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**THE THIRD WINTER
OF UNEMPLOYMENT**

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UNEMPLOYMENT

The Report of an Enquiry under-
taken in the Autumn of 1922

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PREFACE

In the following pages are summarised the results of a study of the unemployment problem undertaken by us in August and September of the present year. Our group included persons of diverse economic experience and differing political opinions. In order to supplement the information given in official returns and to assist to a fuller realisation of what the present depression actually meant in the private and public life of the country, we instituted a series of inquiries into unemployment in nine selected localities. The reports of these seemed of such interest, that we decided to print them and to offer them to the public as a contribution to an understanding of the present emergency.

These local investigations were undertaken at short notice by seven different investigators independently. They had to guide them a questionnaire indicating the points on which information was sought, but time did not permit of their meeting to discuss methods or results, and the nine localities investigated were widely scattered and of very different industrial characteristics. The large measure of agreement, therefore, in the impressions they present is quite spontaneous and must be attributed to the similarity of conditions in the different localities. There are, of course, important differences, and the reports bring out the complexity of the social problem presented by unemployment; but they show the features in the situation common to the whole country, such as the abnormal extent of the depression and the effects of the relief measures that are national in their scope, and thus supplement the available official information.

It has not been thought necessary or desirable to print the local reports in full. Much that was contained in them could be more conveniently summarised in a statement covering the country as a whole; while some aspects of the problem could be treated satisfactorily only in such a statement. Enough of each report, however, has been given to preserve the completeness of the local picture, and in the aggregate the reports have been cut down by only a quarter. No sample collection of local reports could give a true measure of the extent of unemployment, or do more than illustrate the working of the various schemes for relieving it. To the local reports, therefore, we have prefixed a general survey

of unemployment, summarising the results of our investigations into the problem so far as they have gone. In this First Part, an attempt is made to give for the country as a whole an estimate of the extent of unemployment, to analyse its distribution—an analysis of the local and industrial distribution of the unemployed is needed in order to distinguish the industries and localities in which unemployment is of abnormal extent, and to define the special problems with which the country is faced—to summarise the various measures that have been adopted to alleviate or relieve it, and to judge the effects of these measures.

In a final chapter of this general survey are set forth certain anomalies in the existing treatment of the problem and certain neglected aspects of the problem that the survey has revealed. No attempt is made at this stage to formulate a policy; the object of the present report is exclusively to provide objective information of which account must be taken in any policy. For the same reason no attempt has been made to analyse the deeper causes either of unemployment in general or of the present depression in particular. Our information illustrates the influence of the disturbed political conditions of Europe and of the uncertainty of the financial future; it points to the importance of distinguishing between the temporary and permanent effects of the war; but it is obviously insufficient to provide an answer to the questions raised. On the other hand, the account of relief measures and their effects does reveal the anomalies referred to above, and seems full enough to justify suggestions for removing them.

We wish to thank the investigators who collaborated with us in making the local reports—Mr. J. B. Andrew for the reports on Burnley and Manchester, Mr. E. Colston Shepherd for that on Birmingham, Mr. D. R. Prosser for that on Cardiff, Blaina and Abertillery, Mr. W. Robertson for that on Middlesbrough, Professor Gilbert Slater for that on Woolwich, Mr. S. S. Bullock for that on Stoke-on Trent, and Mr. F. D. Stuart* for those on Sheffield and Glasgow—and the many officials and business men who have given us information.

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November 23, 1922.

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PART I
GENERAL SURVEY

CHAPTER I

THE SITUATION SUMMARISED

THE years 1921 and 1922 are the worst in the records of unemployment in this country. In only one month in the present century before 1921 did the percentage of unemployed trade union members exceed ten ; in no month since March, 1921, has it fallen below fourteen. During the stoppage in the mining industry of 1921 it reached 23·1, but even when that was brought to a close, it continued high, and has not yet fallen to the level it reached in the coal strike of 1912, the only previous occasion in this century when it exceeded ten.

On the threshold of the third winter signs of improvement are few, and the strain of unemployment is not diminished. If the proportion of workers unemployed is less than it has been in recent months and less than it was at this time last year, the strain is not less, because savings and reserves that were available then are now exhausted. The measures of relief that have been adopted are so far successful that there has been, until recently, less political agitation than accompanied the depressions of pre-war years, depressions that compared with this were trivial ; but the problem remains, even if its worst effects have been mitigated. The danger to political stability is not less serious, if less obvious, when successful palliatives have distracted attention from the true extent of the malady. A clear understanding, therefore, of the extent and the effects of the present depression, of the measures that have been adopted to relieve it and the effects of these measures, is the first essential in any attempt to deal with the problem. The

following pages offer some of the materials for such an understanding.

Extent of the Problem

At the end of August, 1922, in Great Britain and Northern Ireland, 1,427,311 persons, or 12 per cent. of the insured population, were recorded as unemployed. In addition 74,669 persons (0.6 per cent.) were working organised short time to qualify for intermittent benefit. These figures, serious as they are, do not fully represent the extent of the problem.

In the first place, not all the unemployed are recorded in the Employment Department Records. Some, who have temporarily exhausted their right to benefit, may have allowed their registration to lapse. And certain categories of employment—agriculture and certain classes of employees of local authorities and railways—are excluded from the insurance scheme; if these were included the percentage of unemployed would be reduced, but the absolute numbers increased.

In the second place, the general average conceals the intensity of the depression in the worst trades. One man in eight is the unemployed proportion in industry generally; in shipbuilding it is more than one in three, in engineering almost one in four, in iron and steel, cutlery and tools over one in four; in constructional industry, brass and copper, linen and hemp, and the docks, one in five.

Even the figures for individual trades do not reveal the true intensity of the problem. Within any one industry some districts are much worse off than others. Thus, in coal-mining, while the average number of days worked per week in the last fortnight of July was 4.65, in Lancashire and Cheshire it was only 3.95, and in Scotland only 3.32. In shipbuilding in August the North-eastern Employment Exchange division showed an unemployment percentage of 44.3, Scotland of 43.4: in engineering and iron-founding the percentages for the same divisions were 26.6 and 29.6 as contrasted with a national figure of 22.7.

Even these high figures must be added to if we are to allow for the large amount of short time among workers in employment. The Insurance Scheme figures of organised short time are no measure of under-employment, since not all trades are able to distribute the available work in such a way as to satisfy the conditions of that scheme. In the second chapter of this Part will be found an estimate, based on such statistical information as is available, of the true extent of short time. It is confined to directly productive occupations, including mining and transport, but omitting such non-industrial services as hotel and laundry, food and drink preparation, public utility services and commercial occupations. The result is to raise the percentage for total unemployment from 11.9 to 13.8, and to indicate a loss of work in the form of short time equivalent to an additional 7 to 9 per cent.

In other words, in industry proper, the insufficiency of employment is not the 11.9 of the insurance returns, but something between 20 and 22½ per cent. ; nearly 14 per cent. of the workers are totally unemployed, while the time lost by those who are in employment, if concentrated instead of being spread out, would add another 7 to 9 per cent. to the totally unemployed. A fifth or more of the industrial power of the country is running to waste.

Distribution of Unemployment

An analysis of the distribution of this unemployed mass between different localities and different industries does not make the picture more encouraging. A study of the tables given in Appendix I will show that there are two elements in the present problem ; there is the problem of unemployment due to trade depression of the same character as pre-war depressions, though of abnormal intensity, and there is the special problem of unemployment due to the abnormal twist that the war gave to the country's industrial development.

The analysis is confined to unemployment among men ; the unemployment among women is much less serious.

Considering only men, we find that unemployment is heavily concentrated in the localities dependent on shipbuilding, engineering, the metal industries and docks. Isolated districts, like Stoke-on-Trent, Dundee, and St. Helens, dependent on a strongly localised and exceptionally depressed industry, are also suffering from abnormal depression; but the major industries mentioned above account for the condition of five-sixths of the districts suffering from exceptional unemployment.

This result of the analysis of the local distribution is confirmed by an analysis of the distribution among industries given in the returns of unemployment in insured trades. Shipbuilding, engineering and iron-founding, iron and steel and other metals, employing less than a fifth of the insured population, account for more than a third of the unemployed in insured trades. In this group the number of unemployed is just over half a million. The only industries of comparable importance outside it are transport (other than railways) which accounts for over eighty thousand more, building and construction, a widely diffused industry, and mining, which has improved in recent months.

Prospects of Reabsorption

Pursuing the analysis further, we have collected some material which has a direct bearing on the prospects of reabsorption of workers now unemployed. Two lines of approach have been used: first, an examination of the *districts* that showed an abnormal increase in their male population between the censuses of 1911 and 1921; second, an examination of the *industries* that showed an abnormal increase in the number of men employed.

Looking first at districts, we find a decline in the male population of purely rural districts, a considerable increase in shipbuilding, engineering and iron and steel centres, and little change elsewhere.

Turning to industries, we get the following statistics of occupied persons and the numbers unemployed in certain industries for which separate figures can be distinguished:—

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GREAT BRITAIN: ALL INSURED PERSONS.

Industry.	June, 1914.	Sept., 1922.	Increase, 1914-1922.	Unem- ployed, October, 1922.
Engineering and Ironfound- ing	790,000	1,141,000	351,000	249,000
Shipbuilding	242,000	316,000	74,000	121,000
Coal	1,134,000	1,180,000	46,000	84,000
Building and Construc- tion	908,000	868,000	40,000 (decrease)	142,000

The returns of occupations at the 1921 census are not yet available, and the differences in classification make a detailed comparison between the occupational census of 1911 and the numbers insured in 1922 impossible; but the following general comparison may be made:—

GREAT BRITAIN AND IRELAND.

	1911.	1921.	Increase.
Male population aged 15 to 65	12,536,000	13,316,000 (estimated)	780,000
Males over 16 in engineering, shipbuilding, vehicles, iron and steel and metal trades	1,600,000	2,175,000 (Jan. 1922)	575,000

Thus the increase in this industrial group is equivalent to three-quarters of the increase in the effective male population. In building and construction and in agriculture there has been an absolute decline; in mining numbers have little more than kept pace with the increase in the male population; in the engineering and metals group the numbers have increased by a third. Moreover, this increase is little greater than the number of workers in this group unemployed in August of this year (540,000). There are 100,000 *more* engineers employed (though not full time) than were employed in June, 1914. The war, it would

seem, attracted into these industries an enormous number of men for whose work there is at present no demand. The only qualification that has to be added to this conclusion is that these were the industries which were expanding most rapidly before the war; and even this consideration is offset by their dependence on export trade and the simultaneous over-development of their foreign competitors.

Measures of Relief

How has the country met this abnormal unemployment? In considering the measures adopted, it must be remembered that the Government was taken unawares. For unemployment after the Armistice the country was prepared, and the scheme of "Donation" benefit to discharged service men and munition workers bridged the transition from war to peace. For the collapse that came in 1920 the country was not prepared. The Unemployment Insurance Act of 1920, which represents the main permanent provision for unemployment, was not passed until prices had begun to fall, and did not come into operation until trade depression had set in. A detailed account of the measures adopted is given in a later chapter. Here only the main features need be noted.

The Unemployment Insurance scheme has served as the basis of relief. More than three-quarters of all the money spent on unemployment relief has been spent under the authority of successive Unemployment Insurance Acts. But in meeting this emergency need the scheme has changed its character. Its actuarial basis had to be disregarded from the beginning, and special arrangements made to bring unemployed workers into benefit. Then the rate of contributions had to be changed, and the rate of benefit was first raised and then lowered. The principle on which benefit was allocated was changed, and extra allowances were made in respect of dependants. The £22,000,000 that the scheme took over from the previous more restricted scheme was soon exhausted; current contributions, even at the higher rate, were insufficient, and it has been necessary to authorise the insurance fund

to borrow from the Treasury up to £30,000,000 on the security of future contributions. Altogether, it may be fairly said that the scheme has lost something of the character of insurance and taken on that of relief.

As relief the insurance scheme is not quite comprehensive. It does not cover all unemployed workers, and those whom it does cover it does not relieve all the time they are unemployed, nor proportionately to their needs. There has been, therefore, a great increase in Poor Law relief to unemployed workers and their dependants, costing, according to the latest returns available, about £1,000,000 a month for the country as a whole. It has been necessary for Parliament to grant additional borrowing powers to the Poor Law Authorities. This large expenditure, however, is not distributed evenly over the country as a whole; it varies not only with the varying needs of different localities, but also with the varying policies of different Boards of Guardians. At one extreme is Poplar, giving relief on a scale exceeding the normal earnings of skilled men in other districts; at the other are Poor Law areas in which the able-bodied unemployed are still treated as paupers, to be "deterred" by workhouse and labour test from dependence on the rates.

In the country as a whole Poor Law relief is supplementary to Unemployment Insurance benefit; it carries men over the "gaps" in the insurance benefit, supplies the exceptional needs of large families of dependants, and covers the relatively small number of cases of distress due to unemployment in occupations that are not covered by the Insurance Act. The provision of school meals by local education authorities, though smaller in amount, also meets a special need. In many cases also War Service Pensions are preventing distress that a pre-war depression would have brought.

In addition to direct relief, the Government has endeavoured to mitigate the effects of the depression by assisting local authorities to provide work, and by stimulating private firms to expand their business. Its efforts in this direction have an interest as experiments out of all pro-

portion to their immediate effect on employment, and they are discussed from this point of view below ; but their immediate effect as relief measures is small ; they have touched only the fringe of the current problem. The measures that have met the distress of the past two winters are the successive extensions of the insurance benefit and the extension of out-relief under the Poor Law.

Effects of Relief Measures

What then has been the effect of relief on this unprecedented scale ? The question is one perhaps that it is impossible to answer, but we have collected and printed in Part II certain material on which a reasoned judgment can be based. Three conclusions seem to be justified :—

(1) That the worst effects of unemployment in the way of privation and physical deterioration have been prevented ;

(2) that the chief incidence of distress is on a different section of the wage-earning classes from that on which it fell in pre-war depressions ;

(3) that the demoralisation that, according to pre-war theories, would have been expected to result from the provision of maintenance without work has not yet shown itself.

The worst effects of unemployment, privation and physical deterioration, have been prevented. Our evidence is that health has not suffered. The Medical Officer of Health for Birmingham states that the health of the city is better than it has ever been before, although Birmingham is one of the areas worst affected by unemployment. The reports on the condition of school children are especially reassuring. The reason everywhere given is that the ill-paid, irregularly employed workers who were the first to feel the effects of trade depression before the war have gained relatively most from the provision made for unemployment relief, which has ensured at least a regular supply of food.

The incidence of distress has changed. While the class that was worst off before the war is now provided for, the better-paid, more skilled and responsible workers are feeling an unprecedented strain. The effects of unemployment are cumulative, and in the more depressed trades two years'

continuous unemployment has not been uncommon. The relief available to the poorer class is available for this better paid class also ; but it falls short of the need. Insurance benefit represents a much smaller proportion of normal income, the reluctance to supplement it by Poor Law relief is greater, relief works offer a less suitable alternative. The savings of prosperous years have been exhausted, and it is among the workers most distinguished for their skill, responsibility, foresight and thrift, that distress is greatest.

The question of demoralisation is difficult, because there is no objective test or measure of demoralisation that can be applied. Of unwillingness to work where work is offered, of a preference of doles to honest earnings, there is little evidence. The crude idea that the relief is the demoralising influence in unemployment receives no support from our inquiry. What is demoralising in unemployment—the enforced idleness, the loss of occupation and the denial of the opportunity of useful work—is having its influence, and these effects the self-respecting worker resents and fears. The longer a man is out of work the greater the danger that he may lose the habit of self-dependence ; but up to the present the greater provision of relief has acted rather as a support to self-respect and a safeguard against demoralisation. Maintenance without employment may be demoralising, but unemployment without maintenance is much more certain in its demoralising effect.

One exception to this conclusion must be made. The young men, who spent in the army the years that older men spent in learning their trade and becoming habituated to regular industry, are in serious danger of permanent demoralisation. It is unnecessary to repeat here what is said in Chapter VI and in the local reports ; it is necessary only to call attention to their special case, and to emphasise the responsibility of the community to them.

Provision of Work

Among the measures of relief adopted by the Government the encouragement of relief work has been mentioned.

Certain novel features distinguish the experiments that have been made from similar experiments before the war. A full account of the various schemes and the conclusions to which the experience points are given in Chapters IV and VII. These conclusions may be summarised as follows:—

(1) The conditions attached to the assistance given to local authorities have tended to defeat the object in view. "Relief work" conditions as to the employment and payment of labour, by increasing the cost of works, neutralise the financial assistance given. Local authorities, again, which need help most are unable to raise their share of the money needed to undertake extensive works; while authorities that could raise the necessary money can get no grants, because there is no exceptional unemployment in their areas.

(2) The object of the grants—to induce local authorities to anticipate necessary capital expenditure—would seem to be possible of realisation, given adequate inducement and reasonable conditions.

(3) Some stimulus can be given, at small cost to the Government, to private trade by such measures as the Export Credits Scheme.

(4) Machinery has been established under the Trade Facilities Act, and this machinery has functioned satisfactorily, for assisting public utilities and statutory corporations to anticipate necessary capital expenditure. In this case, also, the scale of the experiment has been small and the cost to the State slight, and the chief value of the scheme is perhaps as an experiment.

In the light of the experience of the past two winters summarised here the urgency of the problem will be clear. The cost of relief to public authorities has been great, although half has been met out of accumulated reserves or loans, and the actual expenditure of the Central Government on unemployment relief in the last financial year cannot be put higher than eleven or twelve millions. The cost to the community has been much greater. The most generous estimate of the total expenditure on relief is not a half of what would have been the normal expenditure

of the unemployed workers and their families ; and even this is less than the loss of wealth production represented by the compulsory idleness of a fifth of the country's labour power and a corresponding proportion of the country's capital. Methods have been devised of relieving the actual distress due to unemployment, though amendments in detail may be necessary ; but relief does not lessen the loss of wealth, or do more than mitigate the ill effects of involuntary idleness ; it prevents society from facing the special problems presented by those districts which can never hope again to provide the employment they provided before the war ; and methods of relief, the effects of which have been wholly good so far, may become deleterious and dangerous, if the present abnormal unemployment continues.

CHAPTER II

THE EXTENT OF THE PROBLEM

i. Insurance Figures as Measure of Unemployment

The measure of unemployment commonly used is the number of persons unemployed in insured trades in Great Britain and Northern Ireland and the percentage they bear to the whole number of insured persons. At the end of August the number was 1,427,311 and the percentage 12. Of these 1,218,754 were men and boys and 208,554 women and girls; the percentage of insured males and insured females being 14.4 and 6.1 respectively.

These totals are, however, not an exact measure of the problem, and the figures must be read with a number of important qualifications.¹ In the first place, the figures relating to women are so much influenced by movement into and out of insured and uninsured trades that the number of books lodged measures neither the total unemployment among women nor the total unemployment among insured women. Again the number of lads insured under 18 is limited to those who have worked in an insured trade since they were 16, and therefore omits the number (known to be considerable) who have not been at work since their sixteenth birthday. These two classes are, therefore, omitted from the following discussion.

As regards the figures for men over 18, we must consider the adequacy not merely of the numbers given as unemployed, but also of the numbers in employment with which

¹ An examination of the amount of partial unemployment is made on a different basis in the sequel.

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A comparison must be made. On this latter point, it appears to be the case that the total given for those in insured trades in fact includes practically all workmen, except those who have contracted out,¹ or are engaged in agriculture or specifically excluded trades, since in 1920 practically all lads and men were in employment, and had, therefore, obtained insurance books, and it is probable that very few have obtained work in uninsured trades. There are, however, signs of a leakage out of the insured group in the case of miners. The total number of men belonging, however loosely, to insured trades was, therefore, known with fair accuracy at the beginning of 1922. Since that date the published totals have not been revised, except by the exclusion of the South of Ireland.² They therefore omit the lapses by death and emigration on the one hand, and the increase by lads passing their eighteenth birthday on the other. Both of these are relatively small numbers and tend to balance one another.

The unemployment figures are calculated from the number of books lodged. This number is not a scientifically exact measure of unemployment. It is believed that very few men, who have worked in an insured trade and are still in the country, fail to lodge their cards. Moreover, a card is counted as dead (and excluded from the statistics) when nothing has been or can be heard of the man for eight weeks. But it seems probable that some men will, in fact, have drifted away or got work during those weeks in uninsured trades, and there is, therefore, room for some difference between the cards lodged and the real number out of work. On the other hand some insured persons take away their cards although still unemployed. These difficulties make any close computation impossible.

¹ About 85,000 persons are contracted out of the Acts, being in more favourable schemes. The number of these who are unemployed is not known, but cannot be large.

² The totals were revised in September and the new figures are given in the *Labour Gazette* for November. These new totals are used in the tables on pp. 21 and 23 giving the growth of employment in Engineering, Ironfounding and Shipbuilding, and certain other industries.

ii. Local and Industrial Distribution

In the published tables there is no division by localities, but by the courtesy of the Ministry of Labour, we have been able to have examined and transcribed (so far as time permitted) the district summaries made in the details returned by the 1,100 Exchanges. The principal results of the analysis are given in the three tables in Appendix I, pp. 327-332.

The first of these, Table I, shows the number of men unemployed and the percentage of the total insured in the principal industrial groups in each of eight divisions of Great Britain and North Ireland. The broad distribution is shown in the following summary:—

DISTRICT SUMMARY OF MEN (OVER 18 YEARS) UNEMPLOYED,
AUGUST 22, 1922.

	Number Unemployed.	Percentage of Insured.*
London	121,000	13
South-Eastern Area	52,000	12
South-Western Area	63,000	15
Midland Area	155,000	18
North-Eastern Area	230,000	18
North-Western Area	180,000	16
Scotland.	165,000	21
Wales	52,000	12
North Ireland	31,000	25
Total	1,049,000	16

* The numbers insured are as estimated in January, 1922.

Unemployment is severe in all districts, but it is worst in North Ireland and in Scotland; and generally in the Midlands and North of England it is worse than in London, the South or in Wales. Unemployment in building and construction is diffused throughout the country, but the main stress of unemployment is in engineering, ship-

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building, iron and steel production, and the industries using metals, and in the districts where these industries are prominent. This is forcibly illustrated in the following broad analysis by industries.

TRADE SUMMARY OF MEN (OVER 18 YEARS) UNEMPLOYED AUGUST 22, 1922.

	Number Unem- ployed.	Percentage of Insured.*
Building and construction . . .	132,000	16
Shipbuilding	124,000	39
Engineering, vehicles and metals . . .	392,000	24
Pottery, glass, bricks, etc.	25,000	20
Chemicals and explosives.	25,000	15
Coal mining.	81,000	8
Other mining and quarries	16,000	18
Textiles	39,000	9
Clothing	18,000	9
Food	22,000	9
Transport, docks, seamen, etc.	118,000	14
Miscellaneous trades and services . . .	57,000	12

* The number of insured are as estimated in January, 1922.

The figures in the Appendix afford material for a more detailed study, which brings out the black spots of unemployment. All those exchange districts where more than 10 per cent. of the men insured were unemployed (and where also the number of unemployed exceeded 1,000) were selected for examination. These districts, in fact, include nearly 80 per cent. of the unemployed in the country. In Table II they are enumerated, together with figures of the number and percentage unemployed in all insured trades.

The dependence of these black spots on particular industries is brought out in Table III, in which are included those localities where there are masses of unemployed men in particular industrial groups. The table states for each locality the industries (other than building) to which these concentrated masses of unemployment belong. It is in

these districts and in these industries that the problem of unemployment is acute ; in others it is of less numerical weight or more diffused. The table does not admit of summary, since the whole is important, but it is clear that the problem is most acute in the districts that depend on any part of the wide group of metal industries—shipbuilding, machine-making, iron and steel manufacture, etc. The depression in other industries, however, affects acutely some places, e.g. Stoke-on-Trent (pottery), St. Helens (glass), and Nottingham (lace). Even if these most affected industries and localities were improved, there would remain unemployment of about 10 per cent. diffused throughout the productive industries and districts of the country. Agricultural unemployment is not considered here.

iii. Prospects of Reabsorption

At the outset of any study of unemployment the question arises, owing to the abnormal features of the post-war trade situation, whether the present mass of unemployment will be reabsorbed as after previous depressions, or whether it includes abnormal elements which cannot be expected to disappear even if trade improves. This question is a highly speculative economic problem which we cannot pretend to solve ; but a detailed examination of the figures reveals some important conclusions which have a bearing upon it.

A relatively small number of the unemployed may never have acquired industrial habits, having been drawn into the army before they had settled to work, and others may have been demoralised or incapacitated as the result of long spells of penurious want of work. There can be no serious estimate of these numbers.

Women and girls can probably be omitted in a preliminary examination of the question, since many of them do not depend wholly on wages and there is an unsatisfied demand for some kinds of women's work—for example, domestic service. Only the failure of localised and important industries would make their problem acute after a general revival of trade. The past few years have resulted

in the broadening of the field of work open to women.

As regards men, the only immediately practicable assumption on which to proceed is that after the revival of trade the relative importance of different industries will be the same as in 1914. How far this assumption is valid can hardly be judged on existing information.

We ought then to examine whether (1) any localities have had abnormal growth of population, and (2) whether the numbers in any industries have had an abnormal growth. One possibility is that workpeople may have been attracted into particular towns in 1914 to 1918 for munition work, and that when the men returned from the army these towns were industrially over-populated. The second possibility is that some industries are overcrowded either by boys being attracted to them during the war, or by demobilised men working in them in the boom of 1920.

I. ABNORMAL INCREASE OF THE MALE POPULATION OF PARTICULAR TOWNS

For this analysis we have the population census of 1911 and of 1921. In England and Wales the increase in the male population in the ten years was 3.6 per cent. In purely rural districts there was a decrease of about 1½ per cent. (males) which indicated an actual diminution of employment in agriculture. In Scotland the increase of males was only 1.7 per cent., and there was an actual decrease in the non-industrial counties.

The 1921 census of Great Britain has been examined, and selection made of those towns and rural districts where the increase in the number of males in the ten years was over 1,000 and more than 5 per cent., and, where possible, the insured unemployment percentages in 1922 have been ascertained. The more important of these, except for scattered coal districts where there has in many cases been an increase, are shown in the following table :—

THE THIRD WINTER

	Increase (Males).		Unemployed Percentage, August, 1922. Males.
	Number	Percentage.	
Gateshead	3,150	5	25
Sheffield	12,300	5	32
Sunderland	4,100	6	41
Smethwick	2,100	6	25
Rotherham	2,300	7	13
Wolverhampton	3,100	7	23
Ipswich	2,400	7	24
Dudley	2,250	2	33
South Shields	4,350	8	34
W. Hartlepool	2,450	8	31
Middlesbrough	4,900	8	48
Yarmouth	2,000	8	21
Swansea	5,600	8	14
Ayr	1,260	8	15
Birmingham	34,300	8½	18
Liverpool and district	42,000	9	21
Eston	1,350	9	*
Stockton	2,900	9	50
Kirkcaldy	1,900	9	*
Hebburn	1,150	10	24
Grimsby	3,700	10	10
Newport	4,050	10	17
Greenock	3,900	10	28
Tynemouth	3,250	11	*
Chelmsford	1,100	11	14
Cardiff	9,950	11	10
Southampton	7,900	11	13
Port Glasgow	1,200	12	44
Oldbury	2,050	13	24
Bathgate	2,700	14	9
Barrow	4,600	14	49
Rugby	1,500	14	14
Luton	3,200	14	12
Darlington	4,100	15	18
Sutton Coldfield	1,300	15	*
Loughborough	1,600	15	7
Coventry	9,600	18	19
Clydebank	4,100	20	21
Gourock	1,700	35	*
Saltcoats	2,200	55	*
Girvan	1,150½	56	8

* Not available.

The increase of males in England and Wales was 3·6 per cent., in Scotland 1·7 per cent. Unemployment of males in Great Britain averaged about 14 per cent.

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It will be seen that population has increased specially in the shipbuilding districts, and to a less extent in the iron and steel districts and in the Black Country. In most of these districts unemployment is markedly high. There are also towns where engineering and motor-building had developed before the war, which turned to munitions in the war, and were busy in the motor-car boom of 1920; Luton and Coventry are the most conspicuous.

In brief, the Census suggests a slight diminution in agriculture, a definite increase in male population in districts depending on mining, metals or engineering, and a general stationariness otherwise.

2. ABNORMAL INCREASE IN PARTICULAR INDUSTRIES

The Census of 1921 has not yet furnished any occupational statistics, and the only alternative is to collate the Insurance Statistics for 1922 with the Census statistics of 1911. The classification of industries in the insurance statistics is quite different from that of the Census, and inevitably the coding of so immense a number of books at the local Exchanges is not perfect. Some broad conclusions can, however, be drawn. In the majority of industries, there is no important change in the numbers that cannot be accounted for by differences of classification: but there have been changes in the building, mining, and metals and engineering groups.

The following table, which refers to Great Britain and not Ireland, sums up the changes:—

GREAT BRITAIN: ALL INSURED PERSONS.

Industry.	Numbers engaged in the industries.		Increase or decrease in eight years.	Numbers unemployed in October, 1922.
	June, 1914.	Jan., 1922.		
Building and construction	908,000	870,000	-38,000	142,325
Coal mining	1,134,000	1,180,000	+56,000	84,000
Engineering and Iron- founding	790,000	1,127,000	+337,000	249,000
Shipbuilding	242,000	315,000	+74,000	121,000

The details of which the preceding table is a summary are as follows:—

THE THIRD WINTER

BUILDING AND CONSTRUCTION.

	Number Insured.	
	June, 1914.	January, 1922.
Artisans	462,000	393,000
Artisans' labourers	250,000	273,000
Miscellaneous	38,000	94,000
Works of construction	158,000	110,000
Total	908,000	870,000

In 1922 clerks, carters and other employees are included, who did not come under the earlier Acts; the increase under "miscellaneous" is, therefore, partly fictitious. Artisans are the most definite group, and among them there is a reduction of about 70,000.

COAL MINING.

Number employed at coal mines.

1914	1,134,000	} Home Office account, including shale mines.
1916	998,000	
1917	1,021,000	
1919	1,191,000	
1920	1,248,000	
1921.		
1st quarter	1,198,000	} Board of Trade account.
2nd "	Strike	
3rd "	1,043,000	
4th "	1,078,000	
1922.		
January	1,064,000	} Mines Department account.
March	1,084,000	
May	1,094,000	
July	1,083,000	
August	1,096,000	

It is not clear in all cases whether the numbers are averages or counts at particular dates. The last statement (August, 1922) refers to the number on the wage books in the fortnight ended August 21. At that date there were 83,000 unemployed, as reckoned by the insurance books lodged, so that in all we have 1,180,000 employed in mines,

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a number which is nearly the same as the number insured, viz. 1,168,000.

ENGINEERING, SHIPBUILDING AND METAL TRADES.

GREAT BRITAIN: ALL INSURED PERSONS.

	Insured.		Employed.	
	June, 1914.	Sept., 1922.	Aug., 1922.	Oct., 1922.
Engineering and Iron- founding	790,000	1,141,000	886,000	892,000
Shipbuilding.	242,000	316,000	198,000	195,000

Here we have an increase in the eight years, 1914 to 1922, of 425,000 (or 41 per cent.) in engineering and shipbuilding, subject to a slight reduction owing to the inclusion in insurance of clerks, carters, etc.

GREAT BRITAIN AND IRELAND: MALES ONLY.

	Census, 1911.	Insured January, 1922.	Employed August, 1922.
Engineering, shipbuilding vehicles, iron and steel, metal trades	1,600,000*	2,175,000	1,635,000 approx.

* Excluding boys under sixteen and certain other classes to make the Census figures comparable with those depending on insurance.

The movement since the Armistice is shown in the following table :—

GREAT BRITAIN.

ENGINEERING AND IRONFOUNDING: NUMBER OF INSURED PERSONS.

	June, 1914.	July, 1918.	Jan., 1922.	Sept., 1922.
Males	790,000	951,000	1,044,000	1,066,000
Females		463,000	84,000	75,000
Total	790,000	1,414,000	1,128,000	1,141,000

From this it appears that the influx of men into the industry continues.

Summary

Thus the number of persons definitely attached to the building and construction group of industries diminished considerably in the eight years. In coal mining, it appears that after demobilisation the number was 110,000 more than before the war, and that since 1920 about 70,000 have drifted out of the industry; the resultant increase in eight years is then only about 4 per cent., while the normal hours of work have decreased. In engineering and ironfounding there was an increase of 4½ per cent. in eight years. In the wider group of which these industries are members—engineering, shipbuilding, vehicles, iron and steel, metal trades—the increase of the numbers employed between 1911 and 1922 was 575,000, or 36 per cent. This number is a little greater than the number unemployed in the group in August, 1922 (viz. 540,000). There were, in fact, more than a hundred thousand more engineers employed (though not at full time) in August, 1922, than in June, 1914 (since at the earlier date above 3 per cent. were out of work), and in the whole metal group more were employed in August, 1922, than were attached to the industries in 1911.

Further, the whole increase in the male population aged 15-65 in the ten years, 1911-1921, was about 780,000, and in 1921 the total includes those incapacitated by the war. The engineering and metal groups have therefore absorbed (nominally) over three-quarters of the whole increase in the male population in the ten years.¹

The general conclusion is that the need for munitions during the war and the boom in the metal trades in 1919 and 1920 attracted an enormous number of men into this group of industries, for whose work there is at present no demand.²

¹ Numbers equal to the decrease in agriculture and the building group must have been absorbed in other industries.

² For figures of production and exports, see Appendix II, p. 333.

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Some increase, indeed a considerable increase, in the mining and metals groups might have been expected, even if there had been no war; and the decline in the numbers in the building group also dates from before the war. The particulars in the following table are taken from the General Report of the Census of 1911, Appendix C.

United Kingdom : Males aged 10 years and upwards occupied in—

Industries.	1891.	1901.	Percentage Increase or Decrease.	1911.	Percentage Increase or Decrease.
Coal and shale mines	596,000	749,000	+26	1,016,000	+35½
Metals, machines implement and conveyances }	1,098,000	1,410,000	+27½	1,672,000	+18½
Ships and boats alone	97,000	127,000	+31	163,000	+28
Building and con- struction	953,000	1,333,000	+40	1,208,000	- 9
All occupied males	11,463,000	12,951,000	+13	14,308,000	+14½

These figures need to be kept in mind when drawing conclusions as to the present situation. The two previous decades were periods in which there were a large growth of population, large accumulations of capital, and, in the case of coal mining, large extensions in the area worked. In the decade 1911-21, the increase in the male population was only 3.6 per cent. in England and Wales and 1.7 per cent. in Scotland; the accumulation of capital was stopped by the war, and the extension of coal-fields checked. The situation in the industries under consideration is thus that, whereas they have absorbed practically the whole increase in population, they are at present giving employment only to the pre-war numbers. Can Great Britain assume that these industries are going to show some such increase as occurred in the two decades before the war? Unless she can do so, these industries have become over-populated by the war situation. The prospects of increased employment in the

metals, engineering and shipbuilding group in this country must be discounted by the expansion in these industries that the war stimulated in other countries as well as the United Kingdom.

iv. Short Time

No measure of unemployment is complete that does not take account of short time. The crude figure of the percentage of insured persons unemployed is particularly misleading if taken by itself; and the number of insured persons who take advantage of the systematisation of short time that allows them under the Insurance Acts to draw unemployment benefit—66,000 in September, 1922¹—is only a small proportion of the total number on short time. An attempt to measure the total amount of short time is necessary, if only because it seems probable that any improvement in trade will for some time to come have little effect on the number of totally unemployed persons, but will merely serve to provide more work for the under-employed persons already in employment.

There is no means of making any comprehensive and complete investigation on the subject: short time varies greatly from trade to trade and from factory to factory. There is, however, a good deal of scattered information which makes a very rough estimate possible.

The information comes from the following sources:—

(1) The *Labour Gazette* shows for certain industries the average earnings month by month by employees of certain firms. In the cases of cotton and wool the changes of normal rates of pay are known approximately and hence the relative loss of earnings due to short time can be computed.

(2) In other cases the *Labour Gazette* contains statements from numbers of firms, such as that 40 per cent. of those employed lost on an average seventeen hours weekly.² This affords a basis of measurement for the pottery, cotton

¹ This number has been falling, but no particular importance is to be attached to the fall.

² It is very unfortunate that in the alleged interests of economy this class of information has been severely cut down since June.

and woollen, and boot and shoe industries in September, and for brickmaking, printing and bookbinding, and the linen, jute, hosiery, lace, carpet and bleaching, and boot and shoe industries in May. The results for cotton from the two sources agree closely.

(3) The official statistics of coal production permit a reasonably close estimate.

(4) The *Labour Gazette* states monthly the number of men employed and the number of man-shifts worked in iron and steel works, and the number of furnaces and number of men at work about blast-furnaces. It also gives the average daily number employed at the London Docks.

We have obtained some information and general statements about building and railways and some other industries.

The woollen and worsted industries present peculiar features at present. Worsted combers and spinners are very busy, weavers slack; some woollen mills are working overtime, many are seeking for orders. On a balance of overtime and short time it would appear from sources 1 and 2 above, that short time over the whole industry amounts to little.

In the case of builders and railways (other than railway shops) lost time not covered by insurance appears to be rare, and this is probably the case also with tram and omnibus men and seamen.

Where no information more recent than May exists, it has been assumed that short time has been reduced in rough proportion, if unemployment and systematised short time have been reduced.

The following table summarises the estimates for the industries named. Lost time, other than total unemployment, is expressed as the percentage that the aggregate hours lost bear to the aggregate hours that would be worked if all connected with the industry were working full time.

Thus in the linen trade in May, 82 per cent. of all operatives were employed, but of these 40 per cent. lost seventeen

hours out of forty-eight. Thus, 40 per cent. of 82 per cent. lost $\frac{1}{3}$ of the week, which is equivalent to the loss of a complete week by $11\frac{1}{2}$ per cent. of all.

SEPTEMBER, 1922, MALES AND FEMALES.

	Estimated Number Insured.	Lost time as a percentage of whole possible time.	
		By Complete Unemployment.	By Short Time.
Building and construction	800,000	10	say 5
Iron and steel	300,000	25	7
Brickmaking	80,000	11	8
Potteries	70,000	14	16
Railways (excluding workshops)	300,000	7	say 5
Tram and omnibuses	90,000	4	say 5
Docks	190,000	20	15*
Seamen	120,000	19	0
Printing, etc.	170,000	6	2
Coal	1,170,000	6	9
Cotton	570,000	6 $\frac{1}{2}$	4
Wool	260,000	3 $\frac{1}{2}$	2
Flax	90,000	17	10
Jute	50,000	11	4
Hosiery	80,000	2	2
Lace	30,000	10	12
Carpets	20,000	4	1
Bleaching, dyeing, etc.	100,000	7	8
Boots and shoes	150,000	7 $\frac{1}{2}$	8
	4,720,000	10.3	6

* Depends on London only.

Several industries, important for this purpose, are omitted for want of sufficient information: these are shipbuilding, engineering, construction of vehicles, the metal trades and ironstone mining. This group covers 2,210,000 workers,

and the complete unemployment for all together was 23 per cent. in September, 1922.

In the Birmingham report (see p. 98) short time is shown to be prevalent in the metal trades. Statistics for electrical engineering show lost time which averages 14 per cent. of possible time in the seven months February to August, 1922, but is only $2\frac{1}{2}$ per cent. in August. In ship-building an effort is being made to systematise lost time.

We may assume that in this group lost time is greater than the 6 per cent. shown on the table above. It may be suggested that the maximum that can be reasonably assigned is 16 per cent.; this number would mean that those working lost on an average one-fifth of their time. Many, no doubt, lose more, but many lose none. If more than half is lost, it is permissible to systematise it and claim insurance benefit, but only 1 per cent. of all in the industries have done so. Sixteen per cent. would be reached if three-fifths of all employed lost on an average one-third of a week, the remaining two-fifths having full work. Such a result is only recorded in the Potteries, and it is unreasonable to take a higher figure for these trades together, of which the metal trades are less than a quarter.

We may confine attention to directly productive occupation, omitting hotel and laundry service, food and drink preparation, public utility service, and commercial and professional occupations.

There remain several industries, comprising 1,930,000 insured persons, viz. : wood, chemicals, leather, glass, road transport, quarrying and miscellaneous textiles, clothing trades (other than boots and shoes), tobacco, and 242,000 in unclassified industries. Together this group showed 12 per cent. complete unemployment in September, 1922. It seems reasonable to suppose that on the whole, part time was about as prevalent as in the group tabled above.

A very rough estimate for the whole would then be as follows :—

80 THIRD WINTER OF UNEMPLOYMENT

SEPTEMBER, 1922, MALES AND FEMALES.

	Number Insured.	Lost time as a percentage of whole possible time.	
		Complete Unemployment.	Short Time.
From the table above . . .	4,720,000	10.3	6
Miscellaneous group . . .	1,930,000	12.0	6 or 7
Engineering, metal, etc. . .	2,210,000	23.0	10 to 16
	8,860,000	13.8	7 to 9

From these very rough estimates it appears that in September, 1922, under-employment or short time in industry as a whole was half, or rather more than half, as considerable as complete unemployment; and that altogether about one-fifth, or rather more, of the national labour power (other than agriculture) was running to waste.

CHAPTER III

THE PUBLIC PROVISION FOR UNEMPLOYMENT RELIEF

THE existing public provision for unemployment relief includes a wide range of measures. At one end of the range is the pure relief given by Poor Law Authorities on the ground of destitution, at the other are the schemes that have for their object the stimulus of trade and industry in general, with only an indirect reference to the needs of unemployed individuals; intermediate are the assisted scheme of compulsory insurance and the provision of relief work in which the relief rather than the work done is the primary consideration. It will be convenient to consider them under the two heads of Provision of Relief without Work, and Provision of Work, and to begin with the most extensive and important provision, that made under the Unemployment Insurance Act.

