sums realizing that they make or mar the individual? Have they resulted in the development of character and uplifting of the beneficiaries which is, after all, the object to be attained?

Another matter of importance is the question whether the State, both nationally and locally, has reached the limit of its capacity to pay. No one would advance the proposal to reduce or abandon those services which are now provided, and have unquestionably raised the standard of the worker within the last three decades. But, in the ultimate end, these services must be paid for, and the industrial worker contributes his share of the burden equally with the other classes of the community.

Numerous social and economic services, nationally financed, have been introduced and recommended on the ground that they will relieve the rates. But, in spite of National Health Insurance, expenditure on *Public Health and Housing* was—

£70,360,000 in 1939–40 as against
£13,764,000 in 1913–14.

And, in spite of Unemployment Insurance, Widows', Orphans', and Old Age Pensions, War Pensions, and relief works, *Poor Relief* cost

£43,691,000 in 1939–40 as against
£12,295,000 in 1913–14.

Moreover, *Education* has increased to

£107,450,000 in 1939–40
from £34,034,000 in 1913–14.

The cost of the *Social Services* increased to

£447,440,000 in 1939–40 as against
£54,951,000 in 1910–11.

an increase of about 700 per cent.

ECONOMIC THEORIES

The theory of trade fluctuations associated with the name of J. A. Hobson is the resurrection of a theory put forward by Sismondi about a century ago. According to Hobson, trade

fluctuation is primarily the result of a maldistribution of income in the community. Good trade raises profits much more than wages and more rapidly. It thus causes a large surplus of income in the hands of the richer members of the community—the investing classes. This mass of "savings" seeks outlets for investment and flows mainly into the constructional and export trades, which are more susceptible to expansion than those producing consumable commodities. This is because the income of the working classes, who spend most of what they have on immediate consumption, has failed to expand in correspondence with the expansion of profits. The over-stimulation of the trades producing capital goods, which leads directly to the following slumps, is thus shown, not as the cause of fluctuation, but as the result of bad distribution. Hobson argues that the only remedy for trade fluctuation is a more equal distribution of wealth, which will reduce the disproportion between the surplus income seeking investment and the purchasing power available to buy consumable commodities, and thus lead to a more equal stimulation of the different branches of industry. Hobson contends not that too large a sum is invested during a boom, but that too high a proportion of the total income is so invested. He holds that if purchasing power were more equally distributed, trade fluctuations would largely disappear, a higher general level of production would be secured, and a saving small in proportion to total income could yet be at least as great in amount as what is saved under present conditions.

MARXIAN THEORY

Karl Marx, and most socialist economists following him, find in the tendency to fluctuation and trade crises an inherent vice of capitalist production. According to Marx, under the conditions of modern capitalism, the volume of production, both generally and of various kinds of commodities, come to be determined not, as in most primitive societies, by reference to the needs of the consumer, but by the necessities of the productive mechanism itself. This involves both a failure to produce the various kinds of commodities in the proportions required to preserve the equilibrium, and an inability to find regular markets for the goods produced. Hence comes the phenomenon known as "overproduction," which is in fact disproportionate production leading to under-consumption. Unable to market their wares within the productive system in which they are included, the capitalists are driven to a more and more desperate scramble for foreign markets, especially in the less developed countries. In modern times the capitalist has turned more and more to a struggle for

concessions, and demand for the vast supplies of raw materials needed to keep the colossal mechanism of modern industry at work. Hence comes, not only the Imperialist struggle for markets and sources of material, but also the recurrent phenomenon of trade crises, leading to widespread unemployment.

The close relationship between the theories of Hobson and Marx will be readily seen. Both trace the phenomenon of trade cycle and crisis to an inherent vice of capitalist production, a disproportion between the production of different types of commodities. Hobson suggests that this vice would be converted by a better distribution of purchasing power among the members of the community, as this would lead to a better balance between the production of capital goods and consumption goods. Marx seeks to show that the better distribution is not attainable under capitalist conditions, which tend to an increasing accumulation of capital in the hands of the few and, therefore, to an increasing disproportion between productive capacity and ability to consume. Both agree that the root of the problem, and the fundamental cause of unemployment, lies in the lack of adequate purchasing power in the hands of the masses, adequate, that is, to the productive capacity of modern industrialism.

THE DISINTEGRATION TENDENCY OF MODERN CAPITALISM

Yet other writers, admitting the importance of all these factors, hold that all of them are to be regarded as manifestations of the inherent vice, and disintegrating tendency of modern capitalism. Those who hold this view urge that no revision of treaties, no economic measures (such as the Capital Levy) compatible with the continuance of capitalism, will do more than touch the fringe of the problem. Trade may recover, but it will do so only to prepare for a worse crisis, and probably a more devastating war. They hold that the inherent vice of capitalism makes stable conditions and the abolition of crises and unemployment impossible as long as capitalism itself continues.

THE INFLATION OF CAPITAL

Some economists point, as a powerful aggravating cause, if not as the sole cause, of depression, to certain developments of capitalism. Industrial capital, they point out, has been hugely inflated by the issue of bonus shares, the sale and recapitalization of companies on the basis of the high prices and profits prevailing before the slump, and other factors which have hugely swollen the costs of production and the capitalist expectation of profits, with the result that firms will not produce except at prices which

few consumers can afford to pay. This leads to high prices and reduced production, so that workers are thrown out of employment, and the purchasing power of the community thus still further cut down, with the consequence of extending the slump. Capital has greatly increased its claim to a share in the product of industry. This actually results in a decreased product, deliberate restriction of output, and vastly greater unemployment.

On the other hand, it is almost universally agreed that economic depressions are due to *low* prices. For this reason many over-capitalized concerns do not produce or operate because they know they cannot obtain prices to pay dividends on their inflated capital.

How far is recovery from depression likely to remain permanent? The answer to this question clearly depends partly on our estimate of the causes. If we hold that depression is yet to be regarded mainly as an exhibition of the inherent tendencies of capitalism, it does not follow that there will always be recovery, but only (if the Marxian view is accepted) that recovery, when it comes, will prepare the way for a worse catastrophe in the future. On the Marxian view, this may or may not be the final crisis of capitalism.

WOMEN IN INDUSTRY

The prejudice against female employment has been shattered by our war-time experiences. It was claimed that women were incapable of doing certain things, either on account of the unsatisfactory character of the work, or because it was too arduous for women to perform. The experience of the two Great Wars (1914–18 and 1939–45) has entirely changed these views. During war women have fulfilled hitherto supposedly impossible positions, and, although it is true that it was only in an emergency, nevertheless, what was done once can be repeated. In one or two large industries, where women actually worked alongside men, the trade unions insisted upon the policy of equal pay for equal work, and the crisis in the teaching profession has been due to that particular point. In considering the granting of out-relief to women, it is sometimes assumed, unless she can very clearly prove to the contrary, that she can get maintenance by living at home or accepting domestic service.

ELASTICITY OF WORKING HOURS

Elasticity of working hours is achieved in two ways. In seasonal trades this is fairly simple because the employers and workers are prepared to deal with the question to the advantage of both parties. In the tailoring trade it is customary to

give the work out over periods of weeks regulated according to the condition of the trade at the moment. In the coal-mining, the cotton, and the iron and steel trades this question is very well worked out also. There are one or two advantages in connection with the elasticity of working hours. In periods of good trade it is desirable to concentrate the work as much as possible in the hands of efficient workmen. This, of course, is an advantage to the trade; but it has another advantage. In times of good trade it prevents attracting to the industry those men who, when trade was bad, would rapidly join the unemployed ranks, because, naturally, it is the inefficients who join the ranks of the unemployed first. In times of bad trade, it is desirable that the number of persons affected shall be as small as possible, and that the distress, if any, such as the distress in the cotton trade during the cotton famine as the result of the Civil War in the United States, should be limited both in area and in numbers. The industry itself should be kept together in order to maintain efficiency in times of prosperity.

CONTROLLED CURRENCIES

Currency manipulation or control is sometimes advocated for this purpose. It is contended that a limited scheme of inflation will set the wheels of production in speedier motion at the period of depression, and deflation can be used as a brake to slow down the wheels to prevent over-production and its depressing consequences.

Hence, remedial measures are definitely required as well as preventive. "No analysis of its causes," says Beveridge, "can hope, within the range of practical politics, to dispense with the need for providing against its results." The old method of relief work handled the problem from the wrong end, attempting to prescribe the medicine before fully diagnosing the disease, and the prescriptions in consequence were ineffective, if not actually injurious. It treated the subject too much from the point of view of relieving temporary distress, and did little either to fit the unemployed for better things in the future, or to build up a permanent system of provision; and there is, consequently, the further problem of providing adequate remedial measures.

None of the above methods, however, can be claimed to create any new employment. Employment Exchanges can bring about work which might not otherwise be done by supplying the needs of production in the right class and quantity of workers. Tariffs are advocated by some to keep out foreign goods and create home production. The world-wide development of tariff walls has driven the industrial nations towards trade agreements, many

of which were concluded in the spring of 1933 by Great Britain. In so far as these agreements lead to the nations producing and providing those commodities for which they are naturally and economically best suited they may lead to an increase of world trade and employment.

DANGERS OF UNEMPLOYMENT

When everything possible has been done along the above lines there will still remain much unemployment which, if not dealt with, will continue to cause serious distress.

Unemployment is one of the most serious dangers to the State. A mass of hungry men and women is the natural bed for revolution. In times of depression there grows up a considerable class of workers who, when long out of a job, get used to thinking of themselves as members of a distinct class—the unemployed. To have any massed evidence of poverty must inevitably result in acute dissatisfaction. Continued unemployment is a menace to the standard of life. The more a pool, or source of supply of labour, is prepared to accept any wage, the more the tendency is towards lowering the standard of living. In order to maintain a good standard of life it is necessary as far as possible, to secure means for improving the rate of remuneration for those who are working, and for reducing the number of those who are surplus supply—the reserve—of the industrial army.

For even when favourable conditions exist, stable organization of the unemployed offers big difficulties. The condition of unemployment is discouraging, and conduces to apathy and despair. Money cannot be raised in any considerable amounts from those out of work, and severe unemployment, involving a heavy direct drain on trade union funds and a fall in the wage-rates of employed workers, makes it hard to raise funds from working-class sources. The unemployed organizations are always hampered by lack of funds. Moreover, there is apt to be in trade union circles some reluctance to foster the growth of distinct unemployed movements on the ground that the trade unions exist to care for employed and unemployed workers alike. Unemployed organization is therefore usually created rather by bands of active workers than by the direct act of the trade union movement or its officials, e.g. the Social Democratic Federation in the 1880's and the Communist to-day. These may subsequently take the movement under their wing; but they have in the past shown no desire to create it. It is clear, however, that the Trade Unions, as now organized, do not provide effective means of common action by the whole body of unemployed, either locally or nationally, and that the unemployed workers do,

in time of depression, need some direct means of expressing their view and of developing a common attitude. There is a rather important factor, which demands consideration, namely, that there are growing up large numbers of men and women, and youths and maidens, who have never acquired the "workman's touch," the craft equipment, and the desired skill of many of our industries. Even if we had, by a wave of the hand, a trade recovery to-morrow, we would find as a nation, that we were unable to meet the call upon our industries which existed in 1914. We should not have, in many trades, a sufficient number of skilled tradesmen to meet the call upon them which a restoration of trade would produce.

Again, we must consider the effect of the system of out-of-work donations, which was introduced by the Government after the Armistice of 1918. For many reasons, the organization on a national basis of works of construction would have been much more desirable, even at a cost beyond what may be considered an economic return. These would have necessitated the employment of large numbers of men and women. These proposals were under consideration in the early days of 1916 and put into operation to some extent until definitely rejected after the crisis of 1931.

The debasing effects of the scheme, which inevitably degenerated into a system of doles, is indicated in the figures of the claims rejected, as shown in the statistics issued by the Minister of Labour. It is doubtful how this could in any way help to relieve the situation unless employment improved. Under the conditions which existed, neither employers nor employed could afford to pay the contributions, and it led to employers who were keeping large staffs on short time being obliged to discharge workers to avoid the disproportionately high cost of insurance. This only added to the unemployment problem.

It is, however, in regard to the effect on character that this subject demands close consideration. Thousands of men, women, and adolescents have drawn their out-of-work allowance at rates in excess of the wages which they were earning when in actual employment. There are many instances of work being actually refused because the recipient preferred the unemployment allowance. There never was a time when the test of work was more to be desired. Experience has shown that in the large centres, thousands of persons have been in receipt of public assistance who could have been quite well taken off if offered work. The system adopted was about the most demoralizing that could have been introduced. The experience of social administrators goes to prove that the labour test is a very effective and necessary weapon for dealing with loafers and idle beggars.

To pour out unemployment benefit at a great rate in the circumstances which have presented themselves solved no problems and merely enabled the country to stagger along in a helpless sort of way. For the individual it was debasing. More especially is this so with young men and women without domestic ties and responsibilities, who are quite content with the normal allowance to maintain mere physical existence.

Unemployment adds to but does not make all shirkers—those who do not want work and will not look for it. While it has been distressing in the case of the adults it has been more so with those in the adolescent stage. The degeneration has been apparent at all ages. It has been most marked in those juveniles who have come from better class homes and apparently had a better education. While relief works may be economically unsound, the schemes established under the Unemployed Workmen Act, 1905, had much to commend them in that they enabled a man to give some service in return for his maintenance and produced work of permanent value to the community. The method of doles to the unemployed without some return has been both disastrous and degrading. It has made those in receipt of the allowance less eager and willing to seek work.

It has also to be considered that whereas most men prefer work to public assistance, there are some who are not disposed to work as long as they can eke out a maintenance in any other way. It is a lean and scanty maintenance certainly, but this is the demoralizing effect of the continued receipt of what is familiarly termed "the dole." Many who were previously of independent spirit succumb in time to the sense of inevitability which produces a satisfaction with a condition of dependence. Such persons will be unable to take their place as efficiently equipped workers in the labour market when a trade revival comes.

THE STATISTICS OF UNEMPLOYMENT

These are more comprehensive in the United Kingdom than in any other country.

There are available the choice of three sets of figures—

1. The trade union percentage of unemployed, which goes back to 1854, but was discontinued in the *Labour Gazette* after 1926;

2. The "insured persons recorded as unemployed"; and

3. The number registered with the employment exchanges.

The specially affected industries are coal, shipbuilding, iron and steel, engineering, cotton and building. In shipbuilding, iron and steel, and engineering an improvement is shown in

recent years. This is due to the abnormal expansion in these industries, particularly in engineering, caused by the War, 1914–18, and the subsequent gradual reduction in the number of people seeking employment in them. Coal, on the contrary, enjoyed prosperity down to 1925, with the exception of a temporary dislocation caused by the stoppage in 1921; but since 1925 it has suffered severely as the largest of the European coalfields, which produce more coal than Europe can take at prices determined by present wages. Cotton has pursued a course of its own, and building has been affected by various subsidies.

The magnitude of the problem was dealt with by Professor Henry Clay in *The Post-War Unemployment Problem* at about 900,000 persons, but he finds that it is not stationary. If the depression be divided into two parts, 1921–24 and 1925–28, the average unemployment percentage fell from 13·5 to 10·9, representing an improvement of about 300,000 persons. The question of deflation is considered and how it affects the state of trade; and he admits that it was a cause of unemployment, because the return to the gold standard handicapped the export trades by compelling them to accept lower prices corresponding with the rise in the exchange value of sterling, while internal costs remained the same. But deflation does not explain post-War unemployment. He defends the policy of the Government, and says that the real justification for their action in 1925 was seen in the comparative stability of the European currencies, almost all of which, he claimed, were at that time again tied to the common measure of gold.

Sir Henry Betterton, Minister of Labour, stated in the House of Commons in November, 1932, that it was generally estimated that the average cost to the State of putting a man on relief works for a year was about £500.

WORK FOR THE UNEMPLOYED

The Ministry of Health issued a circular (1311) in March, 1933, addressed to local authorities, indicating the desire of the Government to encourage the efforts which were being made to meet the "lack of occupation which forms so serious a factor in the present situation of unemployed persons, and especially of those whose unemployment has been of long duration." Besides the danger that lack of occupation may impair fitness to undertake work as and when it becomes available, the circular points out that the "individual victims of involuntary idleness may in the consciousness of deteriorating abilities and the apparent remoteness of the prospect of regaining work, suffer from anxieties which

all good citizens must be anxious to mitigate to the best of their capacity."

"The central organization of voluntary effort and the collection of information as to the action which in one locality or another has been found helpful," continues the circular, "have been entrusted to the National Council of Social Service, and local organization is in the hands of voluntary bodies, often specially established for the particular work, but there must obviously be a large field over which local authorities are in a position to render assistance to local voluntary effort. It is to some of the methods open for such assistance that the Minister now desires that the attention of the local authority should be given.

"Schemes for providing opportunities for voluntary work have met with a measure of success in some areas and give promise of development in the future. There are measures by which local authorities can help and encourage such schemes, some of which are referred to hereafter.

"In many areas occupation has been found for a number of men in the cultivation of allotments, providing healthy exercise, a real interest, and an appreciable return in the shape of food for the consumption of the allotment holder and his family. The local authority, if in a position to do so without material loss to the rates, will no doubt be ready to allow any suitable surplus land in their possession to be used temporarily for this purpose.

"The first necessity for the provision of other forms of occupation during unemployment, whether that occupation is to take the form of manual work, physical exercises, or mental training, is that of premises in which the men can be occupied; and it is often in this direction that a local authority may most conveniently be able to provide assistance to the local voluntary organization. Even though the local authority may not own premises which would be suitable for this purpose, its intervention may be effective in securing the completion of an arrangement with a private owner.

"Secondly, the local authority may be able to provide or facilitate the provision by their officers of technical instruction and assistance, or assistance in the actual conduct of educational classes, physical exercises, or manual employment. It may be noted that certain Local Education Authorities for Higher Education have provided courses in various subjects, including physical training and handicraft, for unemployed adults, and that these courses have been recognized by the Board of Education under the Regulations for Further Education.

"Thirdly, the local authority may be in a position to lend tools, implements or appliances, or to place at the disposal of the local organizers surplus material or materials which might otherwise be merely wasted, but can be used for rough carpentry or similar work.

"Fourthly, the local authority can assist in the securing of adequate publicity for the work of the local organization.

"Fifthly, in some areas it may be possible and proper to provide special facilities for transport in the shape of cheap tickets or otherwise for parties proceeding to or from an occupation centre.

"The general object of the schemes being the provision of occupation, it will be clear to the local authority that the provision of facilities and of unworked material will generally be more advantageous than the supply of, e.g., completed articles of furniture.

"In particular areas there will doubtless be methods other than those suggested in which assistance can properly be given. The Minister is confident that all local authorities will be anxious to make full use of any opportunity to encourage those who are engaged in a project which, while it may do little to provide work for wages, can do much to obviate some of the ill results of unemployment."

