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UNEMPLOYMENT
INSURANCE IN
GREAT BRITAIN:
A CRITICAL EXAMINATION

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*Owing to absence abroad Mr. Pybus was unable to take part in the final consideration of the draft.

UNEMPLOYMENT INSURANCE IN GREAT BRITAIN.

A CRITICAL EXAMINATION.

In view of the international importance of British experience with regard to compulsory Unemployment Insurance, the group which published "The Third Winter of Unemployment" early in 1923, and its sequel, "Is Unemployment Inevitable," in 1924, undertook this year a broad survey of the economic effects of Unemployment Insurance. The task was undertaken without prejudice, and with the sole aim of collecting evidence to test the results of the legislation.. Enquiries were made simultaneously in eight areas: Birmingham, Bolton, Cardiff, Glasgow, Leeds, Reading, Shoreditch and Tyneside. Great care was taken to secure investigators with local knowledge and with a general grasp of the industrial situation. These investigators worked to the group's questionnaire.

While the enquiries were directed primarily to ascertaining the effect of the scheme upon its beneficiaries, complete answers could not be given without considering the working of the administrative machinery. One of the objects of the investigation was to find out whether workers were allowed to remain idle and in receipt of benefit while work which they could do was waiting to be done. If that were the case, did the fault lie with the worker, with the insurance scheme, or with the machinery for connecting unemployed persons with vacant jobs? Similarly, the question of the abuse of benefit by unsuitable claimants could be approached either by examining samples of "the unemployed," or by studying the machinery for administering benefit.

The enquiries, therefore, fell into two parts—the first being concerned with the effect of the scheme on the persons involved in it, and the second being a study of the machinery of the scheme.

The terms of reference handed to local investigators were as follows:—

"The object of the investigation is to ascertain the economic effects of the Unemployment Insurance system, and in particular to discover—

1. Whether the system diminishes the incentive to find work;
2. Whether it affects the willingness of the worker to change his occupation or to move from place to place;

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2. Whether it affects the willingness of the worker to change his occupation or to move from place to place;

3. Whether it affects the desire of those in employment to retain their jobs, and thus increases or lessens the efficiency of labour ;
4. Whether it affects the rate of wages for which the worker is willing to work ; and
5. Whether it affects the readiness of men to undertake temporary or intermittent jobs by which earnings might be supplemented."

The investigators were also instructed to find out whether the scheme was being abused by the granting of benefit to persons other than the genuine unemployed.

WHAT THE SCHEME IS.

Before describing the results of the investigation, it will be advisable to sketch the outlines of Unemployment Insurance, for many readers in this country, as well as foreign readers, may not be familiar with the scope of the scheme.

The great social experiment in National Unemployment Insurance started in 1911. After a successful trial in a few trades the scheme was extended in 1916, and again in 1920, so that it now covers substantially all employed persons, except outworkers and persons employed in agriculture and private domestic service. Employees of local authorities, railways and certain other public utility undertakings, members of the police force, and persons with rights under a statutory superannuation scheme, are excepted in certain circumstances. Persons employed otherwise than in manual labour at a rate of remuneration exceeding in value £250 per annum are also excepted. These exceptions rule out approximately 3 millions of the 15 millions of occupied persons over sixteen years of age. Occupied persons under sixteen years are outside the scope of the Act.

The distinctive features of the scheme clearly separating it from the system of public relief under the Poor Law are :—

1. Its insurance nature.
2. Its essential connection with Employment Exchanges as distinct from the authorities charged with the relief of destitution ; and
3. The character of the contribution made by the general community, which comes from the National Treasury, not the funds of Local Government Authorities.

In view of the widespread misapprehension that exists as to the character of the Unemployment Insurance Fund, we cannot emphasise too strongly the fact that it is an insurance fund, and not a scheme for scattering relief broadcast. Of the money paid out in benefit during the four weeks ending June 27th of this year (1925), 39 per cent. was contributed by the employers, 35 per cent. by the workers, and 26 per cent. by the State. During the year ending July,

1924, the contributions paid by employers and workers together equalled the sums paid out in benefit, the State contribution going towards the deficit from previous years.

So bold and extensive a scheme, covering some twelve million workers, is an experiment in social-industrial legislation which has attracted the attention of the whole of the civilised world, but unfortunately the materials on which a reasoned judgment of its merits might be based have often been lacking. Public opinion, at home and abroad, inevitably is influenced by the adverse criticisms of the scheme which appear from time to time in some organs of the British Press, and the almost universal adoption of the term "dole" implies volumes of criticism apart from the open attacks.

THE ADMINISTRATION OF THE SCHEME.

It is not generally realised to what extent many thousands of public-spirited employers and workers give their services in the administration of the Scheme. They render invaluable help (1) on the Local Employment Committees, (2) on the Courts of Appeal, (3) on the Courts of Referees, and (4) on the Rota Committees.

The Local Employment Committee consists of equal numbers of employers' and workers' representatives, with additional representatives drawn from the City Council, the Board of Guardians, the British Legion, and other local people interested in social work. These additional representatives, however, must not exceed in number either the workers or the employers on the Committee. The Chairman appointed is seldom directly connected with industry. This Committee, which generally meets monthly, and in no case less than quarterly, acts as an advisory body to the local Employment Exchange in all questions concerning the placing of unemployed persons and the administration of the Unemployment Insurance Acts. It is responsible to the Minister of Labour for dealing with recommendations made by the *Rota Panel Committee*, a body described below, which is really a sub-committee of the Local Employment Committee. Questions of principle, and of the proper interpretation of the relevant Acts of Parliament that arise from time to time in the Rota Committee, are reviewed by the full Local Employment Committee, which is also responsible for dealing with any complaints concerning the machinery of the Exchange, whether made by employers or workers. It is also empowered to recommend to the Minister of Labour representatives to serve on the Court of Referees; and it frequently deals with questions affecting disabled soldiers.

Members of the Local Employment Committees are called in turn to serve on the Rota Panel, over which they preside when present. The constitution of the Rota Panel is similar to that of the main Committee, but the Panel contains a larger industrial representation and additional co-opted members, so that unreasonable demands may not be made on the time of individuals. At each Panel

meeting there should be present a worker, an employer, and another representative; but occasionally two workers have to serve because employers often find it difficult to be present.

The business of the Rota Panel is to decide whether particular applicants have satisfied the conditions for the granting of extended benefit. It advises the Minister of Labour, through the Local Employment Committee, whether such applicants are or are not entitled to benefit, and in practice the Minister generally adopts their recommendations. If, however, a person feels that he or she has been improperly refused extended benefit by the Rota Panel, the case can be taken to a *Court of Appeal*, the constitution of which varies in different towns. It is sometimes made up of the Chairman and Vice-Chairman of the Local Employment Committee, and one other member. No member is allowed to act on a Court of Appeal in judging any case with which he has already dealt on the Rota Panel Committee. If a man is ineligible for ordinary or standard benefit because he has not made sufficient contributions, his case is referred to the Rota Panel, which decides, amongst other things, whether he is normally an insured contributor.

The Chief Insurance Department in London decides whether particular cases referred to them by the Employment Exchanges are free from disqualification. When an adverse decision is given upon any case by the Insurance Department the applicant has the right to appeal to a *Court of Referees* composed of local employers and workers. This is usually presided over by a barrister. The Clerk of the Court is not an official of the Exchange staff, but is allocated from the Divisional Office. Men cannot vote on women's cases and women cannot vote on men's cases.

The Court of Referees deals with cases which have been disallowed by the Chief Insurance Department, and makes a recommendation which goes back to the department. The Chief Insurance Officer, though he generally accepts this recommendation, may, if he disagrees with it, refer the case to the Umpire appointed by the Crown for final decision. It should here be added that if the Court of Referees agrees with the Chief Insurance Officer's decision in disallowing a claim, the insured worker can himself, with the permission of the Court, appeal to the Umpire, or a Trade Union can do so on his behalf. In practice the majority of the appeals to the Umpire are made in this way. The findings of the Umpire become the guide for the Court of Referees in future cases of a similar character, and are also a guide to the Exchange staff as to what is "suitable" employment to offer to particular types of people; the more important are published in the *Ministry of Labour Gazette*.

HOW THE WORKER GETS HIS BENEFIT.

When an insured person becomes unemployed he attends the Employment Exchange with his unemployment book and submits

answers to a number of questions, giving his name and address, age, last employer, period of employment, occupation when with last employer and the date of and reason for leaving, with some account of his previous experience and qualifications. This information is set down on a claim form which is filed with other similar forms in a register. Then a communication is sent to the man's last employer to ascertain whether his information is correct. A communication is also sent to the Accountant-General's Department at Kew, in order to find out how the particular person's account stands, and whether the signature which he has given is in agreement with the original signature on the form of application for an unemployment book.

The man then attends at the Exchange at least twice a week, sometimes three or even four times, on days and at times specified by the Exchange officials, arranged with a view to avoiding congestion. This frequent attendance during working hours goes to prove that his unemployment is genuine, and keeps the Exchange in touch with him. On each occasion he signs a register, and if he fails to sign on at the required time he must give reasons for his non-attendance or unpunctuality to the Supervisor responsible for signing on arrangements, who has instructions which guide him in dealing with each case. If the Supervisor is not satisfied, the man is given a form of questions to fill in. The accuracy of the answers has to be vouched for by two householders, who must endorse the form, which is then sent to the Chief Insurance Office at Kew. In considering cases of neglect to sign on, account is taken of such a circumstance as sudden illness at home.

Benefit is refused for at least a period of 6 weeks if the employer who is asked to confirm a worker's statement replies that the latter gave up work on his own initiative, or was discharged for unsatisfactory conduct. It is also refused if a man declines the offer of employment made to him. When sent to a job, he is given a green card, on which the employer is asked to state whether he is engaging the applicant, and if not why not. If the applicant in some way makes it impossible for the employer to offer him work, his benefit is stopped, or his case is submitted to the Chief Insurance Department for disallowance. In this connection, it will be seen that in their efforts to avoid abuse of the scheme, Exchanges have to rely very largely on the assistance of employers.

It should be noted, however, that a man's refusal to accept employment at a lower rate of wages, or under worse conditions, than he might "reasonably" have expected if his former employment had continued, does not disqualify him for benefit. Similarly, he may, without disqualification, refuse employment in another district if the standard wages and conditions of that district are not offered, and he may not be required to take the place of a worker involved in an industrial dispute.

The applicant is also disqualified if he has lost his employment through a strike, or lock-out, unless he proves (a) that he is not participating in or financing or directly interested in the trade dispute which caused the stoppage of work, or (b) that he does not belong to a grade or class of workers, members of which are participating in or financing or directly interested in the dispute, or (c) that the stoppage of work took place because an employer acted in such manner as to contravene the terms or provisions of any agreement existing between particular groups of employers and workers, or of a national agreement, to which both employers and workers were contracting parties. Benefit is not payable to inmates of institutions supported by public funds or to persons in receipt of benefit under the National Health Insurance Act.

If the discharged worker remains unemployed for three days*, and if he fulfils the statutory conditions, the manager of the Employment Exchange will authorise the payment of benefit to him from the date of the termination of employment.

The statutory conditions are, first, that the number of contributions made in respect of the applicant must be sufficient to entitle him to benefit. He must have 30 contribution stamps for the two years immediately preceding the beginning of his current benefit year, which dates from his first application for benefit after the passing of the Unemployment Insurance Act (No. 2), 1924, and/or 20 stamps in the insurance year immediately preceding the date of the claim. The second condition is that he makes application for benefit in the prescribed manner, which means that he presents himself at the local employment exchange. Thirdly, he must be capable of and available for work. Lastly, he must be genuinely seeking work, but unable to obtain suitable employment.

Having shown to the satisfaction of the responsible officials that he is fully qualified, benefit is paid to the applicant according to a fixed scale. The standard rates of benefit are :—

Men (18 years and over) ...	18/-	per week
Women (18 years and over) ...	15/-	„ „
Boys (16 and under 18) ...	7/6	„ „
Girls (16 and under 18) ...	6/-	„ „

If the unemployed person, either man or woman, is married, and the partner is not working for wages, an additional 5/- per week is payable. The same sum is payable in respect of a housekeeper for dependent children of a widowed person, and in the case of a single person, in respect of a widowed mother. The allowance for children is at the rate of 2/- per week for each child.

One week's benefit is paid for every six contributions, and the payment continues for periods not exceeding in the aggregate 26

* The Bill at present before Parliament will put back the waiting period to six days, and restore the Minister of Labour's discretionary powers to pay benefit for which the necessary stamps have not been accumulated only if he deems that it is expedient in the public interest to pay such benefit to the particular applicant concerned.

weeks in a benefit year. Money paid on these terms is called "*Standard Benefit*." In addition to standard benefit, in certain cases in which it had been impossible for workers to accumulate the requisite quantity of stamps, benefit was granted for special periods prior to the Act of 1924, at the discretion of the Minister of Labour.*

It is clear that Standard Benefit is neither public relief nor charity and should not therefore be called a "dole." The worker and the employer together have contributed the greater part of the necessary funds during employment, in order to ensure that the worker shall be compensated in some degree for loss of wages during unemployment.

The No. 2 Act of 1924 made certain increases in the scale of benefit. It granted to every unemployed insured person benefit for an unlimited period up to June 30th, 1926, provided he satisfied the conditions laid down. It also made more generous allowance for dependents.

"*Extended Benefit*" is payable to unemployed persons who have exhausted their standard benefit, but fulfil certain statutory conditions. Application for Extended Benefit is made through the Employment Exchange to the Rota Panel, whose functions and constitution have been described above. The members of the Rota Panels are very numerous, but only two are required for hearing applications. One of these frequently has personal knowledge of the occupation of the applicant, and all documentary records are produced by the Clerk of the Panel. Should the Panel doubt the *bona fides* of an applicant, the services of an investigator are usually available to secure additional information. As in the case of standard benefit, the conditions under which extended benefit may be paid are definitely laid down by statute. Even if the applicant has less than the required minimum of stamps, or has exhausted his benefit, he may receive extended benefit if he fulfils the other conditions for standard benefit and proves:—

1. That he is normally employed in an insurable occupation, and will normally seek to obtain his livelihood by it.
2. That in normal times insurable employment suited to his capacities would be likely to be available for him.
3. That he has, during the two years immediately preceding the date of the application for benefit, been employed in an insurable employment to such 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.
4. That he is making every reasonable effort to obtain employment suited to his capacities, and is willing to accept such employment.

Since these conditions involve the determination of what is

*See footnote on p. 12.

"reasonable," as distinct from questions of technique, the democratic Rota Panel is a more appropriate adjudicating body than the employment exchange officials.

The Rota Panels often grant benefit for short periods only, and if the applicant wishes to renew his benefit, he must appear before the Rota at frequent intervals.

If a claim for extended benefit is disallowed on the ground of "not a reasonable period of employment," or "not making reasonable efforts," no further claim will be considered unless the applicant can show eight weeks' employment in an insured trade, or six months' diligent effort to find work.

Before describing even extended benefit as a "dole," it must be remembered that so long as contributions from the workers, the employers and the State are sufficient to cover disbursements under the scheme, the recipient may justly claim that he is drawing from an insurance fund. This consideration is of fundamental importance. If the scheme had not provided for indefinite amounts of extended benefit as well as definite amounts of standard benefit, then the contributions compulsorily levied could have been smaller.

We now turn to the reports of the different areas investigated.

BIRMINGHAM.

Although some trades have left Birmingham, it is equally true that immense industries have been built up by the new demands of a world that will not stand still. As a consequence, Birmingham has continued to add to its population more rapidly than any other provincial town of similar size, and twice as rapidly as London, since the establishment of official enumeration. There are few commodities, textiles not excepted, which its factories and workshops do not supply. Thus, before the present depression there were no specific slack periods; if one trade was short of orders another was busy, and the average rate of unemployment remained low.