I. Unemployment Insurance

The origin of the Unemployment Insurance Scheme is to be found in the Act of 1911. All men employed in the building, wood-working, engineering and shipbuilding industries and on works of construction (about $2\frac{1}{4}$ millions in all) were to be insured. Employer and workman were to contribute equal sums per week, and the State was to add one-third of this joint sum. Benefit was to be at the rate of 7s. per week for total unemployment. Trade Unions which gave unemployment benefit to their members received an inducement to come under the Act, but the combined benefit was not to exceed 12s. per week.

The Act bore the marks of an experiment, both in its limited scope and its low rate of benefit.

In 1916 various other trades were brought under the Act, such as the manufacture of chemicals, rubber, munitions, etc. This increased the total number insured to close on four millions. The object of this extension was to provide some security for the workers in those trades which had expanded enormously owing to the war and which might naturally be expected to contract when it was over. But in November, 1918, the Unemployment Insurance scheme was practically supplanted by the "out of work donation." This was an emergency measure to provide for all workers who would be thrown out of employment as the result of the Armistice, and for discharged service men who were not immediately reabsorbed. This "dole" amounted to 29s. per week for men and 25s. for women, payable to ex-service men and women for twenty-six weeks in the twelve months following discharge, and to civilians for thirteen weeks spread over a period not exceeding six months. In May, 1919, these amounts were reduced to 20s. and 15s., but the number of weeks during which they were payable was considerably increased. In November, 1919, civilians ceased to be eligible, and in March, 1921, the dole was merged in the new Unemployment Insurance Act.

The new Act, which received the Royal Assent on August 9, 1920, and came into operation on November 8, is the chief provision made by the State for unemployment relief. Broadly speaking, it extended compulsory insurance substantially to all workers under the Health Insurance Act, except out-workers and persons employed in agriculture and domestic service. Certain employees of local authorities, railways and certain other public utility services, and persons with rights under a statutory superannuation scheme could be exempted on certain conditions, but generally the exemptions included only persons exempted from the Health Insurance Act. Thus the scheme covered the whole of industrial employment, comprising about 12,000,000 persons.

Contributions and benefits were on the same principle as in the 1911 Act, but higher. Contributions were at the rate of 4*d.* per week each from employer and employee in respect of a man, 3½*d.* and 3*d.* in the case of a woman, *d.* each in the case of youths between 16 and 18, 2*d.* and ½*d.* in the case of girls between 16 and 18. Ten per cent. of the proceeds might be earmarked for administrative expenses, and the Treasury made a contribution equal to about a quarter of the joint contributions of employer and employee. Benefit was at the rate of 1*s.* a week for men and 12*s.* for women, and half these rates for workers under 18. No benefit was payable for the first three days of unemployment, which constituted a "waiting period." The limits to benefit were fifteen weeks in any one year and one week's benefit for each six weeks' contributions.

The statutory conditions of benefit were that the worker had twelve contributions to his credit, that he had applied for benefit and proved continuous unemployment, that he was capable of and available for work, but unable to obtain suitable employment, and that he had not exhausted his right to benefit. He could be required to attend courses of instruction as a condition of benefit.

The definition of "suitable employment" is important. An insured contributor is not deemed to have failed to fulfil the statutory conditions by reason only that he has declined :—

(a) an offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute, or

(b) an offer of employment in the district where he was last ordinarily employed at a rate of wage lower, or on conditions less favourable, than those which he habitually obtained in his usual employment in that district, or would have obtained had he continued to be so employed ; or

(c) an offer of employment in any other district at a rate of wage lower, or on conditions less favourable, than those generally observed in that district by agreement between associations of employers and of employees, or, failing any such agreement, than those generally recognised in that district by good employers.

The chief disqualifications were unemployment due to a

trade dispute in the place of employment, dismissal for misconduct or voluntary leaving of employment without cause, and the receipt of other forms of public assistance such as indoor Poor Law relief, National Health Insurance benefit, and Old Age Pension. Provision was made for trade unions and other voluntary associations providing unemployment benefit to make arrangements for paying out the State benefit to which their members were entitled, provided they satisfied the Minister of Labour that they had an effective system of obtaining particulars and notifying members of vacancies. Industries that were able and willing to do so were permitted, with the permission of the Ministry of Labour, to contract out of the General Scheme and substitute special schemes of their own. It was expected that industries covering a third of the insured workers would come under special schemes, but this provision was suspended before any big industry had taken advantage of it.

Certain temporary provisions to meet the abnormal conditions were included. Section 44 relaxed the conditions of benefit for a period of twelve months by extending the right of benefit for an aggregate of eight weeks to any person who had four weeks' contributions to his credit. Persons serving in the Navy, Army or Air Force were to be credited on discharge with ninety weeks' contributions, entitling them to fifteen weeks' benefit.

While the 1920 Act remains the foundation of the public provision for unemployment, it has never been in normal operation. The month after it came into operation, the actuarial basis of it was undermined by the Unemployment Insurance (Temporary Provisions) Act of 1920, which further relaxed the conditions of benefit, to meet the special case of persons who were unemployed when the principal Act came into force and could not show even the four contributions that qualified under Section 44. Ten weeks' work in an insurable occupation in 1920, and four weeks in the latter half of that year, were added to the list of qualifications that put an unemployed person in benefit at once.

In 1921 further amending and supplementary Acts were passed, which completed the severance between the scheme as drafted in 1919 for permanent operation and the Act as it has operated in practice.

The Unemployment Insurance Act, which came into operation on March 3, 1921, increased the weekly rates of benefit to 20s. for men and 16s. for women, and to half these amounts for boys and girls between the ages of 16 and 18. An increase of contributions was also provided for, and would have taken effect from July 4, but for the passing of the Unemployment Insurance (No. 2) Act referred to below.

For the purpose of benefit, two special periods were introduced, one from the commencement of the Act to November 2, 1921, and the other from November 3, 1921, to July 2, 1922. During each of these special periods a maximum of sixteen weeks' benefit could be drawn. In addition to the existing statutory conditions for the receipt of unemployment benefit, certain further requirements were introduced, namely, the furnishing of (a) proof of employment in insurable work in each of twenty weeks (or ten weeks in the case of ex-service men) since December 31, 1919, and (b) proof that the applicant was normally in insurable employment, was genuinely seeking whole-time employment, and was unable to obtain it. The intention was to exclude persons who had come into industrial employment during the war to do "war work," and were drawing benefit under the scheme without any intention of remaining in industry when the chance of employment returned. Where this requirement was satisfied, the rule limiting the amount of benefit payable to one week's benefit for every six contributions was suspended during the two special periods. The new requirements did not affect the rights of employed persons to benefit under the principal Act of 1920, or, until its expiration on March 31, 1921, under the Unemployment Insurance (Temporary Provisions Amendment) Act, 1920.

After the termination of the second special period on July 2, 1922, the Act provided for the return to the rule

under which the number of weeks' benefit that may be drawn is proportionate to the number of contributions paid in the ratio of 1 to 6, and for this purpose twenty-five added contributions were to be placed to the credit of every person who was insured at July 2, 1922. Benefit drawn during the two special periods was not to be taken into account for the purpose of this rule. After July 2, 1922, the maximum benefit that might be drawn in any insurance year was to be twenty-six weeks.

A further important provision of the Act gave power to the Treasury to make advances, not exceeding at any time £10,000,000, at interest, to enable the Unemployment Fund to meet its liabilities.

Unemployment during the first half of the year having exceeded all expectations, the Unemployment Insurance (No. 2) Act, 1921, which received Royal Assent on July 1, reduced the weekly benefit to the rates originally fixed by the 1920 Act, viz., 15s. in the case of men and 12s. in the case of women, and at the same time increased the joint weekly contributions of employers and employees as from July 4 to 1s. 3d. in respect of men and 1s. 1d. in respect of women. There were corresponding reductions of the rates of benefit and increase of the rates of contributions in the case of boys and girls. Furthermore, the waiting period was increased from three days to six. On the other hand, the Minister of Labour was given power to provide two additional periods of benefit of not more than six weeks each, in addition to the periods of sixteen weeks laid down in the previous Act. A minor provision was the repeal of Section 44 of the Principal Act, which allowed, during the first twelve months, the payment of eight weeks' benefit to insured persons in respect of whom four contributions had been paid.

Apart from the alterations in the rates and periods of benefit, the conditions for the receipt of benefit were modified in so far as the additional requirement introduced by the first Act of 1921 (that an applicant must prove that he is normally in insurable employment, genuinely seeking whole time employment, but unable to obtain it) were

made to apply equally to insured persons claiming benefit on the basis of their contributions, unless twenty contributions had been paid in respect of them since the beginning of the last preceding insurance year. Other important provisions were the suspension of the power of the Minister to make or approve Special Schemes under which industries contracted out of the General Scheme, and the raising of the limit of the amount of advance that might be made, to the Unemployment Fund by the Treasury to £20,000,000.

On November 8 the Unemployed Workers' Dependants (Temporary Provisions) Act, 1921, became law. This provided for the payment of temporary grants for a period of six months from November 10, 1921, to unemployed workers in receipt of unemployment benefit, towards the maintenance of their wives, dependent husbands and dependent children. In certain circumstances a grant was payable for a housekeeper residing with the applicant for the purpose of having the care of his dependent children. The grants were at the rate of 5s. a week for a wife, housekeeper, or dependent husband, and 1s. a week for each dependent child. The necessary funds were derived from special contributions payable in respect of all persons insured under the Unemployment Insurance Acts. The contributions were payable for six months from November 7, 1921, but this period might be extended, if necessary to secure the solvency of the fund.

These temporary modifications of the scheme were consolidated in the Unemployment Insurance Act of the present year, which received the Royal Assent on April 6. The chief reason for the Act was the necessity for extending the emergency benefit provided for two periods under the Act of 1921. These, it had been hoped, would carry the unemployed until June, 1922, by which time trade might have recovered. But the depression of the winter exceeded anticipations and most of the persons dependent on this special provision had exhausted their rights by April. In addition the special provision for dependants made in the November Act came to an end on May 9, when there

would be no alternative except a wholesale resort to the Poor Law. To prevent this, new powers were taken to provide assistance in a third Special Period, from April to October, 1922, and a fourth Special Period from November, 1922, to the end of June, 1923. In the third period fifteen weeks' "uncovenanted" benefit might be given, in three terms of five weeks each, separated by gaps of five weeks; in the fourth period twelve weeks with power to make two further extensions of five weeks each. It will be well to note here that the protests of local authorities against the burden of poor relief thrown on them by the five-week gaps led to an early alteration. The Unemployment Insurance (No. 2) Act, which came into operation on July 20, increased the maximum number of weeks' benefit that might be allowed in the third period to twenty-two, thus reducing the "gaps" to one week each. For the eight months of the "fourth" period, the limit is twelve weeks, plus two extra periods of five weeks each.

These were temporary arrangements. More serious was the consolidation of the contributions payable, and benefits receivable under the Insurance Acts proper, and the temporary Provision for Dependants Act of the previous autumn. As a result of this Act the contributions are as follows:—

	From Employer.	From Worker.	From Treasury.
In respect of a man . . .	10 <i>d.</i>	9 <i>d.</i>	6½ <i>d.</i>
" " woman . . .	8 <i>d.</i>	7 <i>d.</i>	5½ <i>d.</i>
" " boy . . .	5 <i>d.</i>	4½ <i>d.</i>	3½ <i>d.</i>
" " girl . . .	4½ <i>d.</i>	4 <i>d.</i>	3½ <i>d.</i>

and so long as these rates of contribution are in force benefit includes, in addition to the normal 1*s.* a week for a man, 12*s.* for a woman, and half these rates for juveniles, a sum of 5*s.* a week for a dependent wife (or husband) and 1*s.* a week for each dependent child of school age.

Summary

The result of this rather crowded two years' legislation may now be summarised. A general, compulsory, contributory system of insurance against unemployment is the law of the land, but it became law just about the time that trade turned from prosperity to depression, and came into operation only when depression had set in. Consequently there was time neither to accumulate funds additional to the surplus taken over from the old Act, nor to frame Special Schemes for the industries that might have preferred to take the responsibility for their own unemployed. It was impossible to get the scheme going without departing from its actuarial basis, and these departures became wider and wider as the depression grew more acute and unemployment continued.

For some of the beneficiaries the scheme is doubtless still an insurance scheme, but the majority probably are drawing "uncovenanted" benefit, that can be brought within the category of insurance only by allowing the scheme to borrow from the Treasury on the security of future contributions. The Government Actuary estimated that the Fund would be in debt to the amount of £27,000,000 in June, 1923, and that several years must elapse before it became solvent. In view of this it is doubtful whether "uncovenanted" benefit is not more properly to be regarded as relief pure and simple.

Certainly the relief to dependants was a departure from the principle of individual insurance on which the original Act was based. The rates of contribution were raised to finance it, but the raising was not confined to the contributions of the married adults who would draw the additional benefit, and the rate of benefit being proportioned to family needs bore no relation either to contributions paid or to status and service in industry.

It would seem, then, that the benefits paid under the Insurance Scheme have lost to some extent the character of insurance. The scheme provides a convenient form for providing relief, and the effects, as we shall see when we come to

look at them, have been almost wholly good. But it has two grave defects as a relief scheme. The first is that it places on the shoulders of the employer and the employed worker in industry the greater part of the cost of maintaining, not only the unemployed whose condition may be regarded as a normal risk of industry, but also the abnormal burden of unemployment due to the present abnormal political and economic situation. This is a burden that would seem more properly to belong to the community as a whole, and the placing of it on industry when trade is depressed and wages low may be hampering trade recovery. The second defect is that even with its present wide extension the scheme is not a complete relief scheme. Not only the unemployed in uninsured trades are unprovided for, but in the insured trades the gap week and the waiting period leave a proportion of the unemployed at any moment without relief from this source. The proportion varies, but the following figures are typical :—

Date.	Books lodged— Numbers unemployed in Insured Trades.	Number of current claims to Unemploy- ment Insurance benefit.	Number serving "gap."	Number of persons exhausted benefit, but maintain- ing regis- tration.	Estimated number whose claims had not been authorised including persons serving waiting period or qualifying period.	Estimated number in receipt of benefit.
1922.						
July 24. .	1,406,137	1,259,140	190,094	—	120,802	948,244
August 21 .	1,378,256	1,224,624	50,854	—	122,070	1,051,700
Sept. 25 .	1,365,876	1,206,805	65,715	57,371	100,880	983,839

The unemployed in insured trades who are not in benefit, the unemployed in trades that are not insured, and the unemployed whose needs are exceptional, on account of large families or some other circumstance, are forced to seek other resources. Of these the Poor Law is the chief, and to this we now turn.

ii. Poor Law Relief

The Poor Law is still the resort of large numbers of the unemployed. Comprehensive figures are not available, but the following figures, given in answer to a question in the House of Commons on August 4 last, are significant.

England and Wales.	April.	May.	June.
Average number of persons insured under Unemployment Insurance Acts (whether in receipt of Unemployment Insurance benefit or not) and wives and dependent children of those persons who received relief in their own homes .	912,323	961,153	1,090,488
Average number of other persons, ordinarily engaged in some regular occupation, but not insured, and wives and dependent children, who received relief in their own homes .	65,281	63,512	62,760
Total amount paid in relief .	£950,611 (4 weeks)	£984,803 (4 weeks)	£1,554,915 (5 weeks)
Total payment to insured persons		£3,261,170	
Ditto uninsured.		259,159	

The figures of Poor Law relief in selected urban districts given each month in the *Labour Gazette*, although they do not distinguish cases of distress due to unemployment from others, confirm the impression that there is a considerable resort to the Poor Law by the unemployed. The following list of the ten districts with a pauperism rate in August last of more than 600 per 10,000 of population, out of the thirty-one districts for which returns are given, may be compared with the fuller table of towns in which unemployment is exceptionally severe given above in Chapter II.

Area.	Rate per 10,000 of estimated population.	Increase on a year ago.	Area	Rate per 10,000 of estimated population.	Increase on a year ago.
Stockton-on-Tees district . . .	1,426	779	West Ham . . .	909	364
Coatbridge and Airdrie . . .	1,357	1,093	Birmingham district . . .	856	350
Sheffield district . . .	1,283	334	Liverpool district . . .	698	431
Glasgow district . . .	1,213	964	Newcastle district . . .	673	418
East Metropolitan district . . .	924	256	Paisley and Greenock . . .	643	460

These figures, it will be noticed, indicate the cumulative effect of unemployment: the number of persons driven to the Poor Law was much greater than a year ago, although unemployment was no worse, indeed rather less severe, than a year ago.¹

The relation between the "gap" in relief under the Insurance Scheme and outdoor relief under the Poor Law is noted in several of the local reports. The connection can be traced for the country as a whole. Under the successive Acts, unemployed persons dependent on "uncovenanted" benefit were liable to a series of interruptions in their allowances. Their numbers would be swollen as others ran out of their rights to "covenanted" benefit, so that the category would not all exercise their claims and lose their rights simultaneously. For the large number of them, however, who have been continuously dependent on relief since the 1920 Act came into force, the gaps would come at the following dates:—April 28 to June 2, 1921;

¹ The common assumption, however, that the unemployed are the same individuals, continuously unemployed throughout the depression, is not correct. There is a considerable flow into and out of the group, as the following table of fresh claims to unemployment benefit made during two periods when the total number of unemployed changed little, shows:—

Week ending	July 24, 1922	.	.	.	.	86,795
" "	July 31, 1922	.	.	.	.	79,264
" "	Aug. 7, 1922	.	.	.	.	64,554
" "	Oct. 2, 1922	.	.	.	.	65,147
" "	Oct. 9, 1922	.	.	.	.	60,742

Sept. 8 to Nov. 2, 1921; Jan. 19 to Jan. 26, 1922; June 1 to July 5, 1922; and Oct. 4 to Nov. 1, 1922.

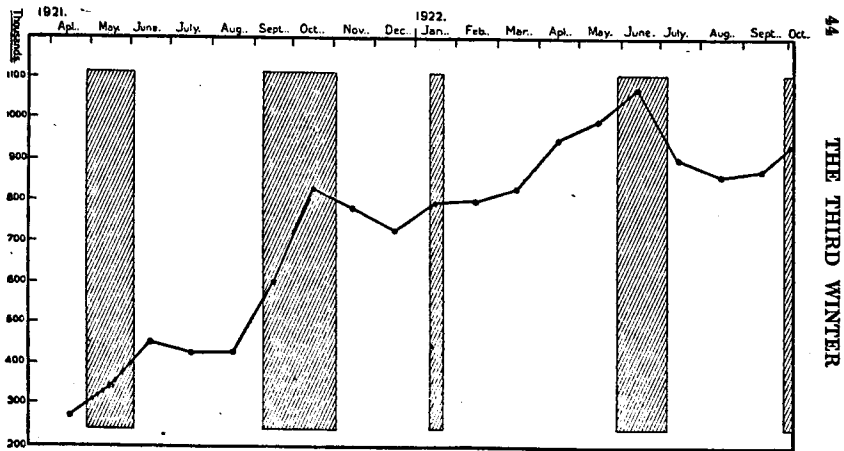
We should therefore expect the number of persons in receipt of poor relief to rise in these "gaps" and to fall—or for the general rise to be checked—at the end of the gaps. This we get, as the following table, showing number of persons receiving outdoor relief in each month, shows:—

March, 1921 . . .	224,000	January, 1922 . . .	792,000
April, 1921 . . .	276,000	February, 1922 . . .	800,000
May, 1921 . . .	362,000	March, 1922 . . .	828,000
June, 1921 . . .	455,000	April, 1922 . . .	946,000
July, 1921 . . .	427,000	May, 1922 . . .	991,000
August, 1921 . . .	428,000	June, 1922 . . .	1,065,000
September, 1921 . . .	599,000	July, 1922 . . .	901,000
October, 1921 . . .	831,000	August, 1922 . . .	861,000
November, 1921 . . .	784,000		
December, 1921 . . .	732,000		

The only exception is the month of June, 1921, when the number of persons in receipt of outdoor relief was swollen by a large number of miners (and their dependants), who, being unemployed as a result of a trade dispute, were not eligible for Unemployment Insurance benefit. The diagram on the next page brings out the relation.

The Poor Law is therefore filling in the gaps of the national insurance relief system. It is also supplementing it. This was contemplated when the 1920 Insurance Act was passed, Section 27 of that measure providing that Poor Law Authorities in granting out-door relief should take account of Insurance benefit only in so far as it exceeded 10s. a week. This was natural when a flat rate benefit was paid to married and single alike; when the system of allowances for dependants was incorporated in the scheme, Section 27 was repealed, and Poor Law authorities were required to take account of the whole amount of unemployment allowance.

The allowance for dependants under the Insurance Scheme is, however, on a lower scale than that which most Poor Law authorities have adopted. These scales vary with the character and policies of the different Boards. The following table (p. 45) illustrates this variation:—



Number of Persons in Receipt of Outdoor Relief in Urban Areas: April 1921–October 1922.
Chief "Gaps" in Unemployment Relief indicated by shading.

	Ministry of Health Scale for London, Jan., 1922.	Poplar, Jan., 1922.	Burnley, Jan., 1922.	Cardiff, Feb., 1922.	Stoke, May, 1922.	Glasgow, Sept., 1922.	Sheffield, Aug., 1922.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Man and wife	25 0	33 0	22 6	20 0	15 0	22 6	25 0
1st child	6 0	6 6	5 0	5 0	5 0	3 6	5 0
2nd and 3rd child, each.	5 0	5 0	5 0	4 0	5 0	3 6	4 0
Additional children	4 0	5 0	5 0	4 0	5 0	3 6	4 0
Each adult living with parents	10 0					7 6	
Adult not so living	15 0		15 0				
Additions	Fuel, 2s. 6d.	Rent, 10s. Fuel, 3s.					
Maximum	10s. less than weekly rate of Grade A municipal labourer.		52 6	40 0	40 0		50 0

OF UNEMPLOYMENT

This variation in scales of relief is only one instance of many local divergencies which are due not to differing claims on the different Poor Law Authorities, but to different administrative policies adopted by them. The Ministry of Health has classified a large number of Poor Law areas into four groups, according to their dependence on four main groups of industries—textile, shipping and shipbuilding, mining, and metals and machinery. There is a fairly marked difference in the amount of pauperism noted in the four groups throughout the year; but the really significant result of the comparison is that there are found to be wider variations within each group than there are between any two groups.

“Certain Boards of Guardians for industrial areas,” the Ministry states, “have refused to give outdoor relief to able-bodied persons at all, others have insisted on the performance of an adequate labour test, others again have declined to act upon any definite scale of relief, and one at least has declined to give outdoor relief to any person in receipt of unemployment benefit. The proportion of population relieved in these unions is substantially less than in other unions, and though attention has been specially given to the point, there is no evidence before the Department of more acute distress in these areas than in those with less restricted relief.”

From this and other considerations the Ministry conclude that the burden of pauperism is capable of considerable modification as a result of the administrative methods adopted, and that a substantial reduction could be effected, without causing any general hardship or distress, by extending the application of strict principles of administration.

The powers of the Ministry of Health to require uniformity of administration are not effective. The only available instrument, until recently, was that provided by surcharging, on audit, and that was ineffective against a Board of Guardians who were prepared to take the risk of being surcharged. The Ministry's powers have been slightly increased by two measures (called for by the differing conditions of England and Scotland), which the pressure of

poor relief on rates led the Government to pass in the autumn session of 1921.

The Poor Law Provisions (Scotland) Act empowered parish councils in Scotland to give relief to able-bodied persons out of employment, which, until this Act was passed, had normally been illegal, and made the provision retrospective to the previous April. The Local Authorities (Financial Provisions) Act increased the proportion of the cost of maintaining indoor paupers in Metropolitan Unions that could be charged against the Metropolitan Common Poor Fund, and for the first time transferred the cost of out-relief to the Common Fund. These were concessions to the advocates of out-relief to the unemployed. A further necessary concession was the power of borrowing by way of temporary loan or overdraft to meet current expenses; but this power could be exercised only with the sanction of the Minister of Health in each case, so that the necessities of the Guardians give him a new hold over them, which he can exercise to compel observance of his standards in the way of relief. Both Acts are temporary, the more important provisions being operative for less than eighteen months, but the repayment of loans may be extended over a period of ten years.

The principles which the Ministry of Health have endeavoured to impose are contained in a series of circular letters the most important of which, that of September 8, 1921, had the approval of the Association of Poor Law Unions.¹ They are as follows:—

(1) The amount of relief given in any case, while sufficient for the purposes of relieving distress, must of necessity be calculated on a lower scale than the earnings of an independent workman who is maintaining himself by his labour.

(2) Relief should not be given without full investigation of the circumstances of each applicant.

(3) The greater proportion of the relief given in the case of able-bodied applicants should be given in specified articles of kind, and in suitable cases it should be repaid by the recipient.

¹ Printed in Appendix III, p. 335.

A circular letter of November 23 (Circular 261) dealt with the importance of co-operation and full exchange of information between the Guardians, the Employment Exchanges, Maternity and Child Welfare Committees and other relieving agencies both public and private.

The Metropolitan Common Poor Fund Regulations, 1922, and the circular letter covering those regulations, show how, in the view of the Minister, these principles of relief should be applied in actual administration. Besides limiting the amount of relief which may in any case be charged by a Metropolitan Board of Guardians to London as a whole, the regulations prescribe as a condition of the charge that account shall be taken, in applying the maximum scale of relief in any case, of all income available to the household of which the applicant is the head or a member, that full records of the circumstances of the applicant shall be made and verified (a form for entering these particulars being prescribed), and that all cases in receipt of relief shall be re-investigated at frequent intervals.

The Ministry, is however, faced with the difficulties inherent in the use of a *local* system of relief to cure a depression national in its scope and due to causes that are national and even international rather than local in their character. Local authorities are unanimous in protesting against the placing of any part of the burden of unemployment on the local rates.

iii. School Meals

To insurance benefit and Poor Law relief must be added the feeding of school-children by local education authorities, in order to get an account of the sources of income of the family of an unemployed person. This is a minor item, usually allowed for in calculating Poor Law relief, and amounting in the aggregate to only a small fraction of the total expenditure on relief from all public sources. It has, however, a special importance as providing relief at a point at which suffering in past depressions has been most acute and most serious in its effects. There are no complaints in our local reports of lax administration

n this expenditure, and a general recognition of its desirability. Returns for the current year are not available: in the year ending March 31, 1922, rather less than a seventh of the school population were fed, receiving on an average about 100 meals each in the year—592,000 children in a school population of 4,110,000 received 60,676,000 meals. That it had not grown to a greater extent is due probably to the extension of other forms of relief in the home. Any further growth was checked by the Board of Education, which decided to limit its grant in aid of school-meals. The principle on which it acted is given in the following answer to a question in Parliament on April 4:—

“The Government have decided that it is impossible to acquiesce in a continuance of the present arrangement, under which, in abnormal periods, a considerable part of the burden of poor relief may be thrown upon the education rate and the Vote of the Board of Education. In the year 1921–22 expenditure has been incurred by Local Education Authorities for the provision of meals on a scale which I am sure is quite outside the scope of the Provision of Meals Act as Parliament intended it to operate, and though I greatly appreciate the care and humanity with which Local Educational Authorities have met the emergency, the financial and administrative burden which has been thrown on the system of education is much greater than it can or ought to carry. For these reasons the Government have decided that the total expenditure of Local Educational Authorities, in the provision of school meals which the Board will recognise for the calculation of grant, shall be limited to £300,000 in 1922–23, a sum which allows of sufficient margin over previous expenditure in normal years to cover such arrangements as may legitimately be made to meet exceptional circumstances in the current financial year. The Board, of course, assume that every endeavour will be made to secure effective co-operation with Poor Law Authorities and other public authorities on the lines indicated in the Circular (No. 261 issued by the Ministry of Health on the 23rd Nov., 1921.”

iv. War Pensions

Unemployment among ex-service men is an important part of the present problem. Since October, 1921, the *Labour Gazette* has ceased to publish the number of ex-service men registered as unemployed. At the end of

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September, 1921, it was 396,123; the total of unemployed male workers registered at the time was 1,198,280, but this probably understates the true amount of unemployment, since registrations were reduced by the "gap" in unemployment allowance that fell in September and October of that year. Of these unemployed ex-service men 18,036 were disabled men, and presumably therefore in receipt of a service pension. In addition 23,000 disabled men were receiving training, and therefore receiving allowances. A year later the number of ex-service men receiving training was only slightly reduced at 19,073. Pensions were also being paid to widows and dependants, who but for the depression might have been in employment. How far War Pensions are relieving unemployment it is impossible to say; but in the aggregate they must be contributing materially, although this was not their reason and purpose. In the year ending March 31, 1921 (later figures are not available, but any change is unlikely to affect the influence of pensions on our problem of unemployment relief) the expenditure of the Ministry of Pensions on pensions and gratuities to N.C.O.s, privates and their dependants was £71,927,000, or seven-tenths of the total expenditure of the Ministry. The pensions in force at the end of the year were divided among the following classes:—

Disablement Pensions : 60 per cent. disablement and over	129,520
Under 60 per cent. disablement.	845,672
Other pensions to men	24,897
Widows' and children's pensions (covering 348,321 children)	224,278
Other dependants' pensions.	363,397
Total	1,587,764

The total expenditure of the Ministry in the year ending March 31, 1922, was £93,688,000, which would point to a reduction in the number and amount of pensions, due to the death of pensioners and also to revision of conditional pensions on medical re-examination.

CHAPTER IV

THE PROVISION OF WORK

i. Local Relief Works

It was usual before the war for the larger municipal authorities to put in hand relief works at their own expense under powers contained in the Unemployed Workmen Act of 1905. The financial position of most local authorities does not permit them to undertake similar works to-day, and most of the relief works in hand were undertaken solely as a result of the offer of Central Government assistance under one or other of the schemes described below.

The Minister of Labour, however, stated in answer to a question in Parliament on May 19, that between 8,000 and 10,000 persons had been employed on local relief works due to local initiative and financed independently of Government grants. He was unable to give any indication of expenditure, and his figures may have included employment given by anticipating or accelerating the provision of ordinary requirements. The local reports on Birmingham and Manchester may be referred to as giving typical programmes put in hand by local authorities.

ii. State-Aided Relief Works

In order to make it possible for local authorities to finance relief works the Government has, during the last two winters, made grants towards the cost of useful work put in hand to provide work for the unemployed. These grants have been administered in part by the Government Department specially concerned, in part by the Treasury

acting on the advice of a special Unemployment Grants Committee, of which Lord St. Davids is chairman.

The Government Departments chiefly concerned have been the Ministry of Transport and the Board of Agriculture. The former had made grants, up to May, 1922, amounting to £6,200,000 for work on roads and bridges put in hand to relieve unemployment. The Boards of Agriculture of England and Scotland and the Forestry Commission had made grants amounting to £620,000 for agricultural improvement, drainage and afforestation schemes on the same condition.

The grant by the Ministry of Transport was part of a fund of £10,000,000, formed in 1920 by the allocation of £4,000,000 from the Road Board Fund, £1,200,000 Treasury grant and £5,200,000, loaned by the Treasury to local authorities. The conditions attached to a grant were that the Central Government would contribute half the total cost of works undertaken, on condition that the expenditure on labour amounted to half the total cost. The other half the Treasury was prepared to advance, at Treasury rate of interest, repayment to be made within five years.

The Unemployment Grants Committee had a wider scope. It could give assistance by way either of grant or loan; its grants had amounted to £2,630,000 by May, 1922. The conditions usually attached to a grant were: (1) That unemployment was exceptionally severe in the locality applying for a grant, (2) that the work proposed was of real utility, (3) that it would not be undertaken unless assistance by way of grant were given, (4) that unemployed labour, supplied by the Labour Exchange, was used, and (5) that the rates of wages were less (usually by 25 per cent.) than the local rate for regular workers in the operations undertaken. On these conditions the Committee made a grant normally at the rate of 60 per cent. of the labour cost of the work.

In the second year of the Committee's work a new and more extensive scheme was initiated. Direct money grants were for the most part abandoned, and instead a system substituted by which the Government undertook a share

of the loan charges in respect of capital expenditure by local authorities. In the cases of non-revenue producing works, the rate of assistance was 65 per cent. of the annual interest and sinking fund charges for half the period of the loan (up to a limit of fifteen years) and 50 per cent. of the annual interest for a period of five years, in the case of revenue-producing works. The system was intended to induce local authorities to anticipate works which they would otherwise have deferred, by paying the difference between the cost of undertaking them with unemployed labour during the depression and the assumed cost of undertaking them with ordinary labour when local finances were less strained. Up to May, 1922, loans to the amount of £17½ millions had been approved. The grant was subject to the following conditions: (a) that the Ministry of Labour should certify the district as one in which serious unemployment existed, which was not otherwise provided for; (b) that the Government Department concerned certified that the work proposed was one of public utility; (c) that in direct labour schemes the men should be engaged either (i) through the Employment Exchange, which gives preference to ex-service men (the usual rule being that 75 per cent. of the men employed must be ex-service men), or (ii) through the Guardians, provided that the same preference was given and that particulars were furnished to the Employment Exchange; (d) that, where the local authority carried out the work by direct labour, wages for a probationary period of six months must not exceed 75 per cent. (or, under certain conditions, 87½ per cent.) of the local authority's rate for unskilled labour; and (e) that the work in respect of which a grant was paid must be completed by March 31, 1923 (unless the Unemployment Grants Committee allow a longer period for special reasons).

The Unemployment (Relief Works) Act was passed in December, 1920, to facilitate the speedy acquisition of land for the purpose of constructing arterial roads or other works of public utility. The special procedure provided was available only on the Minister of Labour certifying

that exceptional unemployment existed in the locality seeking to use it, and the Act was to continue in force for twelve months only. It was continued under the Expiring Laws Continuation Act at the end of 1921.

The sum of money put at the disposal of the St. Davids' Committee at its inception in 1920 was £3,000,000. At the end of the winter 1920-21 it was officially estimated that close on 40,000 persons would be employed on work assisted by the Committee, and a further sum of £5,500,000 was earmarked for the Committee's work. The change in the method of giving assistance, from money grant to assistance in meeting loan charges, enabled more work to be instituted in the second winter of the Committee's operation with a smaller immediate expenditure.

iii. Trade Facilities Act and Export Credits Scheme

The measures for providing work hitherto considered were directed to relieving unemployment in particular districts when the problem was exceptionally urgent. The two measures now to be described were intended to stimulate the revival of industry in general, without reference to any particular locality and without limitation therefore to the kind of work that could be put in hand in any particular locality. The Trade Facilities Act (November, 1921) empowered the Treasury, after consultation with an advisory committee, to guarantee the payment of the interest and principal, or of either, of loans raised by Governments, public authorities, corporations or other persons, on the condition that the proceeds of the loan were utilised in carrying out capital undertakings, or in the purchase of articles manufactured in the United Kingdom for the purpose of such undertakings, which were calculated to promote employment in the United Kingdom. The duration of the Act was twelve months and the limit to the amount that might be guaranteed was £25,000,000.

The experiment was made in the belief that there were business propositions waiting, the authors of which were deterred from launching them by the high price that had to be offered for new capital, and that the hesitation might be

overcome if the Government made it possible to get money at 5 per cent. instead of at—say—7 or 8 per cent. In accordance with this view the Committee regarded as outside their scope speculative propositions that would have had no chance of support from a responsible house at any time—indeed, such propositions have not been put up to them—and confined their recommendations of assistance to propositions that were commercially sound, judged by normal business standards, but held up by the condition of the capital market.

Had the conditions which existed when the plan was first conceived prevailed throughout the year of the Committee's activity, much more use would probably have been made of the facilities provided by the Act.

In actual fact, however, two things have happened during this period :—

(a) Rates for money have steadily fallen.

(b) The rates at which sound industrial concerns can borrow has got very markedly nearer to the prevailing rate for British Government securities.

The result has been twofold. First, borrowers have held up propositions in the hope of getting cheaper money as well as lower prices by waiting. Secondly, the advantage proffered by the Act has diminished for all except highly speculative concerns. Now, if the Government is to assist concerns with any speculative risk, considerable difficulty is inevitably found in dealing with privately owned concerns working for profit. Such propositions usually involve an element of risk, which, under normal business conditions, would be offset by charging a premium for a guarantee proportioned to the risk. The Trade Facilities Act did not permit this (because to do so would have been in effect to take away with one hand the advantage which had been given with the other), and in the absence of such conditions a guarantee is equivalent to a subsidy, an advantage which it is invidious and politically difficult to give to one proposition rather than another.

The Committee appear to have felt, however, that they could not entirely refuse to consider private applications

in the present depression, and they recommended a number of guarantees; but they made it a condition that the applicants should give reasonable security, and they generally required the promoters of new enterprises to assume the first part of the risk of loss by taking up themselves a reasonable amount of security ranking behind those which the Government guaranteed.

The chief field, therefore, from which suitable applications could come was that of public utility undertakings in the hands of statutory authorities and companies.¹ In the case of these any element of subsidy in a guarantee is more justifiable on account of the public interest in the service given; the element of profit was not a difficulty, since profits or charges were usually limited; and the risks associated with the responsibility for controlling the management were usually smaller, because of the more substantial and continuous nature of such undertakings.

The Trade Facilities Act also amended the Export Credits Scheme. This was a measure of August, 1920, designed to facilitate the resumption of trade with certain of the less important commercial countries of Europe, trade with which had been dislocated by the abnormal political situation. It authorised the Board of Trade, in connection with exports of British manufactures to the specified countries, to grant British exporters credits, and to undertake the business of insurance, "where risks of an abnormal or exceptional nature are involved, insurance against which cannot, in the opinion of the Board, be otherwise effected on reasonable terms." The measure was a temporary one, the Board being empowered to give credits only until September 8, 1922, such credits to be liquidated by 1925, and to effect insurances only until September 8, 1923; the limit in amount was £26,000,000.

The Act was little used in its first year; the proportion of the risk which the Board was prepared to undertake was too small, and there still existed more attractive openings for trade with countries outside the scope of the Act. The Trade Facilities Act amended it, extending its

¹ Cf. Appendix V, p. 342.

scope and its duration ; exports to any overseas market might be guaranteed, guarantees might be renewed any time up to September 8, 1927, and the date for final liquidation of credits was postponed to the same date. At the same time the Board altered its conditions, offering exporters two alternatives : (a) a general credit for a term of not more than six, or, with renewal, twelve months, which the exporter could use without further reference to the Department, who would, however, in case of default by the foreign importer have recourse against the exporter for 57½ per cent. of the ultimate loss ; (b) a specific credit in respect of a particular transaction submitted to and approved by the Department, taking the form of a guarantee of the bill of exchange drawn against the shipment ; if the importer to whom the goods were supplied deposited security for the meeting of the bill on maturity, the Department had no recourse against the exporter ; if he did not, or the security was deemed insufficient, and he was unable to meet his bill, the loss was divided between the Department and the exporter. At the same time, the Board offered to make arrangements with banks and similar institutions whereby, in return for an agreed premium, it undertook to take a share not exceeding 70 per cent. of any loss incurred by the Banks in respect of export credits of a nature similar to those given by the Board itself.

In effect the Board undertook, after investigation, to guarantee bills created in the course of export trade, and so make them negotiable where otherwise they would not have been. In this new form and under the changed conditions of trade the scheme proved of use ; guarantees to the amount of £21,000,000 had been given by September, 1922, and the Government has decided to extend the scheme for another year.

iv. Housing

Mention should be made of the Housing Act, under which the Government undertook for a term of years the burden of capital charges on local housing schemes in excess of a penny rate. It was not a measure of unemployment

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relief, having been instituted when trade was good, and discontinued when unemployment was at its worst. It raises controversial issues with which this report is not concerned, and it is mentioned here only because in the winters of 1920-21 and 1921-22 it provided employment on a large scale in the house-building industry, an industry that in pre-war depressions was usually one of the worst affected by unemployment.

CHAPTER V

THE COST OF UNEMPLOYMENT

AN attempt may now be made to sum up the cost of all the various measures of relief that have been adopted. It is impossible to get exact figures, because actual expenditure (as distinct from estimates made before a scheme was launched) are lacking for many measures, and records of expenditure do not all cover the same period of time. All that is attempted in the present chapter is to indicate approximately the total expenditure on relief, to state broadly the division of the charge involved between different public authorities and private sources, and finally to compare the ascertained expenditure on relief with an estimate of the need of relief. In each case the estimate will be for the year ending March 31, 1922. This period is unrepresentative to the extent that the figures of unemployment were swollen by the stoppage in the coal-mining industry; but the previous year had relatively so little unemployment, that it would give no indication of the present condition of things, and figures for a later period are not available. On the whole the figures for 1921-22 are likely to be paralleled by the figures for 1922-23.

1. Total Public Expenditure

The chief sources of income of the unemployed are the Unemployment Insurance Fund, the Poor Law, and Relief Works. The accounts for the Unemployment Insurance Fund for the year ending March 31, 1922, are not yet available; but the total expenditure may be estimated at 67½ million pounds. At the end of the year the

expenditure on relief was rather more than a million a week.

Poor Law relief to unemployed persons and their dependants may be estimated at from $7\frac{1}{2}$ to 8 millions for the year. Poor Law Rates amounted in the year to £35,700,000, as compared with a pre-war figure of £12,060,000; but a large part of the increase must be attributed to the rise in salaries, wages and prices. The Minister of Labour stated in May, 1922, two months after the close of the financial year, that the current expenditure on outdoor relief to the unemployed was at the rate of £247,000 a week, and in April it was £950,000 for four weeks. By that time the number of persons in receipt of outdoor relief was rising, being 946,000 in urban areas as compared with an average of 600,000 in the previous financial year. This would point to an expenditure of £150,000 a week on the average in 1921-22, or about $7\frac{1}{2}$ to 8 millions for the year.