TRAINING AND INSTRUCTIONAL CENTRES

The Government have also given considerable attention to the provision of centres for the training—technically and physically—of the unemployed, urging local authorities to establish these centres or encourage voluntary organization to do so. In some cases the Ministry itself has set up such centres. The policy of the department has been to maintain a small number of these centres for a time in suitable localities in order to demonstrate their advantages and to prepare the way for their continuance by a voluntary local organization.

Co-operation is maintained with the Assistance Board on matters of policy and recruitment. Recruitment centres cover the whole country. Preference has been given to men from the depressed areas. Up to 31st March, 1936, eleven training centres were started on this footing. Also twenty-one instructional centres, of which sixteen were residential, having altogether twelve summer camps attached. Grants have been made to certain voluntary organisations towards the cost of courses of training at occupational centres, chiefly through the agency of the National Council of Social Service. The sum of £600,000 was allocated for training and reconditioning the unemployed during 1933–34, and a new

experiment inaugurated in the form of attaching to the training centres suitable camps on Forestry Commission lands. Connected with this movement the Ministry of Labour provided opportunity to the unemployed for physical training. The Ministry started a number of physical demonstration centres, and it is their policy to make arrangements wherever possible so that at the end of the demonstration period they should be taken over by the local education authorities or by the local voluntary movements to be run on behalf of the men.

In 1937, the Assistance Board for the first time exercised their powers of affording financial assistance to bodies providing training courses. The Board's applicants formed 91 per cent of the 20,568 men admitted to the Instructional Centres in 1937, but the Board state "the tendency on the part of a certain number of applicants to refuse persistently to utilize the Training Schemes or to take any other steps to improve their conditions raises a problem with which the Board are seriously concerned."

FURTHER PROPOSALS RESPECTING UNEMPLOYMENT

Caution is necessary to discriminate between the various methods proposed or in operation with regard to unemployment. Analysis of these methods will show that many of them do not create any new employment. They are of secondary benefit in so far as they ameliorate the lot of the unemployed. Some methods merely relieve the distress caused through lack of work.

Such are poor relief, health and unemployment insurance benefits and unemployment assistance. Other action spreads more evenly the existing pool of employment among those capable of and available for employment, such as the reduction or abolition of overtime. Again there are methods which redistribute existing employment more expediently, such as the exclusion of married women from certain occupations, the raising of the school age, and compulsory attendance at part-time continuation schools. Another type of action spreads employment more evenly over the period of the trade cycles or seasonal changes.

Public work may be withheld during periods of prosperity in private enterprise to be put into execution in a controlled manner during the slough of depression. It is also urged for example in Part II of the Minority Report of the Poor Law Commission of 1909 that special provision ought to be made for equalizing the demand for labour by varying the volume of public contracts of all possible kinds, local as well as national, from year to year, giving out more public work when trade is slack and less when it is brisk. It is urged that the volume of public work is so large that the systematic adoption of this policy would go far to

prevent fluctuations in employment. It would not abolish unemployment altogether even in normal times (e.g. it would hardly touch the cotton industry), and it would clearly be inadequate in dealing with a depression. But it could be so applied as largely to reduce fluctuation, both in the industries directly affected and in others; for the maintenance of the workers' purchasing power in the industries concerned would keep up the market for the products of other industries.

PUBLIC WORKS SCHEMES AVAILABLE

It cannot be said that there are no schemes available. The roads are fast outstripping the railways as means of transport. Schemes in hand at present could have been hastened and developed a hundredfold. But every proposal of this nature must be considered in the light of past experience, with an appreciation of the fact that the schemes undertaken had not solved the problem of unemployment. There remained, however, such schemes as coast reclamation, systems of afforestation, land drainage under the Land Drainage Act, 1930, water supplies and other national schemes which might be taken in hand.

It is an extraordinary characteristic of the British nation that, while millions have been provided for irrigation schemes in India, and the best engineering skill given to such undertakings as the Assuan Dam in Egypt, domestic requirements have been allowed to languish because of the natural tendency of the British to tolerate existing conditions so long as there is no persistent demand for improved conditions. Year after year the Severn invariably overflows its banks, to the discomfort, illness, and premature death of the inhabitants of even county towns, such as Shrewsbury. Further up the valley in the county of Montgomery, between Oswestry and Welshpool, the river, which in the summer can be forded with ease in certain places, overflows. Cattle, sheep, and horses are wiped out of existence without warning in a few hours. Farms become isolated and cottages surrounded by water, accompanied often by serious risks to life and property.

REPORT ON THE SEVERN BARRAGE SCHEME, FEBRUARY, 1945

The members of the Panel of Engineers were appointed in November, 1943, to review the conclusions of the Severn Barrage Committee of 1933. They are of the opinion that the Scheme is practicable from the engineering point of view, and that it can be economically justified under the conditions stated.

The same applies to parts of the valley of the Thames and the

districts round the Wash. In 1932, the district of Bentley, in Yorkshire, suffered like many others from the heavy rainfalls. Over 1,000 houses were flooded with upwards of 5,000,000 tons of water. Similar conditions prevail in the Rimrose Brook area of south-west Lancashire, where an attempt to secure Parliamentary powers in 1934 postponed an improvement which is much overdue. It is estimated that a complete drainage scheme for the Don Valley would cost close on £1,000,000. The Ouse Catchment Board, which is responsible for the drainage of the upper reaches of the Don, can levy only a 2d. rate, yielding £200,000, and that would mean an extension of the work over five years unless Treasury help is provided. This state of affairs has existed for generations, and is considered as part of the inconveniences of living in the districts. Public opinion is hard to rouse. Yet a national scheme for impounding this surplus water during the winter months would do much to improve the amenities of life, and at the same time enhance considerably the value of the land in both urban and rural areas. Such schemes as these are among those which the Government could undertake at times of industrial depression.

The Report of the Royal Commission on Afforestation is still in great measure a dead letter. War has made a great inroad on our parks and woodlands by the necessity, owing to the stoppage of foreign supplies of timber, of cutting down trees for home requirements. Not merely to restore but greatly to increase our timber reserves must be a task of great responsibility. Many suitable parts of the country, otherwise unsuitable for the growing of crops, might be planted with pine, fir, larch, birch, beech, and other forms of arboreal strength and beauty, so as to contribute not only to the attractiveness of the countryside but as a source of economic utility.

The value of our imported timber and woods in 1913 was about £34,000,000; and in 1916 the figure was no less a sum than £43,500,000.

Yet it is acknowledged that the conditions of soil and climate here are such that much of this timber can be produced at home.

There are many roads in the country which have now been opened up by motor touring traffic which are totally inadequate for the traffic which they have to carry, and are a constant source of danger to the public. It may be suggested that all roads carrying any class of vehicular traffic should be widened to a minimum of at least 30 ft. The transfer of highway powers to county councils under the provisions of the Local Government Act, 1929, since the 1st April, 1930, should greatly facilitate this, as also should the provision of the Trunk Roads Act, 1936.

Throughout the country there is evidence that many of the public buildings, including town halls, public libraries, baths, halls, and other institutions, including statuaries, are not maintained at a satisfactory standard. The cleaning of such buildings would employ a considerable amount of unskilled labour for some time while the subsequent painting would employ much skilled labour. The effect on the outlook of the community would be materially advanced, and the cost would be justified by the improved environment.

In this connection it might be further suggested that a uniform cleaning and re-decoration of all buildings, both public and private, including all dwelling-houses, would have a material effect on the mental outlook of millions of citizens.

Other schemes which would have the advantage of employing both the skilled and the unskilled worker include—

(i) The provision of movable gangs of labour for agriculture, especially at harvest. Much Irish labour is imported for this purpose annually. Many men remain in this country, ultimately to become a charge to public funds.

(ii) In congested areas the adaptation of streets for use as playgrounds for juveniles, and a more intensive form of cleanliness.

(iii) The making of football fields, tennis grounds, and municipal golf courses with the object of diverting the enormous crowds that pay to look on to actual participation in the games.

AGRICULTURE

Agriculture was previously a great employing industry; in 1881 there were 1,600,000 engaged in agriculture in Great Britain. In 1931 there were only 1,200,000 and there has been a considerable decline since then. Less than 700,000 are insured under the Agricultural Scheme. It is essential to increase the productivity of the land. The falling-off in agriculture means a flooding of the people from the country-side into the towns. It is clear that if we lose agriculture, we not only lose an industry, we lose the ability of the nation to maintain itself. In case of war, this is a very serious factor to be contended with. The permanent swamp of unemployment in this country could be remedied if at least 1,000,000 workers could be placed either actually on the soil or in ancillary occupations of which there are many. Before the 1939–45 War, Germany, with not more than half the population per square mile compared with Great Britain, had 8,000,000 workers on the soil.

If we had as many workers on the soil in proportion to Germany we should have 4,500,000 farmers and labourers, but actually we have less than 700,000. Comparing this country with Belgium

and Holland, if we had as many agricultural workers in proportion, we should have 3,000,000 and 3,500,000 respectively, instead of 700,000. These countries have more workers on the land because they have a larger number of small-holdings. Germany has 1,800,000 small-holdings; we have only 450,000. This is the only country in the world where the labourer is practically landless. Small-holdings have three advantages—they produce more per acre, employ more labour, and open up a prospect for all those engaged on the land.

The total acreage under production covered by the returns made to the Ministry of Agriculture and Fisheries as on the 4th June, 1937, in Great Britain was 32,000,000 acres, a reduction since 1923 of 1,174,000 acres. It is appreciated that the figures in this and the following paragraph on allotments have been materially affected by war-time production. Nevertheless the arguments hold good for normal conditions.

The total number of agricultural workers in England and Wales (631,100) shows a further decline. The decrease in the total number is 9,500. Reductions are shown in all classes except casual adult male workers, where there is an addition of 1,800.

ALLOTMENTS FOR THE UNEMPLOYED

During the year to August, 1932, no less than 62,387 men were assisted to cultivate their gardens. These men belong to 1,291 societies, many of which have been formed expressly for the purpose of administering the Assistance Scheme.

It is interesting to note that this practical assistance has consisted of 1,400 tons of lime, 330 tons of a concentrated compound fertilizer, 26,000 gardening tools, 1,110 tons of seed potatoes, and 42,500 collections of vegetable seeds.

These have cost in round figures (together with carriage and cost of administration) about £30,000, but towards this amount the men themselves, by weekly contributions which started in October, 1931, have paid £16,300, the balance having been made up by subscriptions. When it is remembered that the average yield of 300 square yards of ground (10 rods), under the intensive cultivation of the spade, is £7 per annum (retail prices), we see that these gardens have produced over £400,000 worth of fresh vegetables, while many of the plots have their little garden or border of flowers.

These figures are for England and Wales; but a good start has been made in Scotland and Northern Ireland. In many of our large cities and towns, as well as in the villages, much could be done to prevent the impoverishment of mind and soul by an arrangement for the provision of allotments. Thus, in a city

like Liverpool, with its 30,000 dockers, many of whom spend fruitless days hanging about the stands under the Clearing-house Scheme described in an earlier chapter, it would require but little ingenuity to devise a method whereby the men not required at the docks would be employed upon the land in the neighbourhood. A system of telephonic communication and rapid transport could readily be devised to bring the land worker back to the work at the dock quay. An alternative to such a proposal may be found in a scheme for land settlement for youths and unmarried men. Families cannot be transferred wholesale, but where men and youths marry in newly developed areas there is a new social development. Thus, the receipt of cash benefit or assistance should be dependent upon the acceptance of an offer of transfer to the new area. Those who are interested in experiments of this kind should communicate with the Allotments Committee, Friends House, Euston Road, London, N.W.1, or, in the case of the formation of Allotment Societies, with the Secretary of the National Allotment Society, Ltd., 40 Broadway, Westminster, London, S.W.1.

RURAL WATER SUPPLIES

In a circular letter issued in May, 1933, the Minister of Health directed the attention of the county councils and rural district councils to the matter of the improvement of rural water supplies. Substantial progress has been made in recent years, but much more remains to be done before conditions in rural areas can be regarded as generally satisfactory.

The letter draws attention to the report of the Advisory Committee on Water, issued a few years ago, which deals with the difficulty that arises from the small income which is obtained for rural supplies. The Minister feels sure that a thorough investigation will show that much can be done for improving rural water supplies within local financial resources, particularly if county councils and rural district councils make, as he trusts they will, generous use of their powers of contributing to the cost.

The Minister is "glad to note" that a number of county councils and rural councils have exercised the powers given by the Local Government Act, 1929, and contributed towards the cost of parochial schemes. He strongly urges both county and rural district councils to use these powers to the full for the assistance of well-considered schemes.

The letter states that "while the duty of seeing that their districts are supplied with pure and wholesome water falls upon the rural district councils, the adequacy of water supplies cannot but be a matter of close concern to county councils in view of

their general interest in the health and well-being of the inhabitants of their counties.

"What is needed is that a thorough survey of rural areas should be made by the authorities concerned, in order that reliable information may be obtained as to the conditions of existing supplies and the availability of new supplies, and consideration given to the improvement of conditions.

"In some cases where community of interest exists between rural districts or between rural districts and urban neighbours, it may be found that the setting up of a joint advisory committee of the local authorities is the course most likely to lead to satisfactory results. Any action in this direction should be taken in conjunction with any county borough or other councils who may be leading water suppliers in the area. County councils might well take an active part with the rural district councils in initiating and carrying out surveys and setting up, in suitable cases, joint advisory committees."

Further, county councils are urged to advise rural district councils as to the use of local sources of supply and the best measures for protecting sources from pollution, which is often overlooked. "Timely measures of prevention may be carried out at small cost, but once a source is polluted comparatively high expenditure may be required for remedial measures."

In 1934, following the lessons of the drought of previous years, Parliament allocated £1,000,000 to be disbursed in grants to rural areas in aid of improved water supplies. Contributions from the local authorities were a condition of the receipt of grants.

The Rural Water Supplies and Sewerage Act, 1944, implements the Government's policy as outlined in the White Paper issued in April, 1944 (Cmd. 6515), for the extension of piped supplies of water in rural areas and for the provision of corresponding sewerage facilities.

HOUSING AND UNEMPLOYMENT

The Statutory Obligation. Housing Authorities have a definite statutory obligation under the Housing Act, 1936—

> To consider the housing conditions in their area and the needs of the area with respect to the provision of further housing accommodation for the working classes . . . and as often as occasion arises to prepare and submit to the Minister proposals for the provision of new houses for the working classes.

During the last twenty years nearly 4 million new houses have been completed in England and Wales, of which number about 1½ million have been erected by the local authorities with State assistance. Much credit is due to the members and officers of

those authorities who, in addition to many other duties, have carried out this remarkable work. However, a gigantic problem still remains, and in the words of the Ministry of Health's Circular 1238, published in January, 1932—

> It is generally admitted that the outstanding need at the present time is for the building of houses which can be let at rents within the means of the poorer members of the working classes . . . In spite of the immense volume and cost of house building since the war, the needs of the poorer workers are not, in fact, being adequately met.

Circular No. 1331, issued by the Ministry of Health in April, 1933, urged local authorities to prepare a five years' programme for the abolition of slum property and to re-house the people in decent dwellings. The programme had to be in the Minister's hands before 30th September, 1933, but this was not a statutory date. A time-table for the completion of the various steps in the progress of the work had to be included, and it was intended that all slum areas should be cleared not later than 1938. The Minister considers applications for loan sanctions in respect of the re-housing likely to be required.

This effort received a further impetus by two further appeals. On the 15th May, 1933, the Archbishops of Canterbury and York issued an appeal to all members of the Church of England in the course of which they declare that "We regard this situation as offering a direct challenge and call to the Church. If, in every town and parish, its members would unitedly and energetically exert their influence, a great transformation of social conditions could now be wrought. Bad housing and overcrowding are damaging to health of body, and even more, perhaps, to health of mind and soul. We cannot and dare not, as Christians, acquiesce in the subjection of our fellow-countrymen to conditions so injurious. A time has come when we can, if we will, remove this scandal from our social life. We, therefore, call upon all members of the Church of England to take their full share in this endeavour to remedy a grievous wrong." This appeal has received the support of the Federal Council of the Evangelical Free Churches and the National Council of the Evangelical Free Churches. Two days later, on the 17th May, 1933, the Prince of Wales made a dramatic plea for better housing conditions of the poor in a speech to the Association of Municipal Corporations at the Guildhall, London, in which he pointed out that the national housing effort since the war is apt to obscure the small contribution that has been made towards the clearance of the slums and the direct re-housing of the slum dwellers.

The Housing (Financial Provisions) Act, 1933, now incorporated

in the Housing Act, 1936, as already explained, had for its object the provision of cheap money for builders to enable houses to be built to let at low rentals to those classes of the community who are not sufficiently well placed to become owners under the ordinary building society procedure.

The Directors of the Halifax Building Society announced on the 17th May, 1933, that they had decided to co-operate with the Government in connection with the Act by granting loans under the Act to the extent of £10,000,000 during the following two years. Other building societies followed with similar offers.

Mr. Walter Harvey, Manager of the Burnley Building Society, raised the question in 1929, whether the resources of the building societies could not be utilized in the form of loans for the construction of working-class dwellings of the type most urgently required. Mr. Harvey proposed that building societies should assist in slum clearance, subject to (1) security; (2) a sufficiency of funds; and (3) rates of interest reasonably justified. Clearance of slums is an expense which falls on the community for having permitted slums to be created. What building societies are concerned with in this phase of the housing problem is participation in the erection of dwellings suitable to the class displaced by slum clearance. This is just the class of tenant who is unable to contribute towards the purchase of his home.

Building societies can lend money to local authorities for the erection of these tenant dwellings. Mr. Harvey pointed out that building societies would need to be placed by the Government in a position to obtain funds either by guarantee under the Trade Facilities Act, or under special legislation. On the other hand, building societies could provide the funds and obtain guarantees from the local authorities and the State. Mr. Harvey also referred to a system in operation in France under which building societies are allowed to borrow from the Government against deposit of approved assets. The British building societies possess the funds to lend. The fact is that, as Mr. Harvey admits, "those for whom the problem of housing is acute are tending to be outside the normal operations of building societies. The provision of housing, however, for these classes is an urgent problem of social adjustment in which the service of all men of good will should be enlisted."

Loans up to 90 per cent of the valuation of the houses, subject to a Government and local authority guarantee, will be granted at 4 per cent interest in the North and Midlands, and 4½ per cent in London and the Southern Counties on a thirty years repayment period. Definite proposals for the erection of property under these guarantees may be submitted to the

building societies where the local authority is willing to work the scheme.

Unemployment in the Building Trades. In December, 1931, the total number of insured persons engaged in this industry, now the largest in Great Britain, was 858,170. Of that number, 27 per cent were unemployed. By January, 1932, the percentage of unemployed had increased to 28·6, and in February, 1932, there was a further increase to 32·8. In March, 1938, however, there were over 1,000,000 employees of whom 146,529 or only 14·2 per cent were unemployed. The importance of these figures is recognized when it is realized that approximately 80 per cent of the total cost of building industry products is disbursed in weekly wages.