The relative importance of the different trades may be seen from the estimates of the numbers of insured workers in the districts covered by the Employment Exchanges at Birmingham (main), Aston, Handsworth, Selly Oak and Sparkhill. Of the male workers, the numbers in the more important occupations are:—

Construction of Motor Vehicles	...	...	...	23,450
Distributive Trades	...	...	...	18,470
Engineers and Iron Founding	...	...	...	16,370
Building	...	...	...	15,320
Watches, Clocks, Jewellery	...	...	...	11,720
Brass, Copper, etc., Trades	...	...	...	11,130
Other Metals	...	...	...	23,580
Brass Founding	...	...	...	9,180
Gas, Water and Electricity Supply	...	...	...	10,770
Local Government	...	...	...	5,720
Furniture, Upholstery, etc.	...	...	...	4,320

The highest percentages of unemployment on March 23, 1925 (except in the small group Tailoring, which had 21.4 per cent.), were in Engineering and Iron Founding (14.3 per cent.); Brass Founding (12.4 per cent.); Watches, Clocks, and Jewellery (11.8 per cent.); Brass, Copper, etc., Trades (11.5 per cent.); Local Government (10.5 per cent.).

Female workers are distributed over the more important trades as follows :—

Other Metals	...	...	...	...	23,640
Distributive Trades	...	...	...	...	12,680
Watches, Clocks and Jewellery	...	...	...	...	10,950
Brass Founding	...	...	...	...	6,750
Construction of Motor Vehicles	...	...	...	...	5,680
Hotel Service	...	...	...	...	4,200

The percentages of unemployed females on March 23, 1925, were: Brass Founding (12.0 per cent.); Hotel Service (11.2 per cent.); Watches, Clocks and Jewellery (9.6 per cent.); Other Metals (9.3 per cent.).

Of the total insured males (227,340), 20,254, or 8.9 per cent., were unemployed, and of the total females (120,400) the unemployed were 9,323, or 7.7 per cent.

In addition to the almost infinite variety of trades there are large numbers of small employers. It is said, indeed, that the presence of so many master manufacturers adds to the difficulties of administration in the Labour Exchange, though it may tend to prevent the formation of stagnant pools of unemployed.

THE UNEMPLOYED.

From trial analyses which have occasionally been made, it would appear that out of the total registered unemployed, seventy-five per cent., both men and women, are receiving the "extended" form of benefit. It may be recalled that to insure standard unemployment benefit for a period of twelve months, contributions equal to the continuous work of six years would be involved. In other words, the maximum number of payments allowed in a year will exhaust contributions representing the labour of three years. Moreover, in view of the state of trade at present, and the tendency of employers to reduce their staffs more readily because of the existence of the Insurance Scheme, steady employment, except in special industries, is the exception rather than a rule.

As to the ages of the unemployed, little information is available, but the following resolution of the Rota Committee of the Small Heath Exchange is not without interest :—

"This Committee desire to place on record the increasing difficulties in dealing with men over 65 years of age, who have been

unemployed for four or more years, and believe that some definition of the term 'reasonable period' in such cases should be given by the main Committee."

The local investigation really suggests that the unemployment insurance fund is being used as an irregular way of extending the old age pension scheme. Speaking generally, women between the ages of fifty-five and sixty-five experience the most difficulty in finding employment; and many such women who are now on the Exchange have spent the greater part of their working lives with one firm. Especially does this apply to the Steel Pen Trade, which finds it harder and harder to compete against the extensive use of the fountain pen and the typewriter. Although the elderly women are said to be superior to the younger ones, new employers hesitate to engage them on account of their age.

The married woman on the books of the Labour Exchanges constitutes one of the most serious problems facing those who are responsible for the administration of the Insurance Laws in Birmingham. The question is more complex than it appears, and a simple answer is not possible because (a) the women presenting their claims are legally entitled to a consideration equal to that given to the men; (b) the charge that in many instances they are not genuinely seeking work is difficult to establish in face of the fairly general refusal of employers either to retain or engage married women; and (c) there is an inability among claimants, especially married women, to distinguish between payments for insurance benefits and payments made for a future pension. As a consequence, charges of faulty intelligence and the graver one of a low social morality, are prevalent.

It seems difficult to secure the exact proportions of those who deliberately refuse work, or even of those who have their claims disallowed as a consequence. It is generally thought that at least two-thirds are genuinely seeking work, but are inexpert finders. On the other hand, it was asserted in the Committee Rooms that out of four thousand odd on the registers, less than two hundred had not secured thirty stamps since 1922, and, moreover, some of the latter may have been "uninsurable."

A difficulty of the married woman, even if she is genuinely seeking work, is the refusal of employers to engage her, and the following example reveals the fact that many women are only too anxious to be left quietly at work.

In a large factory in Birmingham it was noticed that numbers of women apparently had damaged the third finger of their left hands, these being securely bandaged. So widespread was the presence of this disability that enquiry was made, and the fact was disclosed that the wedding rings had been covered, superstitious dread of the consequences having forbidden the removal of the possible handicap.

The grounds of objection to the employment of married women are (a) that it is unfair to single women; (b) that women with children object to overtime; (c) that when their husbands are employed their work is slack and casual; and (d) "that they hanker after the dole."

The last statement raises the whole question of the effect of the benefit on married women. One woman said, "It is better at home on fifteen shillings than at work on twenty-five shillings."

There is a strong suspicion that many women, largely by giving evasive replies, abuse the insurance benefit; but this suspicion can be supported by no direct evidence. While, for example, it is suggested that many women in receipt of the "dole" are also being paid for the manufacture of articles of clothing, small wholesale and retail merchants refuse to admit the possibility of this.

THE MACHINERY OF ADMINISTRATION.

The administration of Unemployment Benefit now calls for examination.

That the officials of the Labour Exchanges are anxious to reduce the numbers on their books may be gathered from casual remarks of unemployed overheard while visiting the Exchanges: "Mind that red-haired girl; she's a devil for offering you work," or "Why are you always picking me out?" Perhaps, however, the finding of work for the unemployed, which was the chief function of the "Exchanges," is to some extent subordinated to the function of paying out money.

Three investigators, one woman and two men, are connected with the Exchange, and their duties consist of making enquiries into suspicious cases. In view, however, of the number of **anonymous** letters with which they have to deal, they can have little time left for further investigation. At best, the large numbers of the unemployed, their changing character, and the wide area over which they are distributed, make efficient supervision almost impossible. On the other hand, wide experience creates an almost instinctive ability to note any suspicious characteristic, such as hurried visits at the last moment to the registration counter, or hands that are obviously work-stained!

The Exchange does its best to advertise any convictions at the police court for obtaining benefits while continuing in employment, or for making false declarations and thus obtaining help from two or three sources. It is doubtful, however, if these reports act as a deterrent even when they are posted in a prominent position.

As regards the Rota Committees, it is hardly possible to report a high degree of efficiency. Employers, it is complained, rarely attend, hence no real check can be kept to safeguard a possibility of their misuse. On the other hand, it was alleged that the efficiency

of the Women's Committees was the reason why certain men attempted to secure representation. A member of the Trades and Labour Council declared "Men are more merciful and more judicial than women in dealing with women's cases." Much depends on one's definition of "efficiency" and of "mercy."

It is not easy to secure definite information regarding the number of disallowed claims, but it is less than ten per cent. of the total registered unemployed at any given time. A visit to the Committee Room revealed the fact that the members of the Rota were entirely dependent on the honesty of the men whose cases they examined, and an outstanding feature at present is the number of men whose chances of becoming employed appear to be remote.

A highly efficient body of men and women are engaged in carrying through the work of the Juvenile Labour Exchange which was established twelve months ago by the municipality. The extent to which young people between the ages of 14 and 16 are catered for and the carefulness devoted to selection, may be judged by the fact that out of four thousand passing through the Exchange since April, 1924, only six per cent. of the boys and four per cent. of the girls have left their first places and applied for other situations.

A significant feature of the problem is the periodical increase in unemployment, which coincides with the influx into the market of fresh juvenile labour, and which is somewhat accentuated by the refusal of the education authorities to release the scholars who reach the age of 14, except at the terminal vacation. There is a substantial increase of both men and women in the ranks of the unemployed at the beginning of each vacation: an addition of 3,042 juveniles last December, for example, was followed by an increase of 2,520 men and women on the register.

THE POOR LAW.

The changes made in the Insurance Act of 1924 seemed to some extent to influence the course of unemployment and the number on the books of the Guardians. In the former case a decrease of twenty-five per cent. coincided with one of twenty-nine per cent. in the latter case. At the time of the trouble in the building trade, however, the percentage of unemployed rose to thirty-two, while the recipients of Poor Law relief fell nineteen per cent. Whether this was one result of the extended benefit, in that it tended to take the unemployed off the books of the Guardians, it is difficult to decide.

Poor Relief is paid on a fixed scale, both to persons in receipt of benefit and to those with no benefit. In the latter case the maximum relief for a man and wife with five or more children is 42/6. A varying number of hours' work must be given by those in receipt of relief, the maximum of 34 hours per week being required of those who draw the maximum of relief.

The following rates of wages will serve as a comparison, and give some idea of the possibilities of the powerful counter attraction offered by out-door relief, and the easy manner in which it may be obtained.

WAGES OF UNSKILLED WORKERS.

BIRMINGHAM MINIMA.

				£	s.	d.	
At Gas Works	...	...	...	2	12	2½	per week
„ Water Works	...	...	...	2	12	7½	„
„ Electricity Plant	...	...	...	2	15	10½	„
Non-Trading	...	...	...	2	11	10½	„
Engineering	...	...	...	2	0	0	„
Allied Engineering	...	...	...	2	0	6	„
Non-Federated Firms in Engineering				1	15	0	and upwards
Building	...	...	...	1	3½		per hour
Public Works	...	...	...	1	2½		„

EFFECT OF THE SCHEME ON THE WORKER.

Youths of Eighteen. Constant complaints are being made, the burden of which is that employed youths of 18 often court dismissal. On the other hand it is alleged that many employers discharge youths when they reach the age of 18, the rise in the regulation wages involved being such that it is cheaper to take on children of 14 than pay the rates for youths of 18. These conditions lead to an almost complete absence of juvenile unemployment. The minimum wages given in Engineering and allied trades (basic wage plus bonus) for the five ages 14-18 are 10/-, 11/8, 13/4, 16/8, 20/-.

During the worst period of unemployment employers had some difficulty in securing apprentices in Engineering trades, particularly among the sons of men already in the trades. To-day, however, they say they can easily get apprentices from both elementary and secondary schools.

In the Birmingham area, short time workers are not guilty of exploiting the Unemployment Insurance Fund. It has not been found that high wages are earned in three days and benefit drawn for the remaining three.

As regards the mobility of workers, while there is a great deal of movement within the trades of Birmingham, there has been little beyond the borders of the Midland area. It is of interest to note that employers in some instances believe that their legitimate claims to insurance is in danger of being overlooked. They pay part of the insurance, and they feel they have a real grievance when the labour force they have trained is moved to another area when conditions of a temporary nature compel them to suspend operations.

There is some evidence of the mobility of women workers. There is a good demand for women of a particular type, which according to the manager of the labour bureau of a large manufacturing establishment, cannot be met by the local exchanges. He claims to have exhausted the available local market, and now finds his chief recruiting ground in the Black Country. The great Witton firm, on the other hand, are able to fill their vacancies from the immediate neighbourhood, but scores from the Black Country answered their advertisement which asked for several hundreds of women at the beginning of the year.

One result of the extended benefit is, no doubt, the comparative absence of men willing to perform odd jobs. Several striking examples were detailed by a social worker, who did not hesitate to assert that as a result of the "dole" men often refused to render paid service to patients in the hospital near by. Moreover, a notable decrease in the number of men holding Pedlars' Licences has taken place.

While it is not possible to quote cases where men have deliberately given up their employment, preferring Out Relief to work, a prominent Trade Union leader is of the opinion that numbers of men have developed a "knack" of securing a fairly comfortable living by the aid, not only of the Guardians, but also of one or two local charities. But this is abuse of Poor Relief, not of the Unemployment Insurance Benefit.

BOLTON.

There is a peculiar feature in the Bolton labour market which profoundly affects the whole industrial life of the town. This is the keen demand for child labour and the inadequacy of the supply, even augmented as it is by child workers from places so distant as the outskirts of Manchester. The result of the shortage is keen competition between firms and industries to offer an attractive career to recruits, particularly in regard to rapidity of promotion. This is relevant to the present enquiry in two respects. In the first place, the incentive to remain at work in the hope of promotion is abnormally strong, and secondly, the problem of the re-employment of some sections of the unemployed presents exceptional difficulties to the Rota Committees. Other characteristics of normal employment which must be remarked at the outset, are the conservatism and immobility of the cotton operative. An adult worker usually spends the whole of his industrial life minding "his" mules or "her" looms, and it is very common indeed for him to use the mill as a bank, lending small sums to it at interest, and frequently purchasing shares. On the other hand, the official statistics of population provide *prima facie* evidence of some degree of mobility. The population fell during the war, rose to 184,533 in 1920 and has declined since, the last available figures being 182,200 in 1923. The Report of the

Medical Officer of Health for 1923 states: "During 1923 births were 846 in excess of deaths. If the estimated population for 1923 is correct, Bolton must have lost during 1923 a total of 846, plus 500, or 1,346 inhabitants. This represents the adverse balance on immigration and emigration." The Census of 1921 shows a loss of 11,659 persons by migration between 1911 and 1921, and a net fall of 1.2 per cent. Compared with the total unemployed at May 4th, 1925, 7,418 persons, these figures are significant.

THE LABOUR MARKET:

Of the men's trades spinning, which in 1921 accounted for 6,168 occupied males, is the staple trade of the town. Egyptian cotton is spun, and employment in this section has been much better than in the rest of the Cotton Industry. The spinner's wage averages about £5 per week, and his assistants, the "big" piecer and "little" piecer, receive about 30s. and 20s. respectively, the rates varying with the output of the mules and the number of spindles. The piecers naturally strive for promotion to the spinning grade, and there is no suggestion that any of them prefer unemployment benefit to work, though the complaint is made that big piecers, who are very frequently adult men, refuse to accept employment as little piecers. The complaint is not very weighty, for there are very few big piecers unemployed, and even if these could be induced to work as little piecers, there would be very serious difficulty with the little piecers already employed, whose chance of promotion would be considerably reduced. It is fairly certain that the great majority of the unemployed in the spinning section are merely temporarily suspended.

In weaving, very few men are employed except in a supervisory capacity, and this is the grade to which boys who join the trade look. The prospects are good, and a good class of boy is attracted. Similarly, in the processes preparatory to spinning (carding, etc.), the boys look to promotion to "stripping and grinding," and may enter this grade after two years' employment if 19 years of age. This is a fairly easy entry to a man's job (at 56s. 11d. per week minimum), and there is no complaint of shortage of boys. The job is not a blind alley, so many prefer to leave spinning and enter the card room.

Bleaching is another good trade. At present underemployment is general, but employers are so strongly organised that high wages are paid, the juvenile rates being particularly attractive. The time rates are 53s. 10d. per week for the lowest grade men, 33s. 5d. for women over 18, 21s. 3d. for boys of 14 and 17s. 8d. for girls of 14. Piece work is the rule in the trade, and at least 25 per cent. above time rates is earned. An employer said: "There

are no silly tricks at 18 or any other age. We get a good class of operatives, both men and women, who rather look down on mill workers and are keen to keep their job."

At present work is very slack, the week's bleaching being done in the latter part of one week and the beginning of the next. This gives a steady income of three days' pay and three days' benefit to the workers. As pre-war wages were only £1 to 22/- per week, the male workers would be better off in money wages than before the war even if not insured against unemployment.

Both textile engineering and general engineering firms are established in Bolton, and employ over eleven thousand workers (as compared with 13,600 in all branches of textiles). The largest firm in the textile section employs 4,000 to 5,000 men when fully occupied, but business is slack at present. Even so, high earnings are made in the short time, three or four days a week, worked.