The contribution of relief works is more difficult to estimate. There are two main difficulties; first, the element of relief in the wages paid is only a fraction of the whole expenditure, the work done having some value; second, a large part of the cost of relief works, especially under the revised conditions of the Unemployed Grants Committee which operated in the winter of 1921-22, was met by loans, being thus deferred to future years. Probably the first difficulty can be met by taking the Government contribution as equivalent to the extra cost due to the relief conditions attached to the work, and as representing the relief element. The second difficulty can be met by estimating the amount that it would have been necessary to grant, if lump sum grants had been made instead of a promise of assistance in meeting loan charges.

Relief works take time to organise; by March 31, 1922, many works, instituted to meet unemployment, were only just started. Probably this is the explanation of the fact that the expenditure for the year fell very far short of the expenditure authorised; the amount authorised was

£10,000,000, the amount actually issued from the Exchequer only £3,826,636.¹

To this actual expenditure of £3,826,636 must be added an estimate of the capital cost of the assistance promised to local authorities in meeting interest charges on works undertaken for relief of unemployment. Non-revenue-producing works (on which assistance at the rate of 65 per cent. of interest charges for a maximum of fifteen years is promised) have been undertaken to the amount of £12,090,879 in the year; revenue-producing works (on which assistance at the rate of half the interest charges for a maximum of five years is given) to the amount of £4,488,233.

If interest is calculated at 5 per cent., the Government's obligations are equivalent to a lump-sum grant of 4½ millions; the work is not all put in hand immediately, however, and will be spread on an average over at least two years, so that only a part, say £2,000,000, should be charged to the year in which the grant is made.

A few minor items remain. The Government has given guarantees of various kinds under the Trade Facilities and Export Credits Acts. It may turn out that no payment has to be made on those guarantees; probably some losses will have to be met; but the care with which applications have been scrutinised and guarantees limited has probably been sufficient to confine the loss within narrow limits. Capital issues and trade credits to a total amount of £29,000,000 had been guaranteed by May 19, seven weeks after the end of the financial year; in what follows 5 per cent. on this is allowed to cover the risk of loss to the Government. Again, local authorities have put in hand some relief works without Government assistance²; but our information is too scanty to afford a basis for an estimate of the amount expended in pure relief by this means, and the sum cannot be a considerable one. Local education authorities have increased their expenditure on school

¹ Of the balance £3,320,000 has been re-voted in the estimates for 1922-1923, and by this time probably spent.

² Cf. p. 51.

meals; but this again is a minor item, the aggregate expenditure (not merely the increase in expenditure) which the Board of Education is prepared to recognise for grant purposes being limited to £300,000.

More important elements in the prevention of distress are War Pensions and the Government Housing Scheme. Neither, however, was intended to relieve unemployment, and it is impossible in either case to estimate what proportion of the total expenditure is taking the place of other forms of unemployment relief. They had better, therefore, be ignored.

The total expenditure on unemployment relief therefore may be summarised as follows:—

EXPENDITURE ON UNEMPLOYMENT RELIEF.

Year ending March 31, 1922.

	£ millions.
Unemployment Insurance Fund	67½
Poor Law Relief	7½ to 8
Relief works	6
Miscellaneous (school meals, valuation of risk in guarantees, etc.)	1½ to 1¾

This table may be compared with the much larger figures contained in the official statement (A) printed in Appendix IV.¹ The difference is accounted for, first, by the fact that the official return covers a longer period, from the Armistice to May, 1922, and, second, by the fact that it gives money spent, or authorised to be spent, under various schemes, while the above table gives only the expenditure directly due to unemployment in the year under consideration. Thus the official return gives the total cost of relief works put in hand, which includes the cost of material used and the cost of skilled and supervisory labour, does not distinguish between the element of relief and the value of the work done, and does not allow for the fact that much of the expenditure will be made, and will give employment, in 1922-23 and even later years. Similarly it includes the total amount of guarantees under the Trade Facilities and Export Credits Acts, and not the expenditure—a small fraction of that amount—in which

¹ p. 338.

those guarantees are likely to involve the Government.

In the same Appendix are given some later figures of expenditure taken from the statement of the Minister of Labour, in the Debate on Unemployment in the House of Commons on November 30, 1922.

ii. Distribution of the Cost

We may now ask how this expenditure of round about 80 millions for the year is met. Two questions present themselves: (1) how far is the cost being met out of current taxation and contributions? and (2) in what proportions do different authorities and agencies contribute what is raised currently? We will consider first the former of these.

The big item of £67½ millions paid out of the Unemployment Insurance Fund was composed of four elements; contributions from employers and workpeople in employment £25½ millions, contribution from the State £6,181,000 (net), accumulated reserves taken over from the previous scheme £22 millions, and borrowings from the Treasury on the security of future contributions £14 millions. A portion of the expenditure by Poor Law Authorities on relief to the unemployed was also borrowed. It is not possible to say exactly what the amount was; but the amount of loans raised by Boards of Guardians with the sanction of the Ministry of Health, the repayment of which might extend beyond March 31, 1923, may probably be taken as due to the cost of unemployed relief and as constituting the element in the 7½ or 8 millions spent that was met by loan. This amount was £2,283,000. The expenditure on relief works we divided, taking the Government grant as representing the element of relief in the wages paid: this amounted to £3,826,636, and was met out of current taxation. But the Government promise of assistance in meeting loan charges on new public works, which was equivalent to a lump sum grant of 4½ millions, 2 millions of which should be charged against the year under consideration, was a liability that will have to be met in the future, and so is tantamount to further borrowing. The same is true of the guarantees given under the Trade Facilities and

Export Credits Schemes. Thus we get the following division :—

EXPENDITURE ON UNEMPLOYMENT RELIEF.
Year ending March 31, 1922.

	Out of Current Taxation and Current Contributions.	Out of Loans or Postponed.	Out of Past Accumulations.
	£ millions.	£ millions.	£ millions.
Unemployment insurance Fund	31½	14	22
Poor Law relief to unemployed	5½	2½	—
Relief works	4	2	—
Valuation of risk in Guarantees	—	1½	—

In other words only about half the expenditure on relief in the year was paid for in the year. The large reserves of the old insurance scheme, superseded by the 1920 Act, the accumulation of which was due to the provision made by the donation scheme for ex-service men and munition workers, were a lucky windfall; while close on 20 millions had to be borrowed. This borrowing, it should be noted, was for pure relief, and is not represented, like for example the borrowing of local authorities for roads and other purposes, by any addition to the capital equipment of the country.

Our second question was the proportion in which different agencies and authorities contributed to the cost of relief. The details of the various contributions have been given already; so that it is only a question of rearranging them. A difficulty, however, arises in the treatment of the reserves of the Insurance Fund and the borrowings made by that fund. It will be well therefore to state separately the contributions out of payments made or taxation raised in the financial year, and then, attributing these joint items to employers and employed and to the State respectively, in the proportions in which they contributed to the

accumulations and will have to contribute to the liquidation of the loan, to state the contributions to total expenditure in the year. This is done in the following table:—

CONTRIBUTIONS TO UNEMPLOYMENT RELIEF.

	£ millions.	
	A. From current Taxation and Payments alone.	B. Loans and Accumulations included.
State	10	25
Local authorities	5½	8
Employers and workpeople. .	25½	50

It would appear therefore that on any calculation the Unemployment Insurance Scheme is by far the most important element in the public provision for unemployment, and that the cost of it, and therefore of relieving unemployment, is borne in the main by industry itself, by the contributions present and future of employers and workpeople in work.

iii. Cost to the Nation

The sum we have succeeded in identifying is the cost of unemployment, so far as the needs of the unemployed were met by public provision. The true aggregate cost of maintaining the unemployed, however, must have exceeded 80 million pounds in the year in which the percentage of totally unemployed never fell below 14, except in the "gap" weeks of August and September, and averaged 15½. In the absence of up-to-date figures on which an estimate of the national income could be based, an exact measure of the cost of unemployment is impossible, but a proportionate indication may be obtained on the following lines.

Assume the average number of unemployed to be 1,500,000, and consider what their maintenance means in relation to the total production of the country.

The unemployed and their dependants may (with reference to the existing distribution of unemployment by sex and age, and assuming a total of 1,500,000) be roughly estimated as follows:—

Age.	Unemployed.	Dependants.
Male, 18 and over	1,130,000	95,000
„ 14 to 18	140,000	15,000
Female, 16 and over.	210,000	980,000
„ 14 to 16.	20,000	20,000
Children, 5 to 14.	—	970,000
„ 0 to 5	—	500,000
	1,500,000	2,580,000

On a pre-war basis the wages of these men, if at work, would be £94 million, and their maintenance (including rent) at the minimum used in Bowley and Hurst's *Livelihood and Poverty*, a standard very near Mr. Rowntree's 1900 "Poverty Line" allowing for price changes, would have cost £89 million. At present prices such maintenance would cost £160 million.

This number, assumed unemployed, is one-eleventh of all workpeople, insured or not.

In 1914 the home-produced income was about £2,000 million, of which £850 million was wages. In 1922 the effective population is very little greater than in 1914, and if there had been no change in prices and full employment, the national product would have about the same value. With production decreased by one-eleventh in 1914, the income would have been £1,820 million, and the maintenance of the unemployed, £89 million to £94 million, would have been 5 per cent. of this.

The 5 per cent. is of course affected by the irregular increase of prices and values since 1914, but for a rough estimate this can be met by saying 4½ to 6 per cent. instead of 5 per cent. ; 6 per cent. would be obtained if the value

If the product had increased 50 per cent. while the cost of living had increased 80 per cent.

Actually, however, in the year under consideration, the average number unemployed was not the 1,500,000 we have assumed, but about 1,850,000. Present cost of maintenance at the Poverty Line would therefore be about 200 million; or from $5\frac{1}{2}$ to $7\frac{1}{2}$ per cent. of the national income. Unemployment insurance payments therefore come to less than half what is required; hence, doubtless, the action of Poor Law authorities and all the other agencies is supplementing the Insurance payments.

It would seem, therefore, that the extensive provision made is still on the whole short of the need directly attributable to unemployment. Savings have done something to supplement the public provision. It is impossible to discover the extent to which individual savings have been drawn on, since savings bank deposits and Savings Certificates are swollen by the investments of small traders who are unable to use their small capitals in business; thus, though there were withdrawals of Savings Certificates amounting to £36,000,000 in the year, new investments very much exceeded the withdrawals, amounting to £93,000,000. The relief afforded by corporate savings is indicated by the following table of trade union payments in out-of-work benefit:—

Year ending September 30, 1921.

	£		£
Mining and quarrying	792,839	Printing and paper	297,586
Railways	735,898	Cotton	736,088
Transport	112,101	Textiles	269,974
Shipbuilding	213,364	Clothing	48,400
Engineering, foundry and vehicle building	2,257,180	Leather and boot and shoe	126,363
Iron and steel and minor metal trades	625,735	Glass, pottery, chemicals, food, drink, tobacco, etc.	214,382
Building, wood-working and furnishing	221,991	Public employees	6,767
		Non-manual workers	7,232
		General workers	768,290
			<hr/>
			£7,434,190

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A broad margin evidently still remains to be covered either by the earnings of supplementary wage-earners, the charity of relatives and friends, or the privation of the unemployed worker and his family.

CHAPTER VI

EFFECTS OF THE DEPRESSION

THE two preceding sections have given some account of an unprecedented unemployment problem and of unprecedented attempts to deal with it. What has been the effect on the unemployed workers and their dependants of the depression itself and of the measures adopted to relieve it? The local reports printed in the third part of this volume, and the similar but fuller report on unemployment in East London recently issued by Toynbee Hall, must be studied to get a full and living picture of the effects; here certain outstanding features of the past two winters will alone be discussed.

1. Physical Distress

The first and most important feature of the depression is that the widespread physical distress, which was the normal accompaniment of unemployment in pre-war depressions, has been prevented. Before the war the great mass of low-paid, unskilled and irregularly employed labourers and their families were quickly affected by any falling off in trade, and suffered privation and actual physical distress. This privation was soon reflected in mental distress, demoralisation, and the physical condition of the children. In the past two winters, with unemployment far more extensive and severe than in any pre-war depression, this physical distress is not noticeable. There is a general agreement among observers that it has been prevented by insurance allowances, Poor Law relief and school feeding, at any rate in the classes that suffered first

and most before the war. More than that, there is a great deal of evidence that health has been maintained unimpaired. The testimony of the Medical Officer of Birmingham,¹ than whom no one speaks from greater experience or with more authority, that the health of Birmingham is better after two years of trade depression than it has ever been before, is supported by similar evidence from the other towns investigated. Even where the adults are showing the strain, the children's health seems to be maintained.

The reason everywhere given is the same. Health is better than in pre-war depressions, because the pre-war starvation is prevented. The Unemployment Insurance benefit, especially since it was proportioned to need by the allowances for dependants, has relieved many who would have endured months of privation before resort to the Poor Law; while the greater resort to the Poor Law, and the more generous scale of relief awarded, have ensured a regular supply of good food in many homes that were not too well fed when trade was good.

Mental Strain

This is the great difference; but it would be a mistake to jump to the conclusion that there has been no suffering. The different classes have been differently affected. The low-paid and irregularly employed in times of good trade have found their incomes maintained in unemployment; their incomes may be inadequate, but they have fallen little in comparison with the general fall. It is even possible that in some cases, those in the lowest ranks of self-supporting workers, the real position of the family has been improved; relief allowances are usually proportioned to size of family, which wages are not, and Poor Law authorities usually see that their relief takes the form in large part of wholesome food. But the burden of the present depression has fallen more heavily on other classes of wage-earners.

The abnormal extent of the present unemployment has affected the well-paid, skilled and regularly employed

¹ Cf. pp. 108 and 123.

artisan and tradesman; even the lower grades of the salaried class are faced with unemployment. On these classes the strain of unemployment is greater and the public relief much less effective. The insurance allowance represents a much greater fall from their accustomed standard of living; they are much more reluctant to seek Poor Relief to supplement insurance benefit in "gap" weeks and in case of exceptional family need; the relief works instituted are usually unsuitable for them; and the worry of enforced idleness is more oppressive. There is abundant evidence of mental strain and suffering in this class.

The effects of the depression are cumulative. The skilled artisan has suffered a progressive decline in his standard of life. First came the big reductions in wages, then short time, then frequent periods of complete unemployment—the view that the "unemployed" are the same persons month in and month out is false; the insurance registrations show a weekly influx and efflux of 60 to 80 thousand—then complete unemployment. Once out of work the man's reserves begin to go; for a time savings will supplement insurance allowance; or corporate savings in the form of trade union out-of-work benefit will supplement it. But many unions are no longer able to pay their accustomed benefits, and the pressure of exceptional need in the end may drive men to the Poor Law who two years ago would have found such a resort inconceivable. As is shown above, the number of persons in receipt of outdoor relief doubled between August, 1921, and August, 1922, although employment slightly improved.

The full effect of unemployment on standards of living is not yet apparent, since the acquisitions of the boom period in the way of clothing, furniture and the like, are not yet worn out. But the signs of wear are appearing, and there are no renewals. There is evidence that savings are exhausted. The reduction in the amount of meat sold per member by the co-operative societies in Blaina and Woolwich, and the increase in consumption of bread, are further indications of a lowering of standards; the causes of

unemployment are exceptional in these two places, but not the extent, and the experience of their societies is probably typical.

ii. The Question of Demoralisation

A question that is at once raised, when the effect of public relief is under discussion, and one to which our local investigators addressed their inquiries, is the question of demoralisation.

" . . . The out-relief lists at present " (states the Ministry of Health in its last Annual Report) " are carrying not only such persons as in other years would have ordinarily been relieved in the workhouse, or on a labour test, or at any rate on a scale substantially below the possible earnings of the independent workman, but also persons who, after possibly long periods of lack of employment and the cessation of unemployment benefit, have sought Poor Law assistance, have found this a useful and not unattractive supplement to benefit when it became available, *and are now suffering the progressive deterioration which inevitably attaches to the condition of being maintained without work.*"

Is there any evidence that the assumption contained in the words we have italicised has any justification?

It is a crude psychology that attributes the demoralisation, that sometimes comes from unemployment, solely to the receipt of maintenance without work. Maintenance without work is a condition not confined to the unemployed members of the wage-earning class, and, however demoralising it may be in the long run, is at any rate less demoralising than unemployment without maintenance. The true demoralising influence—of which the wage-earners are only too conscious—is the loss of regular useful occupation to exercise a man's powers and sustain his self-respect. This effect of unemployment is discovered by all investigators of unemployment, who pursue their inquiries into individual life-histories, and is abundantly illustrated in our local reports. It is a present effect, growing with every additional month of unemployment.

If we discard the vague and question-begging term " demoralisation," and turn to more specific questions, we may be able to assess the mental and spiritual effects

of the depression and relief measures more precisely.

Is there a growing inclination to depend on public relief, a growing reluctance to work? The evidence is rather to the contrary. The anxiety of the individual to get back to work, attested by employers, Employment Exchange officials, trade union secretaries, and the individual workmen whom our investigators interviewed, that flocking after the bare report of a job of which they discovered many instances, the application of the men on relief work to which they were unaccustomed (leading in one case reported to an output, when experience had been gained, in excess of the normal), are all evidence to the contrary. The evidence on the other side is the increase in the number of persons in receipt of Poor Law relief, which can be amply accounted for by the exhaustion of reserves by the lapse of time, and the opinion of some observers. Of course there is a danger, and it becomes a greater danger every month the present condition of things continues; but at present it would seem to be only a danger; at most there is a relaxation of efforts to find work after months of discouragement, and a disposition to leave it to the Employment Exchange and the Government.

What is the effect on the spirit of the unemployed workers? There is abundant evidence of worry and mental strain, which is in cases affecting health. The strain is greatest among those, for example clerks and manual workers of special skill or responsibility, who in the past have seldom had to face unemployment when trade fell off. The manual workers in some cases fear loss of their special skill; but so far that fear is probably groundless. There is evidence of an increase in gambling, which, if the case, would be significant. One of the most serious effects of the depression has been the discouragement of thrift and foresight; a conviction of the futility of any sort of provision for the future, when the greatest result to be hoped for is the deferring for a few months, while savings are exhausted, of the final dependence on the Government insurance relief or the ultimate resort to the Poor Law. The case of the small tradesmen in Blaina who

have had to close their shops and sell their houses, and the case of many a careful artisan who has had to part with the savings that he had accumulated for the education of his children, leave a bitterness of spirit that may not issue in any revolutionary activity—since the saving man is not usually a revolutionary—but does change a man's outlook on society.

These generalisations are subject to one important exception—that of the youths who spent in the army the years that would normally have been devoted to an apprenticeship to industry. They are different from the older men, because they have not been habituated to industrial work and possess no special skill. Among them are found such cases of shirking of available employment as have come up; to them, at any rate to the single men among them, the temptation to depend on public relief is strongest, since the rate of allowance comes nearest to meeting their needs, and their potential earning capacity is lowest. The fault is not theirs. They had no chance of a normal industrial training, they had not had a long experience of industrial work when the trade collapse came, and they were often turned off first in order that the married men might be kept in employment. Their case presents a special problem of progressive demoralisation, and places a special responsibility on the society that let them come into their present condition.

iii. Political Effects

It is noteworthy that the local reports¹ reveal little of the political unrest resulting from unemployment which accompanied pre-war depressions. This is to be attributed to the success of the relief measures in meeting essential needs for food, and in giving relatively most assistance to the irregularly employed and low-paid workers who can most easily be collected into a mob. The apparent collapse of the revolutionary movement may be explained, however, quite easily on the assumption that it never was

¹ It will be remembered that they were made in August and September, before the present winter's agitation was organised.

an extensive influence ; when it attracted most attention its real influence was probably no greater than it is now. Other politicians besides the Communists have suffered deflation in the depression. What is significant is the spirit of caution and acquiescence revealed in some of the local reports. There would seem to be some recognition of the abnormal character of the depression, a disposition to grin and bear it, and a distrust of panaceas from whatever quarter they are offered.

Strain on Local Finance

An important effect of the depression, which the local inquiries, few as they were, bring out, is the strain on the finance of local authorities in districts where employment is exceptionally bad. A large part of the cost of relief still falls on the local authorities, with the result that the financial burden of unemployment is very unevenly distributed over the country. The situation is regarded with apprehension by the most thoughtful leaders of local public life, and there is a general resentment that so much of the burden is left by the Government on the local authority. The provision of work with Government assistance has clearly touched only the fringe of the problem. The special problem presented by certain exceptionally depressed localities is considered more at length in the next chapter.

Alleged Causes of Unemployment

The nine local reports that we have obtained can obviously throw little light on the problem of causes. Certain causes were, however, alleged so frequently that a summary requires at least a mention of them. They help at any rate to explain the attitude to relief measures of some influential business men.

The first is the dislocation of European markets and the uncertainty of the economic future of Germany. The influence of this was emphasised in connection with all export trade. In Birmingham such overwhelming importance was attached to it that there was a disposition to frown on attempts to revive trade before a political

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settlement had been achieved, or at any rate brought nearer.

The second was the uneven movement of wages and prices. Employers generally complained that wages had come down unevenly in different industries, relative costs were consequently unstable, and no revival of trade was possible until some stability had been restored. The most frequent comparison was of wages in engineering and mining with wages in building, municipal employment and on the railways. There was a tendency to wait, to defer launching out into new business, until something nearer the pre-war ratios between wages in different industries had been restored. Connected with this was the complaint about prices; the cost of railway transport, high freights, finishing charges in the cotton industry, and the disparity between the fall in prices of imports and the fall in prices of exports, were instances given of a general unevenness of prices that was delaying trade recovery.

These allegations were general: it is not necessary to cite isolated and special individual opinions.

Conclusion

To sum up: the worst effects of trade depression, sheer physical privation and consequent physical deterioration, seem to have been prevented in the present depression. There is much real suffering affecting classes that were less affected in pre-war depressions. That there is strain is certain, and a recovery of trade may reveal a loss of industrial quality; the strain, moreover, is increasing, and in the coming winter when savings are exhausted, even workers in partial employment may be unable to maintain themselves; but at present the signs of demoralisation are not apparent. The great discovery that has been made is that a system of allowances by which the worst effects of distress are prevented does not necessarily involve widespread demoralisation. As yet, however, we are only on the threshold of the third winter. What effect a third, and perhaps a fourth and fifth winter might have, it is impossible to foresee.

CHAPTER VII

SOME CONCLUSIONS

It has been explained that the sole object of this report is to give an objective account of the present unemployment problem and the measures that have been adopted to meet it. These measures have, however, been introduced not in accordance with any preconceived policy, but piecemeal to meet successive emergencies. Inevitably, therefore, a survey of them reveals overlapping, inconsistencies and anomalies, and it was thought that it would not be a serious departure from the main lines of the report to formulate tentatively some conclusions to which the previous survey points.

i. Provision of Relief

If the present depression is distinguished from previous depressions by its intensity, it is equally distinguished by the amount of relief made available. The absolute physical suffering that accompanied the less severe depressions of the pre-war years has been prevented, and "the progressive deterioration which inevitably attaches to the condition of being maintained without work," of which fears were entertained, is not yet evident on any extensive scale. The chief defect of the present provision is that the relieving authorities overlap, and divide the work between them on no consistent principle. The gaps between successive periods of insurance benefit are filled by the Poor Law authorities. Relief work is put in hand by Borough Councils that has little to distinguish it from test work offered by the Guardians. The exceptional needs of large

families are met by the grant of Outdoor Poor relief, and the Insurance Acts are altered to meet the same need. A depression, due less perhaps than any previous depression in modern times to local causes, is left to a considerable extent to local authorities to relieve, with the result that the burden is unevenly distributed and becomes almost intolerable in certain unfortunate localities. The Central Government's activities are divided between at least six departments and three committees; yet none of them has the power to compel Boards of Guardians to observe anything like a uniform policy over the country as a whole.

Some more definite system of co-operation is needed than the exhortations of the Minister of Health to Boards of Guardians and the informal consultations of Central Departments. What form it can best take can be settled only by the departments and local authorities concerned, who have discussed the question in the past year and might with advantage meet in conference again. The object to be attained is that in every locality, as is the practice in certain localities at present, all relief, including relief work, shall be notified systematically to a common centre and registered for the information of all the relieving authorities. There is a place probably in a complete scheme for all these different forms of help; but each should be kept to its place. The Insurance Scheme, it must be recognised, is only a *contribution* to the relief of the unemployed. Its actuarial basis is a flat rate contribution and a flat rate benefit, with differentiation only of men, women, boys and girls; contributions and benefits were alike based on an average unemployment rate of 4 per cent., and the fund further protected by a restriction of benefits payable in proportion to contributions paid. The attempt, first, to extend it to the relief of the abnormal unemployment due to the abnormal conditions following a great war, and, second, to convert it into a general relief scheme by introducing the "special" periods of benefit and the provision of supplementary benefits for dependants, is to alter its character fundamentally. There is much to be said for the new principles introduced, and a proposal

embodying them in a considered scheme for dealing with unemployment was put forward by certain members of our committee before the trade depression was upon us.¹ But that proposal was put forward as a method of meeting normal trade fluctuations; its basis was the charging of the cost of unemployment on industries separately; it made no provision, and industries acting individually can make no provision, for exceptional emergencies like the present.

It is impossible suddenly to change fundamentally the basis of the Insurance Scheme in the midst of an unprecedented depression, without undermining its specific *insurance* character. The essence of insurance is the proportioning of benefits to contributions; any departure from this confuses insurance with relief. This is undesirable, both because it makes easier the substitution of relief for insurance as a normal thing, and because it makes harder the estimating of the true cost of the different elements in the present unemployment crisis, and the proper allocation of that cost between industry, the State, and local authorities. We believe that the principle of contributory insurance is the proper principle on which to base provision for ordinary trade fluctuations; the extension of the Insurance Act, therefore, to meeting other needs seems unfortunate and inexpedient.

These other needs, however, remain to be met. They are two: exceptional distress due to the abnormal world economic situation after the war, and exceptional distress due to special circumstances in individual cases, such as the needs of a large family of dependants. The former is a general influence, affecting the industry of the country as a whole; the latter is a special influence affecting particular individuals. The former would seem to be a proper charge on the national finances; the latter requires a local organisation to deal with it adequately and economically, and must, since it is fatal to economy to allow one authority to spend money which another has to raise, be a charge on local finance.

At present the abnormal cost of unemployment is being

¹ See Appendix VI, p. 344.

met by borrowing and charging the loans to the Insurance Fund. This fund should properly be charged only with the cost of unemployment that can be attributed to normal commercial causes ; it is putting an unfair strain on it, which the State will some time have to ease if it wishes to preserve the scheme, to charge it with more. The abnormal cost is a war-expense, like the expense of the donation scheme launched at the Armistice to cover the period of demobilisation. It ought to be treated as such and be met by a special grant.

The exceptional needs of individuals are different. They occur at all times, and the Poor Law Authority exists to meet them. Resort to the Poor Law is unpopular ; it is probably undesirable that men, who, but for the present abnormal economic conditions, would never have had to resort to it, should be forced to do so. But the relief of special need due to large number of dependants, sub-normal efficiency, incapacity or death of chief wage-earner, or defects of personal character, requires a local organisation like the Poor Law to make the inquiries needed into special personal circumstances. If the existing Poor Law machinery is unsuitable, some similar local organisation, of a temporary nature, should be improvised. Whatever the machinery adopted, however, the question of principle must be faced, and the distinctions we have made must be recognised. Distress due to ordinary unemployment is one thing, distress due to the post-war industrial situation is another, and distress due to exceptional individual circumstances is a third. In the interests both of economy of expenditure and adequacy of relief, they should not be confused.

A logical allocation of relief functions to different authorities on some consistent principle is the first need ; the second is the discovery of safeguards against the dangers attending widespread public relief. It has been noted that the demoralisation feared has not yet shown itself. Nevertheless there are grounds for serious alarm in the growth and continuance of relief on such an extensive scale, to which attention may now be called.

In the first place, the expenditure on allowances to unemployed persons is a charge, that tends to increase, upon a fund that diminishes in proportion to the increase of the charge upon it. Whether the expenditure is financed by taxation, by rates, or by compulsory contributions from employers and workpeople in work, it is a charge on the current national income; that income has been reduced by the unemployment of a large part of the national labour force and a corresponding proportion of the national capital.

Every increase in the number of unemployed to be maintained is accompanied by a decrease in the capacity of the country to sustain the burden of maintaining them, and already the weight of the burden is a serious handicap on the efforts of industry to rise from the depression.

This factor in the problem, obvious enough when stated in this way, has been obscured by the way in which the financial cost of unemployment relief has been distributed. As has been shown, the cost has been met from many sources—employers, workpeople, Treasury, local rates—and has been eased for all of these by large contributions from past accumulations and extensive pledging of the future in the form of loans. The cost has never appeared as a direct charge on the budget of the National or Local Government Authorities; and although the current cost of maintaining the unemployed has to be found somehow out of the resources of current production, only a fraction of it has been met out of current taxation.

In the second place, the danger of sapping independence is not the only danger that a system of allowances involves. There are also to be considered the possible indirect effects of allowances in retarding wage-adjustments which may be needed to make trade recovery possible. The extent to which these effects are being felt at the moment we have not the means of judging; but the big divergences in present wage-relations from pre-war relations, and especially the divergence between wages in export industries and in industries working for a secure home market, are sufficient reason for taking these possible effects into

consideration in framing a relief policy during the depression. The principle that we would urge is that rates of allowance and Poor Law relief should bear a fairly constant relation to current rates of wages, and should be continually watched to make sure that they do not retard wage-adjustments that the conditions of the markets require.

In the third place the danger of demoralisation does exist. The longer the dependence on public relief continues, the greater the danger becomes. The good effects of the relief measures taken are no excuse, therefore, for any carelessness in administration or any laxity in imposing conditions on relief.

ii. Provision of Work

The experience of the past two winters has brought out clearly the limitations of ordinary relief works as a remedy for distress. They are uneconomical, suitable only for general unskilled labour, and calculated to impair rather than maintain the industrial quality of more skilled workers. The only use of relief works would seem to be as a test of willingness to work in the case of youths demoralised by army service, or other unemployed persons whose *bona fides* there is reason to suspect. The constitution and procedure of the Unemployed Grants Committee, however, mark a new departure, and certain conclusions can be drawn from its experience.

The direct effect on unemployment of the Committee's grants was small. The kind of work that it assisted took, as a rule, some time to plan and get going, and, even under the conditions imposed, afforded an opportunity of work to only a small fraction of the unemployed. The conditions imposed may need revision in the light of experience.

In the first place, the necessity that a local authority was under of finding a large part of the funds needed for a scheme was sufficient to prevent the localities most in need of assistance from applying. Just because they were so badly hit by the depression, they could not raise loans cheaply and could not afford to make the contribution to the total cost required of them. On the other hand, the

condition that grants should be made only to places in which unemployment was excessive prevented the Committee from encouraging developments in towns that could have afforded to put in hand new work.

In the second place, the conditions as to the employment of labour went far to neutralise the advantages of a grant to places that were in a position to solicit one. The opinion of competent city engineers and others, obtained by our local investigators, suggests that the grant was barely sufficient to compensate for the disadvantages of not employing skilled labour and machinery in the ordinary commercial way, and so offered little inducement to Corporations to anticipate capital developments. When the method of assistance was changed from a direct grant to assistance in meeting interest charges, the terms during which this assistance was to be given were so short that a local authority would be incurring a considerable risk in relying on it. Especially when the possible cost of housing schemes is taken into consideration, local authorities could not afford to risk a great deal of expenditure on the strength of assistance for five or fifteen years. The distinction drawn between revenue-producing and non-revenue-producing undertakings was also of doubtful expedience, since it might operate to induce a Corporation to defer capital extensions of revenue-producing undertakings that were urgently needed, and put in hand non-revenue-producing undertakings that could wait.

The change in procedure involved in the new method of granting assistance was important. As a result of it, the Committee changed from a semi-independent authority to a co-ordinating organ, focusing at one point the grant-making activities of several departments.

If the Government is to continue this policy of stimulating by the offer of assistance the undertaking of public works by local authorities, whether through the medium of the present Committee or in some other way, certain changes seem necessary :—

(a) The restriction of assistance to exceptionally distressed localities should be removed. Employment any-

where will react on unemployment everywhere, directly or indirectly, and the assistance will have most effect if given to the localities with projects ready for development and likely to yield a return at an early date. These localities are likely to have less, not more, than the average unemployment.

(b) The restrictions on the kind of labour to be employed, rates of pay to be given, and methods to be pursued, which give work undertaken with the aid of Government assistance the special character of relief work, should be removed. There is still (October, 1922) much labour in the Building and Constructional industries unemployed, and little is gained by substituting the unemployed of other industries for it; but more serious is the economic handicap which these conditions impose on the work. If the object is to induce local authorities to accelerate and anticipate capital expenditure they would otherwise have deferred, the assistance proposed must offer a net saving and not merely compensation for the disadvantage of relief work. The present assistance falls between two stools.

(c) The Work of the Grants Committee, the Road Board, the Ministry of Health, and other authorities recommending and making grants, should be considered as a whole. The proper machinery for securing this can be considered better in connection with the next measure, the Trade Facilities Act.

iii. Trade Facilities Act

Of all the measures adopted to relieve the depression in trade the Trade Facilities Act is the most novel in principle. That it has done nothing decisive to relieve unemployment during the present depression is of less significance than that the Committee, on whom the administration of the Act devolved, have been able to carry through the experiment.

The first year's experience is too brief a period to be decisive of the possibilities of the scheme. As has been indicated, the conditions of the capital market changed rapidly in the months following the establishment of the Committee, rendering its guarantee of declining value. The

price that had to be paid for new capital continually fell, and the fall in wages and other costs led promoters possibly to defer issues in the hope that costs would fall even further. In addition it takes time for a new facility to become known and appreciated. It is perhaps not surprising, therefore, that suitable applications for the guarantee were few, and that the Committee's limit, £25,000,000, was not reached within the twelve months. Actually over £21,000,000 was guaranteed.

After due allowance has been made for the novelty of the scheme, it would seem that the bare offer of assistance in raising capital is not sufficient to stimulate public utility undertakings to accelerate their capital expenditure in a depression, and that the number of private undertakings on the "margin" of new activities, needing only the assistance of a guarantee to precipitate their plans, is not large.

This first year's experience brings out also the limits of the scheme as an emergency measure of unemployment relief. In spite of the greatest expedition on the part of the Committee, there were prolonged delays in translating proposals into work. On the optimistic assumption that none of the work put in hand under a guarantee would have been undertaken but for the guarantee, the highest estimate of men given employment through the scheme by the end of September is 19,600. Even if the whole amount that could be guaranteed had been allotted in the first three months, and the promoters had utilised their guarantees without delay, the bulk of the work resulting would fall into a year subsequent to that in which the guarantee was given, and some of it doubtless drag on until trade had recovered.

On the other hand, the positive results achieved were very far from being negligible, and the interest of the year's work as an experiment gives it an importance out of all proportion to the place it takes in the relief of unemployment. Some of the results may now be summarised.

In the first place, several very useful schemes have been brought to fruition by means of the scheme. If the scheme is continued, and the machinery becomes generally

known and understood, it is not unlikely that it would in time play a valuable part in the economic development of the country. There would seem to be certain special economic developments that may legitimately be encouraged by the Government, and such encouragement can be given with most effect and least expense or risk in the form of a guarantee, the granting of which is dependent on the recommendation of a well-chosen committee.

These developments are :—

(a) The undertaking of work to develop public utility services and facilities for trade (transport, railways, port equipment, etc.), works which are desirable in the public interest but which no single local authority or private group has sufficient inducement to undertake.

(b) Developments in British Colonies and foreign countries which might provide new channels for British trade (such new channels are urgently required if this country is to recover full activity after the permanent disturbances in the old channels created by the war).

In the second place, it would seem to be possible to give this encouragement and stimulus in such a way that developments of this kind are accelerated in a trade depression. Although the Act has not produced any decisive effect as an emergency measure to meet the present abnormal stagnation, it might prove a very valuable means of lessening the effect on employment of the more normal cyclical trade depressions. If, however, this is to be attempted, it is not enough to create the machinery when the depression is in sight. The machinery should be permanent, so that it may become well known to the commercial world, while schemes should be studied and worked out in advance, so that they may be ready for adoption at the right moment.

If this project is at all possible, the machinery of the Committee would seem to be the kind of machinery needed. It has secured the confidence of the business world; it has lowered the cost of financing new developments in a depression; and it has raised, rather than lowered, the standards of financial soundness by which new enterprises

should be judged. The essential feature of the machinery is the scrutiny of all propositions by a voluntary committee, who are able to bring to bear the same expert judgment of commercial possibilities as is given to ordinary industrial issues by an issuing house. Whether it will be possible at all times to secure the disinterested services of experts who command the necessary confidence may be doubted; but a permanent organisation would be able to relieve the Committee of some of the work that fell upon it in the past year's improvised experiment.

The negative results of the experiment should also be noted. The scheme will not do much to control the course of a general trade depression, unless it is expanded to dimensions that would break down the machinery and commit the Government to the attempt to stem the fall in prices that is the chief feature of a depression. Nor will it, on any scale that is probable, do much in the way of direct relief of unemployment. It is emphatically not an emergency measure; its effectiveness depends on preparation beforehand, the continuous and unhurried study of suitable schemes, and the establishment of its machinery before the depression has come. Finally, the experience of the scheme demonstrates the danger of any attempt by the Government by measures of this kind to supplement the existing financial machinery of banks, issuing houses, etc., for financing ordinary commercial enterprise. Such a task could only be handled by establishing a widespread and complicated organisation comparable with that of the existing concerns.

It was noticed above that the Unemployed Grants Committee, over which Lord St. Davids presided, changed its character in the course of the year, and, instead of continuing to make grants direct, advised Government Departments on applications from local authorities for assistance towards meeting loan charges on capital expenditure. This change in the parallel committee suggests the kind of organisation that would serve the purposes of the Trade Facilities Act. In the past winter Government assistance was given, with the object of stimulating capital

expenditure, by at least three Ministries (Health, Transport, Agriculture) and two Committees (the Unemployment Grants Committee and the Trade Facilities Act Advisory Committee) on at least five different principles (guarantee of net charge above a penny rate for a term of years for housing, half the actual cost for roads, up to 60 per cent. of labour cost for miscellaneous public works, a proportion of the interest charges for five to fifteen years for capital expenditure by local authorities, and a Treasury guarantee of interest and for capital under the Trade Facilities Act). The diversity of principle may have been necessary, but the diversity of administration does not seem to have much justification. There were informal arrangements for co-operation between the different Ministries, and the Unemployed Grants Committee became the nucleus of a more formal co-operation. But the administration still bore the marks of its improvised and temporary character.

If any attempt is to be made to take relief works out of the category of relief, and to substitute the principle of commercial utility for local distress as the basis for Government assistance, the experience of the past two winters would seem to suggest some such machinery as an advisory committee of persons experienced in industrial finance, assisted by a permanent organisation for surveying the capital needs of local authorities, central departments and public utility undertakings, and serving as the nucleus of a permanent joint committee of the Central Departments interested in local grants. Perhaps it is straining the fragmentary experiments of a brief period too much to draw such a practical conclusion from them; but the proposal to use public credit to lessen the shock of fluctuations in private employment is so important, that further discussion is needed, and discussion may be stimulated by putting the suggestions of past experience—and no more is attempted here—in as concrete a form as possible.¹

¹ The Government has decided to extend the Trade Facilities Act for another year to the amount of an additional £25,000,000; also, if necessary, the Export Credits Scheme. See Appendix IV, C.

Export Credits

Little need be said about the Export Credits Scheme. Business men, whom the Committee have consulted, have found the scheme of more use in maintaining or reviving ordinary commercial production than any of the other measures introduced during the depression. The procedure, as a result of its last amendment, seems to be practical and convenient; the immediate cost to the Government is negligible and the total possible cost only the amount of the losses on guarantees, which is not likely to be a large sum. The experiment has been made on a very small scale, since the total amount that may be guaranteed, £26,000,000, is a small fraction of British export trade; but the scale was adequate to a satisfactory trial, and the experiment will have been wasted if the scheme is terminated next year. Like the Trade Facilities experiment, the machinery established has justified itself; in view of the possibilities of future service that it offers, when an opportunity to use the experience of the present depression comes, the machinery should be continued.

iv. A Neglected Problem

The chief practical conclusion to which all these experiments in providing work point may now be stated. It is that in general the Government's attempts to stimulate employment will be most effective, if they are not restricted to particularly depressed localities and to the kinds of work that can be done by the local unemployed in these localities. The decisive consideration in choosing work to be aided, or deciding on methods of administration to be adopted, should be the stimulus given to ordinary commercial activity, not the employment afforded in a particular locality to unemployed workers. The stimulus that a Government authority can give will be effective only if the work to be done is urgent or promises an early return on the expenditure involved; these will be reflected in its commercial value. The stimulus will be most effective again, if the recipients of it are allowed to use the most

economical methods they can devise in executing the work aided. And if the direct and obvious effect on unemployment is not so great, indirectly employment will be afforded; no more employment is created if 10,000 unemployed persons are absorbed in a district with a high unemployment rate than if 10,000 persons are absorbed in a district with a low unemployment rate, and it probably makes little difference whether direct employment is afforded to amateur navvies or indirect employment to engineers and others by the direct stimulus of orders for steam-navvies and road-making machinery. Even if the immediate and direct effects on employment are less, the policy of adjusting Government assistance to the normal procedure of industry is likely to provide more employment indirectly, by avoiding the waste of relief work and accelerating general trade recovery.