According to a Memorandum presented by the Building Industry Conference to the Local Expenditure Inquiry Committee in September, 1932, "For every £1,000,000 of building work abandoned, the State or local authorities would be called upon to bear an unproductive expenditure of £375,000 in unemployment benefit and public assistance, while a further £425,000 would be withdrawn from the purchasing power of the wage earners."

According to the *Ministry of Labour Gazette*, viz. April, 1938, the detailed figures of insured persons and unemployment are as shown in the table—

Occupations	Estimated Numbers of Insured Workpeople July, 1937	Total Numbers Unemployed at 14 March, 1938	Percentage Unemployed
Carpenters	146,150	10,389	7·1
Bricklayers	102,300	7,847	7·7
Masons	21,700	1,807	8·3
Slaters	9,060	1,225	13·5
Plasterers	36,100	3,789	10·5
Painters	138,940	19,965	14·4
Plumbers	42,930	3,855	9·0
Labourers to above	406,100	69,224	17·0
All other occupations	132,010	28,428	21·5
Total	1,035,290	146,529	14·2

RE-CONDITIONING OF HOUSES

A very considerable experience of all classes of houses entitles one to claim that with few exceptions the pre-war (1914–18)

houses throughout the country would be considerably improved by re-conditioning. Local authorities possess powers of inspection under the Public Health Act, 1936, with regard to nuisance. Under the Housing Act, 1936, local authorities may inspect the houses in their area and serve notices requiring improvements to be effected or closing orders and demolition orders to be enforced.

It may be suggested that a complete housing survey, embracing all houses throughout the country, should be undertaken by all sanitary authorities. Such survey should disclose any existing housing defects, and form a basis for ascertaining the necessity for bringing existing dwellings into line with modern standards.

In order to encourage work of this character it may be suggested that the cost might be apportioned as to one-third payable by the owner, one-third by the local authority, and one-third by the State.

The result would be that many skilled craftsmen would retain the workman's touch so essential when trade revives and there is demand for their services. The unskilled worker would be given an opportunity to do work in return for a wage. There would no longer exist a desire for idleness which is apparent in cases where the unemployment benefit approximates too closely to, and even exceeds, the wages paid to the able-bodied labourer.

On the other hand the community as a whole would be living in a better environment, which would re-act upon the mental outlook of the nation and should materially reduce the demands for public health preventive services.

It is generally agreed that while the houses which have been provided by both local authorities and private enterprise have done much to relieve the general housing shortage, there has been little or no relief of the conditions in the slums, particularly in the industrial North.

It may be presumed that if the Government will undertake the provision of the necessary subsidy for this purpose, the local authorities will put a generous interpretation upon their instructions, and the demand for materials and labour within the building industry will consequently increase with a corresponding reduction in unemployment, not only within the industry itself, but also within the allied trades. This is a most important and desirable object to attain, and should be pressed forward with all possible speed.

Assuming, therefore, that there will be a demand upon the building industry for some years, it is desirable to consider in

what manner the shortage of labour may be met. All are agreed that the Unemployment Insurance Acts are merely a palliative. What is wanted is work, and work of a normal type. But the "dole" is but the evidence of the bankruptcy of practical ideas. There is nothing constructive about the "dole"—and it is a dead loss to the community. Men are appalled at the prospect of a large part of the population settling down as permanently unemployed, and with no prospect of anything but a bare existence at someone else's expense.

It may not be profitable at the moment to do certain things, but less loss would be involved in the future in doing them than we now incur in giving away enormous sums of money. It is better to pay wages to the labourer for productive and serviceable employment, which would not displace other work, than to give away sums of money for absolute idleness. Capital and efficiency can be got out of wages and work. Nothing can be got out of relief and doles.

The problem which confronts our authorities to-day is what to do with the army of able-bodied youths, without home-ties or responsibilities. They are but training as prospective occupants of our prisons and mental hospitals.

What is required, therefore, is some machinery which will bring together the demand for houses to enable our less fortunate brethren to get out of the appalling conditions of the slums which are a disgrace to civilization, and at the same time enable the supply of houses to be developed with sufficient rapidity that the scandal may be quickly removed.

Proposed Housing Battalions. The present author has discussed this question with employers, Government officials, trade union officials, and social workers in various parts of the country. It is agreed that the proposals which he put before the British Association in 1923 were somewhat revolutionary at the time, but it is also agreed that the time is now ripe for their reconsideration and that they would be welcomed, particularly in trade union circles. For this reason, therefore, the following paragraphs repeat the proposals made to the British Association, which aroused world-wide interest at the time.

"We require, therefore, to organize the nation for a war upon insanitary slums. To do this efficiently and quickly, and at the same time to deal with the problem of unemployment, the Government should take prompt action. In the course of the debate on unemployment, in the House of Commons, in August last, it was indicated that unfortunately the response of the municipalities to the Government's proposals had been extremely disappointing. The local authorities should be urged to make

up their arrears of housing. The Government ought to undertake as much as possible through local authorities and housing associations.

"Meanwhile, all those men between the ages of 18 and 25 years who have done no work for, say, twelve months, and can give no evidence of any prospect of work, should be recruited into the Royal Engineers, to constitute Housing Battalions on the lines of the Dockers' Battalions created during the (1914–18) War. Each man should be given a course of training, at the expiration of which he should be drafted into a battalion ready for service. The Government should adopt the Housing Survey of 1919 as the standard, and require this programme to be carried out. The local shortage of man-power would be met by reinforcements from the Housing Battalions as occasion demands. To prevent any question arising with trade unionists, the members of the Housing Battalions while on service would be paid at the trade union rate. At the same time, the Government would introduce a system of costings for the building trade as a whole. It was used very effectively during the War in other trades, and would have the effect of benefiting private industry as well as the national and local authority activities. Where necessary, also, materials should be commandeered at standard prices."

"It will probably be claimed that these proposals are too drastic, interfering, as they do, with the freedom of the subject, and striking at the foundations of all the economics of industry. The reply comes from the depths of our slums, from the haunts of men, which permit of neither decency nor morality. The reply from the lips of thousands of social workers, doctors, ministers of religion of all denominations, and all men and women who love their country, is that if this is no solution, then we ask that this meeting of the British Association shall give a lead to the nation that there shall be produced a solution of the problem of the re-housing of the slum dweller that will have justified our discussion of this most vitally important subject."

LOCATION OF INDUSTRY

In August, 1944, the Housing Group of the Reconstruction Committee of the Royal Institute of British Architects published a Report in which they stated that the first essential to a programme of housing is the establishment of a national plan for the location of industry and the decentralization of industrial towns on the lines suggested in the Barlow Report, together with settlement of the compensation and betterment problems in land policy. These should be supplemented by a national survey of housing requirements.

REPORT OF THE ROYAL (BARLOW) COMMISSION ON THE GEOGRAPHICAL DISTRIBUTION OF THE INDUSTRIAL POPULATION, 1940

The Commission was appointed in July, 1937, under the Chairmanship of Sir Montague Barlow, as the result of the Report in 1936 of Sir Malcolm Stewart, then Commissioner of Special Areas. In the course of a debate in the House of Commons in April, 1940, the Minister of Health admitted that there was a case for the establishment of a special body similar to the National Industrial Board envisaged by the Royal Commission for thinking out geographical planning and the allocation of industry in relation to existing town-planning problems.

DISTRIBUTION OF INDUSTRY ACT, 1945

Sections 1 to 7 give mainly to the Board of Trade strong positive powers for industrial development in four former Special Areas, viz. the North-Eastern, West Cumberland, South Wales, and Clyde-Dundee Areas. The powers are of the type formerly exercised by the Commissioners under the Special Areas Acts, 1934 and 1937, and include—

(*a*) Powers to acquire and provide factory sites and buildings, and to make loans for those purposes to non-profit companies (Board of Trade).

(*b*) Powers to make loans and grants for basic services: roads, transport, power and lighting, housing, health services, etc. (various Ministries).

(*c*) Powers to assist new businesses by loans and grants (Treasury).

(*d*) Powers to acquire and redevelop derelict land for factories or amenities, and to make grants for such purposes (Board of Trade).

New areas may be added to the Schedule by Resolution of Parliament at the instance of the Board of Trade. The only criterion is that "there is likely to be a special danger of unemployment."

Sections 8 to 10 give the Board of Trade the following powers with regard to factory building anywhere—

(*a*) Notice must be given of any intention to build or extend a factory of 3,000 sq. ft. or more, and building must not commence within three months without the Board's consent.

(*b*) The Board, by an Order approved by Parliament, may schedule any area in the country where in its judgment further factory building would be "seriously detrimental to the proper distribution of industry." In such areas, no factory or extension

in excess of 3,000 sq. ft. may be built without the Board's permission. The rebuilding of factories destroyed by war damage is exempted.

NATIONAL MISTRUST

Nothing would contribute more readily to allaying the industrial unrest than a realization by the worker of a desire on the part of the Government to face these problems with sincerity.

It is claimed that among the causes which have led to the industrial unrest has been the deficiency of the educational system, which has tended to make people perceive the differences in the circumstances of different classes of people, while very little attempt was being made to give them an insight into the real conditions underlying the community's social and economic well-being.

EDUCATIONAL FAULTS

While this is true, there are nevertheless weaknesses in other directions. It is probably true to say that one of the reasons why there has been no outburst of public indignation against the holding up of the Day Continuation Schools under the Education Act, 1921, is to be found in the frequently expressed opinion that the class of scholar produced by the present system of elementary education is not an adequate return for the millions that are lavished upon it. Much of this waste is due to home conditions which counteract the work of the school. The parent requires educating, and the demand for adult education must be fostered and encouraged. There is little desire at present on the part of the average worker for the improved education of his children, or for his own advancement.

There are faults also in the realms of further education. Some of our modern universities are situated in the midst of vast industrial centres, and rightly so. They are surrounded by conditions both repugnant and debasing. And yet their staffs go blindly on their way apparently oblivious of the scenes of crime and immorality with which they are surrounded and which it is within their power to prevent or mitigate. Our universities still remain, like our public schools, in many respects, closed academic corporations, which the University Settlements have done little to reclaim. The reason for this is a want of appreciation of the difficulties of existence which a purely academic training tends to foster and encourage.

One of the weaknesses of the working man is his unwillingness to serve the community. He is prepared to take, but he will not give even of his time for the service of his fellow-men. The

reason for this lies in defective education. Democracy is as inconsistent to-day as the Athenian democracy which condemned Socrates.

From what has been said previously, it is obvious that no ordinary social worker, and far less any ordinary citizen, is aware of or can be expected to be aware of all the institutions in the town (or if not in the town, in the nearest available town) for dealing in the best way with the hundred and one difficulties of all sorts which beset human life and which have called into being the great number and variety of institutions, both public and voluntary, to meet those needs which have been summarized above. Nor is much knowledge on their part necessary. It is, however, essential that there should be in every town of any size a society or organization, linked up with the local authorities, possessing one really experienced and trained worker with a group of voluntary workers—

(i) Possessing such knowledge; and

(ii) Able to take the necessary steps for putting any citizen in difficulties and needing help in touch with the appropriate institutions or societies which may happen to exist for the purpose; or, if need be, supply the required advice and information.

In small towns, a correspondent in touch with the nearest society in a large town would probably meet this purpose. There are at present some hundred towns possessing societies more or less of this kind (Personal Service Societies, Guilds of Help, etc.). As indicating the extent of the operations of such a society the figures of the Liverpool Personal Service Society (Inc.) show that in any one year it deals with between twenty and twenty-five thousand applications.

To economize the administrative cost of such a society, which in view of the necessity of employing a trained staff is always heavy, it is, however, possible in the average town for the same person to be secretary of this society and also of the representative council, and in some cases of the Juvenile Organization Committee.

THE NECESSITY OF CO-OPERATION

No one will deny that social and economic services to some extent relieve the capitalist of burdens and save the wage-earner from distress. But those who deduce from this fact that such services can be definitely increased without hurt either to the one or to the other fall into error which may well prove fatal to both. This is not the contention of a few fearful and selfish capitalists only. It is stated with remarkable force in the report

of a sub-committee of the Federation of Trade Unions published in March, 1930, "Whatever social improvements are effected," says the report, "have to be paid for by efforts. It is foolish to expect that the social improvements for many millions can continuously be paid for by exactions from the wealth of a few thousands. However desirable it may be to secure fairer distributions of wealth, it is fatal to national prosperity to eat up that capital which is necessary to finance present and future production." The report concludes that social service cannot be "extracted from capital" without "endangering the industrial existence" of the workman. We have a standard of living second to none in the world. To maintain that standard without sapping character, independence, and the national spirit by allowing any one class of the community to become too spoon-fed and dependent upon the Government for assistance is a problem of the first magnitude.

THE COUNTRY'S NEED

And so it remains for us to realize that, as Mazzini has said: "It is round the standard of duty, not that of self-interest, that man must fight to win the rights of man." Never in the history of the world had man more need of the revelation. And since we have for the moment little lead from the churches, we must turn elsewhere. Never since the days immediately succeeding the Napoleonic wars have men needed so urgently such a lead from our economists, publicists, ecclesiastics, and statesmen. And yet, with but few exceptions, these have largely remained silent at a time when they ought to have spoken. This defect is in part compensated for in the tutorial class and similar movements, into which many of the younger school of academic teachers are throwing themselves with increasing vigour. But there must be an understanding of the principles which underlie these studies.

The sphere of economics is sometimes claimed as controlled by laws which are quite indifferent to ethical considerations. Economic laws in fact are sometimes thought of as being as inexorable and unchangeable as natural laws, demanding complete submission whatever the ethical demand may be. But the metaphors of ordinary "exact" sciences do not apply fully to the sphere of economics. For economics as a science is not concerned with physical or chemical processes, but with human activities, and the motives and purposes which lie behind these. All human life is subject to those moral laws with which ethics as a science is concerned. Antecedents have their consequents in human activities as in physical or chemical processes; but these activities

are not themselves merely the results of previous conditions, but are freely willed, and ought, therefore, to be rightly willed. In industry and commerce a man is no less under moral obligation than in his domestic or social relations. A man does not become a tool or a hand in wealth-producing, but remains an individual. Employer and employed, producer and consumer, are in personal relations, and these are, and must be, subject to moral laws. This is true not only nationally, but also internationally.

THE IMPULSE TO SERVICE

This brief survey of the social and economic legislation of this country shows that it has become altogether undeniable that the life of every man in civilized society is inextricably entangled with that of his fellows.

Men should be united not only by a consciousness of likeness in others but also by a consciousness of purposes in common. More and more it becomes evident that the individual is dependent upon the social life. It is man's common heritage. Not only so, but men are dependent upon the active and hourly co-operation of others.

The advance of civilization has increased the pressure of the social and economic problems. Side by side with this, the political machine has become democratic. With this has grown the sense of collective responsibility. Thus arises the impulse to service which becomes not only a duty but, to all men and women of enlightenment, a privilege and a delight.

Especially should this be remembered in the stage of transition which surrounds us. A new vision must come to men of what industrial and commercial relations should be, and obedience to that vision must involve service and sacrifice. To act on higher principles than rivals in business may involve disadvantage. To do one's duty as a servant may result in financial loss and less frequent promotion. It may be needful for a man to be less rich, or even not rich at all, that he may be more kindly in his dealings with his workpeople, his customers, and his colleagues. It is a law of all human history that progress is secured through suffering. The economic restoration of the world will involve the economic sacrifice of some of the pioneers in the new and better paths of moral progress in industry, commerce, and social administration. But if men be ready to make sacrifices for the safety of a nation from its material foes, why should it be thought strange that they should be willing to suffer for its deliverance from the moral enemies of class interests and mistrust which threaten its unity and stability? For the gospel of service lies not only in sentiment. It is grounded in the evolution of the race—so far, in fact, that it is difficult sometimes to dis-

entangle it from what we know as selfishness. Of the latter there are two kinds, good and bad. Service is a "good" kind of selfishness. But the instinct of the race shows a willingness to sacrifice individual interest and life in the interests of the group. Self-preservation is thus secondary to the preservation of the race. Here, then, is the lesson from Nature—that service is the only means of preserving the life of the group, and the life of the group is the only means whereby the life of the individual can be maintained. And this service demands sacrifice.

We have lived in recent years too much in the world of materialism. We have failed to realize that man shall not live by bread alone. The joy of service is no longer ours. To be great we must give of ourselves, must rise above self-interest, and as Henry Montagu Butler so finely expressed it—

> Build for the future; let thy children say
> "His mind was finely toned and firmly set";
> But look around thee, nor be slow to pay
> The present debt.
>
> The "vision and the faculty divine"
> Come not by dreaming; he whose eye is clear
> To read the present reads the future sign,
> The truest seer.

So shall we find in service, which is the attribute of economic progress, the attainment of the better life and a higher and a nobler citizenship.

CHAPTER XXXIX

NATIONAL INSURANCE

INTRODUCTION

On the 10th June, 1941, the Minister without Portfolio (the Rt. Hon. Arthur Greenwood, M.P.) announced in the House of Commons that he had set up an Inter-Departmental Committee under the Chairmanship of Sir William Beveridge to conduct a comprehensive survey of existing schemes of Social Insurance and Allied Services and to make recommendations as to future policy for consideration of the Committee on Reconstruction Problems.

The Departments represented were the Home Office, Ministry of Labour and National Service, Ministry of Pensions, Ministry of Health, Treasury, Reconstruction Secretariat, Board of Customs and Excise, Assistance Board, Department of Health for Scotland, Registry of Friendly Societies and Office of the Industrial Assurance Commissioner, together with the Government Actuary.

SIGNATURE OF THE REPORT

All the members of the Committee, other than the Chairman, were Civil Servants. It was considered inappropriate for them to express opinions on matters of policy, and it was decided that the departmental representatives should be regarded as acting in an advisory capacity only, and that the Report should be made by the Chairman alone. The Report (Cmd 6404, H.M.S.O., 2s.) was published on the 20th November, 1942. It consists of approximately 300 closely printed pages and is very comprehensive in its scope. There is also a volume of Evidence (Cmd. 6405, 2s.).

OBJECT OF THE REPORT

The object of the survey was to make provision for the establishment of a system of Social Security by amalgamating existing services into a unified but extended service. Existing services are surveyed in Appendix B, which deals with the establishment of the Poor Law in the sixteenth century, workmen's compensation in 1897, old age pensions in 1908, health and unemployment insurance in 1912, special provision for the blind in 1920, and unemployment assistance in 1934. The Report also outlines the development of the hospital services, special legislation for child welfare, and industrial and ordinary schemes of insurance. These subjects are considered in the earlier chapters of this book.

In adequacy of amount and in comprehensiveness, existing provisions for security in this country are found to compare favourably with those in other countries with the exception of the extent of medical services and cash payments in cases of maternity, death and industrial accidents. Health and unemployment insurance, old age pensions, unemployment assistance and poor relief have banished destitution, and made it possible that nobody need die of poverty or lack of necessary care and treatment in sickness. There is room for improvement, however, in the case of those working on their own account and non-manual workers earning over £420 per year.