The women workers find jobs mainly in textiles and bleaching employment, nearly twenty thousand being in the former group. Weavers, carders and combers, winders, beamers and warpers are the largest groups.

Since it is common to find in the ranks of the unemployed a large mass of general labour which is usually a source of great difficulty in the administration of relief, it may be mentioned that Bolton appears to be particularly fortunate in the quality of its unskilled workers. In the first case, street trading by boys and girls is strictly forbidden, with the result that the hooligan and the "gutter-snipe" are absent, and the manager of the Labour Exchange said that on making the first sample analysis of the unemployed he was astonished. "They were the finest body of men I have ever met. Even the navvies had periods of service of several years at a time on public works of various kinds."

By chance, a sample from the general labour market came to light at the time of the enquiry. The manager of one of the weaving mills put a single advertisement in the *Bolton Evening News* for a night-watchman, and the next morning over 100 applicants presented themselves. The firm wanted an elderly man, because they found that young men did not stay, and the applicant must be trustworthy and used to boilers. Notes were taken of the interviews with 62 of the applicants, and on the whole they appeared to be a good class of men. Some were rejected at sight because they were too young and active.

Further evidence of the smallness of the undesirable section appears in the statistics of school feeding. It is not suggested that the parents of children requiring feeding are necessarily undesirables, but it is well known that where the parasitic class is large, the

volume of school feeding will be great. In Bolton only 15 families, represented by 41 children, were on the feeding register on March 31st, 1925.

Any conclusions which may be drawn with reference to the working of the Unemployment Insurance Scheme in Bolton should be related to the fact that the industrial population is of remarkably high quality.

THE UNEMPLOYED.

The trouble in Bolton is not so much unemployment as under-employment, and this is the case in each of the principal trades, Bleaching, Engineering and Weaving. Spinning is above normal in the employment it affords. The bulk of the unemployed are therefore on standard benefit, because of the rapid turnover in employment. It is no uncommon thing for the officials of the Exchange to pay out between two and three thousand claims on Friday night. This means that the workers concerned have obtained employment again and cannot draw their benefit in the daytime. Very many of the "suspended" workers are only out of work for three days at a time. It is estimated, therefore, that only 35 per cent. are on extended benefit, and as perhaps a sixth of these are certain of employment with a particular firm if trade revives, the "dead end" of the unemployed are at most 30 per cent. of the total.

TESTING THE UNEMPLOYED.

THE LABOUR EXCHANGE.

Many of the officials of the Exchange have now had six or seven years of experience in administering ex-service donation or out-of-work benefit, and have therefore had ample opportunity to become efficient in the detection of imposition. They justly claim that all the notorious "dodgers" in the town have long since been eliminated. Two full-time male investigators and one part-time woman are employed to check suspicious cases, and employers usually co-operate with the Exchange, at least so far as to provide necessary particulars of dismissals. The Manager of the Exchange also receives many anonymous letters, which are followed up if the evidence available appears to warrant it, and when there is a clear case for prosecution proceedings are taken.

In addition to the routine checks on imposition there is a sample enquiry about once a year. Every twentieth card is taken from the records of the unemployed, a very thorough analysis is made of the person's record, and he is examined by the Manager. The latter said: "I have not found a single 'bad egg' amongst them."

At present there is some grumbling at the great pressure exerted by the officials to increase the mobility of the unemployed, but at the same time it is frankly admitted that by exerting that pressure they are only doing their duty.

The administration of benefit is only one side of the work of the Labour Exchange. The other is placing the unemployed in vacancies. In this work the officials cannot hope to rival the secretaries of the various trade unions. In the first place, the great pressure of work in administering benefit leaves little time for studying the requirements of the local industries, and even if that time were available, the official in the general Exchange could not hope to rival the man who specialises in and has worked at one particular trade. Secondly, the higher officials are occasionally transferred to districts of a totally different industrial character from the one with which they are familiar. This must restrict their efficiency as placing agents.

THE ROTA COMMITTEES.

There are about 100 names on the Rota Panel, and two members sit at a time, an employer and a workers' representative, with the assistance of the clerk in charge of the records. It very frequently happens that the employer is more lenient than the worker, and on the whole the work is done both conscientiously and efficiently. Many Rota men were interviewed. One was simply a petty tyrant, fairly gloating over striking people off; on the other hand a woman member said that after serving on Committee she could not enjoy a meal for thinking she might have deprived another woman of food, and a man said he always had a sleepless night after Rota work.

About 70 cases per day are heard, about 3 or 4 per cent. of the unemployed losing their benefit in this portion of the net, but seventy per cent. of the rejected cases are suspended, but not completely disqualified, and the period of suspension varies considerably.

The first difficulty is securing continuity of policy in the different Rotas. There seems to be a general tendency to stricter administration, but it is an obvious weakness if the decision given depends primarily on the personnel of the Committee. On the whole the existing arrangement seems best. It is democratic, and the members frequently know the technical requirements of the work and the applicants' qualifications, and are quick to detect malingering.

Other problems arise out of the special circumstances of applicants. There is a somewhat disproportionate number of men past the prime of life in the "dead end" of the unemployed. From all accounts, however, the disproportion is not great, and in dealing with such cases a Rota member said: "Your heart grows bigger than your head. You should strike them off, but you cannot add to their misery by telling them that you don't think they are fit for work, or it is unlikely they will ever get it." A similar case is the war cripple.

Another difficulty is in the expression "genuinely seeking work." In most cases the brightest hope of getting a job is with the last employer, yet the Rota must compel the applicant to prove that

he is regularly tramping round the town, asking for work where he knows he will not get it, and bothering mill managers who may be excused for occasionally failing to be polite. Both applicant and Committee know that this is usually a farce, but it is rather a degrading farce for the worker. He asks what Labour Exchanges are for.

THE MARRIED WOMAN.

Perhaps the most difficult problem of all is the married woman. It is common, but not the invariable rule, for women in textile trades to return to work after marriage. Unemployment benefit offers the possibility of adding a few extra shillings to the family income without actual employment and without the expense of paying for domestic help, and in weaving and bleaching many firms are definitely averse to employing married women in the present circumstances. To disqualify all would be a gross injustice to the woman who must work because of the insufficiency of the husband's income, but in many cases the woman herself may hardly know whether or not she would normally have returned to work. Since benefit is available and contributions have been paid for it, it is taken, and the only possible guide to the real motive of the woman, that is, the family income, may not be considered by the Committee.

A word may be said for the young men who appear before the committees. They find it almost impossible to get into the mills unless already trained for the work; employers generally prefer men accustomed to responsibility for permanent jobs, and the young single man has no chance of getting on relief works. He is frequently condemned, but his case is a hard one.

THE POOR LAW.

The connection between the Poor Law and the Insurance scheme is becoming so close that benefit is frequently supplemented by relief, and when benefit stops many claimants fall back on relief. At the Rota Committee a chance remark by a member threw light on this. He described an incident at one of the meetings, and said "The other member was in an armchair, but I was on a bench at the side with the culprits." Certainly the working class does not like visiting the Exchange to draw benefit.

The maximum rate on the scale is £2 5s. 6d. per week, and work is required of the applicant. In no case should relief exceed wages, but as the following wage rates are common

Mill Labourers	...	...	34/- per week
Engineering Labourers	...	...	38/- (minimum)
Big Piecers	...	...	28/- to 33/-

it is seen that wages and relief may approximate very closely.

EFFECT OF THE SCHEME ON THE WORKER.

Before answering the definite questions put forward, it may be noted that enquiries at the various Employers' Associations, the Press, the Chamber of Commerce, Labour Exchange and Trade Unions elicited the information that no prominent employer or group of employers has made any vigorous public criticism of the unemployment scheme. To one who knows the strength and activity of employers' organisations in Bolton this would end the enquiry.

The first question concerns the willingness of the unemployed person to find work. To begin with the children, the enrolments at the Technical School and Preparatory Commercial and Technical Schools (all evening work) have been well maintained throughout the slump, and are maxima in the session 1924/5.

Only one case of a refusal to work was quoted, and this by a Trade Union official administering the benefit from the Trade Union office (sec. 17 of the Act). The man lost his benefit and had to emigrate. The unanimous opinion in the textile sections is that the struggle for adults' jobs is so keen that nobody would willingly relinquish his place on the ladder. Once it is lost it is filled from below.

In the mining industry it is not uncommon for men to refuse to go down the pit, but physique is here the most important factor, and managers do not want to send weaklings below the surface on account of their own liability for compensation in case of accident. A colliery manager interviewed whole-heartedly praised his men for their willingness and courage.

No cases of workers voluntarily leaving work have been quoted. Benefit would at once be suspended if this happened, for contact with the labour exchange is close. Some complaints have been made by employers that young men refuse to work for boys' wages, but many are actually doing so in some departments, and in big piecing and engineering (on account of the standard rate) the question is far from simple. In the main, the home circumstances are a more important factor in the differing degrees of docility in young workers. This was noticed long before the Insurance scheme operated.

The question of mobility cannot be answered so definitely. Everyone in Bolton emphasises the conservatism and immobility of the operative. In normal times, when a new mill is erected elsewhere and a popular local manager takes charge, he may take whole families of operatives with him, otherwise the worker does not readily move. To go means to lose one's status with the firm and to break the family unit. But apart from the social advantage of remaining at home, the nature of the unemployment situation in Bolton makes for immobility, for the chance of employment at the old job is much greater than the chance of employment elsewhere.

Only in engineering is the outlook dark enough to stimulate mobility, and here large numbers are leaving the town, the trade and the country. The proprietor of a bleach works said that he had a man labouring in the yard who was a skilled engineer, a skilled engineer was among the applicants for the night watchman's job mentioned above, and the collieries find numbers of men from engineering (and other trades) applying for work in the pit. Numbers of discharged engineers from the textile section have found work on the tramways, on relief work and labouring.

There have been several storms between the manager of the Labour Exchange and Trade Union officials on the subject of mobility. The manager, doing his duty, continually presses unemployed people to accept work in other places, and frequently benefit is lost on account of refusal. It is a serious matter for a young girl weaver to leave home and go to work, for example, in Derbyshire, and it may be argued that benefit should not be stopped for refusal. One case, a vacancy for an engineer in Bristol, was used, it was suggested, to push men off the benefit.

As regards willingness to undertake temporary jobs, the answer was always the same, "We can get all the workers we want for any jobs." Two directors of mills living on the outskirts of the town spoke of the numbers of men seeking odd jobs in the garden, and there are so many women on the register that there is an ample supply of charwomen.

Standard rates of wages are not as good an indicator as those arrived at by individual bargain; that being the case, the rate paid to mill labourers, 34/- per week, may be quoted. This seems to indicate that unemployment, not benefit, is the determining factor.

Except among the married women, there is practically no evidence of abuse of the scheme in Bolton. Health is good, thanks largely to the benefit, but Bolton seems to be an exceptionally good sample.

CARDIFF.

The port of Cardiff, which includes Barry and Penarth, has a population of about 265,000, of whom 33,000 are residents at Barry and Barry Dock, and 15,000 at Penarth. It is primarily a distributive centre, and only to a subordinate degree manufacturing and productive. It is the centre of the head offices of most of the mining undertakings in the valleys, and is the market for coal, but the nearest pit is ten miles away.

None of the works situated within the area of the port are of great size. There is no shipbuilding, but the repair of ships provides work in normal times for a considerable number of men. Tinplates, cement, patent fuel, wagons, ship chains, steel rails and flour are the most important manufactures. There is also a small number of foundries, but in the opinion of many of its most enterprising citizens, Cardiff is still too much of a "one horse

shay." It has not yet acquired the wide variety of trades and industries which Swansea can boast. Its eggs are nearly all in one basket—the coalfield—and it has been very seriously affected by the closing down of a number of pits, and by the general slump in the industry upon which it is dependent.

Out of 71,930 persons registered as insured contributors in the Port, 11,860 are in the distributive trades, the next groups in size being the canal, river and dock services with 6,640; ship-repairing with 6,490; and building and public works with 5,900.

The total number of unemployed on January 5th, 1925, was 9,600, of whom about 80 per cent were insured persons. This figure represents 13.3 per cent. of the insured persons and 3.6 per cent. of the population. The situation is most serious in the ship-building trade, in which 1,814 men are out of work; in transport, with 1,791 unemployed; canals, docks and harbour, with 1,366; and general labour with 1,054 unemployed.

THE UNEMPLOYED.

A very considerable number of unemployed persons over sixty are never likely to be employed again. Even in normal times this is a serious problem, but with the large numbers of unemployed at present, the chances of getting back to work are extremely small.

It frequently happens in small industries that when a job becomes available for a fairly skilled man it cannot be filled from the local list, the men on which are too old, or are young inefficient, or perhaps partly disabled ex-service men. Most of the Trade Unions are perplexed by this residue, who are only employable in association with highly efficient men. A local baker wanted a skilled man recently, and although there were twenty-four names available on the books of the local branch of the union, not one of them was considered competent, and it was necessary to go outside the district to fill the vacancy. But on the part of the old men there is certainly no lack of anxiety to get back to work.

THE WORK OF ROTA COMMITTEES.

The local Rota Committees appear to be doing their work efficiently, no serious criticism, or any general dissatisfaction with their methods being met with in the course of the enquiry. A prominent Trade Union leader said that in a long experience of them he had never had occasion to dissent from their findings, and in several cases he had remarked that the employers' representatives were disposed to take a more lenient view of claims than the workers' representatives on the panel. Three Committees deal with men, women and juveniles respectively, the last being under the direction of the Education Authority.

The methods adopted by the Committee appear to be as searching as human device can make them, and a "reasonable period" in which to find work in the locality has been defined by the local Committees as three weeks. A single man, a baker by trade, who had been out of work for two or three months, was offered work by the Exchange as far away as Bangor, North Wales. He refused to go, and the Committee stopped his benefit. He appealed to the referees and they upheld the Committee's decision.

Applicants are subjected to the usual series of test questions by the Committee, somewhat as follows:—

"When were you last in work? Where have you been looking for it? How have you gone about the search? Can you produce any replies to advertisements or other evidence that you are making persistent applications?"

While the applicant is trying to get these assurances for the Committee, his case is being subjected to private enquiries by an Investigation Officer attached to the Labour Exchange. Three of these officers are kept regularly employed, and if they require assistance the Exchange orders a fourth man to collaborate with them. The investigation is carried out with dispatch. Thus if a Rota Committee referred a case to the investigators on a Tuesday, they would expect a report before the end of the week.

The two cardinal questions that they are set to answer are: Is the applicant genuinely seeking whole time employment? Is he fully available for it? In the case, for example, of the son of a small trader living at home, they will find out whether he is doing any work connected with his father's business. Young men applicants are invariably the subject of keener investigation than married men, and they receive less consideration. The Committees never grant more than four weeks' benefit to an applicant between the ages of 18 and 21, and at the expiration of each period he is required to bring fresh proofs of his efforts to get work.

It is the custom in the local works of the railway company to require an apprentice carpenter to leave on completing his apprenticeship, presumably in order that he may gain wider experience. If such a case goes to the Exchange to claim benefit his attention is called to the particulars which require him to state whether he is willing to work in any other district, and whether he is willing to turn to any other kind of work. If he fails to answer in the affirmative, his case is referred to the Rota Committee, who refuse to acknowledge his claim until the necessary assurances are forthcoming. A short time ago a number of carpenters were required to go to Chepstow as shipwrights, but refused. Their benefit was stopped in consequence. In this case the court ruled that as they had not been allowed a reasonable time to seek work locally in their own trades their claims should be allowed. A dock labourer, after

failing to get work within three weeks at his usual job, was offered work as a road repairer under penalty of forfeiting his benefit if he refused.