The conditions attached to Government aid to relief works, that have been criticised in the preceding paragraphs, would be justified by their authors by pointing to the exceptional needs of particular localities, and to the uneven effect of the general depression on different districts. So far from desiring to ignore these exceptional needs, we have suggested altering the conditions of the existing schemes, in order that the special problem presented by them might be revealed. At present the expansion of the Unemployment Insurance Scheme into a national system of relief has prevented the public, and possibly also the Government, from perceiving and facing the problem presented by the localities in which unemployment is worst. If the conditions are removed that make of the Unemployment Grants Committee a very inadequate device for providing for special local necessity, the special problem will emerge into the light; the problem, namely, of districts in which the prevailing unemployment is due not to the general depression in trade, but to some lasting change in conditions, that will persist and cause unemployment, even if trade improves to the full extent of a pre-war boom.

Our local reports reveal at least two such localities,

Blaina, where three of the ten pits on which the community was almost wholly dependent were closed before the coal strike, as soon as prices collapsed, never in all probability to be opened again ; and Woolwich, where the only important source of employment is the Arsenal, which has been to all appearance permanently reduced. The analysis of the distribution of unemployment made in Chapter II of this report suggests that many places dependent wholly on one of the trades abnormally expanded by the war are in a similar position.

The effect of the war would seem to have been to dislocate and divert the normal distribution of workers among industries in accordance with peace-time needs ; and, where it did not divert, to interrupt the adjustment of population to changing industrial conditions, so that the accumulation of changes rendered necessary when ordinary commercial conditions returned had a catastrophic effect.

If this is a possibility merely, it is a possibility so grave that Government policy should take account of it. In particular it would seem that before any localised relief is given a local survey and inquiry should be made. In the light of such inquiries different localities can be classified as :—

- (a) Suffering from ordinary trade depression and likely to recover with the recovery of trade ; for these the general national provision already in force should suffice ;
- (b) suffering from trade depression, but also from unemployment due to some lasting change in economic conditions.

The latter class might be sub-divided further into districts with a sufficient diversity of industries to justify a hope that the unemployed population may gradually be absorbed by the development of the industries that have not been permanently disabled by the war, and districts dependent on a single industry or narrow range of industries, in which full employment must wait on the passing of the present generation. In the case of the former of these sub-divisions an exceptional measure of special assistance, on a scale

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much more generous than any existing scheme, might be justified. The form would depend on the special industrial capacities of the district, and the aid would be of the same order, and have the same justification, as the special training with maintenance of individuals who were partially disabled in the war or apprentices who had their industrial training interrupted.

The other sub-division presents a much more difficult problem. Obviously the present national schemes of assistance do not meet the need. It is no solution to go on maintaining the unemployed by relief and relief works indefinitely in a place in which there is no likelihood of their ever finding employment at their former occupation again. On the other hand it would be inequitable to allow the local charges for relief to accumulate until the community and the local shopkeepers were all bankrupt; yet again, to the extent to which the cost of relief is transferred from the local ratepayer to a wider authority, the incentive locally to face the problem is weakened. Although the war has intensified the problem, it existed before the war, and most measures of relief tended to defer a solution, by keeping people in localities and occupations in which their chances of re-employment were small. Whatever the solution, whether assisted migration or assistance in the establishment of new industries, the extent to which this problem is an element in the unemployment situation needs study; for if it is an element, the existing public provision for unemployment takes no account of it.

PART II
LOCAL REPORTS

UNEMPLOYMENT IN BIRMINGHAM

(SEPTEMBER, 1922)

Extent

Birmingham, for the purposes of this investigation, has been regarded as including Smethwick. This district, although administered by a separate Town Council, is virtually part of the city; in Poor Law affairs it is part of the Birmingham Union; and its industrial problem is closely bound up with that of Birmingham proper. It has a population of about 120,000, which raises the population of Birmingham to 1,030,000. Of this population the total of workers—men, women, boys and girls—is 510,000, of whom an average of about 75,000 or 14·5 per cent. have been unemployed for the past two years. The number of men included in this total has varied only slightly, standing at from 50,000 to more than 66,000. The number of unemployed women shows some sign of decreasing, and has fallen in the past year from over 26,000 to less than 22,000. It is evident, however, that at least two-thirds of the total unemployed are men. The heaviest total was reached during the week ending May 20, 1921, when, owing largely to the effects of the miners' strike, there were 162,210 unemployed. Except for fluctuations produced by temporary causes of that sort, the figures have remained extraordinarily steady, the monthly totals for the past twelve months having been (in thousands):—83, 91, 88, 90, 88, 82, 81, 76, 74, 71, 72 and 73.

It will be seen that this has meant a varying percentage of unemployed of from 12 to 20 per cent., and at the time of writing (September), there was a tendency for the figures

to rise, as work in the motor industry slackened and the Christmas orders in the jewellery and fancy trades were completed.

Approximate Trade Figures

No figures were obtainable as to the trades into which the industrial population and the unemployed might be divided. Birmingham is, perhaps, unique in its variety of enterprises. Nearly 1,000 industries are catalogued in the local directory, and the work of dissecting the unemployment totals was more than the Labour Exchange could undertake at a time when economy campaigns had depleted its staff. A systematic inquiry among the trade unions which cater for the biggest industries was not really helpful in this respect, as may be gathered from the fact that the two most widely divergent estimates of the numbers employed in the jewellery and allied trades were 30,000 and 70,000. It was necessary, therefore, to accept such trade union unemployment figures as were available, together with corresponding figures for pre-war years. These do not carry the investigation very far, and are merely a vague indication, particularly in the present situation; for trade union membership has fallen considerably in the last two years. Here are the figures for some of the trade unions:—

Union.	Member-ship in Birmingham.	Unemployed.	Percentage.	Greatest variation in the last 6 months.	Percentage in bad pre-war year.
A.E.U.	28,216	4,341	Per cent. 15	Per cent. 3	4½-6
Brass workers. .	11,500	1,050	10·9	3	2½-7
Bedstead workers.	2,000	308	15	2	4
Gold, silver and allied trades .	2,400	230	10	3	4·5
Electrical trades .	3,000	250	8·3	1	3

These figures show how different from a bad pre-war year is the present state of unemployment, yet they probably represent an under-estimate of the unemployment

o-day. The year 1904-5 has been taken as the pre-war year with which comparison is made, and bad though that year was, it produced nothing like the slump in the labour market which prevails at present.

Labour Market during the War

For the greater part of the war, Birmingham was most favourably situated as regarded employment. At the beginning, the dislocation brought its attendant unemployment, despite the departure of many skilled men who went to take up work in the Dockyards and Army establishments. By September, 1914, there were 7,900 unemployed persons and a serious depression in the jewellery, brass, light metal, cycle and motor cycle trades had begun. This persisted only for a very short time, and the period of adaptation of machinery and factories was followed by one of tremendous industrial activity. After the first six months of the war, the output of arms and munitions of all kinds rose rapidly. Labour soon became scarce, both because of the large numbers of men who joined the forces, and by reason of the vast expansion of industrial undertakings; and workers were imported from all parts of the United Kingdom. Some idea of the growth which took place may be gathered from the story of three firms. Two of them—small arms firms—increased their personnel from 2,000 to 15,000; and a motor firm, making guns, shells, motor cars, aeroplane engines, etc., increased its working staff from 2,300 to 25,000. It is estimated that of women alone 15,000 were brought into the city for war work. Throughout the later years of the war the shortage was not of work but rather of workers.

Post-War Prosperity and the Collapse

The trade boom which immediately followed the Armistice facilitated the transition from the making of munitions to the manufacture of ordinary trade goods. Just two years of prosperity enabled the change-over to be completed. Trade held good up to the autumn of 1920. In July, 1920, the President of the Birmingham Chamber

of Commerce reported to the Ministry of Labour that prospects for the winter were excellent. He was forming his opinion from the indications of his own order-book. Within two months 75 per cent. of those orders had been cancelled, and by November the slump was general. Before Christmas, Birmingham found itself with over 50,000 unemployed—a figure which grew steadily until it reached the unmanageable proportions of the past year.

The Causes

The suddenness of the collapse gives the clue to the main causes of Birmingham's unemployment. The market for Birmingham products went to pieces in the autumn of 1920. That is to say, it reacted almost immediately to the discussion in concrete terms of war indemnities and the resulting change in the European situation. Birmingham, despite its multitude of trades, lives, perhaps more than any other industrial centre, on overseas trade. When that ceased, or was enormously reduced, the city's manufactures fell to a fraction of their former bulk, and until export orders increase, there is little hope of a noticeable improvement in employment. Out of this depression arises the extraordinary unemployment of the last two years, but there is also another fact, which renders the unemployment statistics misleading, if they are taken as the chief index of the situation.

Under-Employment

While many workers have been discharged owing to lack of orders, a great number—probably more than are actually unemployed—have been retained to work "short time." This "under-employment," as it is called, is regarded by persons who see most of its consequences as at least as serious as the mass of unemployment. "Bad as unemployment is," said the Manager of the Labour Exchange, "under-employment is worse. Of fifty firms manufacturing bedsteads, only two were on full time a month ago. Some firms are doing as little as two days

a week and there are some, particularly in the jewellery trades, working only one day a week. The average short time is three days. Assuming we get a revival in trade, it will not materially affect the reservoir of unemployed until firms have reached their normal working hours with existing staffs." There is definite support for this statement in the case of the brass workers. The official figures for that trade union show that, when the number of unemployed members was 1,300 in June last, 2,000 were working short time, which averaged three days a week; and in August, when the number of unemployed had fallen to 900, the short time workers were still 1,800 strong. Similarly, in the electrical trades, nearly 50 per cent. of the trade union members have been on short time during the last six months.

Small Fluctuations

Nevertheless, there have been seasonal and other fluctuations, which have made some impressions on the mass of unemployment, and even without these the personnel of the unemployed has changed, while the total remained almost unaltered. This may be partly accounted for by the huge number of small manufacturers in the city. These often find work for a few men for a short time. They are especially suitable for absorbing every breath of trade which presents itself; but the bigger ebb and flow has arisen from such causes as periodical activity in the motoring industry, and the demand for jewellery, electro-plate and fancy goods for Christmas. At present (September) both of these lines are slackening and the unemployment totals are beginning to rise.

Is there a Surplus Population ?

Since this condition has persisted for two years, there is reason for inquiring whether the labour market is seriously over-supplied, having regard to the volume of trade normally claimed by Birmingham. By no one to whom I spoke is that view held. The Manager of the Labour Exchange, the Secretary of the Chamber of Com-

merce, the Lord Mayor and many business men are convinced that, given normal trade, Birmingham is capable of absorbing in its industries the whole of that portion of the unemployed which is fit for work. It is not believed that any large part of the immigrant war population remains to swell the city's unemployment figure. This is a remarkable fact, for it is estimated that not less than 100,000 persons went to Birmingham during the war to engage in munitions and other work. In some quarters, the total is put as high as 150,000—a figure which is not so improbable as it looks when it is remembered that 150,000 Birmingham men served with the Forces, and that the population figures, nevertheless, increased steadily. It is supposed that the majority of the special war population returned to their homes as soon as war work ceased. This view is supported by the fact that the local food office was kept busy, transferring the food cards of workers who were leaving the city; and in one week the transfers reached 20,000. Those officials who were engaged on food-rationing work at that time have no doubt that most of the "aliens" left the city. The persistence of the unemployment problem in Birmingham, therefore, cannot be explained by the existence of any surplus population, dumped on the city by the unusual circumstances of war-time production. The unemployed are chiefly persons who could find work in Birmingham before the war, with the addition of the young persons who were still attending school in 1914. Even if it were assumed that there had been no development in the city's enterprises which could absorb the growing population, the present unemployment could not be explained; for the population, which was 882,534 in 1914, had increased only to 910,000 by the middle of 1920—an increase of 27,466.¹ There is evidently no abnormality in the population which can account for the condition, though it is impossible to discover how far war-time experiences have tended to increase the industrial population.

¹ Between the two last censuses the increase in population in the present Birmingham area was from 840,202 to 919,438.

Relief Works—Cost Insignificant

During the past two years some attempt to meet the difficulties has been made by the provision of relief works. The depression came so suddenly that comparatively little was done in this respect during the winter, 1920-1, but for last winter greater efforts were made. At a City Council meeting in July, 1921, Ald. W. A. Cadbury stated that the total cost of schemes, prepared by the various Committees of the Council, would be £1,141,000. The carrying out of these, however, was made contingent upon the obtaining of grants in aid from the Unemployed Grants Committee; and the works actually carried out in that financial year (ended March, 1922) cost only £486,093. These works were of a varied nature, but the biggest of them involved the use of very little skilled labour. Here is the list:—building and repairing buildings, £4,070; new baths, £69,300; painting and paving at the gasworks, £27,821; repairs, etc., markets, £1,760; cleaning Art Galleries, etc., £2,216; new tram tracks, £156,250; roads and sewers, £224,676. No estimate was obtainable from Corporation officials or others as to the division of cost between materials and labour in any of these cases; but at a City Council meeting in October last year the Gas Committee presented their estimate as representing £13,788 for labour and £14,033 for materials. This is probably a fair indication of the average ratio between the two items of expenditure. It is evident that in the Tramways Committee's scheme, the estimated cost of labour was about £80,000, since the 60 per cent. grant from the Unemployed Grants Committee, in respect of labour on this undertaking, amounted to £56,000.

The division of the cost of relief works between local and national authorities was conveniently summarised by Ald. Sir David Brooks, in a speech at the meeting of the City Council on October 17, 1921. The following report appeared in the *Birmingham Post*:—

"The cost of schemes to be charged to capital account was £164,300, the loan charges on which would be £13,733

a year, of which £3,437 would be borne by the Government. On the revenue account, the cost was £65,221, of which they hoped to get £24,633 from the Government. The Tramway schemes would cost £156,250, of which £56,250 would be received in grant from the Government. The total annual cost to the rates would be £13,733 or about $\frac{1}{4}d.$ in the £."

It is clear that the cost of labour employed on these works was roughly equal to one-half of the total cost, and of that the Government bore two-thirds. For the year ending March, 1922, Birmingham's relief works represented about £243,041 in wages. Only £81,010 of that sum was borne by the city, and of that amount £48,963 was charged to capital account.

The total net cost to the city of relief schemes in that year appears to have been £324,051, or less than one-thirtieth of the city's gross income for that year, £10,182,483. This income, however, is derived from so many other sources besides the rates, that it must be stated that the rateable value of the city is £5,504,441 (as compared with £4,822,768 in March, 1915); that the city's indebtedness amounts to £23,978,441 (as compared with £19,899,629 in March, 1915); and that the rates are 17s. in the £ (as compared with 18s. last year, and 11s. in 1914).

Relief Works Uneconomical

What is more surprising is the small number of men for whom work has been found on these schemes. During last winter the greatest number employed on relief work at any time was 2,500 in December last. From then until April, an average of 2,050 was maintained, after which the numbers were gradually reduced until, at the time of writing, only 108 were at work. It is frankly admitted that these undertakings are uneconomical. Here is a statement made by the Public Works Committee to the City Council in February, 1921:—

"The work carried out in March last by navvy labourers, at navvies' rates of pay, cost 1s. 5 $\frac{1}{4}d.$ per yard; the work done by the unemployed in November at the minimum rate cost 2s. 6 $\frac{1}{4}d.$ per yard."

That experience produced two results. It convinced the City Council that care must be exercised in selecting men suitable for the work in hand ; and it also led to a decision, in October, 1921, not to pay the full wage of Corporation labourers for unskilled work done by the unemployed. The view of the Council as to the importance of selection may be seen in the following extract from a report of the Public Works Committee, which was approved by the Council in February, 1921 :—

“ They (the Committee) have come to the conclusion that the conditions which apply to the 50 per cent. grants, that the men engaged to do the work are to be selected by the local exchanges, apparently without regard to the physical fitness of the individual to undertake work of the character required, are most uneconomical, and that unless the proportion of the Government grant is considerably increased, the Corporation could more economically carry out the work, if they bore the whole burden of payment and had a free hand in selecting the unemployed men to be engaged.”

With the same idea in mind, the Council decided in October last to pay for unskilled labour only 75 per cent. of the wages paid to regular Corporation employees for similar work. Notwithstanding this, the work has still proved uneconomical, and, while no definite estimates are available, it is believed that the cost of relief works is usually about 15 per cent. above what they would cost if carried out as ordinary business undertakings. There is, then, a definite loss to the city on the labour cost of last year's relief schemes of not less than £6,990. This is a direct drain upon the city's resources, to which may be added the cost of out-relief, which has varied, during the last year, from £12,515 to £28,845 per week. These sums, as has already been explained, include out-relief given in the borough of Smethwick, and also relief given by the West Bromwich Union in the Handsworth district of Birmingham, which is within its area.

Growth of Out-Relief

The total numbers of unemployed receiving out-relief in Birmingham, Smethwick and Handsworth in the first

week of each month in the past year, together with the weekly cost, are given below. For the purposes of comparison, the total numbers of unemployed in the same areas at the corresponding dates, are also shown :—

1921.	Total Unemployed.	Unemployed receiving Out-relief.	Weekly Cost of Out-relief.
October . . .	82,519	22,630	£20,632
November . . .	90,846	18,948	£14,853
December . . .	87,677	17,407	£12,515
1922.			
January . . .	90,442	19,503	£15,634
February . . .	87,972	19,414	£15,465
March . . .	82,481	19,371	£15,334
April . . .	80,664	23,704	£24,026
May . . .	76,026	24,500	£19,739
June . . .	73,831	27,471	£28,845
July . . .	70,993	20,152	£15,663
August . . .	72,477	19,008	£13,903
September . . .	72,814	19,510	£14,128

Thus the total cost of out-relief for the year cannot have been less than £867,978.

The out-relief figures do not tend to correspond very closely with the numbers of unemployed. This is to be explained by the two facts (1) that there are often several unemployed in one family, and (2) that when an insured worker has exhausted the benefit to which he is entitled in any one quarter, he simply transfers himself to the Guardians' list for the five weeks' interval.

Administration of Out-Relief

Since out-relief on such a scale has been necessary, it would seem that it has been remarkably well-administered in Birmingham. All applications for out-relief are carefully investigated, not only by the relieving officers, but also by sections of the Central Relief Committee, to each of which is allotted a district. Cases are checked daily by the registration department of the Birmingham Citizens'

Society (to which the Guardians subscribe, this year's subscription being £300). In order that a reasonable relation may be maintained between the amount of out-relief and wages which may be earned, returns from a number of industrial establishments are received monthly by the Superintendent of Out-Relief, and reports are presented to the Guardians. Up to the present the Board has taken as its index the wages of Corporation labourers, and has attempted to keep the total income of those to whom it gives the maximum relief at least 10s. below that figure. Thus, up to July last, while the wages of Corporation labourers were 60s. a week, the maximum weekly relief for a family of nine was to the value of 50s., with an extra 2s. 6d. per week for coal in the winter. Since July, a new arrangement has been made, whereby the applicants' rents up to 8s. per week are paid, and then other relief, which makes the total income up to a maximum of 45s. is given. Quite a large proportion of this relief is in kind, given on a graduated scale, which varies with the size of the family. Here, for instance, is the scale for a man, wife and three children : Tea, 9 oz. ; sugar, 3½ lb. ; rice, tapioca or sago, ¾ lb. ; rolled oats or dried fruit, 2 lb. ; cheese or bacon, 1¾ lb. ; sweetened condensed milk, two 14-oz. tins ; margarine or lard, 2lb. ; cocoa, 8 oz. ; golden syrup, 2 lb. ; blue peas or split peas, 1½ lb. ; soap 1 lb. ; bread, 22 lb. ; plain flour, 2½ lb. These goods are supplied by means of food tickets, negotiable at practically all grocers' shops. When the scheme was started some difficulty arose in the substitution by tradesmen of articles other than those authorised by the Guardians. A threat to strike such offenders off the list, and the institution of surprise visits both to shops and to the homes, have put an end to most of the abuse, and less than half a dozen offenders have been detected. In all cases the Guardians have dealt with whole families, and have carefully examined the income of all members of a family, but have " ignored one-quarter of the earnings of the members of the family (other than the head) ; 5s. of any disability pension ; 5s. from any friendly society as sick pay ; and 7s. 6d. of any Health

Insurance benefit"; but they have limited deductions on account of such incomes to 15s. weekly.

Having regard to the number of cases relieved, very few applications have been refused. In a specimen month, from the middle of July to the middle of August last, 239 applicants were refused relief, chiefly for such reasons as unsatisfactory conduct (misstatements, drunkenness, crime), and being turned out of lodgings (living in rooms and failing to pay the rent). This represents about 60 cases a week, at a time when the total number of cases relieved stood at about 19,000 per week. The Board has also kept a sharp look-out for cases of refusing work. Very few instances of this have been discovered. One relieving officer, who has charge of 500 cases in the worst district of the city, stated that throughout the whole of this period he had met only two such attempts to evade work, and on being warned the men had gone back to the employers and recovered the jobs they had previously rejected.

Cost of Extra Administration

With the increase in the bulk of out-relief has come necessarily a rise in the cost of administration. More than 100 persons have been temporarily added to the staff, and seven new relief stations have been set up, the cost of this expansion for the past year being about £5,000. In sympathy, the cost of ordinary out-relief, not directly due to unemployment, has risen. In October, 1920, this stood at £1,224 per week. In September this year it was £2,527, the rise being chiefly accounted for by extra help to old-age pensioners who were formerly assisted by children now out of work, and to widows whose children are unemployed and cannot contribute to their maintenance. There is practically no increase in indoor pauperism, except in respect of special schemes, such as the care of epileptics, the cost of which would have had to be borne in any circumstances. Thus, if the cost of extra administration and the excess of ordinary out-relief over the normal are added to the amount of relief given to the unemployed, it is seen that the demand on the poor rate, which has arisen

out of the present situation, was at least £874,271 for the past year.

Charitable Expenditure

Birmingham also has 350 charitable organisations, whose work is co-ordinated by the Citizens' Society. The assistance provided in this way is usually given only in cases of sickness, or in helping poor persons to recover from the effects of an illness. Something has been done too to relieve distress in the cases of persons who obstinately refused to apply to the Guardians. The funds of this Society, after expenses had been deducted, amounted in the year 1920-1 to £22,442. In each of the last two years there has also been a fund raised by the Lord Mayor to relieve distress. Last winter this was £11,000.

The unemployment of the last year therefore has involved an expenditure, apart from unemployment insurance benefit and relief works, of about £907,713.

Health

This is a cash expenditure, borne by the city in some form or other, for which there is no return that can be readily calculated. There do appear, however, to be two very valuable results, for Birmingham is both a healthy and a well-behaved city. The Medical Officer of Health, in his report for the year 1921, says :

“Notwithstanding the considerable amount of distress, due to unemployment, which existed during the whole year under review, the health statistics were among the best recorded for Birmingham. Both cases of ill-health and mortality were fewer in 1921 than in former years.”

At present (September) the health of the city is even better than it was last year. During the week ended September 9 the death-rate was only 8·4 and the infant mortality 5·3 per thousand. There was no enteric and very little infectious disease. Tuberculosis of all types has steadily decreased in the last two years, and deaths from debility, pneumonia, bronchitis, influenza and other

complaints which would indicate lowered vitality, have been below rather than above the normal. From the statistics of the city's Health Department it is to be inferred that the health of Birmingham, instead of suffering during this period of stress, has improved. Nor do the figures which the National Health Insurance Scheme provides upset this theory; the number of prescriptions dispensed in Birmingham under this scheme in each month show no significant increase. The greatest portion were for stomachic troubles, closely following which, in numerical importance, came those for coughs and colds, with debility as of third importance. Except for a period of influenza epidemic, the figures since November, 1920, when the depression became acute, have not been much in excess of those in normal times. The statistics officer regards the slight increase not as a sign of greater suffering, but as explained by the fact that unemployed people have more time to attend at the surgery, and obtain treatment for lesser ills, which would otherwise be treated at home or neglected.

Birmingham then is unusually healthy. "The health of the city," said the Medical Officer (Dr. Robertson) to me, "has never been quite so good as at present, despite overcrowding." Whether this is in spite of unemployment or because of the measures taken to meet it, it is not easy to decide, but there is a strong leaning to the view that the steady flow of good food, supplied by the Guardians, into so many homes, is an important factor.

Unrest and Crime

Political agitation, too, is negligible. The usual Communist speeches are delivered in the local forum—the Bull Ring—and there have been marches of unemployed men, which have meekly submitted to diversion and direction at the hands of the police, but there have been no disorderly scenes or attempts at violence. This is said to be partly due to the huge number of small manufacturers and property-owners in the city. But the Chief Constable has another interesting theory—that the sober spirit of the Nonconformists, who crowded into Birmingham during

the Jacobean period because it was one of the few towns to which the Five-Mile Act did not apply, has been inherited by the population of to-day. Whatever the reason, the city is exceedingly well conducted.

There has been no increase of crime. One relieving officer, to whom I spoke, believed that in a roundabout way crime of the small type has grown owing to the temptations which present themselves to men hanging about stations and public places in the hope of finding an odd job, but the statistics kept by the Chief Constable offer no corroboration of this view. During the last four years, "offences against property without violence" were :—

Year.	Total.
1918	1,317
1919	1,040
1920	1,015
1921	1,069

Mode of Living (Savings, etc.)

Here then is a population which shows no outward signs of the difficult circumstances in which it has lived, and an examination of its method of living is interesting. The early stages of the period must have been made easier by the use of savings. This is evident from the fact that the number of out-relief cases did not reach 10,000 until September, 1921. To trace these savings and their subsequent use is almost impossible. Some indications may be found, and from these comparatively safe inferences may be drawn. One clergyman with whom I talked, believed that there had been considerable investment in War Savings Certificates by the class of people now most affected. This does not seem unlikely when the facts are examined. During the war, the scheme by which certificates could be purchased by weekly instalments of 6*d.* was very popular in Birmingham, and in 1917 there were 850 war savings associations attached to factories and workshops with a membership of over 100,000. In the period February, 1916, to June, 1918, the sale of certificates in the local

post offices amounted to £3,345,292 and, during a special propaganda week, in October, 1918, a further 3,200,000 certificates were sold. War bonds too were heavily bought in Birmingham. From October, 1917, to April, 1918, the sum of £14,996,598 was invested in this way, and in the special week of October, 1918, bonds to the value of £7,102,703 were bought. The prosperity of the city after the Armistice is indicated by the success of a further investment campaign. In nine days from July 3 to July 12, 1919, Victory Loan investments to the total of £9,742,261 were made. These figures are probably a more inadequate index of the bulk of saving accomplished in the prosperous days. Many other facilities for saving were available and were doubtless taken advantage of, but there is no means of tracing this flow.

When the time of stress came these savings were certainly drawn upon to a considerable extent. How far this was the case in respect of the larger amounts I have been unable to discover. The number of War Savings Certificates and National Bonds negotiated since November, 1920, is not obtainable. A pointer is to be found in the investment figures of the Birmingham Co-operative Society. The following figures show the contributions paid in for all forms of investment—share capital, loan capital and penny bank deposits—together with the withdrawals from those investments since 1920 :—

Year.	Contributions.	Withdrawals.
1920	£159,271	£130,537
1921	£77,388	£237,692
1922 (first six months). .	£66,656	£163,339

Figures are also available of the business of the Municipal Bank, but these give no help. The Bank's normal weekly deposits have, for some time, amounted to about £25,000, and when unemployment was at its worst this figure rose to £29,000. Evidently this bank does not cater for

the class of people which is at present so largely unemployed. It appears to be used mostly by the trading community, and its increased deposits, when times were worst, simply represented the laying up of capital which, with normal trade, would be used for working purposes.

Savings there clearly was, and savings have been used to stave off distress. Miss Julia Varley (of the Workers' Union) assured me that she knew there had been a great deal of saving among women workers. Where the tendency to save cash had not existed, comfortable incomes had been put to uses almost as good, by wise spending. "In the prosperous days," said Miss Varley, "they bought good things, and many of them have been able to keep respectable during this long spell of unemployment because they had a stock of clothes. Many women bought household goods, such as blankets, and the children were well equipped." The same view was held by Canon Smith, Vicar of St. Paul's—one of the poorest parishes. "The women," he said, "are still respectable, and the children's boots are only just beginning to show signs of wear, but the men——!" The men, it is true, seem to have made less provision. Their purchases were less wise, less likely to help through bad times. An example was mentioned to me by a relieving officer. One man, who applied for out-relief, was found to have an expensive gramophone in the house. It had cost £40, and it went shortly afterwards to pay a doctor's bill of £7 or £8.

School Meals and Allotments

Much furniture, it is stated, has been sold, both with the object of raising funds for immediate use, and sometimes with a view to letting rooms to persons who cannot find house-room. The period has, in Miss Varley's opinion, led to an improvement in the housekeeping of Birmingham people. They have learned to buy carefully and to make the best use of all provisions.

The volume of debt does not seem to have become very

abnormal. Shopkeepers have not been ready to grant heavy credits, and life in this respect has been made much easier, especially in the last year, by the steady flow of food into so many homes.

Meals for school children have also relieved the pressure on the reduced exchequers of many households. The Education Committee provides a substantial dinner every day, including Sundays, for all children who are reported to be "unable to take advantage of education, owing to lack of food." The number of dinners supplied daily was 5,014 in July, 1921; 4,933 in October, 1921; 3,708 in March last, and in this month (September) only 607. The Education Committee has decided that free meals are not necessary for a member of any household which has an income of 5s. per head.

Considerable use is made, too, of allotments. Of these, there are 20,000 in the city. They vary in size from 300 square yards to $\frac{1}{2}$ acre, and there is a demand for still more. This demand is said always to exist and is not to any large extent the result of the recent condition. It is usually an unexpressed demand, which makes itself felt only when a supply is visible. An example of this was given to me by the Superintendent of Allotments. "When we set up a new series of allotments at Erdington," he said, "we had received only six applications. As soon as the scheme was finished, we let the whole 212 plots."

So far the unemployed seem to have been living carefully, and making the best of the small means at their disposal. For the first year, savings were used to a great extent and undoubtedly relieved the Poor Rate of a very considerable burden. During last year savings were becoming exhausted, and the calls on the Guardians increased. The distribution of food tickets, as part of the out-relief, has meant that the nourishment of the people has been partially safeguarded, but clothing is beginning to suffer, and very little renewal of household goods and crockery has been possible. This is the conviction of several clergymen and social workers, with whom I discussed the matter.

Distress

Out of these statements arises the inquiry as to how much actual distress exists in Birmingham. It would appear likely, at first sight, that real physical distress is to be found. Birmingham is not a cheap place to live in. Rents are high. A house which before the war might have been rented in Walsall for 7s. would have cost 9s. 6d. in Birmingham. That ratio persists to-day. But a worse feature still is that many young married people are compelled to rent rooms, and sometimes furnished rooms, at exorbitant rents. For a large number of the same class, there is also the millstone of instalments due to furnishing companies for goods supplied on the hire-purchase system. In these conditions there seems to be ample material for the production of most acute distress, yet I have looked for such distress in vain.

Let me first quote some opinions on this subject, and then offer the worst examples of suffering which I could collect from trade union officials, social workers, relieving officers and others who come into close touch with the unemployed. Here are the opinions:—

Mr. W. Marshall Freeman (Chairman of the Birmingham Employment Committee): "There is no real distress."

Mr. W. A. Dally (Manager, Labour Exchange): "There is certainly much less distress than there was in such a year as 1905. There are isolated instances."

Deputy-Chief Constable (Mr. Moriarty): "Those who suffer are the people we never come across—respectable folk, who are pawning and selling."

Miss Julia Varley (Workers' Union): "There has not been so much distress as in previous spells of unemployment. The physical condition of the people is a tribute to the effect of good wages. People have built up a reserve of strength, on which they are drawing now."

Mr. Gibbard (Brass Workers): "Recently we have had half a dozen cases of men going to work after prolonged absence, and having to go on the sick-list almost immediately."

Mr. Clements (Citizens' Society): "Cases of actual distress are very rare now. Our worst cases are those of weakly or diseased families."

Secretary of the Union of Bedstead Workers: "I have not come across any case of actual physical suffering owing to lack of food."

Canon Smith (St. Paul's): "There is not much distress, but I fear the winter."

The examples of distress which I have collected are not very impressive. Here are the worst:—

(a) A man who had created a disturbance at the Labour Exchange, made the following statement to the Manager, when interviewed afterwards: "I have been out of work two years; living in an attic, sleeping, cooking, and doing everything in an attic. That is all I have got for my wife and two children. My wife is stone blind and my children are down with whooping cough."

(b) A case known to the local Secretary of the Carpenters and Joiners. "A man with a wife and five children. Out of work for fourteen months before last November. Then was given four months' work. He has done nothing since. I know the family is often short of food, but they would never tell you so. You would have to search the cupboard to find that there was no bread and marge in the house."

(c) Another Trade Union Secretary mentioned the following: "During last winter's spell of bad weather, one of our members was regularly waiting for us to arrive, so that he could get near the fire in the out-of-work room. He had been out of work for two years. One morning, I asked him if he had had any breakfast, and he said 'No.' I sent him with some money to get some. Two mornings later I asked him the same question. He turned his back on me and said 'Yes.' I knew it was not true."

Several other cases of a similar type might be quoted, but it was with difficulty that I collected them and I was informed that such instances were not numerous. Cases of keen suffering are usually not the result of unemployment alone, but of that together with complications such as

illness. My general impression was that there had been remarkably little physical suffering due to unemployment—a view which is supported by the general health of the city and also by the statement of a Poor Law medical officer, that the physique of the people has not suffered and that in the case of the women it has actually improved.

Mental Strain

Perhaps the keenest suffering has been mental rather than physical. Many a respectable man, who has always been able to support himself hitherto, who has generally saved sufficient to carry him over the rainy day, who has never accepted charity and certainly never been driven to apply to the Guardians for relief, has made every effort "to make ends meet" and has accepted Poor Law Relief as an absolutely extreme resort. To such a man the mental strain must have been great. "It is not so much the physical side that has deteriorated," said the Manager of the Labour Exchange, "but the mental—the result of the worries of unemployment." Here is a story told me by a Trade Union Secretary, which illustrates that point. "One of our oldest members, an excellent workman and a very respectable man, was hanging about the office one morning when I arrived. Later in the morning, he came in to see me, and as I invited him to sit down, he burst out crying. 'I felt I must tell somebody,' he said, 'and I thought I had better tell you. I have had to go to the Guardians. Now, I suppose, I shall never work again.'" Such suffering there has been in thousands of homes, and except by the fairly steady percentage of loafers which is to be found in all big cities, Poor Law relief has not been sought until it was really needed. If it could be shown that distress has resulted from unemployment, it would be equally true to say that the distress due to unemployment is quite as heavy. For every two persons unemployed, there are probably three who are working only twenty-four hours a week. In some trades this has been the state of affairs for the last two years. In homes where the workers are so situated, the income is often not

so large as it would be if they were unemployed, and during the engineers' lock-out some of the artisans were better off than they would have been if working.

Morale and Morals

It is generally believed, too, that the morale of the workers has not been seriously affected. The Manager of the Labour Exchange, questioned on this subject, pointed to the anxiety of most of the men to get work.

On that particular morning a vacancy for a blacksmith's striker had been announced, and a long queue of applicants continued to wait at the Exchange long after they had been told that the man needed had been engaged. "I find," said this official, "that when they have once started and have worked for a week or two, they recover their morale." There is undoubtedly a sort of industrial stiffness about the workers when they go back to employment after a long absence, a need for re-adaptation. It is certainly not easy for them to settle immediately to steady work. Something in the nature of a second apprenticeship—not to their trade, but to work in the broad sense—is needed. This has been noted by several employers with whom I talked, but the period of re-adjustment is usually short, and a little patience on the part of employers leads to a complete recovery of ability and application. The most serious aspect of the problem is that presented by the youths who spent the years when they ought to have been learning a trade, or learning to work, in the Army. Many of these are regarded to-day as almost useless. They have nothing to offer which is of any great value in the labour market. They have been at a disadvantage, because work has been given first to married men. They have been out of work for long periods, just at the time when their mental and moral faculties are most sensitive, and the result is that they now form a section which employers and public officials are very much inclined to label "demoralised." "Unless the youngsters can be induced to take up some training," said Ald. Sir David Brooks to me, "they will be loafers or rely on casual

employment." On the same subject Mr. Dally, of the Labour Exchange, said: "The greatest difficulty is with the boys who went into the Army as boys, and lost the best of their lives; I don't think many of the older men are beyond recall, and I believe a job would reclaim them."

There is a growing feeling in the city that these young men cannot be treated as ordinary unemployed. The Birmingham Guardians have directed their Central Relief Committee to discriminate between those who followed a regular occupation before the depression and "those who had no regular occupation, and whose casual earnings were not more, and in many cases less, than the relief scale." The West Bromwich Union is going further and is about to set up test work for persons suspected of not being anxious to work. It has also conducted successfully a prosecution against two of the young men, typical of this class. They refused work on relief schemes, which would have brought them wages about 12s. above the sum they were receiving while out of work. One refused the work on the ground that he was a skilled navvy, and the other because the pay was not good enough. They were charged, under the provisions of the Vagrancy Acts, with failing to maintain themselves, and a conviction without penalty was secured. Together with this type is the class of "work-shys" which is always to be found. The only increase in the class as a whole is believed to be due to the unskilled youngsters already described.

The general verdict is that men who have been used to work have not lost their morale, but the danger of a further prolongation of chronic unemployment is recognised and feared. "These men," said the Lord Mayor (Ald. David Davies), "spend their time walking the streets, or in rest rooms, getting very sick of life, and their morale is bound to be lowered if this condition continues." Morals, in the more particular sense, have not tended to improve. The Chief Constable admitted that there is a tremendous amount of gambling in the city, but he believed it would not be less if the men were at work. He thought if there were more money there would be heavier gambling, yet it is

evident, from such a notice as I saw in the out-of-work room of the Sheet Metal Workers, that idleness has at least brought gambling more prominently before the public notice. The following is the notice: "Gambling in any form is strictly forbidden. If gambling is continued, the out-of-work room will be closed. This action is taken in the interest of all members, as its continuance will bring disgrace on the Society." The men, whether unemployed or not, still find the money with which to attend football matches in large numbers, and the women go once a week to "the pictures." Miss Varley looks upon this as money well spent. It helps the people to keep from brooding, she says, and will be partly responsible for their remaining fit for work, if it should come. The Medical Officer of Health is most favourably impressed with the spirit of the people. "As one who is not a native of Birmingham," he said to me, "I can say that the people are wonderful. They recognise that what is being done for them is being done at great sacrifice, and they are putting up with the bad conditions. There is any amount of grit in Birmingham people."

The skill of the workman has suffered temporarily. Highly-skilled men, who have been out of work for a long time, are not fit immediately to go back to the highest class of work. Mr. Hands (Secretary of the Union of Gold, Silver and Allied Trades) made the following statement on this matter: "It is quite pathetic to see how nervous some of the fellows get when there is the chance of a job. They are not sure that they will still be able to do the fine work they used to do. They feel they have lost the delicate sense of touch. They will recover that in the long run, but undoubtedly the workman has deteriorated." Clearly, the value of the worker if re-employed to-day would be less than it was in 1920. The fall in value is, so far, only temporary, and the period needed for the recovery of skill and confidence would not be long; yet the fact indicates a real danger.

The most important effects of unemployment on the workers may be briefly summarised. Health has not

suffered, nor have crime and unrest become more pronounced. The standard of living has become less lavish but hardly less substantial, except in the matter of clothing and household furniture. There has been no physical deterioration, apart from a little "softening" which a spell of work would rectify; but there is evidence of keen mental strain in the case of the "respectable" worker. Moral deterioration has not made itself evident, except among the young men, who are especially handicapped. Skill has suffered temporarily in certain crafts, and this points to the danger of serious deterioration in the future. The coming winter will probably impose a greater strain on the endurance of the unemployed than the past two have done, for there is still no prospect of a revival.

Causes and Remedies

The persistence of the problem has shown that the original idea, as to its cause, was the right one. Work has not become more plentiful in Birmingham simply because there has been no opportunity to sell those goods which Birmingham produces in anything like normal quantities. Not only have there been no orders, but there have been remarkably few chances to compete for orders. The purchasing power of the people to whom Birmingham has sold largely in the past has not revived. Central Europe is almost a dead market. India, which was an excellent customer, is at present buying practically nothing, and has refused to accept and pay for many consignments which were shipped to order. The South African trade showed recently some sign of improvement, but is now slackening again. There is some small indication of a revival in the South American trade. Australia is not buying readily, because she too is faced with heavy unemployment, and is concentrating on the development of her own industries. Few Birmingham employers can be found who will maintain that inability to compete is the main cause of Birmingham's shortage of orders. It is pointed out that the price of raw materials and the heavy overhead charges keep the cost of production rather high, yet it is not claimed that

an immediate lowering of these would produce a crop of orders sufficient to make any appreciable impression upon the mass of unemployment. It is stated, too, that some workmen are not giving a fair day's work for the day's pay, but this is not a charge levelled at labour generally.