Attention is drawn in the Report to a degree of overlapping by various authorities as illustrated in public assistance, health and education services in local administration and the Ministry of Labour and National Service, Ministry of Pensions, and the Assistance Board in central administration.

THE ABOLITION OF WANT

The Beveridge Plan may be considered to be part of the effort to establish a New Order after the war. When Mr. Winston Churchill and President Roosevelt drew up the "Atlantic Charter" two far-reaching proposals were decided upon, namely, that freedom from want and freedom from fear should be established after the war.

Freedom from fear depended upon the victory of the United Nations. Freedom from want depends upon our willingness and ability to redistribute the national income so that under all circumstances everyone shall have sufficient to meet all the necessities of life with reasonable comfort, and this is the aim of the Beveridge Plan.

SINGLE WEEKLY CONTRIBUTION

The scheme is based upon payment of a single weekly contribution made by almost everyone, rich and poor alike, supplemented under some headings by payments from employers and grants from the National Exchequer. In this way the existing unemployment, health and old age insurance schemes will be extended to a much wider number of potential beneficiaries entitled to benefits for an unlimited period and without the much-criticized needs test.

THREE GUIDING PRINCIPLES

In reaching the conclusions set out in the Report three guiding principles have been recognized. Firstly, the excellent opportunity which post-war conditions would provide to bring about

a radical change in social and allied services; secondly, social security is but one part of a larger comprehensive policy for promoting social progress; and thirdly, the necessity to preserve and encourage voluntary action in schemes of social security. With regard to the first of these principles it was anticipated that arrangements would be made to operate the new scheme from the 1st July, 1944.

Although the abolition of want is the primary purpose of the social security scheme, it is regarded as but one of five evil giants, the others being disease, ignorance, squalor, and idleness.

THREE ASSUMPTIONS

It is also essential to recognize that the Beveridge Plan is claimed to be but part of a comprehensive policy of social reconstruction—a new social order—involving three assumptions prerequisite to the successful working of the Plan. It is anticipated that there will be in operation a scheme of allowances for dependent children, a non-contributory and comprehensive national health service, and a national policy to prevent mass unemployment.

SUMMARY OF SOCIAL SECURITY PLAN

The Beveridge method of providing freedom from want is to maintain incomes by a double redistribution of the national income through compulsory social insurance for basic needs and national assistance for special cases, supplemented by voluntary insurance for those who desire to continue provision therefor.

MAIN RECOMMENDATIONS

Ten principal recommendations are contained in the Report, namely—

(1) A Social Security plan.
(2) A Ministry of Social Security.
(3) Abolition of the Poor Law.
(4) Abolition of the Assistance Board.
(5) Repeal of the Workmen's Compensation Acts.
(6) Abolition of Approved Societies.
(7) Establishment of an Industrial Assurance Board.
(8) Provision of work or training for the unemployed.
(9) Endowment of Motherhood and the Family.
(10) A comprehensive medical service.

Social security is defined as "A national administration which is not centralized at Whitehall but is carried out through responsible regional and local officers acting at all points in close

co-operation with representatives of the committees which they serve."

SIX SOCIAL INSURANCE PRINCIPLES

Six fundamental principles are enunciated as forming part of the social insurance plan, namely—

(1) Flat rate of subsistence benefit.
(2) Flat rate of contributions.
(3) Unification of administrative responsibility.
(4) Adequacy of benefit.
(5) Comprehensiveness of scope.
(6) Classification of beneficiaries.

MINISTRY OF SOCIAL SECURITY

The Report proposed to provide unification of administrative responsibility by setting up a Ministry of Social Security with local security offices within reach of all insured persons. Greater efficiency and economies are expected to result from this unification. To the new Ministry will be transferred the work of the Assistance Board, the Board of Customs and Excise in respect of non-contributory pensions, probably the employment service and unemployment insurance from the Ministry of Labour and National Service, national health insurance from the Ministry of Health, workmen's compensation from the Home Office, and the work of other Departments in connection with the administration of cash benefits of all kinds, including domiciliary public assistance now administered by Poor Law Authorities.

A vital place is retained for local authorities in the provision of institutions and the organization and maintenance of hospital and other social welfare services.

See Ministry of National Insurance Act, 1944, at end of chapter.

SIXFOLD CLASSIFICATION OF THE POPULATION

The classification of the population into six classes is necessary because certain benefits will not accrue to some of these classes and contributions will differ from one class to another. The classes are—

(i) Those employed under contract of service.
(ii) Others gainfully occupied.
(iii) Housewives.
(iv) Others of working age not gainfully occupied.
(v) Below working age.
(vi) Retired above working age.

In dealing with the responsibility for the provision of benefit the Report states that insured persons should not feel that income

for idleness, however caused, can come from a bottomless purse.

It also recognized that some will fall through the meshes of any insurance scheme, and that this justifies a needs test for those outside the insurance scheme which, it is claimed, can be administered with sympathetic justice and discretion, taking full account of individual circumstances.

EIGHT PRIMARY CAUSES OF NEED

The Report sets out the eight primary needs for social security as unemployment, disability, loss of livelihood, retirement from occupation, marriage, funeral expenses, childhood, and incapacity. For each of these the Plan proposes a form of benefit.

CONTRIBUTION

Except for juveniles and females, the proposed single contribution for all social security purposes is a flat rate basis of 7s. 6d. per week, of which the worker will pay 4s. 3d. and the employer 3s. 3d.

UNEMPLOYMENT BENEFIT

The new proposals deal with the effect of unemployment by making the scheme comprehensive, by enlarging its scope to cover additional risks and increasing the rate of benefit payable.

The financial difficulties associated with large families will be met by children's and dependants' allowances. It is recognized that there has been an unmistakable movement of public opinion away from the principle of adjusting premiums to risks in compulsory insurance and in favour of pooling risks. The healthier sections of the community and those who escape periods of unemployment by reason of security of tenure are called upon to contribute upon the same basis as the less fortunate members of society. It is proposed, therefore, to abolish those special schemes to which the Blanesburgh Commission on Unemployment Insurance objected in principle such as those for insurance, banking, railways, and agriculture.

BENEFITS

The proposed normal scale of benefit for a man and wife is 40s. with adjustments to 34s. if the wife is working.

The proposed allowance for a dependent child is 8s. On the ground that single people have no rent to pay, the rate proposed for a single man is 24s. and the single woman 16s. For juveniles the rate is 20s. if between 18 and 20 years, and 15s. if between 16 and 17 years.

The normal rate of 40s. is built up from the following items of household expenses, namely—

Rent	10s.
Food	13s.
Fuel and light	4s.
Clothing	3s.
Other needs	10s. = 40s.

WAITING PERIOD

Although it is proposed to retain the three days waiting period in the first instance, the benefit for those days will be paid if the benefit period lasts 4 weeks. This will assimilate unemployment benefit with the present system under the Workmen's Compensation Acts. No limit in time to the benefit period is proposed and no needs test will be applied. The abolition of the needs test is justified on the grounds that it frequently operates to reduce income just when its maintenance is required for those expenses, such as clothing, which have been postponed on account of adversity and when any savings have been spent.

Twenty-six contributions will be required to substantiate a claim for benefit. If the claim period lasts for over 52 weeks, 156 contributions will be required to prevent transfer to national assistance with its needs test. Payment of benefit will be contingent, after a certain period, on the recipient attending a work or training centre.

DISABILITY BENEFIT

A person disabled and unfit for work, other than by accident at his work, will be paid on the same terms as unemployment benefit, except in the case of those in Class II (those gainfully occupied, i.e. in business for themselves), when benefit will only be payable after the disability has proved to be prolonged by a period of 13 weeks. Disability benefit will continue at the same rate without needs test so long as disability lasts or until it is replaced by industrial pension subject to acceptance of suitable medical treatment or vocational training.

COMPARISON WITH PRESENT BENEFITS

Such a person now receives 18s. per week benefit for 26 weeks followed by 10s. 6d. as long as disability lasts, with possibility of receiving supplementation from the Assistance Board or Public Assistance Authority. Under the Beveridge Plan he would receive 40s. if married plus 8s. per dependent child. If his wife is working the 40s. is adjusted to 34s. As single persons normally have no rent to pay, the allowance is adjusted to 24s. for a man and 16s.

for a woman. For juveniles the rates are 20s. if between 18 and 20 years and 15s. if between 16 and 17 years. The assimilation of disability, unemployment and (ultimately) retirement benefits is among the outstanding features of the Beveridge Plan.

HOUSEWIVES

Housewives are recognized as a distinct insurance class of occupied persons with benefits adjusted to their special needs ncluding—

(*a*) in all cases, marriage grant, maternity grant, widowhood, and separation provisions and retirement pensions;

(*b*) if not gainfully occupied, benefit during husband's unemployment or disability;

(*c*) if gainfully occupied, special maternity benefit in addition to grant and lower unemployment and disability benefits, accompanied by abolition of the Anomalies Regulations for Married Women.

MARRIAGE GRANT

The marriage grant is proposed only for those in Classes II and III, to vary from £1 to £10, according to contributions, and will be paid at the rate of £1 for every 40 contributions.

MATERNITY GRANT AND BENEFIT

The Plan recognizes married women, although unpaid, as being occupied on work of vital importance to the State. Moreover, statistics show the necessity to provide a greater incentive to combat the forecast decline in population, and so a grant of £4 is proposed instead of the £2 benefit now paid. Working women will receive, in addition, a maternity benefit at the rate of 36s. for 13 weeks.

HOUSEHOLD HELP

Recognizing the domestic difficulties arising when the housewife has to go into hospital, the Plan includes a scheme for providing household help in such cases upon the certificate of the doctor sending the case into hospital.

WIDOW'S BENEFIT

It is contended that permanent provision for the needs of widowhood is a matter for voluntary assurance, but during the first 13 weeks provision is made for a benefit payment of 36s. per week, plus the appropriate children's allowance. It is anticipated that a childless widow will be able to find remunerative employment and the benefit will be reduced according to earnings.

GUARDIAN BENEFIT

Where a widow is unable to enter employment, and in other cases where a person takes charge of children, guardian benefit at the rate of 24s. plus children's allowance will be payable but may be decreased on account of part earnings.

RETIREMENT PENSIONS

In place of existing Old Age Pensions, Retirement Pensions are proposed for men at 65 years and women at 60 at the rate of 40s. for a married couple and 24s. for a single person, but only after a transitional period of 20 years from the commencement of the Plan. Until that time it is proposed to introduce the scheme at a reduced rate, starting at 25s. instead of 40s. but increasing by 1s. 6d. after every 2 years. In order to encourage continuation in employment, due to the effect of the estimated higher age of the population, it is proposed to increase the pension by 2s. per week (single persons 1s.) for every additional year continued in employment after the normal age of retirement. For those outside the social insurance scheme the pension will be paid under a needs test. Retirement pensions will not be payable during any period of remunerative employment.

FUNERAL GRANT

The opinion is expressed in the Report that the present system of industrial assurance for death benefits is uneconomic, taking too large a proportion of the contributor's payments for administrative expenses. (See later as to abolition of Industrial Assurance.)

The amount of the funeral grant for adults would be £20, reduced to £15 for juveniles between 10 and 20 years, £10 between 3 and 9 years, and £6 if under 3 years. No payment will be made to those 60 years of age at the commencement of the scheme.

CHILDREN'S ALLOWANCES

It has already been pointed out that the Beveridge Report is based upon three assumptions, the first of which is a general scheme of children's allowances. It is proposed that there shall be no allowance for the first child when the parent is earning, but for each additional child, and every child of a parent in receipt of any benefit or pension, an allowance at an average rate of 8s. per child per week shall be paid. Since the needs of children increase with age it is proposed to grade the rate according to age.

INDUSTRIAL PENSIONS

The Workmen's Compensation Acts provide that a worker totally disabled by accident in his employment can claim half wages up to a maximum of 35s. per week, plus children's allowances, or a lump sum in settlement of his claim. It is contended in the Report that the conditions under which the Workmen's Compensation Acts have operated have been so unsatisfactory that their repeal is advocated and a system of industrial disability pensions recommended in substitution therefor.

Under the Beveridge Plan the disabled worker would receive 40s. per week, plus children's allowances, for thirteen weeks, followed by a sum equivalent to two-thirds former earnings but not less than 40s. or more than £3, plus children's allowances. For partial disablement the pension would be proportionately reduced. There will be no provision for commuting the allowance into a lump sum as at present except that the widow of a person killed as a result of an accident at his work may receive a lump sum payment, but the way in which it is employed will be subject to Regulations of the Ministry of Social Security. No contribution is paid for this benefit, but as employers would otherwise be relieved of their financial responsibilities now payable under the Workmen's Compensation Act it is proposed to make a levy equivalent to two-thirds the cost on employers in liable industries.

NATIONAL ASSISTANCE

The Beveridge Plan anticipates the abolition of the Poor Law, except for institutional treatment, and substitutes national assistance for necessitous persons not qualifying for insurance benefits. This would apply to those with insufficient contributions for insurance, those who have never been gainfully occupied, those refusing work or training, and wives separated from their husbands through their own action. There would be no settlement law, as for poor relief, but applicants would be subject to a needs test. The amount payable would be based on subsistence requirements and would be something less than insurance benefit. At 1938 price levels the maximum payment would be 32s., composed of rent 10s., food 13s., fuel and light 4s., clothing 3s., and other expenses 2s.

A COMPREHENSIVE HEALTH SERVICE

At present a sick man, if an insured person, has a free panel doctor and receives 18s. a week for 26 weeks, followed by 10s. 6d. per week while disablement continues.

Additional benefits may be obtained according to the rules of

the Approved Society to which he belongs. Upon entering hospital he is required to pay for his maintenance and treatment according to his ability. To avoid this financial burden contributory hospital schemes have been established. In many ways the existing system is incomplete.

Many persons and their dependants are outside insurance and voluntary contributory schemes. Under the Beveridge Plan every man, woman and dependent person will be entitled to free medical attendance including, where necessary, hospital treatment, nursing services and convalescent provision.

ABOLITION OF APPROVED SOCIETIES

It is contended in the Report that the existing approved society system is inconsistent with the policy of a national minimum and should be superseded under the new medical services scheme. At present, the societies composed of those with a large proportion of good lives, such as the civil service or local government services, can afford to provide all the additional benefits.

Those who have to join pooled societies, and particularly those in poor health who find it difficult to join a good society, lose these benefits, although they are usually just those who require them most. Additional benefits should be available to all who require them. With the proposed abolition of the approved societies would go the need for quinquennial valuations which have proved a burdensome and cumbersome practice. The staffs of the societies would be transferred to the Ministry of Social Security so far as required.

INDUSTRIAL ASSURANCE BOARD

The Report contains an indictment of the industrial collecting societies. Too great a proportion of the members' contributions goes to meet costs of administration. In the case of the industrial societies it is 7s. 6d. out of every pound collected, compared with 2s. in the case of friendly societies and what is estimated at 6d. under the national security plan. Two-thirds of the policies of industrial companies do not reach maturity and one-third of these become forfeit without any payment being made. The Report suggests the conversion of the business of industrial insurance into a public service under an Industrial Assurance Board. The Board would have a statutory monopoly of the use of collectors, and would be authorized to undertake life assurance, whether through collectors or otherwise, up to a low maximum sum assured, say £300. It would take over all the existing policies and honour them, safeguarding the rights of every policy-holder. It would compensate the shareholders. It would employ or

compensate the staff, including dealing fairly with book interest, that is to say, with the valuable rights of agents in certain offices to nominate their successors and in effect to sell their books.

WELFARE OF THE BLIND

The trend of social policy in respect of the blind has been to remove them from the operation of the poor laws to a separate local welfare service with preferential treatment in respect of old age pensions payable at the reduced age of 40 years. One great disadvantage has been the differing policies of local authorities resulting in the allowances of blind persons differing in various parts of the country. Under the Beveridge Plan they will become entitled to the appropriate rates of disability benefit and, in due course, to the appropriate retirement pension. It is recognized, however, that blindness needs special considerations giving rise to additional needs on the one hand and the recognition of the principle that blindness does not of necessity give rise to complete or even partial loss of earning power in all cases. These matters are left over for further consideration, including the formulation of a new scheme which will co-ordinate the work of the Ministry of Social Security, the local authorities and voluntary agencies in respect of the blind.

Table XII of the Report shows the provisional rates of benefits proposed compared with those under existing schemes, with, the estimated annual cost at the beginning of the scheme and when it comes into full operation and how the total cost will be shared.

GOVERNMENT PROPOSALS ON SOCIAL INSURANCE

In September, 1944, the Minister of Reconstruction presented to Parliament the Government's proposals on social insurance following consideration of the Beveridge Report. The Government's proposals for a comprehensive national health service had already been published in the form of a White Paper (Cmd. 6502, 1944), and a White Paper on Employment Policy (Cmd. 6527, 1944) had been presented to Parliament in May, 1944. A Bill for the provision of children's allowances was introduced into the House of Commons in March, 1945. In this manner steps have been taken to establish in some degree all three assumptions of the Beveridge Report.

Of the ten main recommendations of the Beveridge Report the Government accepted generally all but three, viz.—

(1) those recommending the abolition of the Assistance Board which is retained under the control of the new Ministry of National Insurance;

TABLE XII

Proposed Benefits	Rates of Allowances			Estimated Cost £ Million	
	Existing Schemes		Beveridge Plan	1945	1965
	Males	Females		£	£
Unemployment (including Disability and Training)—					
Man and unoccupied wife	26s.		40s.		
Man and occupied wife	17s.		24s.		
Single persons—					
Age 21 upwards	17s.	15s.	24s.		
Age 18–20	14s.	12s	20s.	167	178
Age 17	9s.	7s 6d.	15s.		
Age 16	6s.	5s.	15s.		
Married woman occupied when on benefit		15s.	16s.		
Retirement Pension—					
Man and unoccupied wife	20s.		40s.	126	300
Single person	10s.	10s.	24s.		
Marriage Grant			£10	1	3
Maternity Benefit—					
13 weeks			36s.	7	6
Maternity Grant		£2	£4		
Widows' Benefit—					
13 weeks		18s.	36s.	29	21
Guardian Benefit			24s.		
Dependant Allowance		9s.	16s.		
Industrial Disability Pensions and Grant			40s.	15	15
Funeral Grant			£20	4	12
Cost of Administration				18	18
Total Social Insurance				£367	£553
National Assistance			32s.	44	30
Cost of Administration				3	2
Children's Allowances	2s.	2s.	8s.	110	100
Cost of Administration				3	3
Health and Rehabilitation Services				170	170
Total Cost				£697	£858

TABLE XIII

Apportionment of Cost	£	£
Insured Persons	194	192
Employers	137	132
Taxpayers	351	519
Interest on Funds	15	15
Total	£697	£858

(2) the setting up of an Industrial Insurance Board; and
(3) the universal and compulsory provision of work or training, although training is provided under certain circumstances.

MINISTRY OF NATIONAL INSURANCE

The White Paper outlines a system of national insurance as distinct from social security. Two reasons are stated why a minimum standard of subsistence has not formed the basis of the scheme. It would cause difficulties owing to the necessity of making adjustments necessary with changes in the cost of living from time to time in general and between different localities in particular.