The unemployed criticise the administration on the score of its searching character. Some of the questions are regarded as an intrusion on their privacy. As instances of the stringency of the methods of the Committee, it may be pointed out that an applicant for an allowance in respect of a wife must produce his marriage certificate, and a man separated from his wife and claiming for a housekeeper must prove that he has not seen his wife for seven years. The malingerer who escapes detection after submitting to the cross-examination at the Labour Exchange, then of the Rota Committee and, finally, of the Investigation Officers, must be rare, and extremely astute. Critics who complain that "the dole" is exploited are frequently expressing some bias of their own or repeating what they have heard. As a rule, when asked to specify a case they cannot give one.

UNEMPLOYED WOMEN AND GIRLS.

Unemployment amongst women and girls is less severe in this district than among male workers, the total in January, 1925, being 821 out of 14,130 contributors. More than a third of these workers were registered in the distributive trades, and unemployment was worst in domestic service, which showed 234 unemployed at the above date. The percentage of women and girls was 5.10 and the corresponding figure for males was 15.20.

In the period October 9th, 1924, to January 22nd, 1925, the Rota Committee which deals with the cases of women and girls disallowed more cases than it allowed, which plainly suggests that the number of women and girls who try to secure extended benefit on inadequate grounds is considerable. There are a few cases of married women in receipt of extended benefit, but the number is practically negligible. The Committee does not entertain such applications unless they are exceptional; the women must be available for whole time work, every day; their domestic position is thoroughly investigated, and very few married women applicants succeed in satisfying all the tests applied by the Committee. Perhaps this accounts for the large total number of claims disallowed. Domestic circumstances are not considered in the case of single women, but great pressure is put on young women who have only had a comparatively short experience in one occupation, and alternative employment is frequently found for them before their standard benefit is exhausted.

THE JUVENILE UNEMPLOYED.

The benefit of 7/6 a week for a boy and 6/- for a girl is not very tempting when a boy can earn 15/- to 30/- a week, and even as much as 40/- in the case of a baker's apprentice. The Juvenile

Employment Officer stated that of the thousands of cases which had come under his notice he has not yet chanced on one who has thrown up his job in order to receive unemployment benefit. In any case, the claims have to stand the closest scrutiny.

Against this may be set the conviction of a prominent Trade Union leader who has an exceptionally wide knowledge of every phase of the local unemployment problem.

"I would not pay the dole," he said, "to any individual under 21 years of age unless he or she had dependents. Up to the age of 18, I grant you the benefit is so small as not to be seriously inimical to the will to work, and even at that age and up to 21 in industries where the wages run to more than the dole, exploitation is probably less serious than is popularly supposed. But you must remember that in many trades, i.e., shipwrights, engineers, boiler-makers, blacksmiths, etc., an apprentice starts at 16 with only 2/6 a week, and at 21 he is in receipt of no more than 8/- or 10/-. At the age of eighteen, when he becomes entitled to 18/- unemployment benefit, his wage is less than half that amount, and probably does not exceed a half when he reaches 21. Supposing he is thrown out of work at 18, or at any time between that age and 21—and there are many cases locally—he immediately becomes entitled to benefit which amounts to twice his wages. Plainly, that is calculated to produce most mischievous results. If you put a premium of one hundred per cent. on idleness are you not likely to make it voluntary?"

"Within my experience, I have noted the disastrous effects of this indefensible folly. I have seen apprentices utterly demoralised by it."

WILLINGNESS TO WORK AND TO MOVE.

There is no difficulty in getting apprentices to local trades. There is, in fact, a supply of applicants far in excess of the demand, with the result that a certain amount of exploitation takes place where no established rules and regulations exist governing the wages of apprentices. In many businesses premiums are now being asked for the first time, and parents are so worried concerning their children that they willingly pay £25 to £50, or even more.

Employers show a marked tendency to prefer the youngest applicants for work because of the lower wages they can command, and this handicaps the older juveniles. It is also a fairly common experience for a young employee to be discharged on reaching the age when an increment is due, and replaced by someone younger.

It is urged that the mobility of the unemployed would be greatly increased if the arbitrary lines between trades such as carpenter and wheelwright, electrical engineers and gas engineers, could be broken down. Particularly does it seem foolish to initiate a boy in the

art of baking bread and refuse to allow him to learn confectionery. If the training of apprentices were broader the problem of mobility would be less acute.

Cases have been mentioned already of workers refusing to accept jobs offered at some distance from their homes, and the decisions of the Rota Committees in such cases have been given. But, so far as the local evidence is concerned, such cases are isolated and exceptional. Workers go from town to town in this district without much difficulty or objection. In Cardiff there are from 2,000 to 3,000 colliery workers whose employment is in the valleys: there is also a daily exodus to Barry Dock. Casual workers at the docks will pack up and go to another port without much demur if they learn that more regular work can be had there. The Labour Exchange will advance the railway fares of men going to definite jobs elsewhere, and in several districts in the coal field where transport has been difficult, the Exchange has arranged for a service of 'buses and other vehicles.

It appears that the shortage of housing accommodation is a much more serious restriction on the mobility of labour than the unemployment benefit. Comparatively few manual workers can afford to accept new work some distance away if they cannot get accommodation for their families.

As between trade and trade locally the unemployed move freely, and skilled workers have found unskilled work with the Corporation in the erection of railings and the shaping of rails for enclosing public grounds. As many as 120 men, mostly engineers and boiler-makers, have accepted this work gladly at wages fixed by agreement below their trade union rate. Many engineers who are employed on the tramways and motor 'buses declare they will never go back to engineering if they can possibly help it.

POOR LAW.

An analysis of the local figures proves conclusively that so far as this district is concerned, the grant of extended benefit has considerably relieved the Poor Law Authority, and there can be no doubt that many persons have exchanged Poor Law relief for the benefit. Between January, 1924, and January, 1925, there was a decline of 208 in the number of persons receiving poor law relief, yet unemployment increased from 7,642 to 9,602 persons in the same period.

The maximum relief granted is 45s. per week, but many persons are forced to supplement unemployment benefit by Guardians' relief, for Cardiff is a dear place to live in.

With the amount of relief averaging no more than 15s. to 17s. 6d. there is not much temptation for a labourer working at 1s. 2d. per hour (the usual rate) or for a skilled worker getting 1s. 5d. to 1s. 7d. per hour to throw himself on the Poor Law

or the dole. Shirkers or malingerers may do this, but it would be difficult to prove that their number has been increased by the existing arrangements.

On the contrary, local cases may be cited where men are at work for less than the dole. There are, for instance, about fifty or sixty temporary watchmen employed on local road and street repairs at a very meagre rate. Some of them are partly disabled and some of a fairly advanced age. They would be slightly better off on the dole, but they prefer to continue at work as long as possible, and to accumulate stamps against the contingency of unemployment.

GLASGOW.

Unemployment in Glasgow derives its special interest from the size of the town and its concentration mainly on a few industries. According to the Census of 1921, the population of the City numbered 1,034,174 persons. Of these, 488,599 persons were engaged in industry, the important occupations being the manufacture of metals, ship-building and engineering, with 27.4 per cent., and commerce and finance, with 16.6 per cent. The City certainly contains a wide range of minor industries, and thus it might seem as if there was little of that dependence on one or two main forms of employment which is found in other districts. But the predominance of engineering and ship-building should not be forgotten, for upon the prosperity of these most of the others depend. Another factor is no less important. Different districts are closely bound up with one or two industries and are peculiarly affected by their condition. Thus Govan is dependent for the most part on the ship-building and engineering industries, and the particularly acute and prolonged depression in these has led to greater hardship in that district than in others. In the same way, Springburn is largely dependent upon the local locomotive works.

These considerations show in what way unemployment in Glasgow has assumed its gravest aspects. During the war, when the ship-building and engineering industries were particularly active, large numbers of war workers came to the City. When the war ended many of these remained, and contributed both to the housing difficulties and the post-war burden of unemployment. Again, the main industries of the City were precisely those in which the depression was acutest, and in which the fall in wages was most severe.

THE UNEMPLOYED.

In July, 1921, roughly 23 per cent. of the insured population of Glasgow were unemployed; since then the proportion has first fallen to 17 per cent. in July, 1924, then risen to 19 per cent. in March, 1925.

On March 23rd, 1925, the total of unemployed insured contributors was 73,826. Of that number, 19 per cent. were in engineering and ironfounding, 12.7 per cent. in ship-building and 9.4 per cent. in "conveyance of men, goods and messages."

Probably one-half of the total on the register are on extended benefit, judging by the numbers appearing before the Rota Committee, and it is significant to notice that, whereas the proportion of claims rejected averaged 8.4 per cent. in the period March 11th, 1924, to March 9th, 1925, in the month January 12th, 1925, to February 9th, it was 10.2 per cent., and from February 10th to March 9th, 12.7 per cent.

The Rota Committees, which decide on the applications received, appear to function satisfactorily, and though they only possess a limited knowledge of individual cases, they are supported by investigators whose duty it is to make personal visitations among doubtful claimants. The commonest cause for rejecting the claims of men is: "Not a reasonable period of insurable employment during the preceding two years," but in the case of women: "Not normally insurable and not seeking to obtain a livelihood by means of insurable employment" is the most frequent.

Of the juveniles, a well-informed official of the Labour Exchange estimated that 8,000 are at present unemployed. Many never come within the field of activity of the Exchange, and the official figure for unemployment between the ages of 14 and 16 was 4,267 in February, 1925.

POOR RELIEF.

It is estimated that in 1924 the city spent more than £600,000 on the relief of destitute able-bodied unemployed, in addition to the £2,500,000 paid through the Labour Exchanges. A recent investigation by Mr. James Cunnison into conditions in the Anderston Ward, one of the poorest in the city, showed that the total income in one week of 218 families was £601 16s. 11d., giving an average income per family of £2 15s. 3½d. An analysis of the sources of income showed that £116 10s. 11d. (or 19.3%) was derived from public sources, £75 7s. 5d. being Unemployment Benefit, £22 2s. 8d. Parish Relief, £16 15s. 1d. Pensions (Old Age and Army) and £2 5s. 9d. Health Insurance.

Parish Relief is paid to the destitute able-bodied unemployed at the rate of 12s. 6d. for a man, 10s. for a wife, 3s. 6d. for each child up to 16 years of age, and 7s. 6d. for each dependent person at home over 16 years. It will be seen that in the case of a man and wife with three children under 14 years of age, Labour Exchange benefit would amount to 29s. per week as against 32s. 6d. from the Parishes, and the larger the number of children, the wider the difference. For that reason it has become the practice for the Parish authorities to supplement the benefit received from the Exchanges where the latter is below the Board of Health scale.

The following are some of the wage rates in different trades in Glasgow:—

SHIPBUILDING.

Smiths	£2 13 0 to £2 14 3
Shipwrights	£2 16 0
Labourers	£1 17 6

ENGINEERING.

Turners, Fitters and Brassfinishers	£2 16 0
Labourers	£1 19 4

BUILDING.

Bricklayers, Painters, Plumbers, Slaters	£3 13 4
Bricklayers' Labourers	£2 15 11

MUNICIPAL WORKERS.

Carters	£2 14 0
Street Sweepers	£2 15 0

THE EFFECTS OF BENEFIT AND RELIEF.

- (i) Does Unemployment Insurance diminish the incentive to find work?

This question was discussed with a number of employers and others in a position to judge. Opinion was sufficiently unanimous to build up general conclusions. Whilst there is a percentage of the unemployed who, so long as they can claim benefit, will never want to work, they do not represent the majority of the unemployed. Even without the benefit, a similar difficulty would be experienced with these people, though they would not come to the surface as they do now. Anyone visiting Glasgow and seeing the hundreds of men lounging about at every important road junction can be forgiven for thinking that all the unemployed are becoming demoralised, but it must be remembered that there are some 50,000 men unemployed, and they tend to congregate at important centres.

The most serious unemployment problem in Glasgow is presented by the adolescent and the young man ranging up to nearly 30. In this group are included those who left school, perhaps for some blind alley employment, and went into the Army without learning a trade, and also boys who have left school since the War. They comprise between 30 and 40 per cent. of the unemployed, and there seems little prospect of work for them without preparatory training. The wage they could command would be very low, and possibly the benefit has a tendency to diminish the incentive to work at such a wage. Amongst the ordinary working class, leaving out of account the loafers, there is no desire to hang on to the Labour Exchange if work can be got, and this class is overwhelmingly in the majority. Even to-day there is a certain feeling of shame at having to take unemployment benefit. Men don't like standing in queues and giving all kinds of details about themselves to the man behind the counter.

A director of a large bridge-building firm said that whilst the benefit was having a bad effect in certain cases, there are a great number of good genuine fellows who are absolutely immune from any idea of wanting to live without working. His firm is besieged by decent men and youths wanting jobs. But he condemned any system which encouraged lads who had never learned to work to spend their time in roaming the streets.

The opinion is very widely held that most of the people who go round looking for jobs have only been out of employment for a very short time, and these are apt to get any jobs that are going. For instance, evidence was given showing that frequently as one ship-yard becomes slack and turns men off another is on the up-grade and taking men on. The men taken on are usually those who have just come out from the other yard. Employers do not care to take on men who have been unemployed for a long period. They are usually out of working trim, and it would be weeks before they regained their normal working capacity.

Whilst the problem of the young man predominates in Glasgow, members of the Rota Committee say that it is becoming increasingly difficult in the administration of Unemployment Insurance to know what to do with men over 60. It is very hard to determine whether they have any reasonable prospect of again getting work. Yet many of them belong to the best type of workers and have been employed for very long periods with one firm.

A prominent employer said that he was perfectly certain that "this dole business" was having a very bad effect on casual labourers, many of whom would not look for work so long as they could draw a subsistence allowance in some form or another.

After taking into account these varying opinions, it is impossible to form any precise conjecture as to the extent to which relief is abused. There is reason to believe that the majority of undesirable cases will be found in the books of the Parishes rather than on the rolls of the Exchanges.

All those with whom the matter was discussed agreed that the workers at present in employment were anxious to keep their jobs. A Trade Union leader said that men in shops were now submitting to humiliations which they would never have thought of in normal times; in fact, they were willing to do almost anything to keep their jobs.

On the other hand, the opinion was freely expressed that the system affected the willingness of men to undertake temporary jobs. Whilst little solid evidence was produced, a great deal was heard about the difficulty of getting charwomen and washerwomen. A Salvation Army official said that he had often wondered how the Irishmen they have in their lodging houses manage to get work. They are not out of work for long periods.

- (ii) Does Unemployment Insurance affect the rate of wages for which the worker is willing to work?

An Employment Manager said that labourers with three or four children are inclined to ask when a job is offered them: "What does this mean? The wage is only so many shillings more than I got for doing nothing." Two days ago he interviewed a youth of 20, who said he would work for 3s. over the Bureau money; that is, he would accept 21s. per week. Insufficient evidence was obtained to warrant a definite answer to the question.

- (iii) Does Unemployment Insurance affect the willingness of the worker to change his occupation or to move from place to place?

In connection with this question it should be remembered that the Labour Exchanges can request a person who is in receipt of extended benefit to accept suitable work if it is offered, even if that work is outside the particular trade in which he is insured or normally employed. But while this encourages a certain degree of movement, Exchanges are not justified in offering work for which the individual is not suited, or which makes it difficult for him to pursue his normal craft at a later period; and such considerations are taken into account.

Skilled men are very unwilling to accept unskilled work, not only because the craftsman does not like to fight with labourers at the factory gates for a job, but also because he feels it unfair to compete with them when he will not permit them to compete with him.

Only one case was quoted of a man who had refused a job, and he was a skilled engineer who was asked to work in London. In the first instance, his suspicion was roused by the fact that anyone found it necessary to go as far as Glasgow to fill an engineer's job in London, and on hearing particulars he knew that little would be left out of 57s. per week for the support of a house in Glasgow.

Of twelve fitters discharged from a large works, one became a temporary waiter, two went as conductors on the trams, two took sea-going engineering jobs, two assisted their fathers in business—plumbing and plastering—and the remainder are still out of work.