No employer to whom I spoke was ready with a scheme which would immediately affect the present situation. They urged that the ultimate cure is "hard work," that is, production at the cheapest possible price, which will make competition possible when there is again any bulk of orders to compete for. In this matter, however, a *general* increase of output and reduction of cost per unit is involved. For the present, no comprehensive scheme is offered. Most business men regard the problem as one which is so closely bound up with international politics that it is not capable of manipulation at their hands, even if costs were at once reduced. Costs have already fallen in so far as wages affect them, as may be seen from the following examples of wage changes in the past year:—

Trade.	Wages, Oct., 1921.	Wages, Sept., 1922.
	Per cent.	
Iron moulders. . .	48s. + 26s. 6d. + 12½	48s. + 15s. 6d.
Brass turners . . .	50s. + 26s. 6d. + 12½	50s. + 15s. 6d.
do. (engineering, . .	46s. + 26s. 6d. + 12½	46s. + 15s. 6d.
Brassfoundry, fully skilled workers . .	82s.	46s. + 25s. 5½d.
Silversmiths :		
(a)	54s.	46s. 5d.
(b)	57s. 6d.	49s. 5d.
(c)	75s.	64s. 5d.
Tram drivers . . .	73s. to 81s.	63s. to 71s.
„ conductors . .	69s. to 78s.	59s. to 68s.

} Further
reduction
of 10 to 20
per cent.

Effect of Combative Devices

The effect of the devices designed to meet the situation has been small. Relief works have touched only a very small fraction of the total unemployed, yet they are generally welcomed as tending in the right direction. "We hold," said Mr. Henry Wright (Secretary of the

Chamber of Commerce), "that it is better to employ men on relief works than to leave them idle, though relief works are more costly than contract works." The Export Credits Scheme has not been used to a very great extent, for the simple reason that there has been so little export trade to secure. The average firm in Birmingham has sufficient capital in hand to cover any work it may decide to compete for. And there has been no development which might involve the use of the Trade Facilities Fund. A housing scheme, under private enterprise, is the only line at present in which this might be of use.

The idea of artificial stimulation of any industry is not received with favour; but, if any industry were chosen, it is thought it should be the iron and steel industry, since that is largely a key industry, and would help in lowering the cost of production in many others. It is not generally believed, however, that subsidisation would be of great value. "Birmingham is suffering," said Mr. Henry Wright, "from the world's troubles, to which high taxation, high wages and high transport are added."

Emigration and re-settlement are not regarded as desirable methods of dealing with the problem. At present the Ministry of Labour is encouraging men to emigrate and is helping, to the extent of two-thirds of the passage money, in cases where men have work to go to. The movement towards either emigration or re-settlement is slow and almost negligible, since the demand in this respect is mostly for agricultural workers—men of a type which Birmingham cannot supply in large numbers.

Possible Plans for Future

Plans for dealing with the city's unemployment in the future, therefore, do not include anything which seeks to deal with the matter at its root. All that is attempted is to provide relief works on a larger scale than last year, and to keep distress within the smallest limits. The precise programme of the relief schemes for the coming winter was not available at the time of the investigation. It is certain, however, that it does *not* include the two biggest

schemes which have been suggested as suitable for relief undertakings. These are: (a) the widening and improving of the canal between Birmingham and Worcester; and (b) the construction of a new road from Birmingham to Wolverhampton. The canal scheme is one which Mr. Neville Chamberlain, M.P., has strongly advocated.

Housing

Earlier this year, the Lord Mayor of Birmingham put forward a suggestion intended to apply to housing works only. He proposed to the Ministries of Labour and Health that a certain number of men should be selected for work on housing schemes, and that their unemployment benefit and the out-relief which they would have received, should be handed over to the City Council and applied to the payment for work done. The Ministries received the idea kindly, and examined it in all its aspects, but decided that the difficulties in the way were too great. The Lord Mayor still believes that these could be overcome and that the result would be worth the trouble. Nevertheless, no progress has been made in this direction.

As to providing house accommodation, the suggestion certainly had much to recommend it. The shortage of houses in Birmingham is acute. When the Government's housing scheme was launched, it was estimated that Birmingham would need 10,000 houses. Only 3,000 have been built and overcrowding is chronic. It is stated that, in order to provide house room for the normal increase in the population, 5,000 new houses per year for the next ten years are needed. In a working class district it is, to use the words of a social worker, "the exception to find a house which is occupied by only one family." Miss Julia Varley told me of one eight-roomed house which was let off in rooms to seven families: and of another house, rented at 15s. a week, which was let off to various families and brought in 50s. a week to the original tenant. In another case, a man, wife and two children were living in the "furnished" attic of a six-roomed house, at a rental of 7s. 6d. per week.

The Medical Officer of Health, in his report for last year, says :—

“ The outstanding blot on the fair record of Birmingham was the conditions under which a large number of people had to live, owing to lack of housing accommodation. Great attention was given to the provision of more houses, but owing to the natural increase of population in this large city, it is safe to say that the new accommodation provided did not meet even the normal increase, thus leaving the overcrowding practically as it was. We are frequently having our attention drawn to gross overcrowding and indecency, with little or no power on our part to suggest even a palliative. The housing conditions have been so defective that a good many Birmingham families have had to leave Birmingham rather than submit to the conditions existing.

“ While it is true that under the exceptionally bad housing conditions we have to record for 1921 one of the healthiest years on record, I am quite certain that an unenviable heritage is being laid up for the future. It is inconceivable that the rising generation can become healthy, contented citizens, free from vicious habits, if the present bad housing conditions are allowed to continue.”

Notwithstanding such opinions, the building of houses by the local authority has ceased, and private building is proceeding so slowly as to be hardly worthy of notice.

Corporation Moves Warily

While it cannot be said that any really urgent works, other than housing, are being held up for lack of funds, it is clear that some works which are desirable have been allowed to wait for that reason. So heavy is the drain on the city's resources in the way of out-relief, and so enormous is the mass of unemployment that Birmingham seems to go warily in the matter of expenditure on public works. The attitude of mind responsible for this is readily appreciated. The city firmly believes that it cannot make any move which will get at the heart of the problem. It is convinced that its difficulties arise from causes beyond its reach, and it looks upon relief works as palliatives, which can only be of doubtful effect in preserving the morale of the workers. Stories of some of the men who attempted

navy work on the earlier relief works strengthen this view. Skilled men—some from trades which demand delicate work—struggled with pick and shovel until their hands were blistered and their bones aching. Still they stuck doggedly to the job, but their work got slower each day until, when the hardening process was beginning to take effect, the work came to an end. Latterly, this sort of thing has been avoided by a more careful selection of the men, with the result that certain classes of the unemployed are not touched by relief works.

The idea of setting up municipal manufactures for these types is scouted by local persons, as likely to be most uneconomical. The trouble is not a shortage of producing capacity but a shortage of demand for goods produced.

The Incidence of Unemployment

Meanwhile, Birmingham is convinced that it is bearing an unduly heavy share of the cost of the nation's unemployment. It feels that in ordinary affairs, such as elementary education, it has, as an industrial centre, a heavier proportionate burden than is borne by a residential town, where the demand for free elementary education is so much smaller per thousand children. Similarly, its unemployed are considerably more per thousand of the population than in many another city or town. Its out-relief and its relief works are, therefore, on a bigger scale *pro rata*. There is a strong feeling that the whole financial incidence of unemployment should fall on the national exchequer. How strongly this is felt by the Guardians may be gathered from a resolution passed by them in September, 1921. Its terms were:—

“ That the Government has altogether failed to appreciate the gravity of the present industrial crisis. Its refusal to accept a national responsibility for the unprecedented distress arising from widespread unemployment places upon industrial centres an improper and unfair burden. This Board again calls upon the Government to reconsider its unfortunate decision, and to accept a national responsibility for conditions which are national in their cause and in their dire effect.”

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Nevertheless, the city has shouldered its burdens, if not willingly, at least in a business-like fashion. No criticism at all has been levelled at the methods of administering out-relief in the city. There is very little bitterness among the unemployed themselves. In fact, the general feeling throughout the city is one almost of stoicism. Unemployment is looked upon as the result of international upheavals ; as a condition which can only be *relieved* by the efforts of the city itself ; and as a state of things which will pass only when the world is again in a position to do business.

UNEMPLOYMENT IN BURNLEY

(SEPTEMBER, 1922)

Introduction

In order to get a clear picture of the situation in Burnley to-day, it is essential to notice a few characteristic features of the town.

In Burnley there are over one hundred cotton mills, mainly engaged in weaving plain cloths. The cotton yarn of which the cloth is woven is imported from Oldham, Bolton, and other spinning towns, and the finished product, grey cloth, is marketed in Manchester, whence, after dyeing or printing, 80 per cent. of it is sent to markets overseas. About one-third of the total population of Burnley is employed in the mills, so the fortunes of the town as a whole are largely influenced by the fortunes of the cotton industry. This is the most striking fact in the industrial life of the town.

After weaving, the most important occupations are coal-mining and textile engineering, the former being wholly and the latter partially dependent on the main industry; so Burnley citizens say with truth: "If cotton goes we all go."

Men and women are both employed in the mills, in the proportion of about three women to every man, and rates of wages are the same for the two sexes.

Population

The vital statistics in the Report of the Medical Officer show the population at the middle of 1921 to be 105,300. I was unable to obtain an accurate figure for the industrial

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population, for the statistics of the Local Health Insurance authorities are admitted to be unreliable; but a total of the numbers engaged in various trades, supplied by the local Labour Exchange, gives in round numbers a fairly reasonable degree of accuracy.

The numbers are as follows:—

Textile workers (all grades)	. . .	34,000
Mining (all grades)	. . .	4,000
Engineering (all grades)	. . .	2,500
Building	. . .	2,000
Miscellaneous	. . .	13,000
Not insured	. . .	4,000
		<hr/>
		59,500

I checked the totals in the textile, mining, and engineering trades with the trade union officials in each case, and they are considered to be correct. The miscellaneous trades include municipal employees, paper makers, calico printers, tanners, shop assistants, etc. Of the textile workers, fully 32,000 are weavers, and are members of the Weavers' Association, which claims to include over 90 per cent. of the town's weavers in its membership.

Movements of Wage Earners During and After the War

According to the estimate of the Medical Officer the town lost roughly 20,000 inhabitants in the years 1914 to 1918, but by the middle of 1920 the population had recovered 15,000. Between 1920 and 1921 it would appear that about 1 per cent. of the population left the town. The population at the 1921 census was 103,175; in 1911, 106,765.

The figures need little explanation. For every one worker "imported" during the war, Burnley "exported" a hundred. The drain of cotton workers to the military services and to munition centres was heavy. The mining industry lost about 50 per cent. of its workers to the Army in the early days of the war, and was so short-handed that no more men were demanded of it in the "comb-out."

The greater part of the survivors from these two industries have returned and have been reabsorbed in industry.

Of the engineers, about 40 per cent. left for munition making elsewhere, and of the remainder about half found employment in munition shops in Burnley and half in private work which was considered necessary. The 40 per cent. have returned, and many women who left the town have brought back engineer husbands with them. The Secretary of the local branch of the A.E.U. estimates that these immigrants account for an increase of 6 or 7 per cent. in the engineering community in Burnley, but the local textile engineering industry is quite capable of absorbing this increase. It is obvious that the present situation in Burnley is not complicated by the existence of a war-time population which has been stranded by the stoppage of demand for war materials; on the contrary, the population to-day is considerably less numerous than it was in 1914.

The Course of Trade

THE COTTON INDUSTRY

The cotton industry is not a seasonal trade, but it is subject to periods of boom and depression to which the familiar name "trade cycle" has been given, hence periods of unemployment in cotton manufacturing towns were not unknown before the war. No reliable statistics of unemployment in Burnley before the war are in existence, and estimates are so liable to error that the men who are most familiar with pre-war conditions are the least willing to express an opinion. In periods of depression employment is affected in a number of ways:—

1. By complete closing down of those mills which have no orders, resulting in complete unemployment of the operatives.
2. By periodically "playing" for a week, from one week in three to, say, one week in six.
3. By working all the staff full-time but only running part of the machinery. The weavers are paid piece-rates

and obviously earn less if they "have a warp out," i.e., have a loom idle.

4. By working all the staff and all the machinery "short-time," either a few days in the week or a few hours in the day. This gives the weaver a regular weekly wage, but obviously low earnings.

All of the above methods are used, and it is therefore impossible, except by taking a census of every mill in the town, to measure unemployment and partial employment at any time.

The War Period

During the war, shipping was the great problem. Many looms were idle simply because the cloth, when manufactured, could not be carried to its overseas market. Stoppages of one week in four and one week in three were the rule, and as the war dragged on the situation grew slowly worse. When it was obvious that the Germans were beaten, buyers held off, and there was a depression until the spring (March-April) of 1919. Considerable unemployment and losses were the inevitable result.

The Boom

Prices turned in the early part of 1919, demand grew, machinery filled fairly quickly and trade boomed. Prices of cotton yarn rose to eight to ten times their pre-war prices, and prices of cloth five to six times, all markets being starved of goods by the war shortage. The enormous demand was stimulated in the case of India by the rising value of the rupee, and in the case of China by the rise in silver. The buying fever was fed by crowds of outside speculators, who saw that so long as the market was rising it was almost impossible to make a bad purchase.

The Slump

The turn of the tide came in April, 1920. The chief of the responsible factors was the high price to which yarns and cloth had soared, but of almost equal importance was the enormous drop in the price of silver, and the consequent shrinkage of purchasing power in two important

markets, India and China. By the end of the year not more than 30 per cent. of the looms in Burnley were producing cloth, and it is safe to say that every weaver in Burnley was affected, being either wholly or partially unemployed. There was a slight revival in the first two or three months of 1921; but this was reflected in prices, and then, also, the coal dispute arose. Trade collapsed again, and did not revive throughout the year, and again the weavers had a very bad winter in 1921 to 1922, although possibly unemployment was not so extensive as in the earlier depression.

Prolongation of the Slump

I had a long conversation with a leading Burnley manufacturer on this subject, and I am confident that his views are fairly representative of the opinion of the town.

There appear to be several causes for the prolongation of the depression.

I. FINANCE

Falling prices, repudiated contracts, bad debts, and debts which are not bad but cannot be collected at present, have combined in throwing a heavy strain on the commercial community, and even the strongest firms are compelled to feel their way very cautiously in opening up new business and in placing orders for future delivery. Burnley manufacturers do not blame the bankers for this deadlock; on the contrary they consider that the banks have acted admirably in the face of a situation which was full of danger both to them and to their clients.

2. THE PRICE OF RAW COTTON

Manufacturers claim that of all agricultural produce, cereals, meat, fibres, etc., none stands so high in price, when compared with its price before the war, as does cotton. Cotton goods are largely marketed in those tropical and semi-tropical countries which export agricultural products. If this difference in the relation of the price of cotton and the price of other produce to the 1914

level exists, then countries exporting other produce have a relatively smaller volume of purchasing power over cotton goods than they had in 1914. Taking an imaginary example, whereas an Indian wheat exporter could purchase ten pieces of cotton cloth with the proceeds of the sale of a given volume of wheat in 1914, the sale of the same quantity of wheat to-day only gives him power to purchase, say, eight pieces.

Until either raw cotton falls in price, or other agricultural produce rises, Lancashire cannot hope for a volume of demand from her old markets equal to the volume in 1914.

3. UNSETTLED STATE OF EUROPE

Lancashire manufacturers feel that they cannot hope for a revival of demand from their overseas customers if those customers have lost valuable markets for their products in Russia, Poland, Germany, etc. The failure of trade with Continental Europe, once so profitable to India, is frequently quoted in Burnley as a factor of considerable importance in the shrinkage of Indian demand for Lancashire goods.

4. THE PRICE OF DYEING AND FINISHING PROCESSES

During the war price-associations were formed in the bleaching, dyeing, calico-printing, and finishing trades. As a result of price regulation, the proportion which these trades take of the price of finished cloth is considerably larger than before the war, and other sections of the cotton trade claim that the action of the finishing trades is injuring the industry as a whole. This is a very vexed question, and cannot be decided by a brief statement here, but if there is justification for the complaints made against the finishers, the situation is grave. It is frequently asserted that grey cloth is sent to Holland, Belgium, Alsace, and Germany, for the finishing processes. Not only is this work, together with the making-up, packing, and possibly the shipping, lost to this country, but also valuable commercial information concerning overseas markets and their requirements is presented to the foreign competitor.

Convincing proof of this export of grey cloth to foreign finishers has not been advanced, but the existence of the price associations and the high price of the finishing processes are indisputable.

Other Suggested Causes

A few suggested causes of the prolongation of the slump remain to be discussed.

1. TRANSPORT CHARGES

The London and North-Western Railway has a monopoly of the rail transport business of Burnley, but it has a very active competitor in the road vehicle. Most mills have their own steam or motor wagons, for these are more convenient, necessitate less handling of the goods, and give a smaller fraction of waste due to damage than the railway.

Inland transport charges are not then a serious matter to the Burnley manufacturer, but it is possible that shipping charges may add unduly to the cost of British cotton goods in foreign markets, and thus give an advantage to the native manufacturer. This question is beyond the scope of the present inquiry, and I found nobody in Burnley who felt competent to deal with it.

2. TAXATION

Burnley manufacturers cannot say definitely for what percentage of their prices national and local taxation account, because costings detailed enough to reveal this charge are not used in Burnley. The usual method is to calculate the cost of yarn, add to it weavers' wages and the cost of sizing, and then add a fraction, say half, of the weaver's wage to cover all other items of expense. The Secretary of the Chamber of Commerce (a chartered accountant) claimed that it is impossible to say that taxation alone is responsible for high prices when all other expenses have risen correspondingly. But bearing in mind that taxation adds a percentage to the cost of all raw materials used and to the cost of living (this probably

being reflected in a high wage figure), it must be acknowledged that taxation is a formidable item of expense. For this view there was local support. The burden of local taxation is particularly heavy in slack times, because it is carried by a smaller volume of output.

3. INEFFICIENCY OF LABOUR

The following information was supplied by a Burnley manufacturer. During the war, weaving was an unprotected industry and there was a heavy drain of men to the Army. In consequence there was a scarcity of labour, in spite of the fact that machinery was not fully employed. Children who normally would be employed as "tenters," i.e. learner-assistants to six-loom weavers, for twelve or eighteen months after becoming "full-timers", were put on two looms almost as soon as they came on to full time. In many cases this progress was much too rapid, and a large number of young persons of 16 or 17 years of age were doing an adult's work without having had an adequate training for it.

Of much greater importance is the effect of the introduction of the eight-hour day. The shorter working day was introduced in the war period, when it was impossible to judge its effect. Then came the slump of the Armistice period, and when trade revived a large number of ex-service men returned to their former jobs. Although the returned men applied themselves with great willingness to a task which must have been very irksome after a life in the open air, it was obvious that they had lost some of their old efficiency. Only towards the end of the boom period did the rate of production catch up to the rate which was usual in the ten-hour day. Had the boom continued, it is probable that the old rate would have been exceeded as a result of the shorter day, but in the opinion of the manufacturer who discussed this question, with existing methods of production it could hardly be expected to do so by more than 10 per cent. It is claimed that whilst nobody would advocate a return to the long hours which were worked before the war, the sharp drop to the eight-

hour day is rather more than the trade can bear, for it means putting the weight of overhead charges on a much narrower flow of output.

It should be noted that rate of production does not mean the speed at which looms are run. This is mainly determined by the machinery, not by the efficiency of the worker. The efficiency of the operative is measured by the number of looms he can mind. The eight-hour day has not yet shown an increase in the worker's efficiency, but it is only fair to add that it has not yet had a fair chance.

4. LACK OF CAPITAL

There are no complaints in Burnley of lack of capital. Mills are usually family concerns, father and son frequently running the concern together, and in a few cases mills are owned by joint-stock companies, the owners of shares being operatives working in the mill. In these circumstances one would hardly expect a boom in recapitalisation at inflated values, of the nature of that which took place in the spinning section of the trade, and in fact there was no such boom in the weaving section. A few smaller manufacturers, who formerly hired both looms and building on the "power and room" system, and were compelled to buy up the mill they used during the trade boom, may have felt the need of their working capital, but they are few in number and unimportant in producing capacity, and can as a rule easily obtain a mortgage on their property. Very obviously, a larger percentage of profits could have been carried over from the boom period if the Excess Profits Duty had not been levied, but, on the other hand, the possibility of getting some relief from Excess Profits Duty encouraged manufacturers to face their losses when trade slumped.

It is not lack of capital which has prevented manufacturers making for stock, and thus giving employment to labour and machinery during the depression, but the obvious risk of loss on goods produced whilst the market is falling.

Summary of Trade Situation—Forecast

The slump has lasted in a severe form from October, 1920, to the early months of 1922. But there has been a small flow of trade at intervals in this period. As soon as trade shows signs of revival prices begin to rise, demand falls off, and there is another depression; but each revival has been a little brighter than its predecessor, and the period dividing the revivals has grown shorter. Trade picked up this summer, and employment is better now than it has been for a long time; but business fell off about the middle of August, and another depression appears to be setting in. This has not yet (September 5) been reflected in unemployment, because mills are still working off old orders.

It is difficult to estimate the prospects for the coming winter. That employment will continue to be as good as it is at present is most improbable, at least during the next few months; on the other hand, there is some reason for hoping that the depression will not be so acute as it was last winter. Some mills are engaged ahead, and there seems to be more confidence.

Engineering

Fully 80 per cent. of the output of the large firms in Burnley is for export, and about 65 per cent. of the total product of all the engineering shops in this district finds its way overseas. The trade employs between 2,000 and 2,500 men, and is almost entirely textile engineering, i.e. constructing and repairing all kinds of textile machinery.

After the war, some time was taken up by turning back from munition-making to textile engineering, then there was a boom, and a few men came in from other towns (Leeds, etc.). The Ironfounders' Strike, in the autumn of 1920, put an end to the boom, and the new immigrants returned home. By February, 1921, the engineers were settling down again, then came the coal dispute, and in May, 1921, there was a general stoppage. Since the coal settlement

trade has been indifferent, largely because two firms closed in June, 1921—they had orders, but the would-be buyers had no ready money, and the machine-makers refused to deliver on mortgage terms. The two largest firms were fairly busy until the engineering lock-out in March this year. Since the lock-out business has been fairly good; the two firms which were stopped before it have re-started, and men are being reabsorbed. Trade in the coming winter depends partly on the fortunes of the cotton trade, 35 per cent. of the engineers being engaged on repair work and machinery for use here.

Mining

The greater part of Burnley coal is steam coal, and 99 per cent. of the total output from the pits is marketed and used locally.

During the war the coal-owners encouraged their customers to find new sources of supply, production in Burnley being very limited, and now they complain that coal-users continue to buy from outside sources. It is stated that much steam coal from Yorkshire is imported, the Yorkshire pits having thicker seams, larger output, a restricted market during the period of stagnation in the iron and steel trades, and a profitable trade in house coal which permits dumping of steam coal. The Burnley mining industry depends, then, not only on the prosperity of the cotton industry, but also on the capacity of the iron and steel industry to absorb Yorkshire coal. Transport charges are not a serious problem, for the coal is used within a few miles of the pithead. I was informed that the labour employed is very satisfactory.

Unemployment

The numbers of claims paid by the Labour Exchange in the first week of each of the last thirteen months are as follows :—

	Claims Paid.	Amount.	
September, 1921 . . .	6,581	£4,333	Industrial population, 59,500
October, 1921 . . .	4,834	2,700	
November, 1921 . . .	3,167	1,694	
December, 1921 . . .	10,799	6,368	
January, 1922 . . .	22,720	10,271	
February, 1922 . . .	16,468	9,784	
March, 1922 . . .	13,251	8,549	
April, 1922 . . .	10,152	6,520	
May, 1922 . . .	9,203	3,705	
June, 1922 . . .	2,086	1,308	
July, 1922 . . .	3,382	2,330	
August, 1922 . . .	3,155	1,776	
September, 1922 . . .	2,984	1,996	

The figures can only give an indication, not a measure of unemployment, for short time and partial employment may or may not be paid for. They include both wholly and partially unemployed. It can be seen that the peak was in the first week of January, 1922, but the winter 1921-22 was not so bad as the winter 1920-21. The Christmas holidays possibly account for the extraordinarily large numbers of claims paid in that particular week.

The Secretary of the Burnley Weavers' Association told me that many of the unemployed (not necessarily being paid unemployment benefit through the Labour Exchange) were "nursing mothers"; that is, married women whose husbands might be working. Usually no distinction is made between persons when short time or few looms are run, but in long periods of depression the "pin-money" earners tend to be pushed out.

Married couples working in the mills are frequently on short time, but their combined earnings may not fall below the minimum required for benefit to be paid. A well-informed social worker estimates that 70 per cent. of the married women of Burnley are employed in the factories, and even if this is an exaggeration it is obvious that this item could account for a considerable error if the Labour Exchange figures were taken as a measure of

unemployment. Again, many weavers are hanging on with only two looms running, and are not considered to be unemployed at all.

There is no doubt that employers try to arrange short time and idle weeks in such a way that the operatives can gain the full benefit of the Insurance Act. One of them said: "I don't consider this an abuse of the Act, for in many cases I know that the unemployment benefit is all that stands between the worker and the most abject poverty." The percentage of workers being out of employment, but falling outside the time limits of the Act, is probably so small that it can be ignored. This applies to both the cotton and mining industries. The proportion of unemployed workers not registered for unemployment benefit is estimated at 5 per cent. of the registered by a local official of the Labour Exchange.

I have not been able to obtain an analysis of the unemployment figures by trades, but the greater part of the unemployed are probably weavers and general labourers. Of the engineers, about 160 men are unemployed at present, and their number is increasing at the rate of 7 to 10 per cent. per week. The peaks of unemployment in the engineering trade were December, 1920 (Ironfounders' Strike), and June, 1921 (Coal Dispute). In the mining section about 250 men are unemployed. Apart from the coal dispute, the peaks of unemployment were December, 1921, when 400 men were idle, and the period December to May, 1922, when 300 men were not working. These peaks coincide with the peaks of unemployment in the cotton industry. Pit workers are, on the average, engaged for four and a half days in the week.

There are 2,000 men belonging to the building trade in Burnley. Very few are registered as unemployed at the Labour Exchange, but there is very little building work being done in the town. It can only be assumed that many builders have obtained jobs elsewhere and still live in the town. Usually periods of depression in the cotton trade stimulate employment in the building trades, for repairs and alterations to mills are put in hand when the machinery

is still. Possibly there is some work of this nature in outlying districts.

Normal Wage Rates

Before looking into the amounts of the incomes of the unemployed, it is necessary to find out the normal wages paid at present for a full week's work. In all cases, where piece-work rates are paid, I have obtained several opinions as to what is a fair average.

BUILDING.		Weekly Wage.
All grades except plumbing :		s. d.
1s. 8d. per hour for 44-hour week		73 4
Plumbers :		
1s. 9d. per hour for 44-hour week		77 0
		Average for a Full Week.
COTTON.		s. d.
Four-loom weaver (piece-rates)		46 0
Six-loom weaver (piece-rates)		58 0
Tenter (boy or girl)		11 0
(A tenter assists a six-loom weaver and is paid by him. Before paying the tenter, the six-loom weaver gets from 66s. to 72s. per week.) Men and women are paid equal piece-rates, but a woman never gets more than four looms. A four-loom weaver's wage is generally quoted as a fair average and a basis for comparison in Burnley.		
		Average for a Full Week.
MINING.		s. d.
Collier (piece-rate)		59 6
Surface worker	per day	7 9
		Weekly Wage.
ENGINEERING.		s. d.
Fitters (46s., plus 15s. 6d. bonus)		61 6
Machinists (33s., plus 15s. 6d. bonus)		48 6
Labourers (28s., plus 15s. 6d. bonus)		43 6
		Weekly Wage.
PUBLIC SERVICES.		s. d.
Highway labour.		55 0
Street sweepers		48 0
Tramway :		
Drivers		69 0
Conductors		65 0

The wage stated above for tramway workers is a fair average. It varies with the number of years of service, and there is also an addition in some cases known as "merit pay."

Supplementary Earnings

It must be remembered that a weaver is paid a piece-rate, and men and women, young and old, are on a perfectly equal scale. Hence, although the head of a household may be unemployed for a considerable time, the pressure is not very severe if other members of the family are working. I have spoken to a man who has been idle for two years, but has not been in want, mainly because his daughter, a four-loom weaver, has been fortunate in being fairly well employed. This is only one case among many. The total earnings of *families*, supplemented by the unemployment benefit of the idle members, has in a very large number of cases been sufficient to provide at least bare necessities. The earnings of weaver daughters are a very important item in the weekly budget of many colliers' families.

Unemployment Insurance Benefit

The provisions of the Acts are well known and need not be repeated here. The amounts paid out in thirteen weeks in 1921 and 1922 are shown above. This is the main source of income of by far the greater part of the totally unemployed in Burnley, and it has saved a huge number of respectable Burnley workers from poverty or resort to the Poor Law.

Poor Relief

The Burnley Union covers an area considerably larger than Burnley itself, and has a population of 250,000, or more than double that of Burnley, but economic conditions in the Poor Law area are similar to those in the Municipal area, the leading occupation being weaving.

There was no fixed scale prior to May, 1921. From May, 1921, to November, 1921, the scale was as follows:—

17s.	per week for one person.
25s.	“ “ two persons.
35s.	“ “ three persons.
7s. 6d.	“ “ each additional person in a household.

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There was no maximum. From November, 1921, to August 31, 1922, the following scale was paid :—

22s. 6d. per week for man and wife. 5s. per week for each child, with a maximum of 52s. 6d. per week for a man and wife and six children. For single men and single women the maximum was 15s. per week, but was only payable if the applicant was a householder.

A new scale has been put into operation from September 1, 1922, with a reduced allowance for children and a maximum for man and wife and six children of 45s. per week. This is obviously because the old scale was considered too high when compared with normal wage rates in the town.

Outdoor relief is paid in many cases in addition to unemployment benefit, varying amounts being paid in order to make the applicant's total income equal to the Guardians' scale. In the case of colliery workers, outdoor relief is frequently paid to supplement low earnings.

At least half the allowance made to the applicant must be in the form of a coupon to be exchanged at a shop for provisions. If the applicant is not considered trustworthy the Guardians sometimes only allow rent and the price of coal in money, and give the rest of the relief in coupons.

In very few cases is relief refused. If a man pleads destitution the Guardians must relieve him, but if they have been cheated once they are careful that the fraud is not repeated by the same person.

The following amounts have been expended in outdoor relief in the last eighteen months.

April, 1921, to March, 1922 . . . £97,231

This sum was almost exactly divided between the two half years (£48,500).

Monthly Returns.	Total Expenditure.	Weekly Average of persons receiving Relief.
March, 1922	£5,430	.. 6,127
April, 1922	7,555	.. 6,973
May, 1922	7,441	.. 7,159
June, 1922	12,701	.. 8,253
July, 1922	6,627	.. 6,032
August, 1922	5,261	.. 4,689
September, 1922 (estimate)	5,000	.. 4,000
Six months (April to September)	£44,585	

The weekly average number of persons receiving relief includes men, women and children.

The exceptionally high figure for June, 1922, is probably due to the fact that a large number of workers came out of benefit at the Labour Exchange. It will be seen that the expenditure was rather less in the last six months than in the two preceding half-yearly periods.

The numbers of indoor paupers at the beginning of September in the last four years were 470, 630, 772, 740. Of the increases, only 10 per cent. were able-bodied. The greater part of the men applying for outdoor relief called themselves "General Labourers."

SCHOOL FEEDING

The expenditure on School Feeding was £137 in the year April, 1920, to March, 1921, £5,035 in 1921-1922, and is estimated at £4,000 for the current year. In the last financial year (1921-1922) thirteen centres were used, 103,668 breakfasts and 112,781 dinners were served, and at the peak 779 children were on the feeding list (end of June, 1921). The average numbers of children on the list rose from 285 in April to 713 during the coal strike in June last year, fell to 213 in November and rose again to 359 in March. The Education Committee is anxious to avoid the pauperisation of children and their parents, and considers that in many cases families can struggle along without going to the Guardians, provided that some help is given in feeding the children. An extension of the work was proposed for the present financial year, and £5,000 voted for it, but the Board of Education threatened to stop the grant, and the scheme had to be dropped.

Children are only fed when they are necessitous. In June (this year) the scale of necessity was raised; according to it now the weekly income for a family of two adults and three children must fall below 31s., before the children can be fed at school.

Relief Work

Relief work as a method of relieving the unemployment situation is generally considered both expensive and unsatisfactory.

When a relief job is undertaken, application is made to the Labour Exchange for the men required, say fifty to eighty men. A rota committee deals with the application, giving preference to the most necessitous cases and ex-service men, without considering their suitability for the work. Many of the workers sent are physical wrecks, but provided that a man appears to be trying he is not dismissed. The difference between the labour employed and the skilled navy is very obvious, and it is the subject of much comment in the town. In order to spread the work over as many heads as possible, alternate weeks are worked with different gangs. The Borough Surveyor prefers excavation for work of this type, because there is no question of skill and no expensive material is used. But it must not be forgotten that this work is most unsuitable for weavers, for it hardens their hands and obviously lessens their efficiency in their regular occupation, in which the rapid handling of delicate threads of cotton yarn plays a great part.

I have obtained the totals of expenditure on relief work in recent years, but they are of little value in estimating the benefit derived by the unemployed, because in some cases the cost of material was a large item, and in almost all cases regular skilled workers were also employed. There is also the difficulty of deciding how the burden of expense shall be divided over the years in which it was incurred. The most important piece of relief work, the construction of a new arterial road (Rossendale Road) cost £30,000, but it had a concrete bed and was fenced, and these items, together with the cost of skilled labour, accounted for a large slice of the expense. From start to finish the job took two years, but there was a stoppage of work for a period. The Borough bore 50 per cent. of the

total cost. The following is the expenditure on relief works:—

	£	s.	d.
April 1, 1920, to March 31, 1921 . . .	12,941	2	7
„ 1921, to March 31, 1922 . . .	14,303	18	3
„ 1922, to September 11, 1922 . . .	23,868	11	8

Fifty per cent of this expense was borne by the Ministry of Transport.

The cost of labour was worked out by the Borough Surveyor in the case of a piece of relief work, Manchester Road widening, and passed on to me in a letter, an extract from which reads:—

“The cost of excavation and tipping works out at about 7s. 6d. per cubic yard.

“We have found in the past that work done under these conditions (i.e. relief work) costs not less than double the cost of similar work if executed under normal conditions—but the actual increase is a variable amount, according to circumstances.”

The Guardians are pressing the Borough to find as much relief work as possible, and propose to pay the wages of the men employed (at present 45s. 7d. per week). This scheme is now being considered. The Guardians' opinion is that there is nothing worse than paying a man for doing nothing.

Two difficulties must be faced. The first is the financial side. Most of the works undertaken would not have been put in hand for many years had conditions been normal, and not one of them is a revenue-earning work.

The second difficulty is finding work which can be done. A tentative list, submitted by the Borough Surveyor to the Ministry of Transport and the Unemployment Grants Committee, as possible schemes for the coming winter for relief of unemployment included work on a main sewer, a retaining wall, bowling greens, tennis courts and pavilions, and six pieces of road work. These are dependent, in a large measure, on their acceptance or otherwise by various local committees.

Local Finance

An indication of the municipal financial position is now required.

The local indebtedness was £1,716,818 and rateable value, £459,447, on March 31, 1922. The Borough Rate rose from 9s. 6d. in 1919 to 13s. 3d. last year and 12s. 4d. this; the Poor Rate from 1s. 2d. to 2s. and 4s. 6d. The Borough Rate for the last two years would have been less than the rate for 1920-1921 but for a reassessment.

Before the war, if a family was receiving outdoor relief the rates were almost invariably remitted, but in the present abnormal circumstances this practice has been modified. If a family is in receipt of outdoor relief the rates are written forward, and only in a few cases (where the householder has no effects) are they entirely remitted.

Rates are collected directly from the occupiers of about 80 per cent. of the houses in Burnley.

Savings

The Building Societies take the greater part of the operatives' savings in Burnley. The leading Society, the Burnley Building Society, probably handles 75 per cent. of the money saved in the town. A remarkable feature of an institution of this kind is that deposits tend to increase in times of depression. The members of the Building Society are in the main the steady, thrifty section of the working class, with a sprinkling of shopkeepers and professional people. They do not as a rule lose their employment as readily as the less cautious people. In a depression the desirability of having a good reserve of savings strikes them even more forcibly than usual, and many, possibly most, continue to pay a little into the Society even when on short time. In 1921, an increase of £186,614 in shares and deposits over the 1920 figures was shown on the balance-sheet of the Burnley Building Society, and a further increase is expected this year. Although there is this increase in

shares and deposits, the 1921 balance-sheet shows £463,305 of shares withdrawn and £346,586 of deposits and loans withdrawn, so it would appear that at least a section is relying on former savings. At present the average shareholders holding in the Burnley Building Society is £175, and the average amount per depositor is £54.

Private Funds

In addition to unemployment benefit, outdoor relief, relief work and school feeding, several private funds exist or have existed for the relief of unemployment. The most important of these was the contribution from the Cotton Control Board. £425,000 was distributed through the medium of the Weavers' Association in two periods, September, 1917, to June, 1919, and January, 1921, to May, 1922. Benefit was at the rate of 25s. per head for men and 15s. for women. In the worst week 8,500 claims were paid (January, 1921). The Board had insured workers against unemployment, but the insurance was only against unemployment caused by the action of the Board.

Most of the organised religious bodies in Burnley have a fund for the relief of their own necessitous members, and there is a Clog Fund administered by the school teachers to provide clogs (the usual popular footwear in industrial Lancashire) for children needing them.

Relief Administration

There is no central authority charged with the task of co-ordinating these different organisations for paying out relief money, so each organisation must inquire of every other to prevent imposition. Separately each body appears to be very efficient and painstaking—in fact, I have not found anybody who could raise a single complaint on the grounds of slack administration; nevertheless the existence of so many sources of relief invites attempts at imposition, and the magistrates have had to deal with many offences of this character. It would appear also

that there is sometimes a difficulty caused by misunderstanding of the regulations which govern the payment of unemployment benefit. An unemployed person may go to the Labour Exchange on a Friday to receive payment, but finds there that he is not entitled to benefit; he must then apply to the Guardians for out-relief, and as a rule must wait for some days before he gets it.

Large numbers of men and women go from door to door asking for odd jobs, whitewashing, gardening, sewing, etc., and quite a number get them. This fact adds another complication to the administration of relief moneys.

Allotments

Allotments are of little value as a solution to the unemployment problem in Burnley. The land is fairly hilly and is not tilled, but is used for dairy farming. A few allotments have been made, but they are usually considered to be an inconvenient size—too big for the spade, and too small for a horse. There is little demand for them, for the soil is heavy and clayey, demanding much lime, manure and labour. The clayey subsoil of Burnley is an asset to the town in that it gives a high degree of dampness requisite for weaving, but for tillage the land needs reclaiming and this obviously demands a high initial outlay.

The distress and suffering caused by unemployment and changes in physique and morale (if any) must now be described.

Effects of Unemployment: Suffering

There has probably been, and is yet, some suffering due to unemployment. By "suffering" I mean absolute shortage of what are usually called the necessaries of life. But the proportion of working class families which has been in want is very small—a mere fringe. The testimony which has been given has been almost unanimous. A few of the steady respectable class of operatives have been too independent to apply to the Guardians for relief, indeed

have carefully concealed their destitution even from relatives and neighbours, and have just managed to keep body and soul together. Such a case is that of a slater, his wife and two children. The man gets a little irregular work, which gives him a very small income and prevents him from drawing unemployment benefit; one of the children is very delicate and cannot get up in time for morning school, frequently going in the afternoon after a very poor meal. A neighbour who gave me the information says that it is an obvious case of a child deteriorating in physique because of the poverty of its parents and their unwillingness to seek outdoor relief.

As for the criminal, pauper and wilfully casual class, one hears from social workers in constant touch with them that "they have never been better off in their lives." The official in charge of school feeding told me that steady, independent workers will not allow their children to be school-fed; similarly, I learnt from the Department of Public Health, "The steady operative's child is not brought for free milk."

A few words on the subject of the free milk are perhaps necessary. Some years ago, Burnley had the unenviable distinction of the highest infantile mortality rate in the country, so in 1906 the Department of Public Health was reorganised and has since been very successful in checking the rate. But Burnley has not forgotten the stain, and the health of the children is very carefully watched, and it is comparatively easy to ascertain whether there has been any marked deterioration in their physique. In all cases the answer is the same—there has been practically no deterioration. One case only was known at the school clinic of a child being obviously ill-fed—the teachers generally see that when a child is necessitous it is school-fed. Statistics from the Report of the Medical Officer (1921) show that whereas the boys increased in both height and weight as compared with 1920, girls of five and seven years were both shorter and lighter. The figures are as follows:—

	Boys.		Girls.	
	1920.	1921.	1920.	1921.
<i>Age 5.</i>				
Number inspected .	774	556	743	523
Average height .	41·3 in.	41·5 in.	41·0 in.	40·9 in.
Average weight .	38·7 lb.	39·7 lb.	38·0 lb.	36·7 lb.
<i>Age 7.</i>				
Number inspected .	762	132	760	104
Average height .	45·3 in.	46·1 in.	44·9 in.	44·7 in.
Average weight .	45·9 lb.	48·8 lb.	45·0 lb.	44·5 lb.
<i>Age 12.</i>				
Number inspected	907	617	853	566
Average height .	54·4 in.	54·5 in.	54·5 in.	54·9 in.
Average weight .	68·6 lb.	70·0 lb.	69·4 lb.	70·7 lb.

The Guardians employ a lady visitor who reports that milk and medical service are required sometimes. These are then provided free.

The annual report of the N.S.P.C.C. shows that the number of complaints of child neglect has diminished in the period of unemployment. The inspector explains that the people with whom he has to deal are the criminal and casual class, whose income (outdoor relief) is now received partly in kind and cannot be spent in drink, hence the children profit.