On the 17th November, 1944, the Royal Assent was given to the Ministry of National Insurance Act, 1944, providing for the appointment of a Minister of National Insurance to take over functions previously carried out by the Minister of Health and the Secretary of State with respect to national health insurance, old age pensions, widows', orphans' and old age contributory pensions; by the Minister of Labour and National Service with respect to unemployment insurance and unemployment assistance; and by the Secretary of State with respect to workmen's compensation.

CLASSIFICATION OF THE POPULATION

The White Paper on Social Security accepts the Beveridge classification of the population, which was as follows—

Class		Approximate Number
I	Employees . . .	18,100,000
II	The self-employed . .	2,600,000
III	Housewives . . .	9,650,000
IV	Other adults not earning .	2,250,000
V	Children	10,100,000
VI	Retired over working age .	4,800,000
		47,500,000

PROPOSED BENEFITS

With certain modifications, the Beveridge proposals with regard to benefits are adopted generally. An exception is the Beveridge marriage grant which forms no part of the Government's scheme.

The Retirement pension proposed is 35s. weekly for a married man compared with the Beveridge Report's 40s., and 20s. for a single person compared with 24s. The minimum age of retirement for a man will be 65 and for a woman 60, although the joint pension will be paid when the husband qualifies whatever the age of the wife. New entrants into insurance must contribute for ten years before becoming qualified, but existing pension scheme rights will be maintained. In other cases a claimant must have been insured for five years, have paid a total of 104 contributions with 50 per annum paid or excused. Pensioners may earn up to 20s. weekly without reduction of pension, and if work is continued the postponed pension increases according to the Beveridge scheme. Those not qualifying for retirement pension may apply for an assistance pension payable under a needs test.

Unemployment benefit will be 40s. weekly for a married man and 24s. for a single adult. The Beveridge plan proposed to reduce benefit in the case of a single woman to 16s. and a young person under 17 to 20s. These reductions are not adopted nor is the Beveridge proposal to make the benefit unlimited in time. The White Paper limits unemployment benefit to 30 weeks but with extensions for those with good employment records. To qualify for benefit 26 contributions must have been paid, and unless 50 contributions have been paid or excused for the last contribution year there will be a reduction of benefit. Anyone not qualifying for unemployment benefit or having exhausted such benefit may apply for a national assistance pension under a needs test. Self-employed persons do not qualify for unemployment benefit.

Training allowances at a higher rate than unemployment benefit will be payable to those taking an approved course of training.

Maternity grant of £4 is proposed.

Maternity benefit of 36s. weekly for 13 weeks will be paid to working women giving up work for that period after confinement.

An attendant's allowance of £1 weekly for four weeks will be paid to women not entitled to maternity benefit.

Widow's benefit will be 36s. weekly for 13 weeks but subject to reduction if earnings exceed 20s. weekly.

Guardian's benefit at the rate of 24s. weekly follows the termination of widow's benefit for those with a dependent child.

Widow's pension at the rate of 20s. weekly follows widow's benefit for those without dependent children and who are 50 or over when the husband died or when the children ceased to be dependent provided the marriage had been of ten years' duration. It terminates upon remarriage. Pension will be reduced when earnings exceed 20s. weekly.

Death grant will be paid under slightly different age conditions than those proposed in the Beveridge Report. The grant will be—

	£
Under 3 years of age	6
Between 3 and 6 years of age . . .	10
Between 6 and 18 years of age . .	15
Over 18 years of age	20

It will not be payable in respect of those 65 years of age at the commencement of the scheme. Beveridge fixed this at 60 years. For those then between 55 and 65 the grant will be £10. No grant will be paid in respect of a child dying before the age of 10 years if born before the beginning of the scheme.

Children's allowances will be 5s. for each child after the first providing the child is still at school and not over 16 years. The Beveridge scheme proposed an average of 8s. per child after the first. Where other benefits are being paid the allowance will be paid in respect of the first child also.

Orphan's allowance will be 12s. per child, including the first, if both parents are dead.

National Assistance payable under a needs test will be available for those failing to qualify for insurance benefits.

Industrial injury benefits form the subject of a separate White Paper (Cmd. 6551). The Workmen's Compensation Acts will be repealed.

Industrial injury allowance will be 35s. weekly for 13 weeks with an addition of 8s. 9d. in respect of a wife and 5s. for the first child otherwise excluded.

Industrial pension will be based on the degree of disablement. If assessed at 100 per cent the pension will be 40s. weekly, together with 10s. in respect of a wife and 7s. 6d. in respect of the first child. If the injury results in total unemployability a supplementary allowance of 10s. weekly will be paid, together with 20s. for an attendant if constant attendance is required. Those under 18 years will receive half the rates paid to adults. A gratuity will be paid in respect of minor injuries not justifying a disablement pension. In fatal cases a widow will receive a widow's pension of 36s. weekly for 13 weeks followed by 30s. weekly if she is under 50 years and with a dependent child, or otherwise 20s. plus 7s. 6d. for the first child. If there are two parents incapable of self-support a maximum allowance of 30s. may be paid or 20s. if there is only one such parent. In respect of other members of the family incapable of self-support, the maximum allowance will be 20s. A woman having the care of a deceased workman's child may receive up to 20s. weekly therefore. If a widow or female dependant receiving an industrial

pension remarries the pension terminates, but she will receive a gratuity equal to one year's pension.

CONTRIBUTIONS

The rates of contribution will be as below—

	Class I						Class II		Class IV	
	Insured		Employer		Total					
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Men—										
Aged 18 and over	3	10	3	1	6	11	4	2	3	4
Aged 16 to 18 .	2	3	2	1	4	4	2	9	2	2
Women—										
Aged 18 and over	3	–	2	5	5	5	3	6	2	8
Aged 16 to 18 .	2	–	1	7	3	7	2	5	1	10

FINANCE OF THE SCHEME

The table on p. 748, taken from page 52 of the White Paper, provides an estimate of the cost of the proposed scheme compared with the cost under existing schemes.

Cost in Future Years. This estimated cost of £650 millions for 1945 is estimated to grow to £731 millions in 1955, to £796 millions in 1965 and £831 millions in 1975. The increase in burden will fall on public funds as the income from contributions from employers and workers will fall.

WHITE PAPER ON EMPLOYMENT POLICY

On 27th May, 1944, the Government published a White Paper on Employment Policy. In the foreword the Minister of Reconstruction (Lord Woolton) states that "the Government accept as one of their primary aims and responsibilities the maintenance of a high and stable LEVEL OF EMPLOYMENT after the war."

The principal features of the policy which they propose for this purpose are—

1. The eventual introduction of a system of varying contributions within the new social insurance scheme, designed to influence the volume of purchasing power of the community. When unemployment is low the weekly contribution payable by employers and employed will be increased. When unemployment arises the contribution will be reduced and the public will have more money to spend.

COMPARATIVE STATEMENT OF ESTIMATED EXPENDITURE IN 1945

(Assuming Stabilization under Post-war Conditions)

UNDER PRESENT SOCIAL INSURANCE SCHEMES AND ALLIED SERVICES	£ millions		UNDER GOVERNMENT PROPOSALS	£ millions	
Pensions Benefits—			Retirement pensions . .	169	
Contributory pensions:			Widows' and guardians' benefits	34	
Age and widows over 60 .	95		Assistance pensions . .	37	
Widows under 60 . .	14				
Non-contributory pensions	11				
Supplementary pensions .	57				
	—	177		—	240
Unemployment—					
Unemployment benefit .	64		Unemployment benefit .	87	
Unemployment assistance .	23		Unemployment assistance .	22	
	—	87		—	109
Sickness (including Maternity)—					
National Health Insurance:			Sickness and invalidity benefits	55	
Sickness and disablement benefits . . .	27		Maternity grant and benefits .	9	
Maternity benefit . .	3			—	64
	—	30	Family allowances . .		57
Children's Benefits—					
Allowances for second and subsequent children payable under above schemes		4			
			National assistance (apart from pensions and unemployment assistance) .		6
Other Assistance—					
Public Assistance . .		15			
Other Cash Benefits . .		—	*Death Grants* . . .		4
Administration—			Cost of above services . .		22
Cost of above services .		18			
			Comprehensive national scheme		148
Health Services—					
Included in National Health Insurance . . .	20				
Others, met from public funds	60				
	—	80			
TOTAL .		411	TOTAL .		650

2. Planned spending on public works to check the onset of a depression. A co-ordinating body under Ministers will be set up to control the expenditure programme of public authorities five years ahead.

3. Concerted action between the Treasury and the banks is planned to influence the volume of capital expenditure by variations in the rate of interest.

As a further possibility, VARIATION OF TAXATION will be considered as a means of keeping employment steady at a high level.

In prosperous years taxes could be higher than necessary and the surplus carried over as credits repayable in bad times.

At the same time private enterprise will be encouraged to expand or contract spending in accordance with the general policy of stabilization.

As an essential condition the level of prices and wages must be kept reasonably stable. General wage increases must be related to increased output. Employers must look to larger output rather than high prices for their rewards.

The Government will help to avoid or mitigate price changes even by some use of subsidies during the transition period. They will also seek powers to act against restrictive agreements and combines which conflict with a full employment policy.

MOBILITY OF LABOUR between occupations will be encouraged by training and resettlement schemes, by completely divorcing unemployment benefit from the allowances granted to trainees, and by ensuring that houses are available at reasonable rents.

The pre-war concept of a special area should disappear.

It will be an aim of Government policy to help the industries of those areas—coal, steel, heavy engineering, shipbuilding—to reach the highest possible pitch of efficiency and to secure oversea markets.

Government action in this direction will operate to influence the LOCATION OF NEW ENTERPRISES by helping the transfer of workers and by providing training facilities for men changing jobs. There will be power to prevent further industrial development in areas where it will be disadvantageous.

It was proposed to attack the problems of LOCAL UNEMPLOYMENT in three ways—

1. By so influencing the location of new enterprises as to diversify the industrial composition of the areas which were particularly vulnerable to unemployment.
2. By removing obstacles to the transfer of workers from one area to another, and from one occupation to another.
3. By providing training facilities to fit workers from declining industries for jobs in expanding industries.

To enable the Government to obtain advance warning of any threat of a SLUMP IN TRADE, a small central staff will analyse economic trends and inform the Ministers concerned. Many of the decisions required to carry out the Government's employment policy will depend on quick and accurate diagnosis. Industry will be asked to supply the necessary statistical information and the Ministry of Labour will maintain a parallel study of the man-power position.

After the armistice in Europe the Government will seek to

create conditions favourable to the EXTENSION OF OUR EXPORT TRADE, and will assist industry by promoting efficiency, for example by tax modifications such as those announced recently by the Chancellor.

The Government will also try to REDUCE UNEMPLOYMENT to a minimum by such steps as—

1. Assisting firms to switch to peacetime production;
2. Arranging supplies of labour and raw materials so far as possible;
3. Curtailing munitions work in areas where high-priority civilian products can be produced.

Stability in the general LEVEL OF PRICES will be essential. For this reason rationing and a measure of price control will be continued for some time. The use of capital will also be controlled to avoid a scramble to borrow and to avoid dear money for urgent reconstruction needs.

To direct the efforts of industry towards the right tasks in the right order certain broad priorities will be established and enforced by licences and the allocation of raw materials and labour.

"There will be no problem of general unemployment in the years immediately after the end of the war in Europe. It will be a period of shortages," says a foreword to the White Paper. To reduce unemployment to a minimum during the TRANSITION FROM WAR TO PEACE the Government proposes—

1. Finding out in advance where the skilled labour which will gradually become available for civilian work will be most urgently required;
2. Arranging that the disposal of surplus Government stocks shall not prejudice the re-establishment of normal trade channels;
3. Regulating the disposal of Government factories in a way that will help towards the early restoration of employment.

THE DANGER OF INFLATION would come after the war with Japan had ended, when people relaxed from the discipline and strain of war and looked round for opportunity to spend the money they have saved and to make up for their years of self-denial.

"Rationing and a measure of price control must be continued for some time." "Increases in rations of manufactured goods such as clothing will be regulated to correspond with increases in production.

"The speed at which food rations can be increased and varied will largely depend on the extent to which we can obtain overseas supplies. The habit of saving must still be encouraged."

While the Government had no intention of MAINTAINING WARTIME RESTRICTIONS for restriction's sake they were resolved that

so long as supplies were abnormally short the most urgent need should be met first. Without some of the existing controls this could not be achieved.

To secure a BALANCED INDUSTRIAL DEVELOPMENT in areas which have been unduly dependent in the past on industries specially vulnerable to unemployment, the erection of factories for sale or lease and financial assistance for enterprises which establish themselves in conformity with the Government's policy and show prospects of commercial success are proposed.

There are to be TRAINING SCHEMES for resettling people uprooted by war service, training allowances being fixed on a higher scale than unemployment benefit. Where workers are transferred under approved schemes to a new area, they will be eligible for resettlement allowances to meet the costs involved in their removal.

"The Government are prepared to do what they can to stabilize prices so as avoid or mitigate changes not rendered inevitable by higher costs."

"It must, however, be regarded as the duty of both sides of industry to consider all possible means preventing a rise in the costs of production or distribution.

"Workers must examine their TRADE PRACTICES AND CUSTOMS to ensure that they do not constitute a serious impediment to an expansionist economy and so defeat the object of a full employment programme. Employers, too, must seek in larger output rather than higher prices the reward of enterprise and good management."

There has in recent years been a growing tendency towards COMBINES AND AGREEMENTS, both national and international, by which manufacturers have sought to control prices and output, to divide markets, and to fix conditions of sale. Such agreements or combines do not necessarily operate against the public interest, but the power to do so is there.

The Government will therefore seek power to inform themselves of the extent and effect of restrictive agreements and of the activities of combines, and to take appropriate action to check practices which may bring advantages to sectional producing interests but work to the detriment of the country as a whole.

APPENDIX A

PUBLIC SOCIAL SERVICES

TOTAL EXPENDITURE UNDER CERTAIN ACTS OF PARLIAMENT

ENGLAND and WALES

Total Expenditure (other than out of loans for capital purposes) during the year ended 31st March

Service	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
(1)	(2) £000	(3) £000	(4) £000	(5) £000	(6) £000	(7) £000	(8) £000	(9) £000	(10) £000	(11) £000	(12) £000	(13) £000	(14) £000	(15) £000	(16) £000
Unemployment Insurance Acts	62,174	41,573	40,982	42,937	41,397	47,757	38,256	47,487	46,682	71,341	78,476	56,654	43,466	46,562	45,702
Transitional Payments or Unemployment Assistance	—	—	—	—	—	—	—	—	—	17,060	27,161	45,060	43,414	38,153	38,898
National Insurance (Health) Acts[1]	26,293	26,142	27,427	28,986	33,094	36,662	33,739	35,967	34,710	34,717	33,507	33,616	32,301	32,793	34,213
Widows', Orphans' and Old Age Contributory Pensions Acts	—	—	—	—	1,412	6,624	10,590	21,220	23,585	30,819	35,412	36,416	37,597	38,531	39,807
Old Age Pensions Acts	19,464	19,869	21,315	22,941	24,861	27,416	29,884	30,953	31,749	33,347	34,351	36,020	36,618	37,834	39,090
War Pension Acts and the Ministry of Pensions Act	80,584	68,621	62,334	59,788	57,471	54,073	51,168	48,474	46,202	44,282	42,272	40,064	38,553	37,047	36,391
Education Acts	80,011	76,726	75,144	77,293	79,361	80,132	81,625	83,944	86,955	90,388	89,623	87,593	88,448	91,878	97,355
Acts relating to Reformatory and Industrial Schools, now Approved Schools	1,169	828	668	619	611	583	570	539	538	522	518	503	501	550	603
Inebriates Acts	12	18	12	5	—	—	—	—	—	—	—	—	—	—	—
Public Health Acts so far as they relate to—															
(i) Hospitals and Treatment of Disease	7,560	6,616	6,029	6,235	6,504	6,839	7,132	7,376	7,510	9,170	10,702	11,548	12,380	13,147	13,500
(ii) Maternity and Child Welfare Work	1,901	1,616	1,613	1,694	1,819	2,156	2,063	2,200	2,370	2,889	3,035	3,073	3,099	3,244	3,500
Housing of the Working Classes Acts	10,120	14,610	16,290	17,639	19,883	23,157	27,482	30,879	32,455	35,226	37,328	39,065	40,190	42,553	41,914
Acts relating to the Relief of the Poor	42,273	41,934	37,964	36,912	40,142	49,845	40,989	39,746	40,699	38,622	36,879	38,976	40,201	44,421	44,500
Unemployed Workmen Act	45	42	39	43	43	45	41	39	40	—	—	—	—	—	—
Lunacy Acts	1,460	1,932	2,741	2,914	2,866	2,541	2,363	2,421	2,492	2,549	2,477	2,650	2,770	2,962	3,000
Mental Deficiency Acts	842	815	888	1,005	1,105	1,213	1,351	1,440	1,604	1,817	2,134	2,339	2,558	2,755	2,800
Totals	333,908	301,342	293,446	299,011	310,569	339,043	327,255	352,685	357,591	412,749	433,875	433,577	422,096	432,430	441,753

[1] National Insurance (Health) Acts. The figures relate to the calendar year shown at the head of each column.

APPENDIX A—*continued*

PUBLIC SOCIAL SERVICES

TOTAL EXPENDITURE UNDER CERTAIN ACTS OF PARLIAMENT

ENGLAND and WALES

Total Expenditure (other than out of loans for capital purposes) during the year ended 31st March

Service	1937	1938	1939	1940	1941	1942
	£000	£000	£000	£000	£000	£000
Unemployment Insurance	39,690	57,178	40,676	23,061	9,064	6,296
Unemployment Assistance	33,114	32,111	26,419	12,867	5,657	2,714
Health Insurance	35,808	36,261	35,932	34,168	46,132	50,691
Contributory Pensions	41,904	42,731	43,827	50,128	59,825	60,456
Old Age Pensions	41,177	43,322	43,785	59,911	80,365	92,433
War Pensions	34,555	33,767	33,317	37,373	49,041	59,447
Education and Physical Training	104,155	107,179	106,127	107,576	129,314	137,390
Approved Schools	748	933	993	1,068	1,374	1,706
Hospitals	15,770	17,708	10,644	18,771	20,915	20,022
Maternity and Child Welfare	3,759	5,010	5,751	5,989	6,706	6,377
Housing	38,274	40,133	42,850	45,600	54,561	55,101
Poor Relief	41,832	41,832	43,345	43,691	48,745	43,822
Mental Treatment	3,294	3,589	3,450	3,166	9,160	9,123
Mental Deficiency	3,185	3,539	3,760	4,075		
Totals	£437,265	£465,293	£449,876	£447,444	£520,859[1]	£545,578[1]

[1] Great Britain—Separate figure for England and Wales not available.