There is no reason to believe that any considerable change in general mobility has taken place. But emigration to America is still at as high a rate as the authorities will permit, and while it is impossible to cite statistics which would show the extent to which trained workmen in Glasgow have gone abroad, it is everywhere the experience that large numbers of the best skilled workmen have emigrated.

CONCLUSIONS.

1. The number of persons in receipt of extended benefit may be put roughly at one-half of the total claimants. Since the end of last year (1924) a stricter watch has been exercised, and particular

attention is now given to cases where a person cannot show a period of even temporary employment within the past two or more years. There are few complaints against the working of the Exchanges, but the tendency is more and more for the burden of maintaining undesirable cases to fall to the Parish authorities.

2. There is a considerable number of youths and young men up to about 30 years of age who have never done any regular work, and who are not likely to get employment except of a casual nature. They are of very little use to an employer, as to get them broken in would be too costly. Some big scheme of industrial training for this group is generally felt to be desirable.

3. Whilst there are numbers of unemployed who will never work so long as they can get benefit, the majority are anxious to work. Very few cases are known in which men endeavour to be dismissed in order to draw benefit; on the contrary there was a general opinion that greater efforts are now made by workpeople to preserve their positions.

4. The mobility of general labour does not seem to have been much affected, but the higher wage rates in "sheltered trades" have added a further inducement for workers to migrate out of engineering and shipbuilding.

5. Little comment is made on the rates of benefit paid except in the case of youths of 18. The Parish rates, however, are found to encourage early marriages among youths who have not had much civilian employment, if any, and a work test is suggested as a partial safeguard.

Numbers of single men have learned to live on the 18/- a week which they get from the Exchange. It is possible to do so in the Salvation Army Hostels.

LEEDS.

Leeds probably has a greater variety of trades than any other city of its size in England, and consequently it cannot be taken as typical of the whole country. In addition to being a big wholesale clothing centre—a trade which employs more than one-fifth of the insurable population—it has large engineering workshops, is a centre of the woollen and worsted trade, and has large printing and paper works and coal mines. Quarterly statistics of unemployment show that there is a great deal of seasonal work. In June last the number of unemployed adults was 8,883 out of 130,000 insured workers, equal to an unemployment rate of 6.8 per cent., whereas on January 1st, 1925, the figure had risen to 15,510, or 11.9 per cent. The highest rate of unemployment is in the engineering trade, 4,036 being unemployed in this occupation, or 23 per cent. of all engineers in Leeds. In wholesale tailoring the figure was 6.2 per cent., and in woollen and worsted 17.8 per cent. at the same date. It has been estimated that for every two unemployed workers in Leeds receiving

"standard" benefit, three are in receipt of "extended" benefit. This estimate was published in the *Leeds Mercury* recently, and is considered fairly correct by those in a position to express an opinion.

EFFECTS OF THE PAYMENT OF BENEFIT.

Is the receipt of unemployment benefit having the effect of making men cease to try for work? In order to answer this question numerous employers, works managers, trade union leaders and Labour Exchange officials, as well as unemployed people themselves have been questioned. It must be remembered that in Leeds, which is somewhat fortunate in having many public-spirited employers and representatives of workers, and also a very efficient type of Employment Exchange official, it is not easy for anyone to receive benefit who is not entitled to it. The Exchange has two investigators who spend the whole of their time in visiting the houses of suspicious cases receiving extended benefit, and generally ascertaining if the unemployed are making reasonable efforts to find employment.

Among employers and others visited there were very different opinions expressed. Whenever it was stated that jobs had been refused, an attempt was made to get definite cases which could be investigated. A Leeds firm said that last December they sent down to the Labour Exchange a list of between twenty and thirty men they wanted, all of whom had worked for them previously. A few of the men were in other jobs, but the remainder presented themselves at the works the same afternoon and were offered jobs. One man refused to accept because he would not work at night. An attempt to trace him at the Labour Exchange and at the Hunslet Guardians failed—he was not getting anything from them. When interviewed at his home he confessed having refused the job, and said he would do so again, as he did not think a man of his age (58) should work on nights, even if it was on alternate weeks. He would accept a light job if he could get it, but there seems very little hope, and he has given up worrying. He said that he had no intention of going near the Exchange again, as they "humbugged him about" so much two years ago. The "humbug" referred to was really not very serious. The man was given a form and asked to leave it at another office. At this office he was asked to leave the form and call back in five days and some benefit would be due to him. When he again presented himself, he was greeted by the man behind the counter with: "You have made a fine hash of things; you never signed the form last week, and now there is no money for you." The man then "had a few words" with the Exchange official, and vowed he would never go near the place again, a vow which up to the present he has kept.

This man is, of course, exceptional, but it is curious that although numerous employers and others were asked for definite cases of refusal to work, this was the only one found.

A Trade Union official of moderate views and long experience of municipal affairs said that in any consideration of the unemployment position to-day one must not forget the Armistice, the picture which was set before the home-coming soldier, and the bitter disappointment he afterwards felt. The long continuance of unemployment with insurance benefit has inevitably led to the demoralisation of many fine workmen. With the pittance they get—always more or less on the verge of starvation and with no hope for the future—one can hardly wonder at their falling into the state which is best expressed by the phrase which so many of them use: "To hell with everything!" Another official of the same Union said that they find that although the relief men get from the unemployment benefit and poor law approximates pretty closely to the wage of men in work, the average man craves for work. It is not merely the money, for whilst a man is walking about the streets he feels that his ability to work is being impaired, and he is cut off from things.

The Manager of a large mill gave cases of workers who had tried to get dismissed so that they could go on the unemployment funds. In order to check this tendency, their policy is not to dismiss the workers, but to suspend them for a fortnight for indifferent work, which precludes them from drawing unemployment benefit. He feels that if employers would all do this there would soon be no more of the feeling among certain workers that they can practically arrange their own dismissal and then draw benefit.

Another Manager, in this instance of a Clothing factory, said that he had only had one case in which a worker tried to get dismissed. It was that of a boy of 18 who did his work carelessly, and it was thought that this was deliberate. When the Manager approached the boy about it, he said that he wanted to help his father, who is a cobbler with a small business. The Manager was convinced that the boy intended to draw unemployment pay, and also help his father unknown to the Exchange officials, but they have not dismissed him and are trying to get him to work satisfactorily.

An expression of opinion from the secretary of an engineering firm was that unemployment insurance tended to create a class of workmen who preferred receiving benefit to working. An engineer's labourer in Leeds receives 40/6 a week, whilst at the Steelworks the wage is down at the very bottom—34/- a week—which is no more than a man with a wife and family would get as unemployment benefit. From the Guardians a man with four children would get 45/- a week. "As a rule, the British workman is honest, but there is this distinct class which is being created and which will not work if it can possibly get along without it."

A number of employers, on the other hand, said they found no difference in the workers as a result of unemployment insurance. Their great difficulty is to give work to the great number who apply

for it. Both the Works Manager and the Employment Manager of a large works said quite independently of each other, that no one in their works had given up a job because of the benefit or poor relief, nor had any man in the works been known to do bad work in order to court dismissal.

A useful summary of the situation may be given in the words of a wholesale clothier, who is one of the most public-spirited employers in Leeds. Whilst he believed strongly in insurance he did not like the scheme to become, as it was tending to become at present, merely a relief scheme. This was never intended. The present scheme opens the door for a certain amount of slacking on the part of the type of worker who would rather be idle and live on a small sum than to be at work for a larger sum. After careful thought and the experience gained over a long period on the Labour Exchange Committees, he said that he would divide the workers roughly into the following categories:—

“80 per cent. of the present-day operatives would rather be working than have unemployment benefit. There are always about 10 per cent. who require some driving force in the way of threatened hardship to prevent them from slacking. There is a further 5 per cent. who would never work as long as benefits were available, and there is another 5 per cent. who are unemployables.”

Although, therefore, it may be taken to be definitely established that there is little abuse of the scheme by adult workers, fairly serious criticism is directed against some features of it.

The payment of benefit to workers unemployed for three days only is open to attack. One clothing firm in Leeds was working four days a week, and the workers approached the management with a view to working three days so that they could get unemployment pay. The management said that they wanted four days' output, so the workers replied that they would give four days' output in three days. It resulted in the workers turning out as much in three days as previously they had turned out in six days, and they applied for and received unemployment benefit for three days.

In another case (in the dyeing trade) the workers were working three 12-hour shifts and then claiming unemployment pay for the other three days. Benefit was obtained for some time, but eventually the umpire ruled that 36 hours' work was more than three days' normal work and benefit was stopped.

The rate of benefit paid to young men is criticised by employers. The rate for boys, 16-18, is 7/6 a week, but at 18 the man's rate of 18/- is payable, and in many industries this is almost as much as they would get when in work.

The works manager of one engineering firm said that they had considerable difficulty in getting half-trained apprentices, great numbers of whom were dismissed during the worst period of

depression, to return to engineering. They had several cases of these half-trained apprentices coming back into the works, and when they were put on the simplest processes, they had done bad work. He said, "We felt that much of this bad work was done wilfully, and it was so costly to keep the lads on that we had to dismiss them again. We supposed that they had become so used to the dole, which is almost equal to the wages we can pay youths of 18 or 19, that they did not try to work satisfactorily."

As regards the effect of the scheme on the recruitment of young workers, Leeds seems particularly fortunate in the number of openings it can offer. In the December vacation practically every child leaving school was absorbed into industry. The Wholesale Tailoring Industry alone, it was said, could have absorbed at least 500 more children had they been available.

One employer said that the recruiting of boys and apprentices is very difficult in the case of iron-moulders and pattern-makers. The average boy leaving the Council Schools to-day wishes for some clean occupation, and there are not many who are prepared to accept dirty work such as iron-moulding. With regard to pattern-making, there is no encouragement for a boy to learn this trade, which is highly skilled, because the rates of wages are so very low.

The above may be compared with the words of a Trade Union leader: "It is obvious that if you go to a boy of 18 years of age, who is on the dole, and you offer him a blind alley job, he will not readily accept it. If, on the other hand, you offer him a job in a factory where by gradual processes he knows he can improve his position, he will jump at the chance."

HAS THE MOBILITY OF WORKERS BETWEEN TRADES AND BETWEEN PLACES BEEN CHECKED AS A RESULT OF UNEMPLOYMENT INSURANCE?

The figures of the number of insured workers in the principal industries in Leeds show a considerable variation from year to year; in particular there has been a great shrinkage in the engineering trade and in manufacture of metals. This cannot be accounted for by emigration alone, and therefore the only conclusion is that a proportion of engineering workers have become attached to other industries.

Corroborative evidence was provided by an engineering firm which prefers to take back men who have been dismissed from its own works. On one occasion they drew up a list of workpeople whom they wanted back again, and they traced those who were in other occupations in order to see what kind of work they were now doing. Most of them were skilled men and a few were apprentices and semi-skilled. The following were their new occupations: Drysalter's Packer, Motor Driver, Caretaker of Golf Club, Clothing Trade, Teacher of Singing, Blanket Trade (2), Building Trade, Coach Builder, Aeroplane Work, Tram Conductors (3), Fish

Dealers (4), Mining (3), Gardener, Emigrated (2), Hawker, Corporation Gas Dept., Newspaper Printing Office, Tram Driver, Printing Trade, Bricklayer's Labourer, Sheet Metal Workers (2), Lamplighter, Soapboiler.

One employer mentioned that he had three skilled engineers working as labourers in his woollen mill, but they received higher wages than they would be able to earn as skilled engineers.

Most of the engineering firms have the same tale to tell.

As regards mobility from place to place, this depends very largely on a man's domestic affairs. If a man with a house in Leeds were sent to work 50 or 100 miles away, the wages he would receive would not be sufficient to enable him to maintain his home as well as keep himself in lodgings. The housing shortage considerably accentuates the difficulty.

In many cases men have gone to work in other towns at great personal sacrifice. One man travelled each day to work in Bradford, and after paying his tram-fares he only had sixpence a week more than he would have got on the dole.

Finally, it should be noted that the Employment Exchanges receive through their clearing house notices of vacancies in other towns, and if they have suitable men to offer they immediately do so. If a man refuses such a job his benefit is suspended, subject to the right to appeal. When an Exchange official has a vacancy of this kind to offer, he usually puts it before a few additional people in order to check "willingness to work." This last statement is very significant.

THE UNEMPLOYED.

The main points calling for comment with regard to the unemployed are :—

1. That somewhere between 15 and 20 per cent. of the total are unlikely on account of old age or physical disability ever again to be absorbed in industry. Many of these have given lifelong service in industry.

2. If the "extended" benefit is to continue, it will be necessary to strengthen the staff of investigators in order to eliminate from the scheme those who are not making reasonable efforts to find employment. It is recognised on all hands that a considerable number of unsatisfactory people are receiving benefit, and only by a thorough system of investigation can these be eliminated.

3. The scale of unemployment benefit and Guardian relief tends to reduce the willingness of the unemployed to accept casual or temporary jobs.

Much stricter measures should be taken in the case of married women who keep their names on the registers and draw benefits until such times as a "suitable occupation" is offered them. It is firmly

believed by people well acquainted with the general situation that numbers of married women have been receiving benefit who had no intention of accepting work again.

READING.

The population of the County Borough of Reading (1921 Census) was 92,278, the estimate given by the Registrar-General at mid-year, 1924, was 93,680, and of 31,145 workers in 1921, 25,276 were insured. The most important single industry is that of biscuit making, allied to which is tin box making. The other principal sources of employment are a firm of seedsmen, the Signal Department of the Great Western Railway, several engineering and printing works, brick and tile manufacturers, tailors, and a jam and preserve factory. Reading is also an important railway centre. The fact that a high proportion of the work of the town is unskilled labour is of interest in the present enquiry, because it has an important bearing on the question of the mobility of workers.

UNEMPLOYMENT IN READING.

The number of persons on the live register at the end of April, 1925, was 1,943. Of these 1,474 were men, 176 women, and 293 juveniles. These official statistics probably do not represent the actual facts of unemployment, for a number of workers do not use the Exchange, preferring to depend on their own initiative and to approach employers directly. The attitude of mind of some is demonstrated by the reply to a question whether they are registered at the Exchange. "No, I don't draw nothing from there now." The primary function of the Exchange, which is to put the worker into touch with work, has been confused with its duty of paying out benefit, and there is an impression that only those who are in receipt of benefit will be offered a job. Another group of people who will not be included in the official statistics, because they have not registered at the Exchange, are those men who have been regularly employed, and are trying to pick up a living by fish and fruit hawking, window-cleaning, and doing other odd jobs till they see a chance of getting into regular work once more.

In January, 1925, when 2,086 were on the register, the trades most affected were Building (366), Food, Drink and Tobacco (178), Engineering and Ironfounding (125), Hotel and Laundry Service (114), Conveyance of Men, Goods and Messages (100).

Statistics of the age-grouping of the unemployed show that the numbers decrease as age rises, the exception being a slight increase between the ages of 51 and 65. The proportion of men aged 66 to 70 is the lowest.

Some opinions of members of Rota Committees on the subject of elderly persons unemployed may be of interest.

1. "About 10 per cent. to 15 per cent. appear to be too old or infirm for re-absorption into regular employment."

2. "Many of the elderly workpeople have been quite as capable of giving effective service as younger men, and have been just as keen to work. Under normal conditions of employment these men should be absorbed, but the longer they are out of work the less likely this becomes."

3. "Only a negligible percentage of old people are obtaining benefit in Reading. The Rota Committees usually advise old people of 70 or over to apply for a pension."

From an analysis of the 1,254 cases of unemployed men registered on May 1, 1925, it appears that three men are in receipt of extended benefit for every two on standard benefit. The figures are—

Standard Benefit	...	...	...	411
Extended Benefit	...	...	...	623
Non-claimers	...	...	...	220
				1,254

Of the 168 women unemployed at the same date, 136 drew standard benefit, eight only had extended benefit, and 24 were non-claimers.