One might suppose that the health of children would improve when working mothers are compelled to stay at home by unemployment. But it is far from certain that the children suffer when the mother goes to the mill; opinions certainly differ, but well-informed social workers in some cases consider that it is better that the family income should be comparatively high, than that the mother should remain at home in poverty. There is no evidence of deterioration in the physique of adults. The numbers of prescriptions made up (National Health Insurance) show no significant variation except during the influenza epidemic of last winter.

Distress

Standards of living have risen since the war. During the boom workers' families grew accustomed to comforts and luxuries, recreation and entertainment formerly almost unknown. In the depression, household expenditure has had to be curtailed almost universally and a very large percentage of workers has been in distress. A relieving officer told me that he knows of many cases where the furniture has been sold. Many cases of acute distress are not entirely due to the trade depression, but rather to the partial incapacity of the breadwinner as a result of war injuries and the smallness of his pension. Of course such a man finds it more difficult to get light employment in bad times than in good.

This distress has not been reflected in the insufficient clothing of children. The Organising Secretary of the League of Social Service finds that children are not badly clothed, probably because many more people are making clothes at home. Burnley prices are high, and the home-made garment is usually better as well as cheaper than the shop article. The report of the N.S.P.C.C. for 1921 states :

"Owing to the great distress in the district by reason of unemployment, the Inspector has been applied to on many occasions for clothing, and he is happy to report that the public have assisted him in such a liberal manner that in no case where inquiry had proved the genuineness of the need had the applicant been left unsatisfied."

There have been numerous cases of lack of substantial footwear, but this need has been largely met from the Clog Fund administered by the school teachers.

Social workers attend at the Infant Welfare centres (four in Burnley) and are frequently able to relieve cases of distress reported by the mothers.

Morale

"Slackening of morale" may mean one of two things :—
1. Many of the better class operatives who hated relief

have by sheer necessity been forced to sell their furniture and finally apply to the Guardians for relief. At first the process was painful, then gradually nothing was thought of it, and finally relief was taken as a matter of course. In the words of the Clerk of the Guardians: "It spoils a man's character," or, to quote the N.S.P.C.C. Inspector: "a man loses his natural British independence." I shall refer to this class as the "habituated."

2. Some people, either through inherited moral weakness and early environment, or through constant dependence on outdoor relief, actually prefer drawing relief money to working for a living. I shall call this class the "demoralised."

Almost all the unemployed are by now "habituated." They no longer feel ashamed to be seen in the queue at the Labour Exchange or to apply to the relieving officer, but at least 75 per cent. of them anxiously want work. They are heartily sick of doing nothing, and want work for its own sake in many cases. The uncertainty of relief is also a great drawback—the worker wants the sense of security which regular work gives.

The "demoralised" only account for about 25 per cent. of the unemployed, and I was not able to obtain a shred of evidence to show that this percentage is growing; on the contrary, the demoralised appear to be a separate social class, which has grown in recent years by the addition of young men demoralised through military service, but not by that of steady workers demoralised by relief. Several well-informed persons concur in this view. From all sources one hears of the criminal, casual, and pauper classes rushing on to all forms of relief funds, and evading work wherever possible. In these abnormal times it is most difficult to classify the unemployed, because a man cannot be condemned as work-shy unless he definitely refuses to work, and at present there is little work to offer; but the anxiety to substitute earnings for benefit and relief payments does not appear to have spread to the minority which truculently demands its "rights" and states its occupation as "General labourer."

The Burnley Guardians have a home for pauper girls who are under 18 years of age but go out to work. It is a *home*, not an institution, and it reflects great credit on the Guardians and on the "mother"; but when the slump came practically all the girls who had turned 18 years of age left the home to exist on unemployment benefit outside.

The attitude of the steady worker to unemployment benefit and outdoor relief points in the same direction. He does not object to taking the money, for he feels that he has a right to benefit or relief after paying his insurance contributions or his rates, but he strongly objects to being associated with the permanent pauper class. I spoke to an unfortunate woman a few days ago. Her husband had died just a week before, she could not get work and had nothing, so she applied to the Guardians for relief and received 15s., half in money, and half in the form of a coupon for provisions, but she was deeply ashamed to present the coupon in a shop because it associated her with the pauper class.

Crime

There has been a remarkable decrease in crime in Burnley recently. The greater part of the offences which come before the magistrates are impositions on relief funds and matrimonial affairs. There is little stealing, possibly because people in dire necessity can get outdoor relief fairly easily; and little drunkenness, almost certainly because the frequent offenders receive the greater part of their income in the form of coupons for provisions. Gambling would probably reflect growing demoralisation more than any other form of vice. Round Burnley on Saturdays and Sundays groups of men (say 100 to 200) meet at lonely spots on the moors and play "pitch and toss" for fairly high stakes. I found one of these spots, watched the gambling from a distance and made some inquiries in the district. It appears that it has gone on for years, and has neither decreased nor increased during the unemployment period.

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WAGES

IN THE

COAL INDUSTRY

By

J. W. F. ROWE, B.A. (Cantab.)

No. 68 in the series of Monographs by writers connected with
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FROM THE AUTHOR'S PREFACE

It seems strange that despite the voluminous literature relating to the Coal-mining Industry of this country, there has not yet appeared any detailed Study of Wages. This is all the more regrettable since the whole problem of Wages in this Industry has now been a burning issue for several years, and even the general public has perforce had to pay attention to this highly complicated subject . . . the Wage System in this Industry does not operate so simply as is generally supposed. The whole matter is in fact difficult and complex, but it well repays a little trouble and attention. . . .

I have had the greatest advantage throughout of assistance and criticism from Professor A. L. Bowley and Mr. R. H. Tawney of the London School of Economics.

FROM THE INTRODUCTION

The Coal-mining Industry of the United Kingdom is in many ways the most important of our Industries, both in respect of value produced, directly and indirectly, and of the amount of labour engaged in it . . . it is a real Key Industry, and almost all other Industries are in some degree interested and involved in its fortunes. . . . Again, the peculiar risks of employment underground have led to an enormous amount of legislation ; hardly a year passes in which Parliament does not devote an appreciable amount of time to its consideration.

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Political Unrest

There is practically no political unrest in Burnley. Some time ago the steady section of the unemployed attempted to organise themselves, but a few hot-heads came into the organisation, the steady people withdrew, and it collapsed. The great bulk of the people here are very conservative. About a third of the houses in Burnley are owner-occupied. On the whole, the cotton operatives are content with their work and working conditions; wages are piece-rates, and the worker feels that his earnings depend simply on his own efforts; many of the operatives know the members of the mill-owning families personally, and there is little petty tyranny of overlookers and managers. The weaver is not readily stampeded by political hot-heads.

Remedies

The infallible cure for unemployment in Burnley is obviously a revival of the cotton trade. A development of new areas for cotton-growing would probably lower the price of cotton and enable merchants to sell more cloth. Settled political conditions in Europe, stable currencies, and removal of barriers to trade are all demanded. No suggestions have been met with of better methods of meeting the unemployment, which is an inevitable result of a trade depression. The principle of insurance appears to be considered satisfactory.

UNEMPLOYMENT IN CARDIFF, BLAINA, AND ABERTILLERY

(SEPTEMBER, 1922)

Introduction

Blaina and Abertillery are not selected as typical of the South Wales coalfield. No other area has suffered or is suffering so much from the depression in the coal trade. At the same time, its plight indicates the logical outcome of the present system of coal-mining. The history of this area may be repeated to-morrow in some other valley. There is nothing in the general nature of the industry to prevent it. For this reason, and for another—the homogeneity of industrial South Wales—I have thought it necessary to depart from the strict geographical limits set in the questionnaire. The fact is, one cannot avoid this wide survey, because the explanation of Blaina and Abertillery and of Cardiff itself cannot be found within their territorial boundaries.

In all that follows, I emphasise the homogeneity of South Wales—its dependence on the coal industry.

CARDIFF

The Poor Law Union

There are thirty-seven parishes in the Cardiff Union, the majority of which do not come within the purview of this inquiry. Nothing is lost to the value of the investigation because of this, as, with the exception of Barry and Penarth, the parishes eliminated are characteristically rural. There is no considerable industry away from Car-

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diff, Penarth and Barry, while the existence of a few coal levels or slants in some parishes affects their character but little. The significance of this is that the inquiry, so far as it concerns Cardiff, has no *direct* reference to the coal-mining industry, though the existence of the city arises directly from the commercial needs of coal-mining. Thus, the general character of the workers' occupations is dependent on coal. This fact must always be placed in the forefront. The city has a population of 230,000, and a rateable value of £1,251,445.

Relief by Poor Law Guardians

Statistics of out-relief in Cardiff are given herewith. The distinction between ordinary relief cases and unemployment relief must be noted. It is not always easy for the officials to make the demarcation. The importance of the distinction, apart from the requirements of this investigation, arises from the facts that:—

(1) The unemployed are relieved by the Poor Law Guardians, and may be entitled to unemployment pay from the Ministry of Labour.

(2) The Poor Law Guardians, Ministry of Labour, and Ministry of Pensions co-operate to prevent overlapping.

The necessity of this last measure in the interests of economy is obvious, but it has a salutary effect on the "cadgers." These are soon discovered, and the desirability of making an effort to obtain work is forced upon them.

Ordinary relief cases are coming up all the time. These include widows, and families in which the male member is incapable of working, through sickness or lunacy. They are the normal human drift thrown up in times of prosperity and depression alike.

Unemployment relief has diminished in the last few weeks, but this is due, in a great measure, to the Ministry of Labour's policy of extending unemployment benefit. The Board of Guardians does not appreciate the Government's policy for the care of the unemployed. Members take the stand that unemployment relief does not properly

come within the scope of the Poor Law, and that the Union should be freed from all financial responsibility.

During the summer, the five weeks gap system threw a large number of unemployed on the Guardians, but immediately this system was discontinued, the unemployed went "off" the parish. The one week gap system now in force has a like effect. It is a game of battledore and shuttlecock, in which the national and local exchequers play off against each other.

Several Guardians feel strongly that the policy of out-relief for able-bodied men has greatly undermined the independence of the people. Many cases are instanced in which relief is expected as a matter of course for the *first week of unemployment*. The facility with which able-bodied people can get relief has led to the assumption that the Poor Law is a legitimate source of income. Officials at Cardiff and Blaina consider the removal of political disability on receipt of relief to be a grave menace to the independence of the workers and to the impartial granting of relief. From this cause alone considerable numbers who would not otherwise have applied have sought relief. This has operated particularly among the miners. (*Note*.—500 to 600 coal miners working outside the Union reside in Cardiff.)

The work of Relief Committees has become so great that the committees have had to be divided for different areas, with the result that relief is administered by Guardians who live among the people who, receiving relief, have also the power at elections to unseat Guardians who have challenged the generosity of the public purse. The Guardians are not so independent as they ought to be. Several deputations of the unemployed have been received by the Board from time to time, and hard words have been used by excitable people, but there has been no disorderliness.

The Guardians are continually faced with the demand for full work or maintenance, and cannot convince the "active" leaders of the workless that full maintenance without work does not incline men to look for work. This

is the old, familiar demand, of which notice would not be taken here were it not that "full work or full maintenance" explains the readiness of many otherwise independent-spirited men to apply to the Guardians. It is a political creed to which thousands in the mining valleys subscribe in all sincerity, and has its no less forceful adherents in Cardiff. Every official, councillor and guardian interviewed urged the necessity of co-ordination between the various agencies of public assistance, e.g. National Health Insurance, Unemployment Insurance, Ministry of Pensions, Guardians and local authorities able to provide relief work. This appears to be chiefly in the interests of administration and economy; but it is pointed out that economy of the kind which prevents overlapping is in the interests of the distressed people, and that where the likelihood of employment exists co-ordination of the public services would speed up the employment of men on available work.

No relief work is provided by the Board of Guardians, because there are no facilities. The Inspector under the Ministry of Health has urged the desirability of relief work, and many members of the Guardians think this might be given. But the facilities are not present, and, in the main, relief work is held to be the province of the Corporation, with whom the Guardians would be willing to co-operate. In some Unions, Boards of Guardians have entered into arrangements with local authorities to provide tasks for work, e.g. in Leicester where, instead of giving an order for relief, a man is given an order for so much at the Corporation relief works. The Ministry of Health Inspector wanted the Cardiff Board to follow the example. The City Council was approached in regard to the filling in of the Maindy Pool (a work for relief), but the proposal is suspended because of a wages dispute between the men working there and the Corporation.

An arrangement is in force whereby the Corporation notifies to the Guardians the names of men taken on for Corporation work, e.g. housing, road-making, waterworks, but this is to prevent overlapping. There is no arrangement by which the Corporation employs men sent by the

Guardians, as there is between the Corporation and the Ministry of Labour.

In the interests of administration, there are reciprocal arrangements between the Guardians and the Ministry of Labour, in order to check outdoor relief and Ministry of Labour unemployment benefit.

Considerable sums are recovered in respect of ordinary relief, as distinct from unemployed relief, which is always on loan. So far, no considerable efforts have been made to recover unemployment relief. In the neighbouring Union of Newport, collectors have been appointed to recover unemployed relief loans, and have been very successful. The Cardiff Union is about to appoint two collectors as an experiment. The collection or efforts at collection act as a deterrent.

SCALE OF RELIEF (CARDIFF)

The scale of outdoor relief in the Cardiff area has undergone three changes since April 16, 1921. These changes are shown in the following resolutions adopted by the Board in April, May and November, 1921, and February, 1922, the resolution of February, 1922, being that now in force throughout the Union.

April 16, 1921. That all relief to men out of work or their families, whether granted by the Board, Relief Committees or Relieving Officers, be given on loan.

That such relief shall not exceed the following scale, except where extra nourishment is required through sickness or other special circumstances :—

Adult, 7s. 6d. ; child, 5s. weekly.

Any income of the family, or assistance from Unemployment Benefits, School Meals, Distress Fund, or otherwise to be taken into account in fixing the relief.

May 21, 1921. The Committee, having been asked by the Board to consider the need of altering the maximum relief to be given to men out of work and their families adopted on April 16, recommend that it be raised to the following figures :—

Adult, 10s. ; child, 7s. weekly.

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November 5, 1921. Scale of maximum relief to unemployed to be granted usually in food. The Relief Committees may order one-third of the relief given to be in money, and in any special case where they are satisfied money will be well used, one half. Orders of the Committee to be for not more than two weeks at a time.

Married couple	25s. per week.
For one child only	7s. 6d. „
If more than one child, including the first	5s. „ for each child.
Maximum for family	£2 10s. per week.

All income or assistance available to be taken into account, except in the cases of part time employment, where half the earnings up to 10s. weekly, and ex-service disability pension up to 10s. weekly, may be disregarded, but the sum to be disregarded in any one case must not exceed 10s. weekly.

Unmarried persons over 18 in lodgings not exceeding 15s. weekly, up to 7s. of which may be given in money.

16 to 18 in lodgings not exceeding 10s. weekly, part of which may be given in money.

Over 18 living at home—not exceeding 10s. weekly.

16 to 18 living at home—not exceeding 7s. 6d. weekly.

February 4, 1922. Scale of maximum relief to unemployed :—

Married couple	20s. per week
For one child only	5s. „
If more than one child, including the first	4s. „ for each child.
Maximum for family	£2 per week.

Unmarried persons over 18, in lodgings, not exceeding 12s. 6d. weekly, up to 7s. of which may be given in money.

16 to 18, in lodgings, not exceeding 10s. weekly, part of which may be given in money.

Over 18 living at home—not exceeding 10s. weekly.

16 to 18 living at home—not exceeding 7s. 6d. weekly.

All income or assistance available to be taken into

account, except only ex-service disability pension up to 10s. weekly.

Poor Law relief to unemployed persons rose from nothing, in March, 1921, to over £7,000 for November, the number relieved reaching 3,691. In August, 1922, the expenditure was £2,983 and the number relieved 2,031. Rates for Guardians' expenditure, which were 11½d. in the £ in 1913, were 2s. 10½d. in 1922.

Feeding of School Children

In 1913 the Cardiff Education Authority supplied on an average twelve children daily with one meal. The number increased gradually during the war, but not until 1921 was the local Education Authority called upon to spend any considerable sum for this purpose. The monthly figures for that year show how rapidly the trade depression affected the people.

January, 1921	330	children	fed	daily.
February, 1921	570	"	"	"
March, 1921	890	"	"	"
April, 1921	1,496	"	"	"
May, 1921	2,000	"	"	"
June, 1921	2,120	"	"	"
July, 1921	2,026	"	"	"
August, 1921	1,060	"	"	"
September, 1921	940	"	"	"
October, 1921	906	"	"	"
November, 1921	850	"	"	"
December, 1921	941	"	"	"
February, 1922	506	"	"	"

During 1922 there has been a steady decline to the present (September) figure of 313 per week at a cost of £33. The cost in 1921 was £15,000, £600 per week being spent in the May, June, July period. From July, 1921, until June, 1922, two meals a day were provided, but only dinner is now served.

The Education Authority co-operates with the Guardians in order that the children of parents being relieved by the Guardians shall not be fed by the Education Authority.

The decrease in the numbers for 1922 is largely accounted for by the fact that so many of the families have since obtained Poor Law relief. It does not indicate improved trade conditions. Formerly only the children were aided by the public purse; now the families have resorted to the Poor Law. Education and Poor Law officials have nothing but praise for the parents of most of the children. The Dowlais Works, which formerly employed 2,000 workmen, were closed in February, 1921. These 2,000 men struggled as long as possible to carry on without public aid. This is borne out by the figures given above, which show that the effect of the stoppage was not considerably felt in the feeding of school children, for three months. Then came the coal stoppage and the stagnation of dock work, throwing the casual and semi-casual workers on to the rates. The artisans maintained and are maintaining the finest traditions of working class independence. This is a tribute which every inquiry makes the more sincere. The unskilled workers are the first to go on to the rates. Their work is semi-casual at the best, that is, casual in the industries to which they are attached.

The Director of Education and the School Medical Officer have been alive to the possibilities of deterioration in the health and work of the children, but all reports from school teachers and medical officers point to the conclusion that no deterioration has taken place. In the great majority of cases parents have sacrificed everything to the welfare of the children, and any food shortage has been borne by the parents themselves. There are, however, many of the 313 children now being fed by the Education Authority whose parents could very well carry the burden. These parents are the residue, always to be found, who are first to claim public assistance and last to relinquish it. They include the improvident and the graceless. The Education Authority, however, adheres strictly to the spirit of the Act, by ensuring the proper feeding of children who are unfortunate in their parentage, while emphasising that it is proper to the function of the Poor Law to step in where the parents fail.

Indoor pauperism has not increased as compared with 1913.

Relief Works

There is much necessary work contemplated by the City Council. This work will proceed independently of the call for relief works, save that financial stringency may postpone it for a time. The city is wealthy, however, and its consolidated rate of 16s. 2½d. in the £, although 100 per cent. higher than the normal pre-war rate, is far below the rates of the surrounding colliery towns.

The Mynachdy colony created by the erection of 810 Council houses needs an elementary school for about 1,600 children. A school with like accommodation is needed at Ely; a central school is to be built at Grange-town; negotiations are proceeding with Lord Tredegar for a site on Newport Road for a second central school. A Secondary School is promised to Llandaff, under the terms by which that district agreed to come into the Cardiff city boundary this year. The approximate expenditure on actual building will be £210,000.

This estimate may be exceeded, and, including £15,000 for site values, the total cost is officially estimated at £250,000. The need for these schools is urgent, and the Board of Education will certainly allow no delay.

Sanction has just been received from the Ministry of Health to borrow £10,000 for the filling in of Maindy Pool. This is a disused quarry which the Corporation are turning into a "beauty spot." The work is undertaken, however, with the view to providing work for the unemployed.

The City Engineer pointed out that the Corporation was in no way financially embarrassed, in spite of the trade depression. The fact that loans were raised for relief work was in accordance with the policy that money which does not represent an asset, or does not produce an asset, should be paid out of loan. At the same time the community should, as far as possible, bear its own burdens at the time they arise, unless future generations are going to benefit by what is done. To some extent Cardiff has

adopted that principle, and voted £30,000 for relief works, and that money is used almost entirely to pay for additional works which, in the ordinary way, would be chargeable to revenue, and to cover the difference between the actual cost of capital works plus any grant that might be received, and what the cost would be in normal times. As a specific sum £30,000 is all the Corporation has voted. That was a settled sum voted for relief works.

The difference between actual wages cost and normal wages cost can only be estimated. As an example, the cost of tramway reconstruction is instanced. The actual wages cost is certainly 15 per cent. higher than it would have been under ordinary conditions. This work gives a much more favourable result than other relief works, because it has lasted for a considerable time. The men have been kept going whole time, so that they have become used to the work and more valuable. They were recruited largely from the unemployed iron and steel men of the Dowlais Works, and these are now *skilled* navvies.

An ordinary relief job which lasts four or five months shows a difference in labour cost of 50, 60 and 70 per cent., or even more. In the early days of unemployment there was one exceptional case of a deep sewer. The ground was very bad, the conditions being most unfavourable to the employment of unskilled labour—assuming a navvy to be skilled. Some of the men employed were not even labourers, and the wages cost was 100 per cent. more. This job was worked on a double shift. This is not a normal case, because as many men as possible were crowded on to it. There was a lot of waste labour. In general, the Corporation expects a difference of 50 to 60 per cent. in the wages costs as between normal and unemployed labour.

The Corporation has been very much handicapped in finding relief works, because the city boundaries have not been extended since 1879. The city has built right up to its borders and beyond. The Corporation has arranged with surrounding local authorities to do certain works, and to pay for them, in anticipation of those areas coming inside the city boundaries. The new extension schema

comes into operation in November, and that will give more room for public works, of which the new districts stand in great need.

The approximate total expenditure on works upon which relief workers have been engaged since March, 1921, to August 31, 1922, is £390,000, of which £148,000 has been raised by loan, £41,515 granted by the Unemployed Grants Committee and £3,905 by the Ministry of Transport. Work has been found for about 1,200 men.

Distribution of Unemployed

The following table shows the numbers and distribution of unemployed registered with the Employment Exchange.

CARDIFF AREA, WHICH INCLUDES BUTE DOCKS, AND PENARTH DOCKS.

Date.	Total Live Registers.	Live Registers (Analysed by Industries).	June, 1922.	July, 1922.	August, 1922.
1921.					
Jan. . .	4,621	Building	635	782	640
Feb. . .	6,010	Construction of works	70	78	60
Mar. . .	8,029	Shipbuilding	1,628	1,848	1,771
April . .	10,947	Engineering	1,300	1,427	1,267
May . . .	12,388	Construction of vehicles	50	63	50
June . . .	11,985	Cabinet making	21	30	53
July . . .	9,176	Metal manufacture	400	390	340
Aug. . . .	8,326	Commercial	334	290	300
Sept. . .	7,870	Domestic service	310	440	360
Oct. . . .	9,429	Transport	1,357	1,246	1,256
Nov. . . .	9,353	Coal-mining	280	321	230
Dec. . . .	10,113	Bricks and cement	8	3	6
1922.					
Jan. . . .	9,863	Agriculture	20	2	16
Feb. . . .	9,854	Food	158	96	120
Mar. . . .	10,113	Saw milling	37	56	65
April . . .	10,731	General labourers	1,648	1,546	1,401
May	9,067	Miscellaneous	496	597	281
June . . .	9,117	Other trades	285	119	56
July	9,420	Paper printing	80	94	83
Aug. . . .	8,351				
		Total live registers	9,117	9,420	8,355

Approximate number of insured workpeople in area, 68,000.

Prospects of Employment

Cardiff's prosperity is bound up in the coal export industry. Of the total export tonnage of this country 80 per cent. is represented by coal, and nearly half of this comes from South Wales ports, principally Cardiff. The port has not, in past years, paid much attention to the import trade except in the matter of grain and ores. There are important flour mills at Cardiff, but there is always a market for flour, and employment in this industry is not often seriously interrupted. In pre-war days Cardiff depended on London, Liverpool and Bristol for the bulk of its foodstuffs. The cost of transport from these towns adds considerably to retail prices, and Cardiff gained the reputation of being one of the most expensive towns in the country to live in. Since the war, efforts have been made to bring food imports direct to Cardiff as the distributing centre for South Wales. In the period 1920-21, 5,000 to 6,000 barrels of apples were imported from Canada; in the season which ended in February last, 100,000 packages of fruit were imported from Canada and the United States. This development has given work to the dock labourers who depend upon the casual employment afforded by shipping. Formerly a considerable business was done in the import of timber, hundreds of casual workers being attached to this industry. Since the war the supplies of timber have not reached their pre-war level, the failure of the Russian supplies accounting for most of the shortage. But it is as a food importing centre that the port promises greatest development, and much is hoped for from the transference of the docks to the Great Western Railway Company. There is, however, no prospect of considerable improvement during the coming winter, and one is compelled to conclude that there will continue to be considerable unemployment among dock labourers.

Wages in the Coal Trade

The 1921 agreement stipulated that standard wages should be increased by a sum equal to 83 per cent. of the

proceeds of the industry remaining after the deduction of the costs of standard wages, other costs, and a standard profit equivalent to $17/83$ of the standard wages. The owners later agreed to a demand that the general wage rate should not fall below the standard plus 20 per cent. The standard is the wage rate of July, 1914, so that the present rate is 20 per cent. above the July, 1914, rate.

These short particulars are mentioned because the owners resent the temper of the miners which compelled the revision of the original agreement, while the miners are equally hostile to any further wage reduction. One is forced to surmise that we are to have all over again the haggling and bartering which has cursed the industry so long, and in which victory goes to the side which has the temporary advantage. The spirit of goodwill is as far away as ever.

The 1921 agreement promised to facilitate future negotiations, as under it both parties agreed to the principle of distributing the proceeds of the industry in definite proportions. Examination shows that there was no more substance in this than in the old sliding scale method. Nothing is fixed except the standard, and this is low enough to enable employers to negotiate above it.

Already the miners have intimated that 20 per cent. above the July, 1914, rate does not satisfy the "reasonable requirements" of the men. The cost of living is 80 per cent. above that of 1914, and the miners say the least they will be satisfied to take in wages is 60 per cent. above the July, 1914, rate.

When the 1921 agreement was made no one expected the industry to decline to its present condition. Thus the miners complain that the wage rate is wholly inadequate to meet the cost of living, and the employers argue that the industry cannot support even the present wage bill. The South Wales owners say that by substituting the standard wage plus 20 per cent. for the original agreement they have surrendered £1,750,000 to the miners in twelve months. If this figure is approximately correct, one is

obliged to make the comment that this sum has probably saved the South Wales miners and their families from semi-starvation. It may be argued that a lower wage-rate would have reduced prices and stimulated foreign buying, but this would be stretching the argument too far; for the mining industry, no less than others, is at the mercy of the present world conditions.

A wage list is attached. Keep in mind that the Bedwellty Union relieves a man, wife and six children, up to 46s. a week. That is found to be insufficient. There are colliers at work who have six children. The rate of pay for the piece-worker is 8s. 9d. (8s. 9·56d.) per shift. Happy and rare the man who can work a month full time. I do not say the industry can pay a penny more; that the economic wage is low enough—but the cost of living is still 80 per cent. to 90 per cent. above pre-war level.

SOUTH WALES COAL MINING INDUSTRY.

	Standard Rate per Shift.	Oct. Wages, 1921.	Sept. 1922 Wages Standard Rate plus 28 per cent.
Colliers—Pieceworkers . . .	6/10½	12/3·69	8/9·56
Colliers—Daywagemen . . .	6/6	11/6·64	8/3·8
Colliers' helpers . . .	5/-	8/11·41	6/4·77
Timbermen—Pieceworkers . . .	6/10½	12/3·69	8/9·56
Timbermen—Daywagemen . . .	6/6	11/7·64	8/3·8
Rippers . . .	6/-	10/8·90	7/8·12
Roadmen . . .	5/4½	9/7·47	6/10·54
Hitchers, leading . . .	5/9	10/3·53	7/4·28
Hitchers, ordinary . . .	5/3	9/4·78	6/8·6
Electricians (underground) . . .	5/1½	9/2·1	6/6·7
Ropesplacers (underground) . . .	5/9	10/3·53	7/4·28
Masons and pitmen . . .	6/3	11/2·27	7/11·96
Cogcutters . . .	5/1½	9/2·10	6/6·7
Timber drawers and airwaymen	5/9	10/3·53	7/4·28
Coalcuttermen . . .	6/4½	11/4·95	8/1·88
Bottomcutters (hard bottom) . . .	6/-	10/8·90	7/8·12
Ditto (soft bottom) . . .	5/4½	9/7·47	6/10·54
Sheafmen, rollermen and pulley-men . . .	5/3	9/4·78	6/8·6
Underground, banksmen at vertical shafts, leading . . .	5/7½	10/0·84	7/2·33

	Standard Rate per Shift. $\frac{1}{2}$	Oct. Wages, 1921.	Sept. 1922 Wages Standard Rate plus 28 per cent.
Underground bankmen at vertical shafts, assistant . . .	5/-	8/11.41	6/4.77
Underground winding enginemen at vertical shafts	5/9	10/3.53	7/4.28
Ropechangers (other than shacklers)	5/7 $\frac{1}{2}$	10/0.84	7/2.33
Jig hitchers	5/3	9/4.78	6/8.6
Hauliers (above 18 years of age).	5/10 $\frac{1}{2}$	10/6.21	7/6.2
Tonnage hauliers	6/3	11/2.27	7/11.96
Riders (above 18 years of age) .	5/7 $\frac{1}{2}$	10/0.84	7/2.33
Assistant timbermen, assistant rippers, ostlers, labourers, subsidiary haulagemen, pumpsmen, shacklers, spragmen, watermen, lamplockers, lamplights, oilers, assistant bottomcutters, assistant underground bankmen, pipemen and slummers. . .	5/-	8/11.41	6/4.7
Boys.			
Boys under 14 years of age . . .	2/-	3/6.96	2/6.7
Boys over 14 $\frac{1}{2}$ and under 15 . .	2/3	4/0.33	2/10.54
Boys over 15 and under 16 . . .	2/7 $\frac{1}{2}$	4/8.39	3/4.3
Boys over 16 and under 17 . . .	3/-	5/4.45	3/10.05
Boys over 17 and under 18 . . .	3/4 $\frac{1}{2}$	6/0.59	4/3.8
Boys over 18 and under 19 . . .	3/9	6/8.56	4/9.55
Boys over 19 and under 20 . . .	4/1 $\frac{1}{2}$	7/4.61	5/3.34
Boys over 20 and under 21 . . .	4/6	8/0.67	5/9.09
Stokers	5/6	9/10.15	7/0.34
Feeders	5/8	10/1.74	7/3
Main haulage enginemen	5/6	9/10.15	7/0.34
Smiths	5/3	9/4.76	6/8.6
Fitters	5/3	9/4.78	6/8.6
Carpenters	5/3	9/4.78	6/8.6
Sawyers.	5/3	9/4.78	6/8.6

Influx of Workers into the Area

SHIP REPAIRING.—During the war the ship-repairing facilities of South Wales were strained to their utmost. Wages rose to such heights that the lowest paid workers in the repairing yards received anything from £8 per week upwards. The industry received a big influx of labour, 50 per cent. being added to the pre-war number of men

employed. Most of these remained during 1919 and the first half of 1920, when the shipping boom was at its height, and there still remain 20 per cent. of the additions. According to the assumptions of the employers these are the people who cause unrest in the industry.

COAL MINING.—The influx to the coal industry probably equalled the withdrawals into the Army. The new-comers were mainly from the border counties, Bristol and the Forest of Dean. Many of these remain in the colliery districts. There is no incentive for them to return home. They have become settled on the South Wales coalfield until such time as the coal industry is sufficiently prosperous to absorb them, or until their home counties offer prospects of employment. They have, however, no established connection in the district, and are the first to be stopped at the collieries, and the last to be taken on. It is the agreed policy of the owners and the Miners' Federation that this war-labour must stand off until the men they displaced for war service are absorbed. The presence of this war population aggravates the unemployment problem, and throws heavy additional burdens on the Poor Law Funds.

STEEL AND IRON INDUSTRIES.—There was a considerable influx of labour during the war, mainly drawn from other South Wales industries which were not so essential during the war, such as the tinplate industry. There is undoubtedly a surplus of labour remaining from these war-time additions.

Date of Incidence of Depression in Various Industries

SPELTER.—The first industry to be affected was spelter, which probably began to decline as early as the autumn of 1919. The reason for this was that there was no industry in South Wales so bolstered up by Government assistance in the form of subsidies per ton of spelter produced, and payment by the Government of certain proportions of the war advances in wages. These were withdrawn in 1919, and the industry collapsed. Another factor was the difficulty of the Australian concentrates. These were very

largely used along with the finer quality ores in the manufacture of commercial zinc, and the Government entered into a running contract for ten years to take the Australian product at a certain price. The result was that the ore could not be sold in this country at a price low enough to enable manufacturers to compete in the world's markets, or to meet the purchasing power of home and foreign consumers. The Government had agreed to take 300,000 tons per annum for ten years at £4 10s. per ton. To sell these concentrates in England without incurring loss there must be added 15s. per ton for commission and sampling, and £2 per ton for freight, making £7 5s. To produce in this country at a saleable price ores must be obtained at from 40s. to 50s. per ton as against this £7 5s.

The spelter industry is improving, and the improvement can be dated from the time when the Government agreed, to some extent, to cut its losses, and to allow these Australian concentrates to be utilised in the Swansea district at a price much lower than would remunerate the Government. The price is not yet low enough, but an improvement is taking place.

IRON AND STEEL TRADES.—These were the second to suffer. The difficulty was largely the exchanges difficulty. The chief competitor was Belgium, and the exchange position was so favourable to Belgium that it was impossible for South Wales people to compete. The Belgians cut them out of most of their markets established after the Armistice at or about the beginning of 1921.

TINPLATES.—The depression in tinplates came about October, 1920, when the trade began to show definite evidences of depression. The relics of the war demand kept the industry going for a time, but when it was necessary to get into the pre-war grooves, manufacturers found themselves up against considerable difficulties. The exchanges difficulty was probably not so clamant in this case as in the case of iron and steel, but one big market was entirely closed to South Wales, viz.: the Middle East. The Rumanian oil wells were practically out of operation altogether. Another big market closed

owing to high prices was the Canadian market, which was captured by the United States. Dealings with the Australian market were impossible, because of certain difficulties created by the Australian Government's money policy in regard to the export of gold and securities. The difficulties in the Near East, in the Middle East, and in Australia and Canada, practically wiped out all the markets. The home demand for tinplates is not very large. Most of the foregoing difficulties have now been overcome, and the tinplate industry is probably the first to recover. Since the middle of last summer the industry has provided more consistent employment than any other industry in South Wales. The most notable feature is the complete recovery of the Canadian market, which is an undoubted credit to the South Wales industry. The United States has been cut out absolutely. The South Wales Tinplate Manufacturers' Association has come to an arrangement with shipping firms which has resulted in special shipping facilities for the Canadian market, and there is talk of the Association buying steamers to run to Canada.

COAL TRADE.—After the Armistice, the South Wales coal trade remained in the position it had been in for a considerable time. The home demand for coal was considerable, and the foreign demand remained at the war level. The output was not good for a variety of reasons. Prices were therefore high and there was no unemployment.

The first depression occurred in the home trade. The falling off in the home demand left a slight surplus for foreign markets, but the coal trade was controlled, and prices to the foreigner were practically fixed by the Government. The quantity the foreigner could consume was practically determined by these prices in relation to the available purchasing power, and a tendency to unemployment was beginning at the end of 1920. The industry was on the inclined plane towards depression, and the coal stoppage of last year tipped the beam. The outstanding effects of the coal-stoppage were :—

- (1) It interrupted our connections with foreign markets.

(2) It practically killed whatever activity there was in home industries needing coal.

We have, therefore, the depression in the coal trade and the tremendous fall in prices in the industry. The effect is to put the least efficient type of colliery out of action; that is, the type of colliery which has been long worked in the deeper seams (e.g. the Blaina Collieries). These collieries are going out of production. It is to be remembered that Welsh coal, apart from anthracite, has not the unique position it used to have; some coal in America is certainly quite comparable with the Welsh coal, and even some of the Chinese coal is, from the calorific point of view, quite as valuable as the Welsh coal. The result is that the Welsh monopoly of a specialised product is declining. This means that the least efficient collieries are probably permanently out of action. On the other hand, the world's supply of anthracite is certainly not equal to the demand. The tendency will, therefore, be to develop the anthracite seams, and as a result we get the centre of coal-mining activity in South Wales moving westwards towards the anthracite area.

SHIP REPAIRING.—So far as South Wales is concerned, ship-repairing may be said to be a function of the coal trade. When the coal trade is booming and numerous ships are coming to South Wales, the ship-repairing trade is good. It was kept fairly busy up to about the middle of 1920, then shipping from South Wales ports began to fall, and ship-repairing fell in sympathy.

Another factor in this decline is the tremendously high efficiency that has been developed at Rotterdam and one or two other ports on the Continent.

During 1920-21 wages were high in the South Wales ports, but efficiency is not very high, and between the decline in the coal trade and Continental competition, we have had the ship-repairing industry in a very bad way. Since about March in this year things have begun to mend, simply because the volume of shipping traffic has improved in sympathy with an improvement in the coal trade.

There have been big reductions in wages, and wages are

the biggest item in ship-repairing jobs. On the whole the industry may be said to be at 50 to 60 per cent. of its pre-war condition. It is specially favourably situated at Swansea, where the new Anglo-Persian Oil Works brings a regular stream of oil tankers, and this means that the ships have to undergo repairs, so that Swansea ship-repairers really have a constant job.

Effect of Unemployment on Morale

The important thing is the effect of continuous unemployment on the workers' outlook on society. That is the disturbing factor in the situation. A man who has been for years a steady-going, skilled craftsman—the type regarded as moderate, sane, dependable—suddenly suffers this tremendous blow through no apparent fault of his own. He feels himself undeserving of this, and it has a very subversive influence on his attitude towards society. He becomes very suitable material for the operations of the extremists.

To the majority of the rank and file, the main cause of the present unemployment is the determination of the employers to break trade-unionism at any cost. The present conditions are "engineered." Employers, on the other hand, blame the workers for keeping wages high, for strikes, and for ca' canny. It would not be true to say that there is no spirit of co-operation on either side. Of my own knowledge I can say that responsible men among employers and trade unionists desire some definite alliance in the efforts to re-build industry. This desire is not very active in the coal industry.

An important feature is the change in the attitude of the workers towards the functions of trade-unionism. It is very doubtful whether there now exists among the men a general belief in militant trade-unionism. The whole tendency is towards a form of trade-unionism which will allow some degree of co-operation between employers and workers, rather than towards a fighting organisation.

In the second place, present conditions tend to turn the workers' minds away from any belief in trade-unionism

as a cure for unemployment, and to impel them towards the political side of the Labour movement.

The idea is that a new type of trade union is needed whose function will be built up on the idea of co-operation. The present trade unions, in the minds of many, have failed miserably. A new organisation cannot, however, be achieved in a moment. Men ask, where is the remedy for the present situation? It has not been provided by trade-unionism; it may be found in politics.

BLAINA AND ABERTILLERY

BLAINA

In the Blaina district there are ten collieries and levels, originally controlled by two firms. These have been acquired by the Ebbw Vale Steel, Iron & Coal Company, who now own the whole of the coal measures in the Ebbw Vale and Abertillery branches of the Western Valley, and, except for one colliery, the whole of the workings in the Western Valleys proper down to Risca, six miles north of Newport. All the Blaina collieries stopped work in February, 1921. Three collieries and two levels reopened in August, 1921. About 75 per cent. of the men returned to work at the North Blaina Colliery and 33 per cent. at the Lower Deep. In the latter case about 55 per cent. of the men are now at work. About 1,500 men are now working on an average four days a week.

The Nos. 2 and 3 Griffin Collieries, which formerly employed 1,800 men and boys, have been definitely abandoned. Henwain Colliery employed 350 men and boys—definitely abandoned. Stone's Slope employed 200-230 men and boys—definitely abandoned.

The Ebbw Vale Co. is sinking a new shaft between the Lower Deep and the North Blaina pits. This is not a new working in the strict sense, since it is being sunk in order to work the seams now being worked from the other two shafts. When the new shaft is finished, about the beginning of the New Year, the Lower Deep and North Blaina pits will be closed, and the whole of the coal worked from the

new shaft. This is the only way in which the Company may make coal-raising remunerative. It will mean employment for 1,500 men. These will be the men now working in the other two pits, plus about 500, so that the last figure represents the definite result in reducing unemployment. In the present sinking operations fifty men are employed irregularly. Blaina is now reaping the fruits of a poor lease to the original company. Under that lease no control was exercised as to the manner in which coal was to be worked, with the result that the old company passed the thin and less remunerative seams to work the richer. These latter are now so far distant from the shafts that, under present conditions, they cannot be worked remuneratively. Hence the concentration policy of the Ebbw Vale Co. in sinking the new pit.

There is no other development looked for, and if official and other views are reliable, Blaina will never regain its former prosperity. It must find a new "normal," which will be a smaller population subsisting on the local coal workings. Some of the surplus population will, in time, find employment lower down the valley, and, if the rates of Blaina can be kept sufficiently low, these people will probably continue to live at Blaina rather than establish new homes a few miles away.

Emigration

Half a dozen families have emigrated to Australia, half a dozen to the U.S.A., and three or four to Canada. These had relatives or connections in those lands, so that the way was not too difficult. Many married and single men would gladly emigrate if they had reasonable prospects of settlement. There is the Celtic enthusiasm and imagination, but these people lack the initiative to discover ways and means. No one seems to have information of assisted passages and assistance on the other side; many are not accustomed to writing letters, and in the general gloom no one is found to take the matter seriously in hand. Emigration and migration are the only apparent solutions to the immediate problem. This view is strongly held by many

Councillors and others. Something ought to be done. Many of the men came to the district from farming counties ; the others have no lack of muscle. Of those who have left England, two have been helped by relatives in the Colonies, others have sold their houses and furniture. Not one family has had Government assistance. It is hoped that three families will receive some such assistance shortly.