APPENDIX B

UNEMPLOYMENT INSURANCE

STATUTORY RULES AND ORDERS FOR THE PERIOD FROM 1ST OCTOBER, 1938

1st October, 1938, to 30th September, 1939—

Unemployment Insurance (Banking Industry Special Scheme) (Amendment) Special Order, 1939. (S.R. & O., 1939, No. 306).

" " (Increase of Benefits and Reduction in Contributions (Agriculture) Order, 1939. (S.R. & O., 1939, No. 406).

" " (Contributions) (Amendment) Regulations, 1939. (S.R. & O., 1939, No. 586).

" " (Attendance at Authorised Courses) (Amendment) Regulations, 1939. (S.R. & O., 1939, No. 770).

" " (Special Schemes) (Transfer) Regulations, 1939. (S.R. & O., 1939, No. 783).

" (Banking Industry Special Scheme) (Amendment) Order, 1939. (S.R. & O., 1939, No. 822).

" " (Insurance Industry Special Scheme) (Variation and Amendment) Order, 1939. (S.R. & O., 1939, No. 823).

" (Benefit) (Recognized or Customary Holiday) Provisional Regulations, 1939. (S.R. & O., 1939, No. 821).

" (Excluded Persons on Board His Majesty's Ships) Provisional Regulations, 1939. (S.R. & O., 1939, No. 852).

" (Service and Military Training) (Contributions) Provisional Regulations, 1939. (S.R. & O., 1939, No. 853).

" " (Crediting of Contributions) (Amendment) Provisional Regulations, 1939. (S.R. & O., 1939, No. 924).

" " (Emergency Powers) Regulations, 1939. (S.R. & O., 1939, No. 1148).

" " (Insurance Industry Special Scheme) (Variation) Order, 1939 (S.R. & O., 1939, No. 1314).

1st October, 1939, to 30th September, 1940

Unemployment Insurance (Banking Industry Special Scheme) (Variation) Order, 1939. (S.R. & O., 1939, No. 1769).

" " (Excluded Persons on Board His Majesty's Ships) Regulations, 1939. (S.R. & O., 1939, No. 1770).

" " (Benefit) (Recognized or Customary Holiday) Regulations, 1939 (S.R. & O., 1939, No. 1771).

" " (Subsidiary Employments) Order, 1939. (S.R. & O., 1939, No. 1922).

Unemployment Insurance (Emergency Powers) (Amendment) Regulations. 1939. (S.R. & O., 1939, No. 1944).
" " (Increase of Benefit in respect of Dependent Children) Order, 1940. (S.R. & O., 1940, No. 569).
" " (Emergency Powers) (Amendment) Regulations, 1940. (S.R. & O., 1940, No. 744).
" " (Banking Industry Special Scheme) (Amendment) Order, 1940. (S.R. & O., 1940, No. 1222).
" " (Insurance Industry Special Scheme) (Amendment) Order, 1940. (S.R. & O., 1940, No. 1223).
" " (Emergency Powers) (Amendment) (No. 2) Regulations, 1940. (S.R. & O., 1940, No. 1235).
" " (Subsidiary Employments) Order, 1940. (S.R. & O., 1940, No. 1418).
" " (Banking Industry Special Scheme) (Amendment) (No. 2) Order, 1940. (S.R. & O., 1940, No. 1426).
" " (Insurance Industry Special Scheme) (Amendment) (No. 2) Order, 1940. (S.R. & O., 1940, No. 1453).
" " (Emergency Powers) (Amendment) (No. 3) Regulations, 1940. (S.R. & O., 1940, No. 1456).
" " (Emergency Powers) (Temporary Employment in Agriculture) Regulations, 1940. (S.R. & O., 1940, No. 1745).

1st October, 1940, to 30th September, 1941

Unemployment Insurance Contributions (Amendment) Regulations, 1940. (S.R. & O., 1940, No. 1832).
" " Approval of Arrangements Regulations, 1940. (S.R. & O., 1940, No. 1969).
" " Emergency Powers (Amendment) (No. 4) Regulations, 1940. (S.R. & O., 1940, No. 2211).

UNEMPLOYMENT INSURANCE

STATUTORY RULES AND ORDERS FOR THE PERIOD FROM 1ST OCTOBER, 1941, TO 31ST DECEMBER, 1944

Unemployment Insurance Emergency Powers (Amendment) Regulations, 1941. (S.R. & O., 1941, No. 2152).
" " Employment under Public and Local Authorities and Temporary Police Employment (Exclusion) (Amendment) Regulations, 1942. (S.R. & O., 1942, No. 26)
" " Emergency Powers (Amendment) Regulations, 1942. (S.R. & O., 1942, No. 610).
" " Emergency Powers (Amendment) (No. 2) Regulations, 1942 (S.R. & O., 1942, No. 693).
" " Contributions (Agriculture) Order, 1942. (S.R. & O., 1942, No. 895)
" " Emergency Powers (Temporary Employment in Agriculture) (Amendment) Regulations, 1942. (S.R. & O., 1942, No. 1440).

Unemployment Insurance Emergency Powers (Amendment) (No. 3) Regulations, 1942. (S.R. & O., 1942, No. 1517).
" " Banking Industry Special Scheme (Amendment) Order, 1942. (S.R. & O., 1942, No. 1612).
" " Insurance Industry Special Scheme (Amendment) Order, 1942. (S.R. & O., 1942, No. 1613).
" " Banking Industry Special Scheme (Amendment) (No. 2) Order, 1942. (S.R. & O., 1942, No. 2389).
" " Emergency Powers (Amendment) (No. 4) Regulations, 1942. (S.R. & O., 1942, No. 2620).
" " Emergency Powers (Amendment) (No. 5) Regulations, 1942. (S.R. & O., 1942, No. 2669).
" " Emergency Powers (Amendment) Regulations, 1943. (S.R. & O., 1943, No. 167).
" " Contributions (Amendment) Regulations, 1943. (S.R. & O., 1943, No. 900).
" " Emergency Powers (Amendment) (No. 2) Regulations, 1943. (S.R. & O., 1943, No. 1363).
" " Emergency Powers (Amendment) Regulations, 1944. (S.R. & O., 1944, No. 799).
" " Emergency Powers (Mercantile Marine Exclusion) Regulations, 1944. (S.R. & O , 1944, No. 996).
" " Increase of Benefit Act, 1944 (Commencement) Order, 1944. (S.R. & O., 1944, No. 1225).
" " Banking Industry Special Scheme (Amendment) Order, 1944. (S.R. & O., 1944, No 1421).

UNEMPLOYMENT INSURANCE ACTS

FROM 1938 TO 1944

Unemployment Insurance Act, 1938 (1 and 2 Geo. 6 Ch. 8)
" " Act, 1939 (2 and 3 Geo. 6 Ch. 29)
" " (Emergency Powers) Act, 1939 (2 and 3 Geo. 6 Ch. 92)
" " (Emergency Powers) Act, 1939 (2 and 3 Geo. 6 Ch. 93)
" " Act, 1940 (3 and 4 Geo. 6 Ch. 44).
" " (Increase of Benefit Act), 1944 (7 and 8 Geo. 6 Ch. 42)

INDEX

ABORTION, 169
Acquisition of Land (Assessment of Compensation) Act, 1919, 127
Adam Smith, 15
Adolescent—
  After-care Committees, 180
  choice of employment, 185
  education, 155, 180
  hours of work, 181
  recreation, 180
  supervision of, 179
Adult education, 150
—— welfare, 69
Advertisements Regulation Act, 1925, 131
After-care Committees, 180
—— —— work, 186
Agrarian Revolution, 372
Agricultural education, 160
—— Land (Utilization) Act, 1931, 406
—— Wages Board, 316
—— —— (Regulation) Act, 1924, 36, 317
Agriculture, 716
Allotments for unemployed, 717
Anomalies Regulations, 1931, 409
Approved schools, 147, 191
—— ——, administration, 193
—— societies, 228, 741
Arbitration—
  Australia, 340
  Canada, 341
  compulsory, 342
  courts of, 325, 332
  —— of inquiry, 332
  definition, 319
  New Zealand, 340
  Transvaal, 341
  under Industrial Courts Act, 1919, 332
Armed forces demobilized, 390
Assistance Board, 559

BALL, Hannah, 135
Beet Sugar (Subsidy) Acts, 1925 and 1934, 401
Bell, Andrew, 135
Bentham, Jeremy, 17, 19
Beveridge report, 88, 732
Birkbeck, Dr. George, 148
Births, notification of, 84, 167
Black Death, 371
Blanesburgh Committee on Unemployment Insurance, 480, 481
Blind Persons Act, 1920, 639
—— —— ——, 1938, 640
—— ——, welfare of, 742
Board of Education (*see* Ministry of Education)
—— —— Act, 1899, 138
—— of Health, 73
—— of Trade, 40
—— —— Report, 1893, 376
Boarding-out Children Order, 1911, 170
Booth, Rt. Hon. Charles, 670, 672
Borstal Association, 212
—— system, 210
Bowley, Prof. A. L., 670, 671
Boy labour at docks, 680
British and Foreign Schools Society, 135
—— Institute of Social Service, 61
—— Sugar Corporation, Ltd., 401
Building Guilds, 358
—— trades, unemployment in, 722

CANAL boats, children in, 148
Cancer Act, 1939, 88
Canon law, 3
Carlyle, Thomas, 16
Cave Committee on Trade Boards, 313
Central After-care Committees, 188
—— Midwives Board, 165
—— (Unemployed) Body for London, 379
Certificates of Births, Deaths, and Marriages (Requisition) Regulations, 1937, 237
Certified Day Industrial School, 193
Chadwick, Edwin, 18, 73, 75
Charity Commissioners, 41
—— Organization Society, 55
Chartist movement, 19
Child Adoption Committee, 1926, 177

Child life protection, 86, 169
—— Protection Visitors, 86, 169
—— welfare, 165
Children—
begging, 172
committed to care of "fit persons," 206
criminal proceedings, 195
cruelty to, 171
education, 134
employment of, 173
entertainments, taking part in, 176
foster, 85
intoxicating liquors, 172
licensed premises, 172
medical inspection, 144
nursed for reward, 170
old metal purchased from, 173
open fire-grates, 173
overcrowding of, 170
performances, taking part in, 176
places of safety, removal to, 204
protection, in need of, 201
refractory, 203
safety of, at entertainments, 173
sexual offences, 172
street trading, 175
tobacco, sale of, 172
vagrancy, 203
voluntary homes, 177
Children and Young Persons Act, 1933—
Sect. 1, 172
Sect. 2, 172
Sect. 3, 172
Sect. 4, 172
Sect. 5, 172
Sect. 6, 172
Sect. 7, 172, 191
Sect. 9, 173
Sect. 10, 202
Sect. 11, 173
Sect. 12, 173
Sect. 13, 173
Sect. 18, 173
Sect. 19, 175
Sect. 20, 176
Sect. 22, 176
Sect. 24, 176
Sect. 25, 176
Sect. 28, 173, 176
Sect. 30, 177
Sect. 31, 195
Sect. 32, 196
Sect. 33, 196
Sect. 34, 196
Children and Young Persons Act, 1933 (*contd.*)—
Sect. 35, 196
Sect. 36, 196
Sect. 37, 197
Sect. 38, 197
Sect. 39, 197
Sect. 40, 197
Sect. 41, 197
Sect. 42, 197
Sect. 43, 197
Sect. 44, 198
Sect. 45, 198
Sect. 46, 198
Sect. 46 (3), 199
Sect. 47, 198
Sect. 50, 200
Sect. 51, 200
Sect. 53 (1), 200
Sect. 54, 200
Sect. 55, 200
Sect. 56 (1), 200
Sect. 57, 201
Sect. 59, 201
Sect. 60, 201
Sect. 62 (2), 201
Sect. 62 (4), 202
Sect. 64, 202
Sect. 65, 202, 203
Sect. 66, 203
Sect. 67, 204
Sect. 75, 194
Sect. 76, 194
Sect. 77, 190
Sect. 78, 190
Sect. 84, 194
Sect. 92, 177
Sect. 107, 177
Choice of Employment, 185, 444, 445
Christian Socialists, 16, 21
Citizens' Advice Bureaux, 71
—— Institutes Associations, 69
City of London Parochial Charities Act, 1883, 149
—— —— Sewers Acts, 1848–1897, 132
Civil Service Arbitration Tribunal, 335
Civilian war workers, 389
Coal Act, 1938, 295
—— Conservation Committee, 1916–1918, 285
—— industry, 36
Coal mines—
Advisory Committee of Board of Trade, 286

Coal mines (*contd.*)—
check-weighers, 286
employment in 1938, 296
hours, 286, 294
industrial disease, 286
inspection, 286
manager, 285
National Industrial Board, 294
pithead baths, 290
profit-sharing, 352
Reorganization Commission, 293
royalties, unification of, 295
Statutory Districts, 295
wages, 296, 333
welfare, 287
Coal Mines Act, 1911, 285, 286, 290
—— —— ——, 1930, 291
—— —— (Employment of Boys) Act, 1937, 295
—— —— (Minimum Wage) Act, 1912, 325
—— —— —— —— ——, 1918, 333
—— —— Regulations Act, 1887, 287
—— —— —— ——, 1908, 286
—— —— (Weighing of Minerals) Act, 1905, 287
Collectivism, modern, 9
Colonial Development Act, 1929, 403
Colonization, 6
Combination laws, 19
Combinations—
of consumers, 29
of controllers of capital, 30
of workers, 29
Committee of Production, 326
Community Centres, 70, 164
Conciliation—
committees, 316
definition, 320
history in Britain, 322
Conciliation Act, 1896, 322, 323
Conspiracy and Protection of Property Act, 1875, 320
Controlled currencies, 706
Co-operation, principle of, 50
Co-partnership—
advantages, 352
co-operative societies, 351
defined, 350
disadvantages, 353
distinguished from profit-sharing, 348
history, 349
Co-partnership (*contd.*)—
limited partnership, 351
types of schemes, 352
Corn Production Acts, 315
—— —— —— (Repeal) Act, 1921, 316
Cost-of-living Index Number, 674
Cotton industry wages boards, 334
—— Manufacturing (Temporary Provisions) Act, 1934, 315, 334
Councils of Social Service, 68
County colleges, 144
—— Rural Community Councils, 68
Criminal Justice Administration Act, 1914, 211
Crown Lands Act, 1927, 129
Crusades, 4
Currency manipulation, 706

Day continuation schools, 138, 725
—— Industrial and Truant School, 192
Definitions, 52
Delinquents, 190, 212
Delivery of goods, young persons engaged in, 274
Demobilization, 389
Depressed areas, recommendations of Royal Commission, 1932, 532
De-rating, 402
Determination of Needs Act, 1941, 567, 641
Development Commission, 387
—— Loan Guarantees and Grants Act, 1929, 404
—— plans, education, 145
—— (Public Utility) Advisory Committee, 404
Dilution of labour, 12
Diminishing Returns, Law of, 27
Disabled soldiers and sailors, 79
Diseases of Animal Acts, 87
Distress, Committee on the Prevention and Relief of, 1914, 387
Distress committees, 380
Distressed areas, 414
Distribution of Industrial Population: Royal Commission, 133, 726
Distribution of Industry Act, 1945, 726
District Trade Committees, 312
Docks, boy labour at, 680
Dockyards, 32
"Dole," 391
Domestic system, 11

Domestic training, 429
Duncan, Dr., 18
Dye industry, 33

Ecclesiastical law, 3
Economic theories, 702
Economics—
  defined, 52
  scope of, 53
  study of, 7
Economy (Miscellaneous Provisions) Act, 1926, unemployment insurance provisions, 479
Education—
  administration, 141–158
  adolescent, 155, 180
  adult, 149
  aided schools, 143
  auxiliary schools, 143
  canal boats, children in, 148
  committees, 137
  compulsory attendance, 142
  controlled schools, 143
  county colleges, 144
  definition, 134
  duty of parents, 147
  Emmott Committee, 151
  faults in, 727
  films, 163
  further, 144
  Hadow Committee, 155
  history, 134
  independent schools, 142
  industry and, 150
  local authorities, 142
  Malcolm Committee, 152
  physical training, 139
  play centres, 147
  school-leaving age, 140, 142
  secondary, 142, 143, 161
  statistics, 145
  technical, 148
  vacation classes, 147
  —— school, 147
  wireless, 163
Education Act, 1902, 137, 149
—— ——, 1918, 138, 139, 269
—— ——, 1921, 138, 191
—— ——, 1936, 138, 149
—— ——, 1944, 140
—— (Administrative Provisions) Act, 1907, 81
—— (Choice of Employment Act, 1910, 153, 185
—— (Local Authorities) Act, 1931, 137
Elberfeld system of relief, 50
Elementary Education Act, 1870, 136, 146
—— —— ——, 1876, 146
—— —— ——, 1880, 146
Emmott Committee, 151
Empire Migration, Committee on, 1932, 433
—— Settlement Act, 1922, 433
Employees, selection of, 301
Employers' Liability Act, 1880, 34
—— services, 304
Employment exchanges—
  administration, 384, 425
  alteration of title, 425
  central administration, 424
  Court of Referees, 428
  definition of, 384
  disadvantages, 443
  establishment, 382
  functions, 434
  history, 421
  industrial transference, 431
  Intensive Clearing Areas, 426
  juvenile, 681
  —— Employment Committees, 428, 444
  —— sections 427
  Labour Advisory Boards, 428
  Local Employment Committees, 428
  miscellaneous functions, 434
  National Clearing House Gazette, 426
  objects, 383, 424
  overseas settlement, 433
  selection of applicants, 427
  training centres, 432
  Unemployed Register, 427
  women's departments, 427
Employment of Children Act, 1903, 171
—— of Women, Young Persons, and Children Act, 1920, 272
—— policy, White Paper on, 747
Ethics, defined, 52
Expectant and nursing mothers, 168
Ex-service men, training at universities, 390

Factories Act, 1937—
  abstract of Act and Notices, posting of, 279
  administration, 248, 280
  basement bakehouses, 266
  building operations, 276