Juvenile unemployment shows a marked increase in August and January, when new school-leavers appear, though young people for whom there are no immediate vacancies are encouraged to stay at school until employment is found for them, and the first opportunity of such vacancies is reserved for those who do continue voluntary attendance at school. The numbers unemployed on June 1, 1925, 66 boys and 68 girls, were much lower than they have been for several months. The demand for girls in factory and domestic work exceeds the supply, and some firms have engaged boys for work formerly done by girls. Places are required for girls of good attainments in office and shop work; 57 of the 108 girls on the register in April were waiting for vacancies of this type, and some had been registered for many months.

ROTA COMMITTEES.

Members of the Rota Committees offer the following comments on their work:—

1. "Rota Committees are working efficiently, I believe. Cases latterly have numbered 60 to 70 per meeting" (a lower estimate is given by the manager of the Labour Exchange). "I cannot give the proportion to the number unemployed, but judge it to be about 7 or 8 per cent. Benefit is suspended in 5 or 6 cases at each enquiry. Decisions are reached by questioning the applicants. I should think it is not easy to get round all the safeguards, though some may be got round by the exceptionally clever or plausible.

The Committees have to rely on the applicants' honesty, plus their own knowledge of human nature. A very careful test of all cases is made, though consideration is shown in the enquiries."

2. "We generally get about 50 or 60 applicants in one afternoon appearing before two or three members of the Committee and one representative of the Exchange. The proportion of what one feels to be genuine cases is about 3 to 1 of doubtful character. In dealing with the doubtful I always try to bear in mind that the men are compelled to join, and should get the benefit of the doubt, if any, after I have put the usual queries. As one would expect, contact with so many cases enables one to detect whether a man is genuine. We often have notes on a man's papers from previous committees, also private enquiry by the Exchange, and both are useful in giving a decision. If the man has further facts he can appeal and be brought before another committee."

3. "Rota Committees are *not* efficient for several reasons. Too many applicants have to be examined at one sitting, usually 60 or 70 in about 3 hours. There is no permanent chairman who would know all the regular applicants. New instructions are continually issued and are often available to members only just before the Committee sits. In my opinion the Insurance Acts have been so loosely framed as to have little or no check on the funds being used to benefit those who seldom work if able to do without it. In the interest of a false economy, Labour Exchanges are grossly understaffed with skilled investigators to sift doubtful cases, and as the investigators are employees of the local Exchange, they are well known to those claiming benefit, therefore their enquiries are fruitless."

Cases of fraud are seldom dealt with by prosecution. It appears that the Ministry of Labour are unwilling to prosecute unless the evidence is exceptionally clear. It is more usual to require the applicant to refund the amount fraudulently drawn and to suspend him from benefit. Sixty cases have been dealt with in this way in the past 12 months, and over £100 has been refunded.

MARRIED WOMEN.

The question of married women drawing benefit is a somewhat vexed one. Prior to marriage they have paid their contributions. Some time ago the Women's Committee at the Local Exchange passed a resolution suggesting that a lump sum should be paid to women on marriage. The present practice with regard to claims by married women is that if enquiries reveal that a woman gave up her former occupation on marriage her benefit is disallowed. Regulations on this point are stricter than they were.

BENEFIT AND THE INCENTIVE TO WORK.

The rate of benefit is too low to draw men from employment. The contrary can only be true, if at all, in the case of a single worker living with relatives. A member of the Rota Committee suggests that

benefit allowed to anyone under 21 should only be paid to their parents. Instances occur of young people whose parents do not know they are in receipt of benefit, or even if they are aware of the payment, receive little or none of it as contribution towards maintenance.

Occasionally it is found that lads who are approaching the age of 18 decline jobs in the hope that they will be able to draw the higher rate of benefit after 18, but special efforts are made to place young people who are approaching their 18th birthday, especially as it is more difficult for them to obtain work when they are transferred to the adult section.

It is difficult to find boys, whether in receipt of benefit or not, to undertake temporary work. Recently programme boys were required for three or four days at the Agricultural Show (wages 5/- per day), and only after strenuous efforts were boys forthcoming.

At the first glance the evidence seems very conflicting. One employer said: "We have no difficulty in regard to young people of 18 trying to get dismissed." On the other hand, it has been said: "Boys dislike temporary work," and "The system has the effect of making young workers unwilling to take up different work." The difficulty last mentioned is experienced by the Rota Committee in their endeavour to persuade a young person, who has made a start in some line for which he or she is not fitted, to change his or her occupation.

Other employers may be quoted:

"We employ about 150 persons, all men and lads; practically all the men come to us as boys direct from school. The only employees we engage are boys leaving school, and we always have a waiting list for these vacancies . . . Our rate at 18 years is 21/- for 47 hours." (Cycle manufacturer.)

"We have no difficulty whatever in obtaining apprentices; in fact, the supply is greater than the demand." (Engineering.)

Throughout the trades of the borough there is a good deal of disparity in the rates of wages paid to juveniles. For instance, office boys in the employ of local authorities receive 10/-, while lads of 14 engaged by the Corporation as street orderlies or ticket checkers are paid respectively 17/6 and 15/- weekly.

It seems a reasonable hypothesis that where prospects or wages are good the incentive to enter the trade is strong, and unemployment benefit is only a minor matter. In any case the rate of benefit for boys 16—18 is only 7/6 per week.

Some employers state that they have found a difficulty in getting unskilled workers for temporary work, and an instance was given of "transport." Other employers, however, have found men only too ready to prove their desire to start work. This question merges into the question of the willingness of the worker to change his job under

the pressure of unemployment. The difficulty of obtaining any employment at all has reduced a number of semi-skilled men to general labouring.

Some idea of the mobility of the workers may be gathered from the numbers insured in different occupations from year to year. By the middle of 1923 building had attracted an additional 334 workers, but it dropped 886 the following year. Engineering and transport show similar fluctuations. On comparing the years 1921-22 and 1923-24, when the total number of insured workers was almost identical, we find that the building, engineering, saw-milling, hotel and laundry, commerce, transport and dress industries lost 1,953 workers, who entered vehicle construction, manufacture of metals, brick, tile, etc., papermaking and printing, food, drink, and tobacco, and miscellaneous occupations.

As regards movement from place to place, perhaps Reading workers are not as often required to work in another town as would be the case where a number of towns in the same district are all engaged in similar work. A number of men, however, do obtain work elsewhere, mainly on their own initiative, but the housing difficulty is a great obstacle. The worker who moves is obliged to keep two homes going.

SOME EFFECTS OF THE SYSTEM ON THE EMPLOYER.

It is felt that employers have less sense of responsibility about retaining their workpeople during slack periods than they showed before the Unemployment Insurance Acts were so extended as to cover nearly the whole industrial field. Those who formerly made arrangements to retain seasonal workers throughout the year, now stand them off till trade gets brisker, saying that they have provided for them by the payment of contributions. This may operate hardly on the worker, for while he is hoping to get back to his accustomed occupation in a few weeks, a Rota Committee may urge him to take up other work of which he has no experience. An instance is quoted of a young fellow who, after three years' apprenticeship in the soft furnishing department of a local firm, was offered rough work and was refused benefit because he declined it.

GUARDIANS' RELIEF.

The maximum amount payable as "Unemployment Relief" by the Guardians is 42/- per week for a man and wife and six or more children. The scale is below that of ordinary out-relief and includes no allowance for rent. The regulations by which the Maternity and Child Welfare Committee allow milk, etc., to necessitous mothers and children are avowedly more generous, and rent is deducted before the estimate is made. Thus many unemployed families, and especially those paying a high rent for one or more furnished rooms, are eligible for an allowance of milk. On the other hand, where school meals are being given, a deduction

equivalent to their value is made from any unemployment relief granted. In the winter months an addition of one hundredweight of coal is given weekly to the majority of families in receipt of unemployment relief.

The increase in unemployment insurance benefits as from August 14, 1924, was reflected in a decline in Guardians' Unemployment Relief.

This dual system of providing relief for the unemployed person vitiates any salutary effect which may be produced by a Rota Committee's refusal of benefit to an individual worker, for in many cases that worker simply draws more unemployment relief when deprived of unemployment benefit. Where the payment of his benefit is temporarily delayed he claims relief from the Guardians. It should be borne in mind that to grant Poor Law Relief to able-bodied persons is a reversal of established Poor Law policy. In Reading it has been kept quite distinct from the ordinary out-relief. While the calculation of the amount of out-relief to a family leaves out of consideration a portion of any health insurance benefit payable (in recognition of the fact that the worker has made contributions) in determining the grant of unemployment relief, the whole of any insurance benefit received is now reckoned as income. A member of the Rota Committee remarks, "I think much good would be effected if either the Government or the Guardians (with State assistance) undertook the sole responsibility of maintaining the genuine unemployed worker. This would effect some saving in administration and prevent the abuse which the present dual system involves."

A further indictment against the Poor Law administration in Reading was made by a worker who said that any difficulty in getting men for temporary jobs "is due to the system adopted by the Guardians of deducting earnings from the amount of relief granted. This arrangement is a distinct discouragement to temporary work, as recipients of benefit from public funds find themselves equally well off financially whether they are working or not, since when doing odd jobs they are working for nothing."

There is, of course, a fundamental difference in character, though some people tend to forget it, between the unemployment relief granted by the Guardians and the Unemployment Insurance Benefit administered by the Employment Exchange. A good summary of the effect of the latter was given by a Reading master builder.

"The applicants want it brought home to them more clearly that the fund is one to which they have contributed and which it is to their own interest to protect. The unnecessary word 'dole' should be dropped. Used as it was intended to be—for tiding over the difficult time between losing one job and getting another—most of them realise that State Unemployment Insurance is a useful measure. The later provisions as regards the required number of

stamps are checking slackness in the men's case, but in the case of lads who have a home one suspects that the insurance benefit checks their eagerness in their looking for work. . . .

"The scale of benefit is too low to draw men from employment, but there is no doubt that the help they may expect should there be unemployment creates a more contented and therefore a more efficient worker."

SHOREDITCH.

Shoreditch has a population given in the last Census as 105,200, concentrated on an area of 664 acres. There is a good deal of overcrowding, and housing conditions are frequently bad. The numbers on the live register of the Labour Exchange are about 7,000.

The principal industries are Food Distribution, Tobacco (included for statistical purposes with Food Distribution on the Exchange books) and cabinet making, and conspicuous among lesser industries are boots, printing and lithography, building and general engineering. There is, however, a high proportion of unskilled regular labour (carmen, carters, general labourers, etc.), and casual unskilled labour in the borough. Cabinetmaking, with which are included french polishing and upholstering, is indisputably the staple industry, in the sense that it is traditionally the form of skilled labour which for generations has absorbed the majority of the best workers of the neighbourhood.

Of the resident working population about 70 per cent. are employed outside the borough, and of the working (day) population about 70 per cent. live elsewhere.

UNEMPLOYMENT.

The average age of persons on the Register is about 40. The number of old or infirm persons in receipt of benefit who seem definitely unlikely to be re-absorbed into industry is not very high, and so far as can be ascertained it does not exceed 3 or 4 per cent. of the whole. On the other hand the death-rate in Shoreditch is high, and it is a district where men break up rather quickly after a certain age, so possibly this estimate may err on the side of moderation.

At present about 40 per cent. of the men on the Register and about 60 per cent. of the women draw standard benefit.

There is no doubt that benefit is drawn by a certain number of persons not entitled to it. The proportion of fraudulent cases is not, however, high, and offenders are prosecuted whenever the evidence is sufficient to secure conviction. In so large and congested an area there are no doubt a certain number of cases which escape detection, but the fact that very rarely has any detected case been operating for more than a month shows that prolonged success must be almost impossible.

Where there is so much demand for casual labour it is not surprising if the concealment of earnings when drawing benefit is a common practice. Hawking, casual delivery work with van or barrow, window cleaning, running or touting for bookmakers, playing some musical instrument at a local cinema or dance-hall, are but typical examples of the innumerable methods of getting money in this connection. Cases of this sort do indeed present a considerable problem for the Exchange officials and the members of the Rota Committee. No doubt some of this work, though fugitive, is better for a man suffering from the demoralising effects of a long period of unemployment than none at all, but its erratic nature makes suppression of the facts easy.

In addition to cases of actual fraud, there are cases in which the applicant for benefit can make no legitimate claim to it. Such cases fall into three groups (*a*) persons who make no persistent effort to find employment, (*b*) persons who refuse employment for totally inadequate reasons, (*c*) persons who left their last employment on unjustifiable grounds. After carefully sifting all the available evidence, and questioning a large number of officials, it may be taken for granted that as far as Shoreditch is concerned, such persons represent but a small proportion of the unemployed. The extreme estimates given were one per cent., and twenty-five per cent! But whereas the former estimate of these "work-shies" was based on detected cases, the latter was merely the general impression of a gentleman who had come into considerable contact with the workers of the locality.

Many employers expressed themselves as satisfied with their own men, but said that a large number of the unemployed were notoriously undesirable.

There are two investigators attached to the Shoreditch Exchange. In view of the area covered and the numbers on the register this is certainly a very small staff for this side of the work. On the other hand there seems on the whole little evidence that an increase in the staff would result in such a reduction of persons drawing benefit as to counterbalance the additional expense.

The only complaints made as to the actual rate of benefit were by some of the recipients of it. Most employers seem to recognise that, if benefit was to exist at all, it could not be much lower if a decent subsistence was to be maintained. The level of wages is on the whole considerably above the rates of benefit, though there are some jobs where they are very variable, and fall below the average level. Carmen—typical of the better kind of unskilled labour in the neighbourhood—average about £2 15s. 0d. a week.

The views recorded as to work-shies apply in this area chiefly to those receiving extended benefit. The granting of this in a borough like Shoreditch no doubt often means that the State merely relieves the Local Authority. The extent of the actual unwillingness to

work is more surely tested through the Guardians' relief organisation than through the Exchanges, since men and women who find it difficult to obtain benefit fall back almost automatically upon the Guardians.

The maximum weekly allowance of out-relief is 49/-. This may be compared with the wages earned in the borough. The lowest paid L.C.C. labourer gets 59/- a week, while the Borough Council employees receive over £3. There is, however, a good deal of labour, both skilled and unskilled, and especially non-Union labour, where the wages fall much below this. Some motor-van drivers, packers and a great many labourers of a rather casual variety come under this heading, and their wages may fall as low as 25/- or 30/- a week.

In the cabinet trade there are a large and seemingly increasing number of small employers, many of them foreigners, who engage a good deal of labour at a very low wage. The case of a polisher engaged at 5d. an hour, though probably rather extreme, illustrates the type of wages frequently offered. Apart from the lower stratum of the cabinet-making industry it was found that, so far as employers were concerned, instances of men who gave up or refused jobs were not relatively numerous. Such cases may be commoner amongst small shops and casual trades, but time did not permit a more thorough investigation.

The representative of an engineering firm said that occasionally men gave up jobs, probably because they preferred the "dole," but in such cases the Exchange took prompt action.

Only a few cases have been found in this district of women who throw up their work after marriage and continue to draw benefit. Officials and others say that this is seldom attempted.

THE ROTA COMMITTEE.

The Rota Committee have before them from 300 to 350 cases each week, roughly 5 per cent. of the numbers on the register. Of these the claims of some 60 odd (or 20 per cent.) are rejected. Most of these rejections sooner or later drift again to the Exchange, but about 80 per cent. of them fail to make good their subsequent applications. This leaves 20 per cent. who, by obtaining genuine employment in the interval, or perhaps by satisfying the Committee that they are actually more deserving than had been supposed, do at some future date again draw benefit. Though the Committee appears to take its duties seriously and to enquire carefully into the causes before it, it is bound to rely largely on the advice and opinion of the Exchange officials. Apart from this, its chief guide to a decision is the psychological insight of its members, since it is impossible to check very closely the statements of persons who come before it.