Fifty to seventy families have removed to other parts of England or Wales—to Newcastle, Nottingham, Rotherham, Lancashire.

Rates and Relief

The population is wholly the mining class, save for the tradesmen and a few professional people. The rates show a decrease in the half-yearly rate for 1922-23 as compared with the full-rate of 1921-22, but the next half-yearly rate may be higher. There are no considerable properties apart from the collieries, so that the assessment falls almost wholly on private dwellings. These are the workers' houses, tenant-owned in many cases, and where not so owned tenants cannot pay, and landlords cannot extract rents. How can a population which is producing nothing pay rates such as these ? It is useless to bring them before the magistrates. Magistrates' orders are of no avail with people who are selling or pledging their goods to obtain the bare necessities of life.

The scale of relief is considerably higher than in the Cardiff Union and higher than the scale in most districts. Labour governs everywhere, and on this matter of work or subsistence the Labour Guardians insist on their theories that if the capitalist system cannot find work enough to go round, the community must maintain the workless. It is not at all clear that the high scale of relief is maintained solely in deference to a theory. The condition of the people is such that it would seem heartless to explain the Labour policy in this district in terms of political strategy. At the same time, the scale of relief is an inducement to idleness, while colliery surface labourers are paid only 38s. 6d. per week. The community is closely

knit by the common disaster. The Guardians, the Council, the magistrates, are one with the people because they are of the people, and if not themselves colliery workers depend as much upon the mines as do the colliers.

There is a limit beyond which the exactions of rates and taxes cannot possibly go. The sources will dry up. They have dried up at Blaina and Abertillery. Loans or overdrafts have been sanctioned up to £180,000, of which £110,000 was sanctioned by the Goschen Committee. This has to be repaid with interest.

Allotments

Blaina : 16½ acres, 274 holdings.

Abertillery : 62 acres, 1,004 holdings.

There is a waiting list of applicants in each town, but the Councils do not consider the demand so pressing that more land should be acquired. The allotments are well cultivated, but the nature of the soil is not favourable to the best results. But for the produce thus obtained, vegetables would be unobtainable in adequate quantities for most families, particularly in Blaina.

Abertillery's problem is not so acute as Blaina's. All the collieries are working, but only part time.

Work has been found for forty men on a new road between Llanhilleth and Hafodyryyyns, the Ministry of Transport bearing half the cost. Extensions to the present park give employment to thirty-five men; children's playing area, eleven men; improvement of existing roads, forty-five men; Cwmnanty new road, fifty men; and twenty-eight men at Six Bells.

Abertillery is now trying to negotiate a loan.

NANTYGLO AND BLAINA

The Nantyglo and Blaina District Council employees are working only four days a week. The Council's financial position is almost hopeless. An attempt is being made to borrow £25,000 for relief works, but some local opposition has arisen on the ground that it will saddle the ratepayers with a heavy burden for many years. Inasmuch as it is

hoped that Blaina will remain the home of the miners who may ultimately find work in the mines lower down the valley, it is important that the rates be kept as low as possible. The Council was, however, on the point of securing this loan from a private source, but the security of the rates was considered unsafe. In the present state of things it is doubtful if the loan will be obtained.

I have spoken to tradespeople and to officials who are in the position to judge the effect of the depression upon shopkeepers. The fact emerges that the tradespeople are faced with ruin. Many of them have already shut down. As far as possible the shops have given credit, and the sole trade of many of them is that done on the Guardians' relief notes.

Relief Fund

A relief fund for providing clothing and boots, particularly for the children, has been working for some time. The efforts of the Committee of this fund have been supported by the more fortunate residents who have been able to spare worn clothing, but there is a great shortage, while a greater shortage is probable in the winter. Whilst warm weather lasts, the thin print frocks which most of the small girls are wearing, the shoddy and patched, which do duty for the boys, the inadequate footwear, may serve. The cold months are near, however, and unless some outside aid is forthcoming, suffering must be general and intense. School teachers are wonderfully helpful at Blaina. They mother their charges, and insure that as far as public and private resources are available, the little ones shall not be denied.

Rent and Rates

More than 40 per cent. of the workmen (about 900 in the Nantyglo and Blaina area) own the houses they live in. Some own one or two others. Of those who do not, 75 per cent. do not pay rent, and of those 60 to 70 per cent. cannot pay rates. Sometimes a batch of people, including tradesmen, are summoned for rates. The cases are

adjourned for arrangement. It is a pauperised town. The unemployment pay or the Poor Relief will buy food, even a little clothing, but there is nothing for rates. The arrears of rates are heavy. The publicans cannot pay rates. The Council is trying to induce the brewers to pay 25 per cent. of the rates due from the licensed victuallers, in consideration of 50 per cent. of the rates due being cancelled. The tenant would then have to pay 25 per cent. One licensed victualler is on the parish. There is no drunkenness at Blaina.

Tradesmen cannot meet their bills; they cannot pay their rates. One old man keeping a general shop sold his house in order to pay £90 for rates. He will not live long enough to buy another house. Not all of the unemployed go on the parish. The spirit of independence which led so many to buy the houses they live in is not dead. Many of them have mortgaged their houses to provide food and clothing. Some have sold their houses and gone to live in apartments; others have sold their furniture.

Feeding the People

There is a definite shortage of food in some homes. This is not an exaggeration, as the quoted cases following indicate. For each of the quoted cases there is definite evidence. They are not isolated, but typical of many others.

(1) Colliery haulier, wife, six children, worked 3½ shifts in one week. Net wages, 24s. The Guardians relieved this case to the extent of 7s. Total income, 31s. Bread bill, 17s., leaving 14s. for rent, rates, clothing, insurance 6d., friendly society 1s., and the remainder of the food requirements. It all went in food.

(2) Collier, wife, three children, living in company house. Rent fell in arrears while man was wholly out of work. Company deducts from pay one week's current rent, plus half a week in respect of arrears. Rent 10s. 3d. per week, plus rates. This man took home 15s. as his net wage.

(3) Collier's assistant, wife, six children. Wages for full week, £1 18s. 6d. Worked four shifts in the week in

question. Company stopped rent for one week and a half, 4s. for a load of coal. Took home 6d. as the net result of his work. On another occasion this man *owed* the company 6d. after all deductions had been made.

(4) Colliery haulier, wife, six children, worked four shifts, rent, coal, doctor and hospital stoppages left him with 1s. to take home.

(5) Pit-top labourer, wife, four children. Full week's wage £1 18s. 6d. Worked a full week. Stoppages 15s. 3d. rent, 4s. coal, doctor, etc. Net wage, 15s.

(6) Married woman, 34 to 36 years of age, four children. Taken to asylum. Doctor has privately given it as his definite opinion that the direct cause of this misfortune was under-nourishment over a long period.

(7) Colliery worker, wife, nine children. Worked three days. Gross earnings, 27s. 3d. Stoppages on account of rent, 15s. 8d. Net wages, 11s. 7d. The Guardians granted 20s. relief.

(8) Colliery worker, wife, five children. Worked four days. Gross earnings, 29s. 6d. Stoppages, 1s. 6d. Net wages, 28s. Guardians granted 5s. relief.

These are but a few of the cases from the official records personally inspected by me. They are not even the worst, except Nos. 3 and 4. No. 6 is an exceptional case, for which I have not official confirmation. There are dozens of cases which have come before the Guardians in which half or more than half of the earnings have been retained for stoppages, the biggest item in which is current rent and arrears of rent. Thus, a full week's wages of £2 to £2 10s. is often so reduced by stoppages that Poor Law relief has to be sought.

It is tragi-comical to find Councillors and Guardians becoming heated over the suggestion that this sort of relief amounts to subsidising wages. The plain fact is that the Poor Law funds pay the rent. To one who has observed previous experiences in unemployment relief (e.g. coal strike of 1912) it is bordering on the farcical to urge that unemployment relief is *on loan* and can be recovered at some future time. The greatest part of the monies

expended on unemployment relief is undoubtedly finally lost to the Union.

Relief is given in kind. There is no maximum; orders on grocers, etc., are made out by relieving officers, and an efficient check is made upon the eligibility of applicants, and on the disposition of some tradesmen to collude with relief recipients who try to obtain goods other than those specified on the relief notes. It has not always been possible to prevent this, but on discovery tradesmen are black-listed and do not receive further custom from the Union. The South Wales miners' household appears to be prone to canned delicacies. In prosperous days the canned food producers must have found an El Dorado in South Wales. The fancy has not passed with the impoverishment of the people. A packet of tea on the relief note is apt to be construed widely to mean a tin of pears or sardines. Sometimes the wide construction results in a bottle of sauce, pickles, tomato soup, ketchup, but it is not so easy to discover the association between a loaf of bread and a mouse-trap, a tooth-brush, an aluminium saucepan, and tobacco. The tobacco is very human. One hesitates to brand these people as improvident. It may be the innate optimism of the Celt. Psychological subtleties are a bit out of place, however, for the reckless spending habits of the miner are a by-word. One is not condemning them, for these people work in the earth and dwell, for the most part, in insalubrious surroundings.

Co-operative Society

The Co-operative movement in South Wales has been very flourishing in the mining towns, much more than in Cardiff, Newport and Swansea. The Blaina Industrial and Provident Society is the biggest in South Wales. It has branches in nine towns. I have gone into the finances and working of the Society thoroughly, and have the balance-sheets and reports for two half-yearly trading periods. The justification for the somewhat extended treatment that follows is that the Society is virtually the food-depot or Food Ministry for the people of Blaina.

There is no doubt that the Society is, next to the Ministry of Labour and the Poor Law Union, the most important agent in feeding the Blaina population. The Society has suffered heavily, as the details following show, but, supported by the immense resources built up in past years, the Co-operative Wholesale Society, and the spirit of co-operation, it is facing the present conditions in a manner not possible to a private trading concern.

In comparing the two periods ended January 17, 1921, and June 26, 1922, the January, 1921, period must always be read to consist of twenty-nine weeks, and the June, 1922, period to consist of twenty-three weeks. This difference of six weeks does not, in so great a contrast as the two periods show, affect the conclusions to be drawn.

SHARE CAPITAL ACCOUNTS

Total share capital—January 17, 1921 . . .	£249,210
(Blaina, £61,229.)	
(Abertillery, £50,179.)	
Total share capital—June 26, 1922 . . .	£111,542
(Blaina, £19,041.)	
(Abertillery, £25,479.)	
Contributions to share capital—January 17, 1921	£36,694
(Blaina, £10,986.)	
(Abertillery, £8,730.)	
Contributions to share capital—June 26, 1922 .	£2,951
(Blaina, £989.)	
(Abertillery, £699.)	
Withdrawals of share capital—January 17, 1921	£51,568
(Blaina, £18,314.)	
(Abertillery, £10,240.)	
Withdrawals of share capital—June 26, 1922 .	£4,226
(Blaina, £820.)	
(Abertillery, £1,537.)	

N.B.—The Society stopped withdrawals early this year, save as against goods supplied.

PENNY BANK DEPOSITS

Depositors' balances—January 17, 1921 . . .	£59,346
(Blaina, £13,031.)	
(Abertillery, £9,905.)	
Depositors' Balances—June 26, 1922 . . .	£25,202
(Blaina, £3,450.)	
(Abertillery, £4,092.)	

OF UNEMPLOYMENT

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Half-yearly Deposits—January 17, 1921 . . .	£18,581
(Blaina, £4,490.)	
(Abertillery, £3,353.)	
Half-yearly Deposits—June 26, 1922 . . .	£2,097
(Blaina, £204.)	
(Abertillery, £463.)	
Half-yearly Withdrawals from January 17, 1921 . . .	£21,664
(Blaina, £5,369.)	
(Abertillery, £4,878.)	
Half-yearly Withdrawals—June 26, 1922 . . .	£8,707

TRADING ACCOUNTS

Sales for year 1920 . . .	£800,641, or £15,396	per week
" " 1921 . . .	£495,511, or £9,529	"
" " 23 weeks, 1922 . . .	£156,163, or £6,790	"

This is a reduction of 55·9 per cent. from 1920, and 28·7 per cent. from 1921.

There is a reduction in Stock in Trade from £201,322 in January, 1921, to £76,286 in June, 1922. Of this 20 to 30 per cent. has been written down. The remaining 70 to 80 per cent. represents the equation of supply to demand. During the twenty-nine weeks ended January 17, 1921, the trade at Blaina amounted to £89,440; twenty-three weeks ended June 26, 1922, £35,932. For Abertillery the figures are £62,963 and £23,328. The depreciation in trade only amounted to £538, in the twenty-nine weeks ended January, 1921, but to £44,661 in the twenty-nine weeks ended June, 1922. At the latter date debtors, including the Union and other local authorities, owed £12,227.

The last balance-sheet shows a loss on trading account of £5,283. To remedy this, salaries and wages have been cut 25 per cent., 100 hands dismissed, and the remainder are working only four or five days a week. Salaries and wages in January period, 1921, were £26,000; in June, 1922, period £14,000.

Withdrawal of share capital proceeded at such a rate that the Society's existence was threatened. Most of the members having £10 and £20 holdings have long since ceased to hold any capital. Formerly many members had

maximum holdings of £200. Very few are left. The capital has been withdrawn in cash or eaten up in goods supplied.

In 1921 the Society owed nothing for goods. To-day it is debtor for £90,000. The credit balance at bank in 1921 was £28,521; to-day there is a debit balance of £51,804.

But for the support of the C.W.S. the Blaina Society would have gone down. At the present time the Society is the food-distributing centre for 80 per cent. of the population in Nantyglo and Blaina. The following figures represent families in trading membership with the Society.

		1921		1922	
Blaina	.	1,916	families	2,161	families
Nantyglo	.	384	"	387	"
Abertillery	.	1,782	"	1,939	"
		<hr/>		<hr/>	
Total	.	4,082		4,487	

Accepting an average of five to one family (a low average in this district), the Co-operative Society is feeding nearly 11,000 people in Blaina and 10,000 in Abertillery. The increase from 1921 to 1922 is due to the extended credit the Society gave to members.

Take the preceding figures and compare them with the spending power, which is represented by the trade done, that is, for the twenty-nine weeks ended January 17, 1921, £89,440 in Blaina, giving roughly £45 per family for the period, and for the twenty-three weeks ended June 26, 1922, £35,932, giving less than £17 per family, or less than 15s. per family per week.

Assuming the consumption of meat to be a reliable index to the incomes of working-class families we find a striking contrast between the two periods under review. The figures for Blaina are £11,109 for the early period and £3,627 for the later. About £3,000 must be deducted from the first amount to allow for difference in present-day value, making the comparison, say £8,000 in January, 1921, for 9,500 persons, and £3,627 in June, 1922, for 10,500

persons. Some allowance may have to be made for the different seasons covered by the two periods. This is probably not important among miners. More important is the effect of prolonged idleness on the bodily requirements. When, however, these allowances have been made, the difference in the meat consumption is still sufficient to raise the question whether the people, as a whole, are under-nourished. For Abertillery the meat consumption figures are: January 17, 1921, £9,035 (present-day values, £6,568) for 8,900 persons; June 26, 1922, £2,388 for 9,695 persons.

For the whole Society the comparison is £64,778 (present-day values, £47,112) against £18,431.

APPENDIX

STATISTICS OF POOR RELIEF.

Note.—Population, 1921 Census: Abertillery . . . 27,853
Blaina and Nantyglo 16,453
Blaina and Nantyglo form a single Council Area.

Number of Unemployed receiving Out-relief:

	Persons.	Cases.
Month ended July 1:		
Abertillery	2,085	588
Nantyglo and Blaina	6,030	1,417
Month ended July 29:		
Abertillery	1,998	450
Nantyglo and Blaina	5,870	1,315
Month ended August 26:		
Abertillery	1,788	431
Nantyglo and Blaina	4,859	1,108

Scale of Relief:

	Present Scale. s. d.	March 1921. s. d.
Man	9 0	11 6
Wife	9 0	11 6
First child	5 6	7 6
Other children	3 0 each	7 6 each
Single adults in lodgings.	10 0	
Single adults with parents	9 0	

THE THIRD WINTER

	Abertillery.	Nantyglo and Blaina.
Amount expended in relief in 1921	£41,160	£33,623
Amount expended in relief during the—		

	£	£
4 weeks ended January 28, 1922	1,488	3,604
4 " " April 29, 1922	1,675	5,601
4 " " July 1, 1922	3,504	9,662
4 " " August 26, 1922	1,270	3,442

Amount raised by local Rates :

Half-year ended September 30, 1921	£23,914	£10,878
" " " (Supple- mentary Rate)	24,544	10,783
" " March 31, 1922	27,795	9,292
" " September 30, 1922	24,936	9,667

The amount of Poor Rate from 1913 to date :

	Abertillery.	Nantyglo and Blaina.
	s. d.	s. d.
Half-year, September, 1913	2 11	3 0
March, 1914	3 0	2 10
March, 1919	4 5	4 4
March, 1920	6 8	4 10
September, 1920	7 0	8 0
March, 1921	8 6	7 6
September, 1921	15 0	13 6
March, 1922	10 0	9 0
September, 1922	7 6	8 9

In the early part of the crisis children attending school, including the children chargeable to the Guardians, were fed by the Education Authorities and a deduction of 2s. 6d. per week per child was made in the amount of relief granted to the parent of each child so fed.

At the present time children chargeable to the Guardians do not receive meals at school.

The rateable values of £44,000 and £157,000 include all collieries except such as are permanently abandoned. The collieries in Abertillery are rated at £18,143 and in Aberystwith (Nantyglo and Blaina) at £4,961, the whole of which rateable value is effective. When collieries are on stop for a period during the currency of a rate no reduction of assessment is allowed for stoppage, but the Company get the benefit in the succeeding rate by reason of being assessed upon reduced output resulting from such stoppage.

The Guardians have received sanction for two loans in each case, to meet the current extraordinary expenditure.

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The first of such loans was for a sum of £60,000, to be repaid by equal half-yearly instalments of £17,500, with interest at $\frac{1}{2}$ per cent. above the current bank rate with a minimum of 6 per cent. per annum. The second loan was for a sum of £110,000, repayable in ten equal half-yearly instalments commencing on September 30, 1924, with interest at $5\frac{1}{2}$ per cent. per annum, the first payment to be made on March 31, 1923. On the second loan only the sum of £60,000 has yet been received.

UNEMPLOYMENT IN GLASGOW

(SEPTEMBER, 1922)

In addition to being a very important shipping and engineering centre, Glasgow is noted for its great variety of trades. This has been of considerable advantage to the city during periods of depression, for it rarely happens that all trades are affected alike. This is even true of the present abnormal depression, for the textile industry of Glasgow (carpets, muslins, etc.) is now in a fair position, and it is expected that very shortly it will be working at normal pressure.

In the early months of 1915 there was a great deal of unemployment in the city, and the Municipality commenced relief works. This did not continue long, for, as in most other cities, the enormous development of war industries was such that every one was able to find a job. People who had lived in the poor-house, and who were considered by the Parish Council to be physically unfit for work, were swept into the labour market.

The trade depression in Glasgow began at the end of 1920, but it did not become really serious until the spring of 1921. At the end of April, 1921, over 66,000 men, women, boys and girls were registered as unemployed, and another 16,000 were working on organised short time. The insured workers of Glasgow number 437,161, which gives an unemployment percentage at the end of April, 1921, of 15.1, and a total unemployment and short time percentage of nearly 19. This figure rose rapidly up to July 8, 1921, when the unemployed numbered 84,000 and the short-time workers over 11,000. For the next few months the numbers rapidly declined until the middle of October, when things again took a turn for the worse, and the numbers continued to increase until the middle of June, 1922, when the unemployed reached a total of

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86,307, or 19·7 per cent. without counting the short-time workers. Since this peak-figure was reached, the numbers have gradually gone down, until at the end of August there were 82,493 unemployed.

Appended are detailed figures showing the number of unemployed on certain dates during 1921 and 1922. The figures referring to unemployed women appear somewhat striking. These reached their highest point on June 3, 1921, and have since declined regularly until they now stand at 7,601. One reason given me to account for this decline is that a great number of women who had gone into industry during the war, continued to register at the Employment Exchange so long as they thought there was a chance of getting benefit. Many of these women were married and had no intention of going back into industry.

GLASGOW.

Number on Live Register Week ending—

		Men.	Women.	Boys.	Girls.	Short Time.	
						Men.	Women.
1921							
January	7 .	17,204	7,003	765	912	3,878	2,665
February	4 .	24,943	9,811	1,267	1,629	4,642	3,364
March	4 .	28,776	9,885	1,470	1,567	3,500	3,983
April	1 .	36,398	12,254	1,971	1,757	4,759	5,758
May	6 .	50,425	14,397	2,540	1,993	8,128	9,406
June	3 .	58,696	16,626	2,788	2,489	8,156	7,401
July	8 .	65,651	13,981	2,722	1,853	7,639	3,891
August	5 .	60,793	11,414	1,970	1,417	4,412	2,305
September	2 .	48,319	9,087	1,862	1,411	3,841	1,918
October	7 .	40,711	7,489	1,624	1,334	4,065	2,539
November	4 .	57,735	11,105	2,197	1,865	3,591	2,346
December	2 .	62,318	11,931	2,493	1,802	6,324	2,549
1922							
January	10 .	66,249	12,061	2,508	1,616	6,661	2,528
February	7 .	64,606	11,443	2,639	1,902	6,928	2,719
March	6 .	65,113	10,965	2,518	1,849	7,202	2,592
April	3 .	67,841	10,184	2,199	1,722	6,362	2,569
May	1 .	72,291	10,148	2,318	1,644	6,311	2,165
June	5 .	72,794	9,126	1,946	1,378	5,156	1,697
July	3 .	72,067	8,347	1,839	1,285	4,689	1,232
August	7 .	71,449	7,537	1,943	1,238	4,131	453
..	28 .	71,424	7,601	2,028	1,440	3,990	686

The Trades of the Unemployed

The two most important industries in Glasgow—shipbuilding and engineering—are the ones most affected by the present depression. Although the numbers unemployed in the shipbuilding industry are not so large as in the case of engineering, it is nevertheless true to say that the shipbuilding industry acts as a trade barometer for the district, for when this trade is slack all others feel the pinch. The engineering industry of Glasgow is of the heavy type, and much of this is dependent on the shipbuilding industry.

Only the numbers of unemployed in the most important industries are given in the following tables:—

	Jan., 1922.	June, 1922.	July, 1922.	Aug., 1922.
Building	3,608	3,186	3,359	3,564
Shipbuilding	12,402	16,508	16,550	15,990
Engineering	26,123	27,577	26,308	26,900
Cons. Vehicles	137	146	143	136
Sawmilling	845	978	859	847
Iron and Steel	4,282	3,783	3,510	3,478
Electrical	28	17	20	14
Commercial	1,391	1,818	1,587	1,561
Railway Service	737	768	665	643
Stationery, etc.	1,317	1,196	1,064	1,098
Distributive	1,780	1,936	1,672	1,677
Others	29,805	27,443	27,196	26,166

AMOUNT EXPENDED ON UNEMPLOYMENT BENEFIT.

	£	s.	d.
Week ending January 6, 1922	46,680	19	6
„ „ August 26, 1922	52,541	5	1

NUMBER OF UNEMPLOYED ON LIVE REGISTER WHO DO NOT GET UNEMPLOYMENT BENEFIT.

1922	Men.	Women.	Boys.	Girls.	Total.
August 28	980	876	1,014	956	3,826

In addition to the above there is a large number of

unemployed who are not entitled to unemployment benefit, and who do not register at the Exchanges.

Parish Council Relief

For Poor Law purposes Glasgow is divided into two sections: Govan, on the south side of the Clyde, with a population of 372,000, and the Glasgow Parish with a population of 600,000. The scale of relief granted by the Boards is the same in both cases, in fact the same scale has been adopted throughout the whole of Scotland. This amounts to:—

12s. 6d. for a man.

10s. 0d. for a wife.

7s. 6d. for each adult in the house.

¹ 2s. 6d. for each child.

Glasgow Parish (population, 600,000)

From May 1, 1922, up to August 26, a period of about four months, the number of first applications received was 8,957, and the number of renewals during the same period 89,125. Each recipient has to renew his application fortnightly. The number of cases actually relieved during that period was 93,154, whilst the amount of money paid out was £125,000. The number of persons being relieved on August 26 was 11,925 (i.e. heads of households and single men). In addition there were 6,839 unemployed adult sons and daughters being assisted. The total number of dependants, i.e. wives and children of school age, was 40,528, which means roughly that a total of 59,292 persons belonged to families receiving parish relief, equal to 10 per cent. of the population. The actual amount paid in relief to able-bodied unemployed that week was £5,444. The ordinary Poor Law cases, that is the number of persons in the institutions, excluding dependants, was 3,150 and

¹ 3s. 6d. per head is the figure really allowed for children, but since the Education Authority provided free meals for school children, the Guardians decided to deduct 1s. per head for each child, thus making a uniform allowance of 2s. 6d. per child irrespective of whether free meals are received or not.

the number of widows and old persons receiving outdoor relief was 12,962. Of the whole population, roughly about 95,404 were receiving parish relief in one form or another, a number equal to about one in eight of the total population. During that particular week the figures had gone down roughly 25 per cent. below the figures for the two previous weeks. The heaviest period was from June 10 to July 8 of this year, when the numbers relieved were as high as 80,000 ; 15,300 were heads of households and single men, 9,512 were adult sons and daughters, whilst 55,533 were wives and children, and the money paid out in relief amounted to £11,700. No one seemed to be able to account for this very abnormal period.

The way the parish relief system works is as follows :— A man puts his application in one day, and he is visited the following day by an investigator, who takes all particulars of the case and returns the schedule to the office the next day. When the investigator is at the house, he gives the man a card asking him to come before the Committee to hear its decision on the fourth day after he puts in his application.

An official of the Parish Council expressed the view that fully 50 per cent. of the recipients of parish relief are the scum of the city, who never worked and never will work, and so far as they know never starved at any time. How they actually live is a mystery. " We have never in all our investigations come across a man, woman, or child who was starving."

At the present moment the Council is considering a reduction in the scale of relief. When the scale was first drawn up the cost of living index figure was at 120, while to-day it is down to about 80, which is roughly a 33 per cent. drop. The matter of the reduction will be decided in a few weeks by a conference of all the industrial parishes of Scotland, and the central authority. It is expected that a reduction of about 20 per cent. or 25 per cent. will be decided, and this will bring the parish scale exactly into line with the unemployment insurance payments, which means that in no case will a man receive both unemployment

benefit and parish relief. If this action is taken it will mean reducing the recipients of Guardian relief by fully 75 per cent.

In the course of an interview an officer of the Parish Council said :—

“ There is no more distress in Glasgow than on the average. When you go into individual cases you hear a very sad story here and there, but we know that no child is suffering for the want of sufficient food and clothing, other than what it might do even supposing its parents were working. An actually starving child it has not been our lot to meet for some time. They get help somehow, from kindly neighbours or other charitable sources in the city, and the scale which we give is purely to cover the bare necessities for food.”

No relief is given to a person unless he or she has been resident in the city for three months, and has a home or is in lodgings. Any able-bodied unemployed person who is houseless, or lives in a common lodging-house, will be offered indoor relief. All known respectable men residing in lodging-houses, on a certificate from the superintendent of the house as to their respectability, are allowed two nights' free lodging and two days' free food. In the model lodging-houses the superintendents give credit to some of the decent fellows. The charges in the best houses are 1s. per night, and 1s. 6d. per day for food.

“ Our main difficulty,” said the Clerk to the Council, “ is to separate the thriftless from the decent fellow. We ought to have some sort of test. None of the men do without tobacco or cigarettes, and they all appear to be able to buy an edition of the *Record* to see the sporting news and get tips, and they all seem happy and contented and quite prosperous looking. There is no sign of destitution or starvation about them—not more than there was in ordinary times.”

Another official of the Parish Council told me that he considered that there was more distress than before. “ We can only judge,” he said, “ from the applications which come to us, and there has undoubtedly been an

enormous number of claims from decent honest artisans—a class which never before came to us, but now we have them in big numbers. These are men who in the past would have eked out a period of depression by selling furniture or living on savings, but this depression has continued for so long that any savings a man had have had to go. There are no two ways about it—we get a great number of men who have never worked or who never will work. They shelter under the really genuine cases, and it takes us some time to find them out. Our test as to whether a man is genuine or not is to ascertain first of all whether he is getting benefit from the Employment Exchange. If he is disqualified there for leaving his work or refusing to accept a job, we also disqualify him.

“Last week we had a drop in applications for relief of 22 per cent. on the previous week. This is not due to the gap week, as it does not come on until next week. Places are beginning to open up and men are being taken back gradually.”

Another official of the Glasgow Parish Council said:—

“There is a lot of suffering among men of a better type. We have had ship-masters, and all kinds of people appeal to us. One man had a D.S.O., M.C., and a number of war medals. When we get hold of people of that kind we usually give them work in one of our relieving stations. We really make jobs for them. One encouraging factor is that we now have an average of forty or fifty men each week coming in to tell us that they no longer need relief as they have got work. They come in to thank us for the help we have given them.

“There are a great number of very small business men in Glasgow—corner-shop and hawker type, who are now in a very bad way. They do not register at the Exchange, and we have no record of them, but the number must be very great.”

Govan Parish Council (population, 372,000)

An official of the Govan Parish Council said to me in the course of a discussion:—

"The old theory that people were not willing to come to the parish for relief of any sort has been weakened, and there is now nothing like the same diffidence or trouble about going to the Parish Councils. This will, of course, have a bad effect on the rising generation. In my opinion they have found their way here, and even in good times when the slightest trouble arises they will come back here and be a source of trouble. There are a great many of the superior class of unemployed who have *not* come here and who are managing, as they did in former depressions, to eke out a living either from their own savings or by the assistance of friends and relatives."

The number of cases being relieved by the Govan Parish Council is rapidly declining, as the following figures show :—

CASES RELIEVED BY THE GOVAN PARISH COUNCIL.

1922.	No. of Cases.	No. of Adults.	Total Number of Dependants	Money expended in Relief.
May 17 .	8,101	17,972	37,934	5,088
June 24 .	(Gap) 10,597	19,116	42,395	7,117
July 27 .	9,148	19,454	41,740	5,640
August 26 .	7,822	17,618	40,668	3,830

Dr. Chalmers, the Medical Officer of Health, undertook an investigation a few months ago into the cost of maintaining a family of man, wife and three children, and in a report he has issued he shows that a working woman has been able adequately to feed her family of five on a food bill of 19s. 9½d. a week. The dietary, which is a very interesting one, furnishes the following daily calorific value :—

Husband	2,768
Wife	2,216
1st child	1,655
2nd „	1,655
3rd „	1,384

Dr. Chalmers rightly expressed the view that a great deal of educational work on the values of different food stuffs is sadly needed at the present time.

THE THIRD WINTER

GLASGOW RATES.

Municipal, Poor and Education, applicable to the full rental of dwelling-houses over £10 rental.

	1921-22.		1922-3.		Decrease.	
	Owners.	Occu- piers.	Owners.	Occu- piers.	Owners.	Occu- piers.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Glasgow .	5 3½	8 7½	4 7	6 10½	0 8½	1 8½
Govan .	5 0½	8 4½	4 8½	6 11½	0 4½	1 4½

School Feeding

Glasgow has a school population of just under 200,000, and of this number 22,000, or 11 per cent., were receiving free meals in January of this year. Of this number 14,000 received three meals a day, the remainder receiving dinner only. School feeding stopped at the end of June, 1922. The average number receiving free meals between January and April this year was about 12,000. Most of the children who were given free meals were reported to be in need by the head master. In some cases parents have interviewed the head master of the school and informed him that they were not able to give their children sufficient food. The provision of free meals under the Child Welfare Section of the Public Health Department cost £164,000 in the year 1921-22.

The Glasgow Education Authority decided some time ago that no child was to receive free meals, unless it were in such a condition that it would fail to profit by the education provided, owing to the lack of food. This really means that a child must for a week or a month be on short rations, until it is practically starving before it can have a free meal. Even if the family has only a little food in the house, it can exist for a long time on short rations. The result of this policy, said the School Medical Officer, is that we shall have to work hard curing disease

instead of *preventing* it. If this sort of thing is allowed to continue the population is bound to deteriorate.

Public Charity

During the past year the sum of £44,742 has been raised by public subscription for the relief of distress in Glasgow. This money has been expended mainly to help people to pay their rent. In relief in one form or another it has been estimated that about £2½ millions have been spent during the past year.

Relief Works

Although the various departments of the Glasgow Corporation had undertaken a great amount of relief work, they had only been able to employ approximately 3,000 men during the year. Many of the schemes are now coming to an end, but further schemes are to be put in hand at once. The appended list shows the works which have been decided upon, and these will employ about 3,000 for periods ranging from a few months to one and a half years. In addition they are contemplating building a bridge across the Clyde at St. Oswald's Road and this will employ a number of men. Specifications are not yet out, and it will be some time before this work can be commenced.

	No. of Men Employed.	Estimated Cost.
Tramways Department	1,700 for average duration of 12 months	£605,000
Parks Department .	511 . . . 4½ ..	£25,925
Health Department .	330 . . . 26 ..	£448,100
Baths and Washhouses	30 . . . 24 ..	£54,000

The General Manager of the Glasgow Tramways had figures carefully worked out to show the *net* cost of employing relief workers on tramway extensions. The cost *in wages* for a mile of double track, with relief workers, amounted to £11,400. This same work could have been

done by their own regular skilled men at a wages cost of £8,500. This means that the net cost of employing relief workers amounted to £2,900, or 25·4 per cent.

Last year the Glasgow Corporation were refused a grant, by the Lord St. Davids Committee, for a tramway extension on London Road. That tramway route was within the city, and it was known quite well that parliamentary powers would be granted as soon as application was made. In view of the clamant call for work for the unemployed, the work was put in hand without waiting until the necessary parliamentary powers had been secured and the scheme had been passed for a grant by the Lord St. Davids Committee, and consequently no grant has been given for this scheme. On another scheme of tramways, application for a grant was not made until the work had been in hand for a few months, and in this case, too, help was refused.

Relief workers are paid 75 per cent. of the current rate of wages, but after six months on relief work the men are supposed to be qualified labourers, and are entitled to get the standard rate of wages. They are usually given work only in alternate weeks. The bulk of the relief workers at the present time have no covenanted benefit, which means that if a worker is paid the ordinary rate of pay for the week he is working, he is really only getting half wages, which comes to about 30s. a week on the average.

Nothing is known about the men sent for relief work by the Employment Exchange prior to their coming to the Corporation. No inquiries are made as to their former work. The Labour Exchange people do *not* pick out the men most suitable for the job, but those who are the lowest down and in the greatest need. A tramway extension was undertaken at Coatbridge, which is eight miles from Glasgow, but instead of taking city men for the work, local unemployed men were engaged through the Coatbridge Labour Exchange. With present costs, and with costs as they have been during the last year or so, none of the schemes which have been put in hand would normally have been considered. They have been carried through solely to help the unemployed.

All sorts and conditions of men have been employed on the schemes. When a tailor goes on to a road-widening job, as some have done, for a long time he is not of full value, but in time he usually becomes fairly capable. On some of the schemes the actual laying of the line is being done by unemployed labourers who have had no previous experience.

With regard to working a week on and a week off, the men's leaders have informed the Tramway Manager that they will take drastic action unless this scheme is stopped and full work given to the men.

LABOUR COLONY.—A Labour Colony, where from 200 to 300 men are employed, was started some months ago by the Glasgow Corporation. After making allowance for the grant which was received from the Lord St. Davids Committee, this scheme has resulted in a loss up to date of £31,000, and this is being increased at the rate of £1,000 a month.

ALLOTMENTS.—For its size and population, Glasgow has very few allotments, owing to the distance to suitable land being so great. During the war there were approximately 8,000 allotments, many being in the public parks. The Corporation are now doing away with most of the allotments in the parks, though there is still a fair number left.

Present Level of Wages

The level of wages of unskilled workers in competitive industry in Glasgow is very low, as the following table shows :—

	s.	d.
Dubbs Engineering Works (average for full week)	32	9
Builders' labourers	55	0
Labourers in engineering workshops	48	0
Shipbuilding yards	41	7
Labourers in chemical works	41	7
Labourers in brass and metal refinery	46	0
Coal miners, 8s. 5d. a shift (5 shifts)	42	1

(Insurance and all other charges have to come off the above figures.)

Is there much Distress in the City ?

The Commandant of the Salvation Army gave it as his opinion that, whilst there is a good deal of unhappiness owing to the uncertainty of the future, yet the attitude of the Government in providing relief for the unemployed—a regular consistent relief—has taken the bitterness out of the people's hearts. Had the Government not done this, there would have been a great deal of trouble in some of the large cities, and the unrest would have been traded on by the Communists.

From his own observation during the past twelve months he thought it true to say that the Communists have lost a lot of ground in Glasgow, and they have lost ground from the very fact that the bulk of the people see that, taking the Government as a whole, they have done what they reasonably could without endangering the finance of the country, and without creating a big army of "don't want to works." "There has of course always been a class of that kind. Glasgow has always had a very big floating population living on the verge of destitution, and unfortunately a considerable number of these are where they are because they cannot control their appetite for drink." His candid opinion was that the number of people who don't want work is increasing in certain localities. His field officers report this to him. This only applies to the casual and unskilled type of worker, *and not to the skilled men*. The skilled men are the ones who are suffering most, even with the relief.

"We have five lodging houses for men in Glasgow run by the Army, and with accommodation for somewhere about 980 men. We make a charge of 4d. or 6d. a night, and every night these places are filled up and great numbers are turned away. In a time of depression it was like this even before the war. We have never been able to get sufficient accommodation. We have to beg for the capital when we establish a place, and then we try to make it self-supporting after we have put the building up. Roughly speaking, our homes find about 75 per cent. of the cost of

upkeep, and the other 25 per cent. has to come from our general funds.

"Glasgow has a very large moving population, owing to its being such a huge shipping port, with the result that there are a tremendous lot of lodging-houses on the quay-side. There is more than normal distress, but not acute distress. The relief that is given is sufficient to keep away absolute starvation. We have practically no one coming to us in that destitute condition which we were so used to before the war. Before the war we used to give free lodging and food to quite a number, but we do not find it necessary to do so now. An ambulance would be at one or other of our places at least two or three times a week to take men to the workhouse infirmary who had come to us in a hopelessly starving condition, but that is hardly ever necessary now. These people can live on the dole when they can get it.

"About 70 per cent. of the shipyard workers are idle. We have lots of our own people who have not done a stroke of work for fifteen or eighteen months.

"I am sure of one thing, and that is that among the skilled men—engineers and shipbuilders—there is going to be a great amount of distress this coming winter.

"We have done a lot in the way of encouraging our young men to leave the country and go to one of the Colonies. During the past twelve months we have shipped a great number. On one ship we sent sixty-four to Canada. We find situations for any we send away. Fully 85 per cent. go straight on to the land. They are encouraged to do this. The men we send away are of the best type. We have a bureau at the other end, and we send an officer of the Army over with them, and he has a list of the farms where men are wanted. The men are sorted out largely to their own desire, and for three years we keep in close touch with them. We also get a lot of good situations for domestics whom we send over to the Colonies. I have strong feelings that with ex-service men, especially the men who have no skill, the Government should do more in the way of planking them down on the land in

the Colonies, and creating a British community in countries like Rhodesia and elsewhere. At least 50,000 men could go to Rhodesia with their wives. I have seen the change which has taken place in families which have been sent out there."

Are the Unemployed Deteriorating in Physique ?

I discussed this question at length with the Medical Officer of Health, and his assistants.

A considerable amount of feeding mothers and children has been carried out under the Child Welfare Scheme, and the general impression of the doctors who saw them was that the children of Glasgow never looked better. There is no evidence at all up to the present that children under one are suffering.

A municipal visiting nurse said :—

"There is no doubt that poverty is greater than it has ever been. The thing I see most of all is in connection with women coming here for maternity bundles, and telling me histories of unemployment. Yesterday I had two women—one whose husband had been out of work for two years and one whose husband had been out for six months—both had been recommended by the Charity Organisation Society. The midwives say that they have to get more medical assistance now because the women are not as strong as they used to be. Our opinion is that this is due to under-nourishment. The mothers always are the first to suffer."

A lady medical officer said that in her opinion the women are more listless than they used to be, but one cannot say how far this is due to shortage of food or to worry. The weights of babies are quite up to the average.

The Medical Officer of the Fever Hospital in the East End of Glasgow, when asked if he had formed any opinion as to the condition of the children now as compared with a few years ago, said that there was no appreciable change in physique, and that there was no evidence of worse feeding. With regard to cleanliness, there was a great difference—

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the children now are much dirtier, and their clothing is in a bad state.

The figures given in the following tables show that there is very little difference in the heights and weights of children of different ages now as compared with the year before the war. In some cases an improvement is shown.

AVERAGE HEIGHT (Inches)—Boys.

AGES.

	5	6	7	8	9	10	11	12	13	14
1920/21	40.2	42.2	44.0	45.4	49.1	49.1	50.1	52.7	54.7	56.5
1912/13	40.0	41.0	43.0	47.0	48.7	51.0	51.7	53.0	55.4	56.5

AVERAGE WEIGHT (lb.)—Boys.

AGES.

	5	6	7	8	9	10	11	12	13	14
1920/21	39.5	41.9	45.6	50.1	54.4	57.7	62.3	69.1	74.8	79.1
1912/13	38.2	40.5	46.0	51.5	58.7	59.4	61.7	71.2	72.5	81.5

AVERAGE HEIGHT (Inches)—Girls.