Factories Act, 1937 (*contd.*)—
canteens, 266
chains, ropes, and lifting tackle, 259
cleanliness, 250
cloakrooms, 264
cranes, etc., 259
dangerous factories, 262
—— liquids, 256
—— machinery, 262
definitions, 247, 268
drainage of floors, 252
dust, removal of, 266
electrical stations, 275
employment of women and young persons, special exceptions, 270
engineering construction, 277
fires, means of escape from, 261
first-aid, 265
fumes, dangerous, 260
——, removal of, 266
general register in factories, 279
health provisions, 250
—— ——, duties of local authorities, 250
hoists, 257
holidays of women and young persons, 270
home work, 277
hours of employment, notice fixing, 269, 271
—— —— —— of women and young persons, 269
—— —— —— of young persons under 16, 268
humid factories, 266
inflammable dust and gas, 260
inspectors—
appointment of, 248, 280
powers of, 248, 280
proceedings before magistrates, 281
institutions, 275
laundries, 266
lifts, 257
lead manufacture, employment of women and young persons, 267
legal proceedings, 281
lighting, 251
local authorities, 249
—— ——, powers of, 281
machinery, cleaning by women and young persons, 257
——, fencing of, 254, 256
meal times for women and young persons, 270
Factories Act, 1937 (*contd.*)—
meals in dangerous trades, 266
medical supervision, power to require, 253
notification of accidents, 267
—— of industrial diseases, 267
out-workers, 277
overcrowding, 250
overtime for women and young persons, 271
piece-work, particulars of, 278
protection of women and young persons employed under exceptions, 273
returns made to Chief Inspector of Factories, 280
safety, 254
sanitary conveniences, 252
—— defects remediable by district council, 253
scope of, 246
self-acting machines, 257
shift work of women and young persons, 272
special regulations, power of Secretary of State, 267
steam boilers, 261
Sunday employment of women and young persons, 270
temperature, 251
tenement factories, 275
training and supervision of young persons, 257
unwholesome premises, employment in, 277
ventilation, 251
weights, excessive, 266
welfare, 262
women, employment after childbirth, 273
Factories Act, 1937—
Sect. 1, 250
Sect. 2, 251
Sect. 4, 251
Sect. 5, 251, 252
Sect. 6, 251, 252
Sect. 7, 252
Sect. 8, 253
Sect. 9, 253
Sect. 10, 253
Sect. 11, 253
Sect. 12, 254
Sect. 13, 255
Sect. 14, 256
Sect. 16, 256
Sect. 17, 256

Factories Act, 1937 (*contd.*)—
Sect. 18, 257
Sect. 19, 257
Sect. 20, 257
Sect. 21, 257
Sect. 22, 259
Sect. 23, 259
Sect. 24, 260
Sect. 27, 260
Sect. 28, 261
Sect. 29, 261
Sect. 34, 262
Sect. 35, 262
Sect. 36, 262
Sect. 39, 262
Sect. 40, 262
Sect. 41, 264
Sect. 42, 264
Sect. 43, 264
Sect. 44, 264
Sect. 45, 265
Sect. 47, 266
Sect. 48, 266
Sect. 52, 266
Sect. 54, 266
Sect. 55, 266
Sect. 56, 266
Sect. 57, 267
Sect. 58, 267
Sect. 59, 267
Sect. 60, 267
Sect. 64, 267
Sect. 66, 267
Sect. 67, 267
Sect. 70, 269
Sect. 71, 269
Sect. 73, 272
Sect. 77, 270
Sect. 78, 270
Sect. 81, 270, 272
Sect. 82, 272
Sect. 84, 270
Sect. 87, 270
Sect. 89, 270
Sect. 90, 270
Sect. 91, 270
Sect. 92, 270
Sect. 94, 271
Sect. 95, 271
Sect. 96, 273
Sect. 97, 271, 273
Sect. 99, 274
Sect. 100, 274
Sect. 101, 275
Sect. 103, 275
Sect. 104, 275
Factories Act, 1937 (*contd.*)—
Sect. 105, 276
Sect. 106, 276
Sect. 107, 277
Sect. 110, 277
Sect. 111, 278
Sect. 112, 278
Sect. 113, 279
Sect. 114, 279
Sect. 116, 280
Sect. 118, 280
Sect. 122, 280
Sect. 123, 281
Sect. 124, 281
Sect. 128, 281
Sect. 129, 261, 280
Sect. 130, 280
Sect. 131, 281
Sect. 132, 281
Sect. 133, 282
Sect. 134, 282
Sect. 141, 282
Sect. 151, 247
Factory—
definition, 247
legislation, 36
——, early, 18
——, history, 239
——, objects, 238
system, 13
Factory Acts—
1833, 241
1836, 241
1844, 241
1847, 242
1850, 242
1867, 243
1891, 245
1895, 245
Factory and Workshop Act, 1878, 243
—— —— —— ——, 1901, 245
—— (Canteens) Order, 1943, 266
——, Workshop, and Bakehouse Act, 1883, 244
Family allowances, 642
—— Allowances Act, 1945, 631
Family endowment—
contributory insurance, 642
out of taxation, 641
paid by employers, 641
Fatal Accidents Act, 448
Fielden, John, 236
Films and education, 163
Fire Brigades Act, 1938, 261
Food and drugs, 87

Forest Fund, 399
Forestry Act, 1919, 398
—— Commission, 398
Free trade, doctrine of, 15
Freedom—
  forms of restraint, 29
  restraints on, 28
Friendly societies, early, 13
Friendly Societies, Registrar of—
  appointment of, 42
  duties of, 43
  —— under Trade Union Act, 1913, 46
  functions of, 42
  special duties of, 45
Further education, 144

GAMBLING, 683
Garden cities, 129
Geddes Committee, 399
General Board of Health, 75
—— Medical Council established, 77
Ghent system of unemployment insurance, 450
Geographical distribution of industrial population, 726
Gilbert's Act, 1782, 373
Gold standard, suspension of, 1931, 408
Grammar schools, 143, 158
Great discoveries, period of, 6
Guardians, Board of, 80
Guild Socialism, 354
—— ——, criticism of, 359
Guilds, 13
—— of Help, 50, 60, 62, 70
Guthrie, Dr. Thomas, 50

HADOW Committee, 155
Hairdressers and Barbers (Sunday Closing) Act, 1930, 282
Hay, James, 135
Health and Morals of Apprentices Act, 1802, 239
—— Insurance (see National Health Insurance)
—— visitors, 165
Highlands and Islands Medical Service Fund, 67
Holidays with Pay Act, 1938, 317, 338
Home and Colonial Society, 136
—— Office, 47
Hospital contributory funds, 65
Hospitals under Public Health Acts, 80
Hours of work, 181, 185
Housing—
  associations, 105
  battalions, proposed, 724
  Clearance Order, 99
  compensation to landlord, 100
  Compulsory Purchase Order, 99
  contracts of local authorities, 106
  early legislation, 93
  effects of 1919 Acts, 95
  Exchequer grants, 100, 108
  facilities for erection of houses, 105
  overcrowding, 103
  policy of 1932, 101
  power to acquire land, 107
  present legislation, 104
  rate contributions, 109
  reconditioning, 722
  rents charged by local authorities, 101
  schemes as relief to unemployment, 719
  subsidies, 99
  unemployment and, 719
Housing Acts—
  (No. 2) Act, 1914, 387
  1923, 96
  1925, 99, 108
  1930, 99, 106
  1935, 104
  1936, 104, 139
    Sect. 71, 107
    Sect. 72, 105, 106
    Sect. 73, 107
    Sect. 90 (5) (*a*), 107
    Sect. 94, 110
    Sect. 97, 107
    Sects. 100, 109, 137, 108
  (Additional Powers) Act, 1919, 94
  etc., Act, 1923, 97, 106
  (Financial Provisions)
    Act, 1924, 97
    Act, 1933, 101, 102, 722
    Act, 1938, 104, 108
Housing of the Working Classes Act, 1890, 93
  (Rural Authorities) Act, 1931, 104
  (Rural Workers) Amendment Acts, 110
  (Temporary Accommodation) Act, 1944, 112
  (Temporary Provisions) Act, 1944, 111
  Town Planning, etc., Act, 1919, 93, 94, 113
Hughes, Thomas, 17, 42

INCOME distribution, 670
Increasing Returns, Law of, 27
Industrial Assurance Board, 741
—— Council, 325
—— Courts, 331
—— —— Act, 1919, 319, 331
—— Development Councils, 415
—— disease, 301, 346
—— Museum, 246
—— negotiations, growth of, 321
—— peace, 319
—— pensions, 736, 746
—— Population: Royal Commission on the Distribution of, 133
—— relations, 672
—— ——, adviser on, 337
—— Revolution, 7, 9, 10
—— schools, 192
—— —— Act, 1857, 192
—— —— ——, 1866, 192
—— Transference Board, 401, 431
—— unrest, 368, 673
—— welfare (*see* Welfare Work)
—— *Welfare*, 301
—— Welfare Society, 301
—— Women's Organizations, 166
Infant mortality, 84, 85
—— schools, 155
Infants, death rate of, 84
Institute of Labour Management, 298, 300
Instructional centres for unemployed, 712
Insurance—
  definition, 448
  types of, 448
  (*see also* National Health Insurance; Unemployment Insurance)
International Labour Conference, 339
—— —— Office, 340
—— —— Organization, 339

JUVENILE Advisory Committee, 445
—— Courts, 198
—— Employment Committee, 430, 444
—— —— Exchange, 188, 681
—— —— Officer, 188
—— offenders, 200, 204
—— Organizations Committee, 183, 205
—— Transference Scheme, 411
—— welfare, 69
Juveniles—
  hours of work, 181, 185
  instruction of unemployed, 411
  insured, statistics of, 447
  unemployed, courses of instruction for, 629

KEY industries, 32
King's National Roll, 430
Kingsley, Charles, 17

LABOUR and National Service, Ministry of, 425
—— Bureaux Act, 1902, 421
—— —— (London) Act, 1902, 376
—— Co-partnership Association, 348
—— exchanges (*see* Employment Exchanges)
—— Exchanges Act, 1909, 383, 422
Labour management—
  advantages, 305
  history, 297
  labour department, 303
  objects, 302
Labour Management, 301
—— manager, 300
—— ——, duties of, 305
—— registries, 375
—— ——, municipal, 375
—— Resettlement Committee, 390
Laissez-faire, doctrine of, 15
Lancaster, Joseph, 135
Land Settlement Facilities Act, 1919, 398
Law defined, 52
—— merchant, 4
Laws, origin of, 2
Licensing restrictions, 682
Limited Partnerships Act, 351
Liverpool, pioneer health work in, 75
—— Council of Social Service, 62
—— Docks Clearing House Scheme, 434
—— Sanitary Amendment Act, 1846, 18
Living, cost of, 674
——, standard of, 673
Local authorities' expenditure, analysis of, 699
—— —— (Expenses) Act, 1887, 378
—— —— Publicity Act, 1931, 416
—— Councils of Social Service, 60

Local Education Authority (Medical Treatment) Act, 1909, 81
—— Employment Committees, 428
—— Government Act, 1929, 168, 403
—— —— ——, 1933, 130, 132
—— —— and other Officers' Superannuation Act, 1922, 655
—— —— Board, 77
—— —— (Financial Provisions) Act, 1937, 577
—— —— Superannuation Act, 1937, 655
—— Taxation (Customs and Excise) Act, 1890, 149
—— *Unemployment Index*, 434
Localization of industries, 15
Location of industry, 725
London County Council (Finance Consolidation) Act, 1912, 132
—— Dock Strike, 1889, 322
—— Passenger Transport Board Act, 1933, 334
Lovett, William, 21
Ludlow, J. M., 17
Luxmoore Report, 160

MARXIAN theory, 703
Maternal mortality, 83
Maternity and child welfare, 83, 84, 165
—— —— —— —— Act, 1918, 166
—— —— —— Committee, 84, 166, 168, 170
Maurice, F. D., 17, 148
May Committee on National Expenditure, 1931, 408, 503
Meals, provision of, 144
Means test, 508
Mediation, definition of, 320
Medical Act, 1858, 77
—— inquiry, 1839, 74
—— inspection of school children, 81
—— Register established, 77
Mercantile theory, 15
Metalliferous Mines Regulation Act, 1872, 285
Metropolitan Asylums Board, 80
—— Police Act, 1933, 555
—— Poor Law Act, 1867, 80
—— Women Police Patrol Divisions, 208
Midwives Act, 1902, 165
Midwives Act, 1926, 168
1936, 87, 169
Military war pensions (*see* Naval and Military War Pensions)
Mill, J. S., 308
Miners' Welfare Committee, 287
—— —— Fund, 287
—— —— National Scholarship Scheme, 289
Mines—
coal, 285 (*see also* Coal Mines)
law relating to, 285
metalliferous, 285
School of, 149
Secretary for, 285
Mines Regulation Act, 1842, 241
—— (Working Facilities and Support) Act, 1923, 285
Mining industry, 284
—— —— Act, 1920, 285, 618
—— —— ——, 1926, 286, 287
—— —— (Welfare Fund) Acts, 287
Ministry of Agriculture and Fisheries, 41
—— of Education, 47, 141
Ministry of Labour and National Service—
Appointments Department, 391
functions, 41
—— in industrial disputes, 337
Industrial Relations Branch, 337
Ministry of Labour Gazette, 434, 674
—— of Labour Index, 434
—— of Labour and National Service, 425
—— of Munitions, 79
—— of National Insurance, 744
—— of National Service, 78
—— of Pensions, 79, 660
—— ——, Committee of 1921, 668
—— —— Act, 1916, 660, 663
—— of Social Security, 735
—— of Transport, 41
Modern schools, 143, 158
Monasteries, dissolution of, 5, 373
Money, Sir L. C., 670
Morris, William, 16
Mortmain and Charitable Uses Act, 1888, 122
Municipal Corporations Act, 1882, 171
Munitions of War Acts, 326, 389

National Advisory Council for Juvenile Employment, 181
—— Convention, 1839, 20
—— Council of Social Service, 60, 411, 680
—— —— of Women, 207
—— Economy Act, 1931, 409, 514
—— Fitness Council, 185
—— Guilds, 354
National Health Insurance—
Acts, 213
additional benefits, 225
administration, 215
approved societies—
accounts and audit, 233
constitution, 228
disputes with members, 230
functions, 239
membership of, 229
obligations, 230
arrears, 220
benefits, 220
—— improperly paid, 231
—— not assignable, 231
contributions, 218
contributors receiving treatment in hospital, 226
—— recovering compensation or damages under other Acts, 226
dental benefits, 236
deposit contributors, 219
disablement benefit, 220, 222
disputes, 230
excepted persons, 217
exempted persons, 218
extended benefits, 225
inspectors, 232
Insurance Committees, 232
insured persons, 215
juveniles, 216
legislation, 214
maternity benefit, 221, 224
medical benefit, 220, 221
objects, 214
offences against the Act, 231
Regulations, 234
sanatorium benefit, 221
sickness benefit, 220, 222
special benefits, 227
voluntary contributors, 217
women contributors on marriage, 226
National Health Insurance Act—
1911, 213
1920, 82, 221
National Health Insurance Act (*contd.*)—
1924, 214
1936, 214, 228
National Health Insurance Contributory Pensions Act, etc., 227, 567
—— —— —— Dental Benefit Regulations, 1935, 236
—— —— —— (Juvenile Contributors and Young Persons) Act, 1937, 216
—— Health Service, 89, 213
National Industrial Conferences, 1918 and 1919, 330
—— insurance, 35, 732
—— —— Act, 1911, 81, 385, 455
—— —— (Part II) Munition Workers Act, 1916, 385
—— Joint Industrial Councils, 327
"National" Schools, 136
National Society, 136
—— —— for the Education of Children according to the Principles of the Church of England, 136
—— Trade Boards Advisory Council, 313
—— Unemployment Insurance (*see* Unemployment Insurance)
—— Whitley Council for Local Government Service, 335
Nationalization of industries, 37
Naval and military war pensions—
central administration, 660, 662
dependants' pensions, 665
local administration, 664
medical services, 666
men's pensions, 665
objects, 660
overseas organization, 668
Statutory Committee, 661
subsequent appeals, 667
supplementary benefits, 667
widows' pensions, 665
Naval and Military War Pensions, etc., Act—
1915, 660
1916, 660
Naval and Military War Pensions, etc.—
(Administrative Expenses) Act, 1917, 660, 661
(Transfer of Powers) Act, 1917, 660, 662

Navigation Laws, 32
Neale, E. V., 17, 42
Necessitous areas, 579
Needs test, 409, 531
New industries in Special Areas, 416
Norwood Report, 161
Notification of births, 84, 167
Nuisance Removal and Diseases Prevention Acts, 1846, 75
Nursery schools, 138, 155, 170
Nurses Registration Act, 1919, 168

OASTLER, Richard, 240
Old age pensions—
  administration, 635
  amount, 637
  authorities, 635
  Beveridge Plan, 737
  blind persons, 639
  calculation of means, 638
  contributory, 645
  disqualification, 636
  House of Commons Motion, 1906, 633
  proof of age, 637
  qualifications, 635
  Royal Commission, 1893, 632
  Select Committee on Aged Pensioners, 1903, 632
Old Age Pensions Act—
  1908, 634
  1919, 398, 638
  1924, 638
Open field system, 32
Orphans' pensions (*see* Widows', Orphans', and Old Age Contributory Pensions)
Outdoor relief, 374, 473
—— —— in unemployment insurance, 473
Out-of-work donation scheme, 455
Overcrowding, 103, 170
Over-production, 363
Overseas settlement, 433
—— Trade Acts, 399
Owen, Robert, 16, 20, 72, 240

PARR, Dr., 18
Past and Present, 372
Peel, Sir Robert, 19, 239, 240
Pension (Determination of Needs) Act, 1943, 566, 640
Percival, Dr., 72, 239
Personal Service Societies, 60, 70
Petroleum (Consolidation) Act, 1928, 121
Philosophical Radicals, 17
Physical Training and Recreation Act, 1937, 139
Place, Francis, 16, 19, 21
Planning (*see* Town and Country Planning)
Play centres, 147, 184
Police, Factories, etc. (Miscellaneous Provisions) Act, 1914, 245, 263
—— matrons, 207
—— Pensions Act, 1921, 208
Politics defined, 52
Poor Law Act, 1930, 374, 696
—— —— Amendment Act, 1834, 373
—— —— and unemployment, 371, 512
—— —— Commission, 1909, 73, 369, 382, 421, 634, 696
—— laws, 371
—— relief statistics, 686
Port Labour, Committee of Inquiry on, 1931, 443
Post Office, 31, 41
Pounds, John, 136
Poverty, causes of, 670, 672
Preservation of the Health and Morals of Parish Apprentices Act, 1802, 72
Prevention of Crimes Act, 1908, 210
—— of Cruelty to Children Acts, 171
—— of Cruelty to Children Society, 171
Printing Works Act, 1845, 242
Privy Council, 40
Probation officer, 203, 204, 206
Production, division of, 23
——, factors of, 24
Profit-sharing—
  advantages and disadvantages, 351
  distinguished from co-partnership, 348
  history, 351
  statistics, 354
Progress, 61
Public assistance, 34
—— Assistance Order, 1930, 170
—— expenditure, growth of, 700
Public Health Act—
  1848, 75, 76
  1872, 77
  1875, 139
  1925, 139
  1936, 84, 166, 169

Public Health Acts (Amendment) Act, 1907, 139
—— —— (London) Act, 1936, 84
—— —— (Tuberculosis) Act, 1921, 82
—— —— services, 72
—— services, provision of, 31
—— works, schemes available, 714
—— Works Facilities Act, 1930, 406