Many of the decisions turn on "reasonable effort being made to find work." This is a question hedged with difficulty, especially in London, where looking for work may not be confined to a special locality. It is not possible to obtain confirmation of a man's statement from the firms in question where such large numbers are involved, if only for the reason that most of them neither would nor could reply to a communication.

After a time even the most honest and conscientious man will lose his ardour in looking for work. He becomes disheartened, and accustomed to a low standard of living; he knows that work is not likely to be available, and finally, he is often discouraged by many employers and foremen. The last point deserves consideration. Even humane and intelligent employers declare that, important as it is that the unemployed should look for work, the number of applications they receive is a positive nuisance. The smaller the firm the truer this is. The man who, after six months of unemployment, is tramping on a fruitless quest, expecting at best a curt dismissal, and at worst abuse, has naturally small relish for his task.

JUVENILES.

In very few cases was it asserted that any young person had tried to obtain dismissal from his job in order to draw benefit. Some employers thought that such cases were common, but failed to produce concrete evidence.

The real facts of the situation are probably these:—

1. Shoreditch is not a good place for investigating such a question. A great amount of unskilled work is done by young persons, and many of the employers are of the type which does not trouble about the motives and destinies of employees. A youth may easily do slack work and be dismissed without any enquiries into the cause of the slackness.

2. Wages advance between the ages of 18 and 20, and many workers are systematically put off at that time, the work being within the capacity of a younger person after a very short interval. Perhaps the benefit induces young people to leave their jobs somewhat earlier, but the numbers of unemployed about this age are not conspicuous. On the whole it is doubtful if there is much increase in them from this cause. The whole question of the unemployment of youths and the use (or abuse) of child labour in unskilled jobs is profoundly important in Shoreditch, but is not relevant to a discussion of the effects of Unemployment Insurance.

SHORT TIME.

There is a good deal of short time in numbers of factories and workshops, some of it regular, but much of it only occasional. Organised short time is reckoned by days and not by hours; there seem to be few cases of firms working very long hours for three

days in order that benefit may be drawn on the remaining three. Sometimes, however, arrangements are made to work eight days in the fortnight instead of three days a week, and where there seems reasonable ground for it this is arranged. There appears, however, to be a certain number of employers who systematically resort to organised short time if work is a little slack. They would not do this but for the existence of the benefit, as such a policy would create so much discontent and encourage men constantly to leave their service. As it is the men acquiesce readily enough for the most part in the arrangement since they work three days and have benefit for three days. In this respect there is perhaps a tendency for benefit to be crudely used as a form of subsidy for industry apart from any legislative process.

MOBILITY OF THE WORKER.

The existence of benefit does not seem to have had any great effect on the mobility between trade and trade in this area. The number of men who transfer from one skilled or semi-skilled trade to another is not in any case considerable, and where transfer does occur the wages are usually at a level which precludes altogether the question of benefit. There are certain unpleasant or purely unskilled operations which skilled and semi-skilled men will not consider unless the wages are sufficiently tempting. Of course it is possible that benefit encourages a certain amount of fastidiousness in this matter, but the number involved is small.

With regard to mobility as between place and place, a member of the Rota Committee said that making due allowances for domestic considerations he had found little difficulty about this.

USE OF THE EXCHANGES.

Whilst the unemployed use the Exchange very generally, there appears to be a small and heterogeneous class which ignores it. This consists of

- (a) People who are too proud to take public relief in any form.
- (b) Dishonest persons who prefer to have as little to do with "officialism" as possible.
- (c) Persons who find it easier to obtain relief from the Guardians.
- (d) Persons who feel they are too much "messed about" by the Exchange procedure.
- (e) Young people who do not think the money worth the trouble.

These groups are certainly not large, but they are mentioned to show that the Exchange is too often regarded as a mere bun-house, and this despite the fact that much employment is actually found by it. It places about 250 persons a week, an achievement which really reflects great credit on the officials.

On the other hand it is fairly clear that two classes of employers, the best and the worst, use it little to obtain labour. The best can always fill a vacancy without troubling to apply anywhere, and the worst, like the bad workmen, prefer not to have too much to do with officialism. They pick up workers as cheaply as they can and throw them off very lightly.

CONCLUSION.

Unemployment in Shoreditch is fairly high. The unemployed may roughly be divided into three classes :—

1. Those, a small number, who prefer work under almost any conditions to idleness, provided they can pay their way;

2. Those who would rather work than not, but insist that their work should be of a definitely remunerative nature. These form the great bulk of the unemployed;

3. Those who wish to avoid work so long as they can obtain relief in any form. On the evidence obtained and after going into a large number of cases registered with the Guardians, this class cannot be put at a higher figure than 2 or 3 per cent. of the whole.

This, however, does not include the criminal members of the community. Some of these never draw benefit at all, others come and go at intervals, and this latter group may account for another 1 per cent. of the whole.

So far as benefit is concerned, the methods and opportunities for investigating cases are not satisfactory. The accomplished liar can too often evade the safeguards, whilst a number of unfortunate people who have simply lost heart frequently become the victims of a "need for vigilance" on the part of officials and Committees.

At present about 10 per cent. of the population are drawing relief from the Guardians. Many of these can only receive grants on the principle that *all* destitution must be relieved. But the Guardians have a much larger organisation for investigation than the Exchange, and it seems regrettable that in this respect the work of the two bodies is not pooled, or at least co-ordinated. †

THE TYNESIDE.

Investigations were made in the towns which face each other for several miles on both sides of the River Tyne, from Newcastle and Gateshead to North and South Shields, and are known collectively as the Tyneside. The area is famous as a shipbuilding, mining, shipping and engineering centre, industries which at once suggest abnormal unemployment in the present trade depression. Whilst the existing situation shows some improvement in a few trades as compared with the last two years, the registered unemployed

at Newcastle and Dunston Exchanges show that the proportion of idle to insured workers is still distressingly high. Some of the highest proportions are as follows:—

Steel Manufacturers	65.00	per cent.
Coal Mining	30.4	„ „
Shipbuilding	34.32	„ „
Marine Engineering	30.00	„ „
Engineering	27.90	„ „
Mercantile Marine	27.10	„ „
Copper and Chemical Workers ...	22.50	„ „
Dock and Riverside Workers ...	11.90	„ „
Transport	10.00	„ „

Enquiries were made at a considerable number of Exchanges in the district, and the proportion of aged and infirm can safely be put at not more than five per cent. of the whole. Many of these are men who have been many years with one firm, and occasionally they will obtain temporary light jobs; but the chances of re-absorption into ordinary industrial work are in very few cases hopeful.

The proportion of standard to extended benefit varied in the eleven centres where the situation was examined. Usually the number of those on extended benefit exceeded that of standard claimants, and it is expected that the disproportion will increase as the year passes. With the prolongation of the slump the bitterness of the more permanently unemployed grows, and complaints of the rates of benefit are heard, to the effect, for instance, that they compare unfavourably with the cost of maintaining paupers and criminals, and that the cost of animals in homes for cats and dogs is higher than the allowance for children.

THE ROTA COMMITTEES.

The Rota Committees have to depend largely on the honesty of applicants, because of the difficulty and expense of complete investigation.

Members of the Jarrow Committee said they were inclined to take a sympathetic view of cases. If benefit is withheld, claims are at once made on the Guardians, and the latter have sent a deputation to the Labour Exchange to make a protest, but the Local Employment Committee could only quote the Ministry's instructions.

The cases interviewed by the Rota Committees vary from 5 to 10 per cent. of the total registered unemployed, and the largest Exchange has from 10 to 12 weekly Rotas. The usual difficulties are experienced:—

- (a) It is very difficult to ascertain whether the applicants are genuinely looking for work. They must be judged largely by their own statements, and some can make a better case than others.

- (d) There is a lack of uniformity of action and decision on the Rota because it largely depends on the personnel. It would be much more satisfactory if the same members could adjudicate regularly on the same cases.

From notes kept by a member of the Women's Rota of cases interviewed on one morning in March it would not appear that this particular Committee erred on the side of leniency.

Investigators are attached to the various Exchanges whose work consists of making enquiries into cases which have roused the suspicion of the officials, and of making "sample" investigations into cases picked at random, at least one per cent. of the cases being investigated each week at some Exchanges in the second way. Anonymous letters frequently bring fraud to light, and co-operation with the police is well established in this area.

At this point it may be noted that one investigator (of the present enquiry) found that hardly any of the employers interviewed notified the Exchanges of vacancies. They complained that the Exchange machinery was slow, and that bad workmen were sent.

THE POOR LAW.

It is extremely difficult to isolate the effect of the Unemployment Insurance Scheme in Newcastle, on account of the fact that the Newcastle Board of Guardians supplement the benefit on a generous scale (up to a nominal maximum of 42s. a week, which may be exceeded in special circumstances). Thus sometimes the man with a large family is better off when unemployed than when in full work. Nevertheless, a social worker of very wide experience in Newcastle stated: "I know many men who have sought work eagerly for a long time, and when successful have accepted it at rates much below the scale."

The burden on the Guardians is necessarily heavy, and they hold that in a depression such as this it should be shared by the Government in some way, either by a grant to necessitous areas, or a wider application of the unemployment benefit.

The Gateshead scale also rises to 42s. a week, but that in Jarrow to 35s. only. A Jarrow Guardian said that they tried to keep the scale lower than the worst paid trades. Shipyard labourers get 37s. and 38s. 6d. a week.

Attention may now be given to some of the effects of the payment of unemployment benefit.

THE INCENTIVE TO FIND WORK.

Employers and trade unionists consulted were of the opinion that most workers genuinely want work, and take trouble to seek it when unemployed. There are, however, many exceptions, which, they say, are mainly of the old pre-war "loafer" type, which existed

before the beginning of the Act in 1912. There are no doubt a few who were formerly on the margin, who have now sunk into this category.

The trouble in many cases does not seem to be that the "dole" is spoiling men, but that the hopelessness of getting work is distorting some workers' motives. For example, an honest father at South Shields, in speaking of a temporary job which his son had got, said: "He'll be getting the necessary stamps to get on the dole."

Two trade unionists and a Welfare Supervisor stated that the man who is working often tends to look down on the man who is drawing benefit. This is especially true, so they say, in the skilled trades. For social reasons, therefore, as well as economic, men have a real desire for work.

Some employers state that if they advertise in the Press for men they are overwhelmed with applications. At the same time experienced social workers say they know men who are quite content to remain unemployed on the present basis of income, and who can give the impression at the Labour Exchange that they are genuinely seeking work.

There is much diversity of opinion as to whether workers are generally willing to accept temporary and casual jobs. There are always many men outside shipyards and engineering works in the morning, waiting for the chance of picking up work for a day or two. A prominent trade unionist said that the value of such jobs to them is to get the "stamps" which they use for an extension of benefit. On the whole the engineering employers interviewed have no difficulty in getting labour for odd jobs, nor have many other trades—building, plumbing, etc. Dockers appear to be more generally affected. A steamship line employing 300 men in Newcastle complained that stevedores could not be got for a three days' job, since the men would only work two days so as not to lose their benefit. For the third day (three days is normal time for unloading) fresh stevedores had to be hired. In those two days, however, the men earned £3 10s. 6d. (on the Monday and Tuesday), and in the next week earned £3 16s. 8d. Each Wednesday fresh men had to be engaged for one day. In addition to this the stevedores were drawing benefit for the other four days. This was confirmed by another shipping man.

Men have been known to refuse work for a fraction of a day, since it stops their chance of drawing a full day's benefit; such work, for example, as clearing snow for the Corporation and unpacking crates in warehouses.

A case pointing in the opposite direction is that of an Oil Fuel installation at Jarrow. When ships come in for oil fuel, about 80 men are required as labourers for 3 or 4 days. The men are not obtained from the Labour Exchange, but directly,

and the number of applicants is usually over twice as many as can be engaged. These men are of all kinds of trades, and all seem keen to obtain work. There has been no tendency to refuse it for three days only. The wages paid are 1s. an hour for $8\frac{1}{2}$ hours per day, £1 5s. 6d. for 3 days.

The chief difficulty about casual jobs is that they interfere with the regular normal income from Unemployment Benefit or Guardians' Relief.

EFFECT ON YOUNG PEOPLE.

There were two conflicting opinions put forward. The Vice-Chairman of one of the Gateshead Employment Exchange Committees said that the young boy is the keenest person on earth in his search for work, and that the younger people seem more bent on getting work than the older.

On the other hand, a firm of electrical and general engineers have great difficulty in securing "machine learners," aged 18-21. These are paid 16s. a week at 18 years of age and 19s. at 19 years. Youths have been sent from the Newcastle Exchange; they have to pay train fares and get meals away from home (i.e., in Jarrow). Many of them do unsatisfactory work in order to get paid off, as they can get 18s. unemployment benefit. In the shipyards the difficulty does not arise, since boys are apprenticed at 16 years and it would mean cancelling their indentures if they did unsatisfactory work. The usual rates of wages for apprentices in one of the large shipyards were given as 15s. 6d. at 18 years of age, 18s. at 19, and 19/6 at 20.

In general, employers in the more highly-paid trades—painting, building, drapery, the chemical trade, joinery, carpentry and plumbing—reported no difficulty in getting a high class of boys as apprentices. But in engineering much evidence of a different significance was produced. So many firms are eager to take on apprentices, and discharge them when they have served their time, that this policy is regarded by the employees merely as a method of getting work done cheaply. Just before Christmas, 1924, a large firm sent to a night school in Newcastle, asking masters to advise boys to become apprentices. Every boy refused. "Far better go and sweep the streets on £3 than be an engineer at £2." The general result is that the better type of boys avoid apprenticeship as fitters and turners, and the quality of the worker in those trades is deteriorating.

EFFECT ON MOBILITY OF WORKERS.

On all sides among employers, Rota Committees, Guardians and workers—there seems to be a general opinion that with such widespread depression, and in an area like this, it is of little use for men to seek work outside their own area or trade. Men *do* seek it, in order to satisfy the questions of the Rota Committees, but they recognise the hopelessness of the quest. Trade Union rules are an

obstacle in any case, and the housing difficulty, often meaning high cost of travelling to be met out of low wages, needs no explanation as an obstacle to place-to-place mobility.

There are many cases of men who are quite prepared to take work for which they are totally unfit, since the suffering caused by the prolonged depression has made them only too eager to snatch at any piece of work they can get. Two Rota Committee members and two trade unionists say that, in their experience nearly every skilled man is willing to accept labouring as an alternative job when he signs on at the Labour Exchange. Skilled men are finding it more difficult to get work than the unskilled, since they are necessarily tied down to a narrower range of occupations.

As regards mobility from town to town, a number of people of widely different experience are of the opinion that the Insurance system is not responsible for any unwillingness of men to seek work elsewhere. The part that benefit plays is quite negligible in view of (1) the housing problem; (2) the character of the work elsewhere (the worker is suspicious when any job has not been filled locally); (3) the low wages generally offered, which do not make the change worth while.

Nevertheless, a social worker reports a considerable amount of migration, but adds that most of it appears to be towards Newcastle rather than away from it.

THE EFFECT ON THE WORKER IN EMPLOYMENT.

The Insurance scheme has only partially removed the fear of suffering due to unemployment, as out of work benefits are too small to remove it completely. "Among the men with whom I have come in contact and who have got work after periods of unemployment," says a social worker, "I find a strong desire to retain their jobs. This has also tended to cause men in temporary bad health to stick to their work rather than apply for National Health Insurance as in normal times they would. I have evidence also from some employers that men are working harder and keeping better time than previously."

Except in cases where rates are fixed by Trade Union agreements there has been a fall in the real wages paid to unskilled and casual workers. Employers who engage non-union men are able to obtain all the labour they require at rates which compare very badly with the standard rates paid elsewhere, especially in what are now known as the "sheltered" trades.

SURVEY AND CONCLUSIONS.