QUARANTINE Act, 1802, 72
Quarries Act, 1894, 245

RAGGED school, 191
Raikes, Robert, 135
Railways, wages boards, 333
Rathbone, William, 79
Rating and Valuation (Apportionment) Act, 1928, 403
Reform Act, 1832, 20
Reformatory and Industrial Schools Act, 1856, 192
—— schools, 191
—— —— Acts, 192
Registrar-General, appointment of, 72
Registration Schemes, 63
Relief funds, 375
—— ——, National, 387
—— works, 379
Remand homes, 190
Renaissance, 4
Retail distributive trades, 317
Road and Rail Traffic Act, 1933, 335
—— Haulage Wages Act, 1938, 336
—— Traffic Act, 1930, 335
—— transport, wages boards, 335
Roman law, 2
Rowntree, Mr. B. Seebohm, 670, 672
Royal Commission on the Health of Towns and Populous Places, 1843, 74
—— Lancastrian Society, 135
Rural Community Councils, 67
—— water supplies, 718
Ruskin, John, 16

SADLER, Thomas, 240
Sale of Food and Drugs Acts, 1875–1899, 87
Sanitary Act, 1866, 76
Sankey Commission, 288, 291
School attendance, 146
—— Boards, 136
School-leaving age, 142
Scientific and Industrial Research, Committee for Organization and Development of, 40
Secondary education, 143, 161
Settlement, Law of, 374
Severn Barrage Scheme, 714
Sewers, Commissioners of, 72
Sex Disqualification (Removal) Act, 1919, 208
Shaftesbury, Lord, 16, 240
Shop, application of factory provisions to, 282
——, definition of, 282
—— Hours Acts, 245
Shops Acts, 282
Shorter working hours, 417
Sick poor, care of, 79
Simon, Sir John, 18
Social and economic legislation, procedure, 58
—— —— —— services, classification of, 56
—— conditions, 681
—— insurance proposals, 742
—— legislation, 54
—— security, 732
—— —— defined, 734
Social service—
adult welfare, 69
British Institute of, 61
central machinery, 60
cost of, 697
isolated districts, 67
juvenile welfare, 69
Liverpool Council of, 62
local councils, 62
—— machinery, 62
machinery for, 59
National Council of, 60
organizations in, 60, 61, 683
representative councils, 68
rural areas, 66
spirit of, 48
urban areas, 66
Social Service Review, 61, 68
—— services, cost of, 697
—— ——, principles of administration, 59
—— statistics, 684
—— work, co-operation in, 50
Society for Promoting Christian Knowledge, 135
Sociology defined, 52
Special Areas, 414, 581
—— —— (Amendment) Act, 1937, 415, 418, 585

Special Areas (Development and Improvement) Act, 1934, 414, 582, 585
—— —— Reconstruction (Agreement) Act, 1936, 584
—— —— Reconstruction Association, Ltd., 416
State, departments of, 40
—— intervention, 38
Statutes of Labourers, 372
Stewart, Mr. P. Malcolm, 581
Street trading, 175
Substitution, principle of, 27
Sugar Industry (Reorganization) Act, 1936, 401
Sunday Schools, 135
Superannuation schemes, local authorities, 655
Supreme Court of Judicature (Consolidation) Act, 1925, 4
Sweated industries, 309

TAXATION, 34
Taylor, F. W., 301
Technical education, 148
—— schools, 143
Town and Country Planning—
advertisements, 131
amenities, 115
betterment, 127
——, making claims for, 128
central authority, 116
Commissioners of Works, consultations with, 131
committees, 117
compensation—
determination of claims, 127
exclusion of, 126
limitation of, 127
making claims for, 127
power to withdraw or modify award, 128
early planning, 113
garden cities, 129
General Development Orders, 123
high water mark, works below, 131
Interim Development, 120
legal proceedings, 130
legislation, early, 113
——, existing, 114
local authorities—
expenses of, 132
loans to, 132
officers, compensation of, 133
local authority, 116
Town and Country Planning (*contd.*)—
local inquiries, 130
Minister, powers of, 130
Model Clauses, 125
objects of 1932 Act, 114
open spaces, land for, 128
planning schemes, scope of, 114
preservation of historic buildings, 124
procedure regulations, 130
purchase of land, 128
responsible authority, 115
royal palaces and parks, land in neighbourhood of, 131
schemes—
adoption of, 118
approval, 119
buildings and building operations, 122
coming into effect, 119
contents of, 121
power to contribute towards owners' expenses, 129
—— to enforce, 123
preparation of, 117
regional, 118
revocation of, 119
supplementary, 119
provisions, 129
validity of, 119
variation of, 117
Scotland, 132
Statutory rules, regulations, and orders, 114
—— undertakings, protection of, 130
Supplementary Orders, 123
trees, preservation of, 131
Town and Country Planning Act, 1932—
Sect. 1, 115
Sect. 2, 116
Sect. 3 (1), 117
Sect. 4, 117
Sect. 5, 118
Sect. 7, 118
Sect. 8, 119
Sect. 9, 119
Sect. 10, 119
Sect. 11, 121
Sect. 11 (3), 116
Sect. 12, 122
Sect 13, 123
Sect. 13 (1), 130
Sect. 14, 123

Town and Country Planning Act, 1932 (*contd.*)—
Sect. 15, 123
Sect. 16, 124
Sect. 17, 124
Sect. 18, 125
Sect. 19, 124, 126
Sect. 20, 127
Sect. 21 (1), 127
Sect. 22, 127
Sect. 23, 128
Sect. 24, 128
Sect. 25, 128
Sect. 26, 128
Sect. 27, 129
Sect. 28, 129
Sect. 29, 129
Sect. 32, 129
Sect. 33, 129
Sect. 34, 129
Sect. 35, 130
Sect. 36, 130
Sect. 37, 130
Sect. 39, 130
Sect. 40, 130
Sect. 41, 131
Sect. 42, 131
Sect. 44, 131
Sect. 46, 131
Sect. 47, 131
Sect. 48, 117
Sect. 50, 132
Sect. 51, 132
Sect. 57, 132
First Schedule, 128
Second Schedule, 126
Fourth Schedule, 130
Town and County Planning Act, 1944, 114, 133
Town and Country Planning (Interim Development) Act, 1943, 114, 121
Town and Country Planning (General Interim Development) Order, 1933, 120
Town Planning Act, 1925, 118, 119, 122, 124, 128, 131
Towns Women's Guilds, 69
Trade boards—
Cave Committee, 313
constitution, 311
District Trade Committees, 312
National Advisory Council, 313
objects, 309
officers, 310
penalties, 310
Trade boards (*contd.*)—
powers, 311
procedure, 311
recent developments, 315
suggestions for, 308
Trade Boards Act, 1909, 308, 310; 1918, 310
—— —— Provisional Orders Confirmation Act, 1913, 310
—— cycles, 362
—— dispute, definition, 319
—— Disputes and Trade Union Act, 1927, 320, 333
—— —— statistics, 338
—— facilities, 399
—— unions, growth of, 298
Trading estates in Special Areas, 416
Training centres for unemployed, 432, 712
Transference from Special Areas, 416
Transitional Payments (Determination of Needs) Act, 1932, 518, 566
—— —— Prolongation (Unemployed Persons) Act, 1932, 517
Tribunals of Inquiry (Evidence) Act, 1921, 294
Truck Acts, 245
Tuberculosis, 82

UNEMPLOYED, meaning of, 376
—— Register, 427
—— (Relief Works) Act, 1920, 400
—— Workers' Dependants' Fund, 471
—— —— (Temporary Provisions) Act, 1921, 471
—— Workmen Act, 1905, 378, 421
Unemployment—
agriculture, 716
allotments, 717
building trades, 721
causes, 361
coal crisis, 1921, 467
dangers of, 707
definition, 361
demobilization problems, 389
de-rating, 402
distressed areas, 414
donation, 391
drift to the south, 413
economic influences, 362
events of 1931, 407

Unemployment (*contd*)—
foreign competition, 368
Fund, 558, 602
housing schemes, 719
immobility of labour, 365
industrial recovery of 1933–1937, 413
instruction for juveniles, 411
instructional centres, 569, 712
juvenile transference scheme, 411
land settlement, 398
loans to effect transference, 402
London deputation to Ministry of Health, 1921, 397
measure of, 370
measures for relief, 1920, 392
mechanization, 365
over-production, 363
overseas settlement, 433
personal incompetency, 362
poor law and, 512
pre-1914 problem, 361, 386
proposals, 713
public works schemes, 714
rationalization, 365
relief by local authorities, 379, 393, 691
—— works, 396
road works, 395
rural water supplies, 718
seasonal trades, 364
short time as a "cure," 396
solutions of problem, 376
Special Areas, 414, 581
state action, 377
statistics, 371, 684, 709
trade cycles, 362
training centres, 432, 534, 712
welfare work, 410
work for, 710
Unemployment Act, 1934, 410, 543, 587, 691
Part I (*see* Unemployment Insurance Act, 1934)
Part II, 558
Unemployment Act, 1934 (Appointed Days) Order, 1934, 563
Unemployment Act, 1934 (Second Appointed Day) Order, 1936, 565
Unemployment (Agricultural) Act, 1935, 412
Unemployment Assistance—
allowances, application for, 565
issue of, 571
Appeals Tribunal, 572
Appointed Day, 563
Unemployment Assistance (*contd*.)—
assessment of needs, 565, 566
cases of special difficulty, 570
finance, 580
financial arrangements, 536, 575
incidence of, 575
instructional centres of Ministry of Labour, 569
local administration, 561
—— Advisory Committees, 574
—— authorities—
contributions of, 576
financial arrangements with, 575
relations with services of, 567
necessitous areas, 579
objects of scheme, 558
persons outside scope, 562
—— within scope, 561
principles, 529
scheme, 530
scope of Part II of 1934 Act, 561
suspension of, 571
training allowances, 568
—— courses, 568
Unemployment Assistance Board, 559
Unemployment Assistance Fund (Closing) Order, 1941, 481
Unemployment Assistance (Determination of Need and Assessment of Needs) Regulation, 1936, 565, 566
Unemployment Assistance (Temporary Provisions) Act, 1935, 564
Unemployment Assistance (Temporary Provisions) (Amendment) Act, 1937, 565
Unemployment Assistance (Temporary Provisions) (Extensions) Act, 1935, 565
Unemployment Assistance (Temporary Provisions (No. 2) Act, 1935, 577
Unemployment Assistance (Temporary Provisions) (Extension) Act, 1936, 577
Unemployment Grants Committee, 400, 404
Unemployment Insurance—
age limits, 527
Agricultural Account, 613
—— workers, 588
Anomalies Regulations, 519, 549
benefits, 458, 464, 469, 474, 478, 485, 494, 497, 506, 515, 528, 545, 595, 736, 745

Unemployment Insurance (*contd.*)—
benefits (*contd.*)—
application for, 461
determination of claims to, 461, 499, 550
disqualifications from, 459, 477
minimum age for, 546
Blanesburgh Committee, 480, 481
British Association Scheme, 454
casual workers, 510
claims, determination of, 461
coal crisis, 1921, 467
conditions, 487, 497
constables, short service, of Metropolitan Police, 555
continuous unemployment, 474, 495
contracting out, 491
contributions, 458, 465, 470, 472, 474, 479, 485, 494, 506, 514, 545, 595, 599
——, refund of, 462, 478
courses of instruction, 498
Covenanted Benefit, 465
dependants' benefit, 471, 478, 491, 495, 498, 506, 548, 694
domestic servants, 527
—— ——, non-private, 621
—— ——, outdoor private, 626
education authorities, arrangements with, 475
European methods, 449
excepted employments, 457, 544
exemptions, 457
ex-service men, 463, 555, 628
extended benefit, 481
financial arrangements, 465, 504, 528, 534, 538, 552
Ghent system, 450
holidays, 629
income limit, 527
inconsiderable employments, 616
instruction of unemployed, 551
insured persons, 456, 544
introduction, 385
intermittent workers, 509
leaving employment voluntarily, 548
married women, 492, 510, 513, 519, 550, 692
minimum ages, 546
misconduct, 548
munition workers, 385
National Insurance Act, 1911, 455
needs test, 515, 518
non-manual workers, 620
Unemployment Insurance (*contd.*)—
out-of-work donation, 1919–1921, 455
outdoor relief, 473, 555
penalties, 463
pithead bath attendants, 618
railways, 527
Referees, Court of, 461
refusal of suitable employment, 548
review of claims, 494
Royal Commission, 1931—
Final Report, 1932, 521
—— —— ——, Minority Report, 537
—— —— ——, Mr. Trouncer's reservation, 536
Interim Report, 502
—— ——, Minority Report, 512
seasonal workers, 491, 511, 513, 519, 596, 619
share fishermen, 623
short-time workers, 510
societies, arrangements with, 462, 492, 495, 500
special schemes for industries, 463, 478, 495
standard benefit, 481
Statutory Committee, 552, 591, 600, 619
supplementary schemes, 463
Swiss methods, 452
temporary grants, 471
training of unemployed, 551
transitional benefit, 506
—— payments, 516, 587
Umpire, 461
Unemployment Fund, 484, 554
Unemployment Insurance Act, 1919, 398
—— —— ——, 1920, 456
—— —— ——, 1921, 464
—— —— (No. 2) Act, 1921, 469
—— —— Act, 1922, 472
—— —— (No. 2) Act, 1922, 474
—— —— Act, 1923, 474
—— —— ——, 1924, 475
—— —— (No. 2) Act, 1924, 476
—— —— (No. 3) Act, 1924, 475
—— —— Act, 1925, 478
—— —— ——, 1926, 479
—— —— ——, 1927, 493
—— —— ——, 1928, 495
—— —— ——, 1929, 496
—— —— ——, 1930, 496, 518, 563

Unemployment Insurance (No. 2) Act, 1930, 500
—— —— (No. 3) Act, 1930, 500
—— —— (No. 4) Act, 1930, 500
—— —— Act, 1931, 501
—— —— (No. 2) Act, 1931, 501
—— —— (No. 3) Act, 1931, 513
—— —— Act, 1934, 543, 616
—— —— ——, 1935, 185, 186, 544, 588
—— —— ——, 1938, 412, 599, 609, 628
—— —— ——, 1939, 630
Unemployment Insurance (Additional Benefits) Order, 1938, 612
Unemployment Insurance (Additional Benefits and Reductions in Contributions) (Agriculture) Order, 1938, 615
Unemployment Insurance (Additional Days and Waiting Period) Order, 1937, 608
Unemployment Insurance (Agriculture) Act, 1936, 597
Unemployment Insurance (Anomalies) (Seasonal Workers) Order, 1935, 601, 618
Unemployment Insurance (Anomalies) (Seasonal Workers) (Amendment) Order, 1936, 602, 619
Unemployment Insurance (Contributions) (Agriculture) Order, 1942, 596
Unemployment Insurance (Courses of Instruction) Regulations, 1921, 445
Unemployment Insurance (Crediting of Contributions) Act, 1935, 615
Unemployment Insurance (Expiring Enactments) Act, 1933, 519, 563
Unemployment Insurance (Inconsiderable Employments) Regulations, 1935, 616
Unemployment Insurance (Inconsiderable Employments) (Amendment) Provisional Regulations, 1936, 617
Unemployment Insurance (Inconsiderable Employments) (Amendment) Regulations, 1937, 617
Unemployment Insurance (Inconsiderable Employment) (Persons under Sixteen) Provisional Regulations, 1934, 616
Unemployment Insurance (Increase of Benefit) Act, 1944, 596
Unemployment Insurance (Insurable Employments) Regulations, 1937, 412, 620
Unemployment Insurance (Insurable Employments) Regulations, 1938, 412, 627
Unemployment Insurance (Insurable Employments) (Agriculture) Regulations, 1938, 412, 628
Unemployment Insurance (Long Hiring in Agriculture) Regulations, 1936, 600
Unemployment Insurance (National Economy) (No. 1) Order, 1931, 514
Unemployment Insurance (National Economy) (No 2) Order, 1931, 515
Unemployment Insurance (Private Gardeners Inclusion) Order, 1936, 598
Unemployment Insurance (Reduction in Weekly Rates of Contributions) Order, 1936, 605
Unemployment Insurance Statutory Rules and Orders, 754
Unemployment Insurance (Subsidiary Employments) (Agriculture) Provisional Regulations, 1936, 598
Unemployment Insurance (Temporary Provisions Amendment) Act, 1920, 464
Unemployment Insurance (Transitional Payments) Regulations, 1931, 516
Unemployment Insurance (Transitional Provisions Amendment) Act, 1929, 496
University training of ex-service men, 390
Urban Distress Committees (Unemployed Workmen) Order, 380
Utopia, 6

VACATION classes, 147
—— schools, 147
Vagrancy laws, 203, 372
Village Clubs Association,
Vocational guidance, 186
—— training, 144
Voluntary associations, 48
—— effort, 55

Wages Boards—
agricultural, 316
coal mines, 333
Civil Service, 335
cotton industry, 334
Liverpool Docks Scheme, 435
London Passenger Transport, 334
railways, 333
road transport, 335
Wages Councils Act, 1945, 317
—— (Temporary Regulation) Act, 1918, 326
War pensions (*see* Naval and Military War Pensions)
War Pensions Act, 1921, 660
—— —— (Administration Provisions) Act, 1919, 667
—— —— Committees, Local, 661, 664
Wealth of Nations, 15
Welfare authorities, 84, 166
—— officers, 300
Welfare work—
defined, 298, 344
development, 299
Factories Act provisions, 264
history, 297
objections to, 347
types, 346
unemployed, for, 410
welfare officers, 300, 348
Welfare Workers' Institute, 347
Wesley, John, 135
Whitley Councils—
District, 330
National, 327
Works Committees, 330
Widows', Orphans', and Old Age Contributory Pensions—
benefits, 649
central authority, 646
committees, 646
contributions, 648, 653
dates of commencement, 645
disqualification, 656
excepted employment, 647
exempt persons, 647
financial provision, 658
insured persons, 647
local authorities, 646
old age pensions, 651
orphans' pensions, 651
Widows', Orphans', and Old Age Contributory Pensions (*contd.*)—
supplementary pensions, 657
unemployment insurance provisions, 479
voluntary contributors, 647, 652
widows' pensions, 649
Widows', Orphans', and Old Age Contributory Pensions Act, 1925, 479, 545, 645
Widows', Orphans', and Old Age Contributory Pensions (Voluntary Contributors) Act, 1937, 652
Widows' pensions (*see* Widows', Orphans', and Old Age Contributory Pensions)
Wireless and education, 163
"Woman," definition for Factories Act, 248
Women in industry, 705
—— patrols, 207
—— police, 207
Women's Employment, Committee on, 388
—— Institutes Association, 70
Workhouses, 373
Working hours, elasticity of, 705
—— Men's College, 148
"Workman," definition, 319
Workmen's Compensation Acts, 1897–1938, 34
Works committees, 306, 330
Workshops Regulation Act, 1869, 243

Young Offenders Act, 1854, 191
Young persons—
committed to care of "fit persons," 206
criminal proceedings, 195
definition, 171, 177, 248
employment under 18 years of age, 173
places of safety, removal to, 204
protection, in need of, 201
refractory, 203
Young Persons (Employment) Act, 1938, 178, 274
Youthful Offenders Act, 1901, 192
Youth Advisory Council, 159
—— service, 144