Whilst it may not be safe to draw sweeping conclusions from the eight reports summarised, they reveal a certain similarity of experience in places of widely different type that compels comment. The investigation covers a composite sample of British industrial areas. Working

London is represented by Shoreditch, the "devastated area" by Glasgow and Tyneside, a Lancashire cotton town is pictured in the Bolton report, and Leeds, Birmingham, Cardiff and Reading present other aspects of industrial Britain. A few days before these words were written the Ministry of Labour published a detailed report of an investigation into the circumstances of 10,903 claimants to Unemployment Benefit, made in November, 1924. With this additional evidence a broad survey can be made with greater confidence. We will first consider the reaction of the Insurance Scheme on the desire of the worker to find or retain employment, and, secondly, some comments will be made on the existing methods of administering the funds accumulated. The possibility of abuse of the scheme will thus be viewed from two angles.

First, *does the system diminish the normal incentives to find work?* Although many employers expressed the view that it did, actual cases of refusal to work which stood the test of investigation could very rarely be cited. No doubt there is a class to whom Unemployment Insurance presents a possible method of getting something for nothing; but the great volume of the evidence shows that frauds are quickly detected and eliminated. In the Shoreditch report, which deals with a district that offers special facilities for evasion of the regulations, it is stated that any case of fraud detected has very rarely been successful for more than a month. Public opinion, however, is influenced by the Press notice of the prosecution, and ignores the comparative infrequency and the speedy elimination of fraud.

More cases came to light of persons ceasing actively to seek work. It must not, however, be assumed that they are beginning to prefer "doles" to employment. The Glasgow investigation points out that the longer a man remains out of work the more reluctant employers are to engage him, and since the scheme throws the burden of seeking work on the unemployed person, his search becomes more and more futile, and is finally a mere effort to produce the evidence on which to base a claim for benefit. Yet the evidence which the local investigators have collected shows that the least real hope of a job brings scores of applicants of this type. Their disheartenment must not be confused with unwillingness to work.

The sample investigation of the Ministry of Labour referred to above shows that the majority of the unemployed do, in fact, secure periods of work of varying length. The digest of this report, published in *The Times* on June 18th, reads: If the two-and-a-half years of possible unemployment be divided in four roughly equal periods of about eight months each, then one-quarter of the people had been unemployed 0 to eight months, another quarter of them had been unemployed from nine to sixteen months, another quarter from seventeen to twenty-four months, and the rest from twenty-five to thirty-two months. That is their total amount of unemployment

during the two-and-a-half years; not the length of their last spell of unemployment. The figures will relieve some anxieties, while increasing others. The 1,300,000 unemployed are evidently not a standing army. The personnel is changing all the time.

The assumption that workers prefer idleness and "doles" to work and wages is obviously too crude to fit the facts. After all, a single man without dependents, a married man whose wife is working for wages, or a widower without dependents (and 52 per cent. of the unemployed were in these categories in the sample report of November, 1924) only receives 18s. a week benefit. Against this, employment offers not only a wage which is rarely lower than 30s. for an adult, but also as the local reports frequently show, a feeling of greater security and higher social worth. Only in the case of young people whose wages are low, or whose prospects of advancement are zero, is there any suggestion in the evidence produced, that the genuine working class is less eager for employment because of unemployment benefit.

The willingness of the worker to change his occupation or his locality is affected less by questions of benefit than by many other personal considerations. As regards mobility from place to place, housing is the great difficulty. If the work is near enough to the worker's home for him to travel to and fro, the cost of the journey and the wage offered must be both taken into account. Distant jobs, too, are often regarded with suspicion simply because they have not been filled locally. For example the Glasgow Report mentions a case of an engineer who was offered a job in his own trade in London. But why should a London employer have to send to Glasgow for a man?

It seems from the reports that there is some migration from place to place, and workers are willing to move when there is a reasonable possibility of establishing the home in a new district. On the other hand, they are well aware that the slump is general, and a move to a distant district might only be out of the frying pan into the fire.

With regard to movement between trade and trade much interesting evidence has come to hand from the employment departments of firms in the eight areas, which shows that skilled engineers are seeking and obtaining employment in a great variety of jobs, many of them labouring. In some cases the wage is higher than the skilled man's rate in engineering, but frequently the change really means the degradation of the skilled craftsman. The evidence of this movement is quite conclusive.

Again, particulars which we obtained of the previous occupation and former place of residence of the 1,300 workers employed in a new undertaking in South Wales show that at least 10 per cent. came from long distances, and almost the whole of the workers came from other industries.

Restrictions imposed by Trade Unions have more to do with lack of mobility between trades than considerations of benefits.

On the question whether *Unemployment Insurance tends to deter a worker from accepting casual labour* the evidence is conflicting. Some employers have never had any difficulty in obtaining casual labour, whilst others maintain that men will not accept odd jobs, but prefer the "dole." But the stringency of the regulation under which benefit is only paid to insured workers who have sufficient contributions to their credit is fully appreciated by numbers of the unemployed, and our evidence seems to show that a man is generally anxious to do even casual work in an insured trade, which will enable him to get the necessary stamps and thus keep himself in benefit. Only the Reports of Shoreditch and Tyneside take up this question, and the evidence available is an insufficient basis for a conclusion. In this connection we record an anomaly that comes from the non-inclusion of agriculture in the Insurance Scheme. Men who undertake temporary or casual work on the land, as for example in periods of hay-making or harvest, are unable by this essential work to accumulate stamps which would qualify them for receipt of unemployment benefit in future. This does not increase their eagerness to undertake it, though if it were offered by the Employment Exchange and rejected, the case would be dealt with just as if insured work had been offered. Greater difficulties, however, in drafting unemployed insured workers into seasonal agricultural work are the low level of agricultural wages and transport. This wide subject would repay fuller investigation.

Two further questions concern the effect of the scheme on the employed worker. *Does it lessen his desire to retain his job?* Except in the case of youths in occupations which hold out no attractive prospect, whose wages are low and who are entitled to the adult rate of benefit, the evidence points rather to the influence of the fear of unemployment than of the hope of benefit upon the worker. Particularly after a recent experience of unemployment, men are only too thankful to work hard and retain their jobs. The Tyneside report makes this clear.

Other evidence shows that the fear of unemployment, especially in trades which cater principally for foreign markets, has led to the suspension of many Trade Union regulations, and has persuaded the workers in the words of one informant "to accept humiliations which they would never have dreamt of in normal times."

The remaining question is, *does the scheme affect the rate of wages for which a man is willing to work?* Unfortunately, the local investigators did not obtain the kind of information required. Clearly the rates which are easily ascertained—the Trade Union standard rates and the Trade Board rates—show little or no effect of unemployment benefit. In the few cases where individual bargains

between worker and employer came to light, the rates were so low that again the desire for employment rather than for benefit appeared to be the determinant, but much more light should be thrown on this question before definite conclusions are drawn. The Cardiff Report mentions that men are employed there at a wage which is less than unemployment benefit.

The broader question whether the existence of unemployment benefit affects the ultimate bargaining power of the worker, has proved too complicated for discussion in this brief report.

Thus, the first method of approach to the problem of the abuse of unemployment benefit suggests very considerable exaggeration in the popular idea of the effect of "doles" on the willingness of workers. Far from holding out temptation either to the employed or to the unemployed, the benefit is less attractive than security and wages. It provides some compensation for loss of wages, and in so far as it does this it stands between the worker and either the Poor Law or starvation, as it was intended to do by the original Act. It is abused by a tiny minority, but this assuredly does not mean that large quantities of work remain undone which would have been done but for the scheme.

PROTECTION OF THE FUND.

The other method of approaching the same problem, i.e., the effect of the Unemployment Insurance Scheme on the normal incentives to work, involves a study of the Employment Exchanges. Are they efficient enough to exclude inappropriate people from benefit? Do they constitute so perfect a clearing-house for labour that the genuineness of applicants is seldom or never in doubt, and that the fund is protected by the immediate direction of the supply of labour to the demand for it?

The great mass of evidence absolves the Exchanges and their officials from any charge of inefficiency in administering benefit, at all events in the urban areas investigated. In the main, benefit is only received by those for whom it was intended, extreme care being taken to prevent malingering and abuse, both in respect of standard and of extended benefit. Any country too, might take pride in the high public spirit with which the Rota Committees perform a difficult task. Only in one Report is there a suggestion that their work would be more effective if they could secure a fuller representation of employers on the Panels.

In general the person who succeeds in obtaining benefit without a proper right to it must be not only a malingerer but also an artistic liar. People with such characteristics are found out sooner or later, and in all their subsequent appearances the Rota Committee can refer to a record of the circumstances.

Whilst no suggestion can be made for improving the working of the Rota Committees, certain problems which they have to face suggest modifications in the provisions of the scheme.

The first of these concerns young men aged from eighteen to the early twenties. There seems to be a marked tendency (e.g. in Shore-ditch, Glasgow and Cardiff) for employers to use juvenile labour (14—17) at low wages. Then, when the young person reaches the age at which the normal wage is 20s. a week or upwards, he is turned off and another school-leaver is engaged. This problem appears to present peculiar difficulties in Glasgow. But employers in many cases would like to retain the young worker at a wage little, if at all, above the unemployment benefit, and complaints are frequent that young people try to get dismissed to "go on the dole." On the other hand, firms offering either good wages or the prospect of a career have no difficulty in obtaining all the young workers they require. This comes out clearly in the Bolton, Newcastle and Reading Reports.

It is suggested that the rate of benefit for young people should not jump from 7s. 6d. to 18s. (for males) at the age of 18 as at present, but should advance by stages, the full rate of 18s. being payable at the latter age. This would solve the difficulty of young people preferring benefit to wages.

Married women in receipt of benefit present another difficulty. Many of them gave up work when they married, but they had paid their contributions during employment, and they have a perfect right to benefit if they want work and cannot get it. Committees, however, often feel that they do not really want work, and that apart from benefits they would never visit the Employment Exchange. Such cases seem to call for fresh statutory provisions and fuller powers of investigation into all relevant circumstances.

The cases of elderly and crippled persons in receipt of benefit are far from easy to handle. In times of trade activity, many of them would obtain some employment, but in times of depression their chances are practically nil. To compel them to seek Poor Law Relief seems heartless, yet they are not appropriate cases for extended unemployment insurance benefit.

The Ministry of Labour Report on a sample enquiry made in November, 1924, into 10,903 claims to benefit shows the gravity of some of these problems. Of the boys' cases analysed, 16.8 per cent. were classified as "Persons who left school during or since the war, and in consequence of abnormal conditions have been unable to get a footing in regular industry."

The Report also shows that 21.3 per cent. of the male cases reviewed were 55 years of age and over, as compared with 15.9 per

cent. of all occupied males, while only 3.9 per cent. of the females employed were 55 years of age and over, as compared with 9.0 per cent. of the occupied females.*

Not quite one-half of the males and about a third of the females received extended benefit, but this is only an average. The proportion of extended to standard benefit was greater in the higher age groups and in the lower categories of industrial capacity.

The proportions drawing Poor Law Relief in addition to benefit were less than 5 per cent. of the male cases reviewed and 0.3 per cent. of the female. Each of these figures was less than half of the corresponding figure in November, 1923, a decrease which can be accounted for almost entirely by the increase in the benefit paid under the Unemployment Insurance Act, 1924.

The age groups showing the heaviest proportion of males in receipt of Poor Law Relief were 30 to 34 (9.8 per cent.) and 35 to 44 (9.1 per cent.). The Report states:—

“The cases which most frequently occur among males in receipt of Poor Relief over and above their unemployment benefit are of men drawing from 23s. to 31s. a week in benefit (which means men with a dependent wife or with wife and from one to four dependent children).”

Some change may be expected in the future composition of the unemployed who receive insurance benefits, for several of the Reports indicate that Rota Committees are rejecting a larger proportion of applications for extended benefit; and on the other hand the proportion qualified for standard benefit is decreasing at the moment.

Whilst the investigations show that the machinery for administering the scheme is functioning well, in view of the size and complexity of the problem with which it has to be content, frequent reference is made to the fact that the placing function of the Exchange is becoming secondary. This may be inevitable in the face of the acute trade depression from which the country has been suffering for 4½ years, and it is not suggested that the officials are to blame. In many cases their time must be so largely absorbed in administering benefit, that they cannot make so careful a study of the requirements of

*Comparison of Age Distribution of Claimants interviewed with Age Distribution of Occupied Persons in Great Britain, as ascertained at the 1921 Census.

Age Groups.	Males		Females	
	Nov. 1924	Census 1921	Nov. 1924	Census 1921
	%	%	%	%
16 and 17 (2 years) ...	1.9	5.5	4.7	10.8
18 and 19 (2 years) ...	4.9	5.6	12.9	11.5
20 to 24 (5 years) ...	15.6	12.3	30.3	22.7
25 to 29 (5 years) ...	12.4	11.3	18.2	13.4
30 to 34 (5 years) ...	9.2	10.8	10.1	8.9
35 to 44 (10 years) ...	17.4	20.9	12.1	13.7
45 to 54 (10 years) ...	17.3	17.7	7.8	10.0
55 and over (indefinite) ...	21.3	15.9	3.9	9.0
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Some treatment of the incidence by age will be found in “Is Unemployment Inevitable?”

industry as to be able to meet all the demands of employers. Still, it must never be forgotten that the primary function of the Employment Exchange is to promote the mobility of Labour, and we must try to maintain this function at a high level of efficiency. Our machinery for placing the unemployed must be utilised to the utmost extent possible, and kept in perfect working order, so that when the long depression is over and trade is active once more, it may play an increasingly important part in the industrial life of the community.

IS EXTENDED BENEFIT A FORM OF POOR LAW RELIEF ?

Another problem appears in all the Reports. That is the connection of the Unemployment Insurance scheme with the Poor Law. Unemployment benefit is the appropriate form of relief for the able-bodied genuine unemployed, and the Guardians are the appropriate body for dealing with the non-able-bodied and work-shy. This division of responsibility is a problem which must be faced in the near future. It is complicated by the fact that persons who are not of first-class industrial capacity may reasonably claim that they are in receipt of benefits on a scale which is justified by the present level of contributions.

In point of fact, the scale of Unemployment Insurance Benefit for dependents is at present insufficient to enable the unemployed married man with children to maintain his family in health without falling back on the Poor Law, if his unemployment has been of long duration and his savings are exhausted, and he has no other resources. The Insurance payments are therefore insufficient in such cases to fulfil the ostensible purpose of the Act. If any future reform of the Poor Law is going to take the line of making the conditions under which relief is given more drastic, there will be a stronger case for increasing the insurance benefits for dependents.

It must also be borne in mind that over a long period the solvency of the fund will prove to some extent to have been maintained now by one group of trades and now by another. If at any time, therefore, "extended" benefits have been paid to workers in the groups temporarily depressed, they will have come partly out of the pockets of employers and employed in another group. When that group's turn of depression comes, workers therein will be entitled to say that as a trade they have, years ago may be, paid for the "extended" as well as the standard benefits they will then be claiming.

Broadly, then, the investigations show that :—

1. The alleged evil effect of unemployment insurance benefit on the willingness of the worker to accept employment has been greatly exaggerated.
2. The administration of the scheme is efficient enough to check any possibility of substantial or widespread abuse.

3. The application of the word "dole" to "standard" benefit is wholly misleading, and even "extended" benefit is very different from Poor Law Relief.
4. The success of the safeguards against abuse which the scheme provides depends largely on the extent to which employers are willing to co-operate.
5. It is often peculiarly difficult in the case of married women to ascertain whether they are genuine seekers after work.
6. That the benefit paid to youths between 18 and 21 should be revised.

(If that course were adopted it would be necessary to safeguard cases in which youths were practically the bread-winners of the household.)

7. That the respective functions of the Unemployment Insurance Scheme and the Poor Law, which at present are apt to be confused, should be more clearly distinguished and more wisely co-ordinated.