AGES.

	5	6	7	8	9	10	11	12	13	14
1920/21	39.8	41.7	44.6	46.6	48.3	48.0	51.3	54.4	56.5	56.6
1912/13	39.5	42.5	43.0	46.0	48.7	50.0	50.5	54.2	56.6	57.0

AVERAGE WEIGHT (lb.)—Girls.

AGES.

	5	6	7	8	9	10	11	12	13	14
1920/21	38.1	40.3	44.7	49.6	53.5	55.5	61.6	70.8	78.5	82.2
1912/13	37.2	39.2	44.5	48.7	52.2	54.7	65.5	71.2	83.2	83.8

All the evidence I could get as to the physical condition of the people now as compared with pre-war times pointed to the conclusion that children were quite up to the normal, whilst mothers were in some cases suffering from the effects of under-nourishment combined with worry.

A retired shipbuilder with whom I discussed the question was strongly of the opinion that the giving of "doles" without any return in work was bound to have a bad effect on the physique of the people. "Unless we made every one work for their keep we should soon deteriorate into a C.III nation."

To what Extent is Unemployment Affecting the Morale of the People ?

I discussed this question with many people and got quite divergent views. Here, as in most other industrial centres, gambling is considerably on the increase, but most people felt that unemployment had nothing to do with this—that gambling was on the increase before the depression set in, and it would have been quite as bad had there been no unemployment.

The Assistant Chief Constable of Glasgow said :—

"There has been no increase in crime in Glasgow. Our experience, so far as gambling is concerned, is that it is on the increase all round, but I would not put that down to unemployment. The more we get laws to restrict it the more does it seem to grow. The very wide publicity given to horse-racing in newspapers does much to help gambling. The public libraries have deleted all betting news from the newspapers, and since this was done the number using the news-rooms has considerably declined."

This opinion was endorsed by the chief of the Salvation Army.

To what Extent are the Unemployed Living on Past Savings ?

It is, of course, obvious that in a time of depression people fall back on their past savings, but I thought it would be useful to get information on this point so as to endeavour

to draw some conclusion as to the part savings had played in helping the unemployed to tide over the depression, and whether the same source of help was still available.

In this connection I interviewed officials of the Glasgow Savings Bank and others, and whilst it was impossible to get any accurate statistics, the whole of the evidence I obtained pointed to the fact that a great deal of money had been withdrawn by workers, though the amount of money still in the Savings Banks was never higher than at the present time. This is due to the lessened opportunities for industrial investments.

The transactions of sums under one pound, which forms a considerable proportion of the business done by the Savings Banks, have shrunk very considerably, and the reason given for this is that the persons who in normal times used to deposit these sums are now not in a position to do so.

An official of the Kinning Park Co-operative Society gave some startling figures, which showed to what a considerable extent the purchasing power of the people has been lowered. I give the account verbatim :—

“ Unemployment has had a considerable effect on our capital. Our shares have been withdrawn, and we have had quite a lot of requests from people who want to draw out their share capital because they are hard up. We have been compelled to alter our rules in order to accommodate our members. Members are drawing their dividends to an extent which they did not do formerly. There is no doubt that the pressure on working-class resources in our district is very severe, and especially in Govan, which is so dependent on shipbuilding and engineering. Some people are now going to corner shops and accepting inferior articles in order to get credit.

“ Our Penny Bank is also suffering to a considerable extent. This was never a very big affair, but we are finding that people are having to draw out.

“ We have 130 shops on the south side of Glasgow, and 31,000 members, most of whom are heads of households. We estimate that there will be about 150,000 people

belonging to households where the head is a member of our Society, which is nearly half the population of the area (300,000).

"During the twenty-six weeks from June to December, 1921, our sales decreased by no less than £432,442, and we are still even having big decreases on this figure, and we have not been able to reduce our expenditure in the same ratio."

When discussing the question of distress in Glasgow, I was more than once advised to see the men who sleep out on George Square each night. I spent one evening from 10 p.m. till 1.30 a.m. on the Square, and got an account from about twenty of them. The following are typical of the rest.

A. "I was an iron-worker, and worked for a ship-owner. I have done nothing for two years, with the exception of a few weeks when I went round buying old bottles and things of that kind, but this business has absolutely gone. I am getting no unemployment pay. I was only working on an emergency card because I had no regular work, but was just a casual labourer and did not get my book stamped. I am single, and I get a bed when I can, and when I cannot I just sleep here on the Square. This sort of existence has been going on now for nearly two years."

B. Married, one child. Thirty-five years of age.

"I worked in the North British Locomotive Works as a labourer for fifteen weeks, and before that was a carter with — for about eighteen months. Before that I was with — as a carter for twelve months. I have always been a casual labourer. I have signed on at the Bureau for a fortnight but have got nothing yet. I was in hospital undergoing an operation for two months, and that seems to have interfered with my getting the dole. My wife and child go out singing in the streets every day. I have an army pension of 6s. I went to the Parish Council for help, but they refused to give me anything because I have a pension. My wife and child stay in one lodging-house, and they have to pay 1s. 3d. a night and find their own food. I stay in another lodging-house, and have

to pay 9d. a night. Very often when I have nothing and my lodging-house keeper refuses to let me sub, I have to sleep out. I wish I could get a job. Work seems to be a thing of the past."

C. Single, aged 38.

"I have been out of work for fifteen months. I was working as a storekeeper. I was nine months in the last job at the Union Transit Company. Before that I was at the docks for about ten years. I have never had an unemployment book and have never drawn a penny from the Bureau. I have had nothing from anybody except what I have been able to beg. There are a lot of men like me in Glasgow. Work would be a blessing, but there is none anywhere."

D. Single, aged 23.

"I was brought up in Ireland, and left school when I was 12 years old, and went into the spinning mill. My mother and father died, and I was put into a home when I was 13, and came out again when I was 16. I then got a job again in the spinning mill and stayed until I was 19, when things became very slack. I took a boat to Glasgow, thinking I should easily get a job there. I have only had two jobs during the five years I have been here, and they only lasted for ten weeks altogether. The last job I had was for six weeks in a lodging-house, doing cleaning and things of that kind. I have tried everywhere to get work, but it seems impossible. When I have any money I stay in James Wood Street lodging-house, but more often than not I have to sleep out. I have not had a bed for three nights."

E. Widower, aged 40.

"I have been out of work for three months, and have nothing coming in but the 15s. from the Employment Exchange. I worked in the shipyard before the war and then went into the Army. I was hurt and got my discharge from the Army, and then went to work on munitions. When the munition work ended I worked on a road scheme for ex-service men, and when that finished I worked for the Corporation, clearing a site for a school for cripples.

I am a widower, and my two children are staying with my wife's mother. I am in lodgings, and the people I am with are very good to me. They don't say anything as they know I cannot pay much. I am on my feet all day searching for a job."

I asked this man if he got any odd jobs, and he said that there is very little chance of that now—people who have got a job stick fast to it. Outside the Exchanges there are always a lot of men waiting for any job which might turn up.

F. Single, aged 41.

"I used to go to sea as a stoker, but they turned my boat into an oil vessel, and I was dismissed. There are from 500 to 600 men walking about the docks to-day who have been dismissed owing to the same reason. I received unemployment pay for some time, and then I withdrew my book to go in search of a job, and I tramped the country getting an odd job here and there, but lately this began to get more and more impossible and I got stranded and walked back to Glasgow. I have been signing on for a couple of weeks again, and when I was before the Committee to-day they told me to carry on, and continue to sign, as I might get benefit. I would go anywhere in the world to get a job."

(This man was very clean and tidy. He had slept out on George Square for two nights.)

These unemployed men—about thirty of whom had gathered round me by this time—told me that about 300 men each night get a free bed in the night asylum, and crowds are turned away. A man can only go there for one night a week. About forty men can go to the police station each night, but the beds are nothing but a raised stone platform, and "two nights there was enough to kill any man." These men said that they would rather sleep on wet mud than on the police beds.

I questioned the officials at the Parish Council Office as to the men who were sleeping out in George Square, and I was informed that a number of men are refused relief because they are disqualified on account of their own

character—police convictions, drunkenness, and so on. Men who live in model lodging-houses do not get relief, with the exception of two nights' free lodgings and two days' food—equivalent to 5s. a week. In the Govan parish, a maximum of five nights' lodging and five days' food is given to respectable residents of lodging-houses on the recommendation of the superintendent. "There are no means of checking men of this type. They get odd jobs, and we could not possibly keep a check on them, and we have adopted the above form of relief in order to be on the safe side. We have had many cases of fraud."

Position of Housing

The architect of the Glasgow Housing Committee informed me that it was originally estimated that there was a shortage of 57,000 houses in Glasgow, after making allowance for the uninhabitable houses which were still being occupied.

Land has been purchased for a very large number of houses. The present position as regards the housing schemes is as follows:—

Contracts have been accepted for 4,047 permanent houses, i.e. houses built of stone or brick.

368 timber houses have been erected. These have a brick base.

Of the 4,047 houses, 1,157 are now being occupied and others are in different stages of completion.

Schedules are just going out for a further 366 houses.

About 100 houses were built by private persons under the Government subsidy.

At the end of August there were 2,236 men engaged on the work of building houses. In addition, of course, there were numbers of men working on making doors and windows, etc.

There has been a strike of plasterers since June, and three of the schemes have been held up for nearly four months. This is purely a wages question.

In answer to my query about dispensing with plasterers, the architect said:—

"We have tried every method to do without plasterers, but we cannot. Even apart from the strike the number of plasterers available is too small."

One of the leading builders in Glasgow thought that in Scotland nearly 40 per cent. of the building trades operatives were unemployed. He said that we ought to take steps to get all the skilled men into work first, and then the unskilled would be absorbed automatically. There was a lot of talk about super-power stations. Why are these not being proceeded with? We should be busy making turbines and equipping these stations. This will be money very wisely spent. Asked where this power would be used, he replied that if electricity is the cheapest form of power for manufacture, we ought to get it at everybody's door, and this was the time to do it. He said that the Government had absolutely crippled private enterprise in housing, and no one but a madman would think of building house property again.

Position of the Railways

A Caledonian Railway official told me that this Company had not the money to spend on work which ought to be carried out. The eight-hour day had caused a great deal of trouble on the railways, and they could not go ahead until wages came down.

Employers' Views on the Hindrances to a Trade Revival

I interviewed some leading employers in Glasgow, in order to see if they had any views as to what was hindering a return to industrial prosperity, and it was remarkable how all of them laid particular emphasis on the anomalies between wage rates paid to workers in competitive industry and those paid to men working for Municipal and Government undertakings and railways. These men did not strike me as being of the type who were anxious to lower the standard of life of the workers, but rather the reverse, and had reluctantly taken up their present

position out of sheer necessity and after exploring every other line of action.

One leading employer said :—

“ The Government, in its control of the coal mines, led to a most disastrous situation by raising the price of coal against our Allies at the time when Italy was burning her olive trees. A very difficult position was created, and the miners were led to demand a share of the plunder, and when prices had been forced up to an extent that opened a profitable trade to America in competition, the whole thing collapsed. Then the Government, after they had built up this artificial situation, threw up the control, and left the men and the owners to clear up the mess as best they could. We are still suffering from this. The miserable position the miners fell to was directly a reaction from the artificial position that the Government had built up. The miners were led to expect more than it was economically possible to give them. This is, of course, history, and it does not help us to mend matters.

“ Coal prices are still injuring trade, but one of the most urgent problems of the present moment is the need for a reduction of railway rates, and of railwaymen's wages as a means of doing it. The importance of getting down railway rates is sufficiently acute, but that is not the most serious consequence of the privileged position in respect of wages of the railway employees. The wages of skilled men in the shipbuilding trades are down now to less than the wages of railway porters and of Corporation scavengers, and until the wages of these privileged employees are dealt with we cannot expect the men in competitive industries to submit to further reductions. This is one of the most urgent problems we have before us : the reduction of the wages to something corresponding to the level that the economic situation has imposed on industrial workers. The mere handicap of the high cost of rates is sufficient, but the fact that railwaymen's high wages are blocking a return to an economic level of industry is much more serious.

“ The most difficult problem is how to deal with the

skilled men. Whatever is done for the skilled men must be in interference with the laws which govern commercial business. Whatever is done to retard the fall of wages to an economic level postpones recovery, and may do more harm than good. It may be a cruel thing to say, but until the pinch is felt we don't get down to rock bottom.

"Every engineering concern in this district has been losing money for the past eighteen months. Of course they had a good period, which enabled them to accumulate reserves, which have tided them over.

"The retail shopkeepers are the only people who are doing well. The fact that there are so many highly paid Corporation employees and railwaymen and other privileged wage earners, competing in the shops with the miners and engineers whose wages have been so much reduced, imposes a special hardship on those who have had their wages considerably lowered.

"We shall always be subjected to trade fluctuations, and it seems to me that there is no quick remedy. The sound method of dealing with the problem is to have contributory unemployment insurance on the widest possible basis. The scheme should be worked out in such a way that the contributions of the employers and of the workers would, in a time of activity, build up a reserve which would carry the whole personnel of industry over periods of depression.

"People who can do so are waiting until the whole of the reduction in wages has come off before they place orders.

"The Exports Credit Scheme, so far as I can gather, is of little use, as it still leaves the manufacturer with a considerable part of the risk, and it is much more important to the manufacturer to be guaranteed against ultimate loss than to be given temporary credits. If we were guaranteed against absolute loss we could easily finance any undertaking."

The Secretary of the Glasgow Chamber of Commerce said :—

"It is generally believed that the tide has turned in

most industries, excluding shipbuilding, which is still in a very bad way. There appears to be a slightly better feeling, and in some cases there is more confidence. No doubt the coming winter will be very serious, but it is expected that things will right themselves gradually.

“Wages have not yet come to the rock bottom. There is only a certain sum available for wages, and employers cannot continue to pay wages at a rate which leaves them with a loss. We are now in an anomalous position with regard to wages. In trades which are faced with competition abroad, wages must come down, and costs too must come down to a level which will enable manufacturers to compete with the foreigners both at home and abroad. On the other hand, there are a great number of workers who are paid wages irrespective altogether of economic conditions, such as railwaymen, post office and municipal employees. Their wages are regulated on quite another basis.

“High taxation, both imperial and local, is also having a very considerable effect on trade.”

An official of an important Employers' Federation, said :—

“Shipbuilding is the worst hit trade, and unemployment is abnormally bad. There seems to be no chance of getting orders for cargo boats until the price is considerably lowered. The only orders being received are for special kinds of boats which the buying firms must have. By taking over the German ships the Government completely upset the shipbuilding industry. The workers resist every attempt to get on to an economic level of costs again, and it is just a question of how long they will wait until they are willing to accept lower wages for a time. The unemployment dole is standing in the way of getting the workers to accept wages at an economic level. The dole has had the worst effect on young men and apprentices. When they are out of work, they are able to get from the dole almost as much as they would get in work if the bonus were taken off. The regulation of wages on the cost of living is a fallacy. The shipbuilding industry has to compete with foreigners, and they can only pay wages

which the prices they get for their ships will enable them to pay.

"Another important factor interfering with the progress of the shipbuilding industry is the reluctance of the trades unions to allow piece work. We are of opinion that the workmen could make quite good wages at the present time on piece work, if they would put their backs into it and not be restricted by ca'canny. There are plenty of men who say that if you reduced their wages by 10s. they would not be able to live, but we reply that if they would accept piece work they would be able to earn a good wage. *We undertake to guarantee that piece rates will not be altered.*"

A director of a very large steel-works, in the course of a long discussion, said:—

"The cost of living is having a serious effect on the cost of transport. It would appear that in nearly all cases food-stuffs are being produced at the source almost without profit, and then when they come to the consumer the price is heavy. That is partly due to transport abroad as well as transport here.

"Retail shop wages are still high.

"Ocean transport is still heavy. Tramp freights are low, but the liners are still charging extraordinarily heavy freightage, and I think that is partly due to the fact that the steamship lines built steamers during the war, or immediately after the war, at very high prices, and they think they can go on getting a return on these high prices, whereas works in the country which are too highly capitalised have to write off the capital in many cases, and the shipping lines will have to do the same. In the meantime they have closed rings which are able to maintain these freights. One very important question is the high freights which are being charged from Britain as compared with the freights which are being charged from the Continent.

"The price of coal is still too high, and that is due to some considerable extent to the seven-hour day. One of the most important things for this country is to get the eight-hour day restored in the mines.

"The railway companies all over the world are letting

their permanent ways get into bad condition. This is especially the case in India, and they will have to buy, but of course railway companies are very unwilling to spend when they have not got the traffic. One of the most important needs in this country is the reduction in the cost of transport. Transport has not been reduced as much in Scotland as in England. Transport means a lot to us. For a ton of steel plates we have got to pay carriage on roughly nine tons of material.

"Our specially skilled men are underpaid in relation to the wages paid on the railways, and this causes a great deal of grumbling.

"There has been a good deal of trouble in relation to men refusing to adopt new appliances and restricting development, and that has done a great deal of harm. There are many improvements which could be introduced into iron foundries, but the men will not have them. There has been a foundry established where only unskilled labour is employed.

"At the moment there are many more inquiries being received, but unfortunately these are only due to the conditions in America. The improvement in the coal trade here is due to the demand from Germany and the demand from America. The coal trade is certainly improving, and I think, too, that the building trade would probably be better if certain classes of labour would accept lower wages. Plasterers and men of that type are still being paid too much.

"The uncertainty about Germany and the Reparation problem is doing a lot of harm to our trade."

A large shipbuilding employer said that he thought there was room for investigation into the margins which retailers are putting on their goods.

Sir Daniel Stevenson, coal exporter, gave me details of a scheme he has proposed for helping the shipbuilding trade.

"When the Government were speaking about spending £30,000,000 on ships of war," he said, "I made the suggestion that tramp steamers of a standard type should be built,

the ships to be contracted for from time to time by a Committee of shipowners appointed for the purpose, who would take in estimates and give the orders, other things being equal, to the lowest tenderers. Each ship as completed would be sold by auction. If the market price at the day of sale were lower than the contract price, the difference would fall upon the Exchequer. This difference would be much less than the doles which would be payable to the corresponding number of workmen if work had not been provided. If on the other hand the market price were higher than the contract price, then the Exchequer would benefit correspondingly.

"Many of us heard with regret that the Government intended building battleships, but we could not help sympathising with the workers who saw in these orders an end to the long spell of unemployment.

"I venture to think that all parties would concur in the view that the comparatively small risk involved in my suggestion might well be run by the Government to bring gladness to the families whose hopes have been so recently dashed.

"The shipowners as a mass are against this scheme. Every shipowner would like to prevent other people from having ships, so they would not support any scheme of this kind. A ship built in 1910 still earns money on a basis, but if the owner could get a new ship at a fair figure he would be prepared to scrap his old one."

A leading official of a large Co-operative Society mentioned the suggestion recently made by Lord Pirrie, that when the Government got the ships from Germany she should have had them broken up and the steel used for new construction. In giving his views as to the home causes which had intensified the depression, he said:—

"I have the idea that if somehow or other it could have been arranged for all wages to have come down about the same time this would have helped things, and we have not got to the bottom yet; we have been too long in getting to the bottom. There is no doubt that the coal-miners' strike did much to make this depression as bad as

it is. If we could have done without that strike, and if we could have got the Unions to take up a reasonable position, and we had all worked together to bring down both prices and wages months and months ago, I am confident that it would have been very much better for us all.

“Although reductions might take place in goods which come from the manufacturers, it takes some time before that reduction filters through to the consumer.”

The boot trade was given as an example of how prices were brought down very rapidly. First there were some small reductions of a shilling or two, but that was found to be no good, and then there was a very big drop.

UNEMPLOYMENT IN MANCHESTER (OCTOBER, 1922)

THE problem of unemployment in Manchester is one of great complexity. In the first place, Manchester is not so much an industrial and commercial unit itself, as the heart of a densely populated industrial area which should be studied as a whole. The city of Manchester has a population of 730,551 (census of 1921). Manchester and Salford together have a population of about a million, and the area within a radius of five miles of Manchester Town Hall is inhabited by over a million and a quarter people. The Manchester (Poor Law) Union covers the city of Manchester, but includes two small districts (Prestwich and Failsworth) outside it, and the various trade unions which gave me information have still further differing administrative areas. The Labour Exchange Administration is divided over the city, and some of the more important figures which I have obtained refer only to one division, the central city area.

A second difficulty is the very diverse character of the business of the city. First in commercial importance is the cotton trade, but a depression in this industry has usually a greater effect on the towns surrounding Manchester than on Manchester itself, because the staffs of the great commercial houses are generally assured of continuity of employment. Of the large number of industries carried on in Manchester, the more important are engineering, chemicals and dyes, cotton manufacture, hats and caps, clothing, oils, rubber and waterproof

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garments, paper, brewing, and some food manufacture. Manchester is also a port and an important distributing centre, but the greater part of the docks, and the dock workers are in Salford.

Yet another complication is caused by the fact that many people living in the city work in districts outside it, and the city draws workers from homes scattered over a wide area in Lancashire and Cheshire, these workers being unable or unwilling to reside in the city.

Extent of Unemployment

I was unable to obtain reliable estimates of the numbers unemployed in a bad pre-war year, but the position in recent months is shown in the following table, which is compiled from the live registers of all the Labour Exchanges in the City of Manchester (population 730,000) but excludes Trafford Park. Trafford Park is a non-residential industrial area, its live register is usually less than 1,000, and employment in it shows no abnormal variation.

It will be noticed that the peak was earlier for women workers than for men, and that the figures remained at a steadily high level from December, 1921, to May, 1922. One district (Newton Heath) had a large number of female war workers which inflated the registers after the war, but these workers appear to have dispersed now. The stoppage of night shifts in the cotton mills in the city tends to increase the proportion of unemployed men, since women did not work at night, but this only affects the totals of men and women in a very small degree.

The figures show the numbers of unemployed in the first week of each month, and (in Column 2) the number of unemployed men claiming outdoor relief from the Guardians.

THE THIRD WINTER

UNEMPLOYED LIVE REGISTER
Manchester (except Trafford Park)

1921.	Men.	Unemployed men receiving Out-Relief from the Guardians.	Boys.	Women.	Girls.	Total.
First Week in—						
May . . .	22,943	—	1,212	12,399	848	37,402
June . . .	24,823	—	1,289	13,139	921	40,172
July . . .	26,079	—	1,133	12,275	787	40,274
August. . .	24,979	—	1,153	8,114	560	34,806
September. . .	24,545	—	1,405	5,918	664	32,532
October . . .	25,886	—	1,374	4,819	674	37,752
November . . .	30,358	—	1,276	7,195	559	39,388
December . . .	32,532	—	1,164	9,164	533	43,393
1922.						
January . . .	32,626	—	1,287	9,390	723	44,026
February . . .	32,543	—	1,683	9,582	901	44,809
March . . .	31,340	4,721	1,569	8,586	827	42,322
April . . .	32,674	6,512	1,512	8,187	726	43,099
May . . .	32,468	7,507	1,579	7,174	892	42,113
June . . .	27,201	9,394	1,437	4,730	842	34,210
July . . .	29,901	5,233	1,076	6,008	698	37,683

Practically all the above received out-of-work benefit at the usual rates. In the whole city only 8 per cent. of the numbers on the live register (above) do not draw benefit. This 8 per cent. is formed of two groups:—

1. Those who were never employed in an insurable occupation.

2. Those who have exhausted their benefit, and have not been allowed uncovenanted benefit.

At the time the inquiry was made (October 5, 1922) between 1,800 and 2,000 unemployed in the whole city had exhausted their benefit and would receive no more payments until the following month.

The number of people who do not register at the Labour

Exchanges is probably small. It is made up of those whose incomes formerly placed them above the upper limit of the Insurance Act. Practically all the industrial population is insurable and claims benefit, so the live registers of the Labour Exchanges give a reasonably accurate measure of the extent of unemployment, if short time is ignored. The industrial population of the central city area is 195,400, and the numbers on the live register of that area are nearly half the totals for the whole of the city, so it may be estimated that the industrial population of Manchester is roughly 400,000. On this basis it would appear that over 10 per cent. of the industrial population was unemployed in the period December, 1921, to May, 1922.

Trades of the Unemployed

I was unable to obtain an analysis of the figures in the unemployed registers, but some information was given by various trade union officials. The relative importance of the different trades carried on in Manchester can be seen from the members regularly employed in them in the Central City area, but these figures only relate to *firms* located in the area administered by the Central Labour Exchange, and the personnel of the firms may or may not be resident in Manchester. The industrial population of the area is 195,400, and the numbers in the more important occupations are as follows :—

Engineering	14,000
Rubber, waterproof garments, etc.	9,700
Hotel servants, etc.	5,100
Commercial, clerical, etc.	5,000
Railway servants	4,500
Tramways	5,600
Other transport	3,000
Printing, etc.	7,900
Cotton industry (manufacture)	9,600
Finishing trades (dyeing, etc.)	6,500
Tailoring	9,700
Dress, blouse and underclothing making	13,200
Food and drink manufacturing	6,000
Public utilities	5,700
Distributive trades	36,000

The engineering industry is very badly hit. In the Manchester and Salford branch of the Amalgamated Engineering Union, 4,000 men, or 25 per cent. of the members, are unemployed. Almost every branch of engineering is represented in Manchester, even ship-repairing, and with the exception of the textile machinery section the whole trade is quiet.

The iron and steel trades are suffering acutely from the trade depression, and unemployment in them is very high.

The clerks are in an exceptional position, because many are employed in banks, insurance companies, co-operative societies and strong commercial houses which give their employees continuity of employment. Nevertheless, the Secretary of the National Union of Clerks informed me that he estimated that of the 20,000 clerks in Manchester and Salford, 10 per cent. were unemployed in the worst months of depression.

An official of one of the big unions of general workers gave me some information on conditions in the chemical industry. In 1917 fully 10,000 chemical workers were on the books of the union, but now only half that number are employed in the industry. One large firm is practically closed down, and it is stated that it is sending its work to its establishments elsewhere.

The Salford dockers must be specially mentioned. The docks employ about 5,000 men. Of these 70 per cent. are working three days in the week or less, and 50 per cent. two days or less, at a wage of 11s. per day. It may be desirable to describe the methods of employing dockers used in Manchester and Salford. The would-be docker must first apply to the trade union for a card. Having obtained this he goes to the Manchester Ship Canal Company, presents the card and asks for a "number." If he is given a number, he may present himself for employment at the shed on the Manchester docks or at that in Salford. At ten minutes to eight in the morning, the foremen come into the sheds, and standing at different points, give out "tallies" to the men they select to form their gang. There are no permanent tally men and no preference men, except

in so far as the foreman exercises his right of choice, and the men push and struggle to get to the front in the hope of securing a day's work.

It is difficult to say whether any one occupation is in a worse position than the rest. In any case short time and reduced wages would have to be considered as well as actual unemployment. If any distinction can be made, possibly clerks and warehousemen are affected less than other grades, but they, too have a considerable number of unemployed, and the earnings of those who have remained at work have fallen.

How the Unemployed are Living

Of the wholly unemployed it is safe to say that at least 90 per cent. receive unemployment benefit from the Employment Exchanges. The following table, giving the weekly average of numbers receiving out-door relief during the preceding month, shows that numbers of unemployed are also in receipt of help from the Guardians. The averages are calculated at the commencement of the month named in the table.

	Men.	Women.	Children.	Total.	Cost.
<i>March, 1922.</i>					
Unemployed	4,721	4,460	10,812	19,992	£16,452
Total	5,488	7,377	14,276	27,141	£27,547
<i>April.</i>					
Unemployed	6,512	6,093	14,838	27,443	£25,590
Total	7,339	9,233	18,491	35,063	£37,440
<i>May.</i>					
Unemployed	7,507	7,085	16,165	30,757	£29,485
Total	8,339	10,356	19,812	38,507	£41,463
<i>June.</i>					
Unemployed	9,394	8,575	18,741	36,710	£51,725
Total	10,245	11,978	22,461	44,684	£66,662
<i>July.</i>					
Unemployed	5,233	4,865	10,830	20,928	£17,630
Total	5,961	8,001	14,242	28,204	£27,996
<i>August.</i>					
Unemployed	4,190	3,951	9,041	17,182	£13,445
Total	4,849	7,009	12,268	24,126	£23,233

The scale of relief has been changed frequently in the last two years. At present it is as follows:—

		Per week.			Per week.
For widows—			For man and wife . . . 18s.		
With	1 child . . .	20s.	With	1 child . . .	22s.
„	2 children . . .	26s.	„	2 children . . .	24s.
„	3 „ . . .	30s.	„	3 „ . . .	26s.
„	4 „ . . .	34s.	„	4 „ . . .	28s.
„	5 „ . . .	37s.	„	5 „ . . .	30s.
„	6 „ or more	40s.	„	6 „ . . .	32s.
			„	7 „ . . .	34s.
			„	8 „ . . .	36s.

plus an allowance of not more than 7s. for rent.

For single men or women:—

If living in apartments or house furnished by themselves, 10s., with 4s. for rent or lodging.

If living with parents or relatives not getting relief, 7s. 6d.

If living with parents in receipt of relief to be counted as children.

Relief has been refused in very few cases. In 90 per cent. of those cases the reason has been that the income of the claimant already exceeds the scale.

Indoor pauperism has increased in the period as follows:—

Total number of inmates	January 1, 1920 . . .	5,515
„	1921 . . .	6,204
„	1922 . . .	6,847

I was unable to obtain a satisfactory classification of the increase.

A study of the weekly expenditure on outdoor relief plainly shows the dual nature of the incomes of many of the unemployed. When unemployment benefit is not paid at the Labour Exchange there are heavy claims on the Guardians. The first peak coincides with the end of the first special period of unemployment benefit, the peak in April with the end of the second special period (9 days) and the third peak with the first five-week gap.

It is almost impossible to find out to what extent the unemployed have been living on their savings, and what the amount of those savings was, but I have received information from many sources showing that savings are, in the great majority of cases, exhausted by now. The classes which formerly saved were clerks, the higher grades of engineering workers, and Jews, mainly employed in the tailoring and cap-making trades.

There has been a marked increase in hawking during the period of the slump. A clerk employed at one of the signing-on stations told me that men very frequently admit to him that they have spent a day or two in the week on odd jobs of this nature, and in consequence a small deduction is made from their out-of-work benefit.

I was unable to obtain the exact number of unemployed men who have allotments. That allotments might be valuable is shown by a statement made by one of the unemployed, who claimed to be feeding four families for the greater part of the year with vegetables from his plot, but suitable land is at a considerable distance from the thickly populated areas. Another unemployed man said, "You have to face the apparent discouragement. As soon as you get the land going, they seem to want it for building and put up the rent."

The fact that some hundreds of children are fed at school must be taken into account in considering how the unemployed are living. The following statistics are taken from the annual report of the School Medical Officer for 1921. The figures for 1922 relate to the first nine months of the year.

The numbers of individual children fed were :—

	1919	1920	1921		
	1,191	1,807	6,742		
First applications	.	.	222	2,098	624
Renewals	.	.	878	4,910	4,913
Total number of cases	.	.	1,100	7,008	5,537

Applications granted				892	5,825	4,580
(New cases 1920 1921 1922	215	2,074	618).			
Applications refused				208	1,183	957
(New cases 1920 1921 1922	7	24	6)			
				1,100	7,008	5,537

Periods during which children were fed in the last three years :—

	1919 Per cent.	1920 Per cent.	1921 Per cent.
One month or less	8	21	9
More than 1 but less than 2 months	14	16	12
More than 2 but less than 3 months	13	14	15
More than 3 but less than 6 months	14	14	15
More than 6 but less than 12 months	23	16	28
Twelve months	29	19	13

The percentage of children requiring free meals for periods of three to twelve months shows that distress was prolonged. It is significant that in 1921 only 9 per cent. required meals for as little as one month.

The total cost for the year ending March 31, 1921, was £7,655, for the year ending March 31, 1922, £13,717; the approximate cost for the six months ending September 30, 1922, was £4,645.

The education authorities consider that a family is necessitous if the weekly income per head is less than 8s. after the rent has been deducted, and will then feed the children.

Relief Work

A considerable amount of relief work has been undertaken in Manchester. In October, 1921, the City Council decided to proceed with a number of special works for the unemployed, in addition to the ordinary works which had been put in hand where funds were available. The following particulars of the special works, and the comments of the Finance Committee on them, are taken from a report prepared for the use of the City Council in October, 1921.

No. of Work.	Nature of Work.	Total Estimated Cost.	Approx. No. of men to be employed.	Time for which they are likely to be employed.
19	Completion of Heaton Park Reservoir	£ 300,000	300	About 3 years
20-24	Provision of Schools	125,250	195	From 12 weeks to 15 months
26	Reconstruction of Main Roads	80,000	200	6 months
27	Making up various private roads	26,000	60	4 months
28 and 30	Construction of Roads 25 and 29	373,350	450 1st 3 months 750 2nd 3 months 500 3rd 3 months 200 4th 3 months	12 months
		£904,600	1,205	

Other works were not undertaken for various reasons, but chiefly because of the inadequacy of the Government's financial assistance for works proposed to be executed for the purpose of providing employment.

Some of the reasons for the rejection of schemes throw light on the nature of the other schemes which were undertaken.

REJECTED SCHEMES.

No. 17.—*Erection of Wash-houses.* This work, if proceeded with, would employ only a limited number of men, i.e. thirteen, not necessarily men of this city. The contribution by the Government would be only 7 per cent. of the ultimate cost.

No. 18.—*Works at Longdendale.* The execution of these works would not relieve Manchester's unemployment. The contribution of the Government towards this work would be only about 4 per cent. of the ultimate cost.

Nos. 29 and 31.—*Roads numbered 10 and 45.* The making of these roads is not essential at the present time.

THE THIRD WINTER

The Finance Committee reported on the approved schemes as follows:—

“Heaton Park Reservoir.—The annual debt charges on this scheme (assuming a loan period of sixty years) would amount to £19,840. In circular No. 245, issued by the Ministry of Health, it is stated that ‘the expenditure to be taken into account will be all approved expenditure incurred within the period ending March 31, 1923.’

“It is estimated that of the sum of £300,000, the total estimated cost of the work, only £108,000 will be expended up to that date, and, therefore, only the loan interest charges on that sum will rank for the financial assistance from the Government of 50 per cent. for five years. This assistance is estimated at £3,240 per annum, or an aggregate for the five years of £16,200, equal to only 1.36 per cent. of the ultimate debt charges aggregated over the period of the loan, viz. sixty years. The balance of 98.64 per cent. of the debt charges would, of course, fall on the revenues of the Waterworks Department. It is stated that the only reason for bringing this scheme forward is to provide work for the unemployed—the actual completion of the reservoir, not being necessary at the moment, could very well be postponed until the cost of labour and materials are reduced to a more economic level, when the cost would be considerably less. Under these circumstances the Finance Committee are strongly of opinion that the Government Grant offered is quite inadequate and illusory, and it is clear that on financial grounds there is no justification for proceeding with the scheme at present.

“Provision of Schools.—In connection with the above proposals, the Finance Committee would point out that the scheme of Government assistance will not apply, as the service of education is already in receipt of assistance from public funds.

“The reason for bringing the matter forward is to find work for the unemployed, and at the same time it would help to meet the most pressing educational requirements of the city.

“Reconstruction of Main Roads.—It is suggested that the cost of the above work should be met out of the City Fund Account, and with this suggestion the Finance Committee are in agreement. It is stated that savings will be effected in the current year's estimates which will, along with an excess of receipts and the grant for this class of work from the Ministry of Transport, be sufficient to meet the proposed expenditure.

“Making up of Private Streets.—It would be possible to meet this expenditure out of the available bank balance

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in the Local Accounts. The whole of the cost is chargeable to frontages, and no charge would fall on the rates, nor would any Government Grant be available.

"Construction of Roads Nos. 25 and 29.—The annual debt charges on these works may be summarised as follows:—

Work.	Total Estimated Cost.	Annual Debt Charges.			
		Period.	Interest at 6 per cent.	Sinking Fund.	Total.
	£	Years.	£	£	£
Road No. 25:					
Works . . .	300,000	15	18,000	16,130	34,130
Land . . .	14,350	60	861	88	949
Road No. 29:					
Works . . .	58,000	15	3,480	3,118	6,598
Land . . .	1,000	60	60	6	66
	£373,350		£22,401	£19,342	£41,743

Of the above, it is estimated that under the Government scheme 65 per cent. of the debt charges will be met by way of grant for half the term of the loan on works, viz., seven and a half years. The loan for land does not come under the scheme, and therefore the whole of the charges thereon will have to be met by the Corporation."

"It may, therefore, be stated that the ultimate cost of the above schemes, by way of debt charges, may be estimated at £671,820, of which sum £152,730 will be recoverable from the Government, equal to about 22½ per cent. of the whole amount."

I was informed that the number of men actually employed on the works varies, the highest number during any one week being approximately 2,000. All unskilled labour is obtained through the Labour Exchanges, and these men are paid 75 per cent. of the trade union (building) rate until they become efficient, when they are paid the Union rate, the additional payment being called an "efficiency bonus." Some skilled men are also obtained through the Labour Exchange, and are of course paid the trade union rates. The unskilled are drawn from all

classes, and some of them have never undertaken similar work previously.

The City Engineer estimates that one half of the amount expended is paid in wages and the other half is cost of materials. He states: "The men have worked very well and the cost has come out very satisfactorily. So far no scheme is absolutely complete." From another and equally reliable source, I learnt that the cost certainly is very satisfactory, for in some cases the relief workers have beaten the standard of the regular workers by as much as 25 per cent. The men employed on relief work are taken on for three months at a time; at first their efficiency is low, but they are tactfully handled, and after a few weeks qualify for the efficiency bonus.

The Corporation has applied to the central Government authorities for sanction for the expenditure of £1,000,000 on relief works in the coming winter. The various municipal housing schemes, although they are not relief work, have provided a considerable amount of employment in the building trades.

When the lists of application for municipal houses were first opened, 10,139 names were handed in. Many of these applications have since lapsed, but it is generally believed that were the lists reopened the number of applicants would be greater than ever. In June last, the "live list" of applicants who had periodically renewed their applications and not been satisfied totalled 5,315.

At the end of September, 1922, the position was as follows:—

Number of sites available (houses)	. . . . .	6,204
Houses in contracts	. . . . .	3,372
Houses begun	. . . . .	3,114
Houses completed	. . . . .	2,326

That is to say, 258 houses have not yet been begun and 788 have been begun but not completed. Over 2,000 sites are still available.

The number of men employed on October 3, 1922, was 1,345, and the greatest number ever employed was 2,037 (February, 1922).

Private enterprise only touches the fringe of the housing problem, for by September, 1922, only 115 plans for private buildings had been passed.

Referring to the activities of the City Council in relieving the unemployment situation, a Labour-Socialist Councillor remarked, "Candidly I don't see what more we (the Labour Socialists) could have done if we had had all our own way. If we raised the rates we should have been sent packing."

Local Finance

This raises the question of municipal finance. The net indebtedness of the Manchester Corporation, on March 31, 1922, was £28,751,294 and the rateable value of the City on April 1, 1922, was £6,720,366. The rates in the pound levied in recent years have been as follows:—

Year.	Rateable Value.	Guardians.		Overseers.		Corporation.		Total.	
		s.	d.	s.	d.	s.	d.	s.	d.
1913-14	4,702,203	1	5·3	0	1·4	6	8	8	2·7
1920-21	4,887,404	3	2·9	0	2·7	12	6·4	16	0
1921-22	6,793,151	3	0	0	2·7	11	9·3	15	0
1922-23	6,720,366	3	4·5	0	1·6	9	5·9	13	0

A reassessment took place in 1921 which influenced the rates for 1921-22. On the old assessment the rates would have been 19s. 6d. in the £.

Having attempted to describe the extent of unemployment, the sources of the incomes of the unemployed, and the efforts made by the municipality to relieve the situation, attention must now be given to the distress caused by the slump and its effect on physique and morale. Distress must be looked for not only in the families of the wholly unemployed, but also in the homes of those workers who through the trade depression have low or irregular earnings.

Distress

Distress cannot be measured exactly by dividing the amount of the weekly income by the number in the family.

During the war and in the boom, the standard of living rose, and many little luxuries came to be regarded as necessities. Smoking, visits to cinemas and to public-houses account even yet for a small proportion of the expenditure even of the poorest. Rents also make a large hole in the unemployment benefit, and are not allowed to run into arrears. The position of those people who have taken furnished rooms at a fairly high rental, on account of the housing shortage, is particularly unfortunate. Coal, too, will account for another two or three shillings per week, so the amount left for food and clothing is small.

Clothing and bedding are in very many cases in a very lamentable state. Such clothing as can be collected is distributed at the Social Centres, but it is a very trifling amount compared with the need. A small quantity was set aside for the unemployed from that collected for the Russian Relief Fund, after a very vigorous protest by the unemployed, and women's sewing circles have been formed, to attempt to put it in good repair before winter. Much bedding has been pawned, and few in working-class districts have been able to renew blankets which have worn out. There is little doubt that many adults are actually getting less food than they have been accustomed to, the men attending at the Social Centres very frequently missing the midday meal. Children are protected by school feeding, and large numbers of women receive a daily meal at the Social Centres; if any of the food is left after the women are served, the men get it, and frequently, by the generosity of provision dealers, a hot drink or a light meal is provided in addition to that purchased from the Lord Mayor's Fund. The controllers of some of the Social Centres, with whom I discussed this subject at some length, were very definitely of the opinion that there is much distress in the poorer parts of the city, the worst cases being the disabled ex-service men who are unable in the slump to obtain light employment to supplement their small pensions.

From many sources, especially from trade union officials, one hears of families in distress and carefully

hiding their need. This is particularly the case with clerks, and with many women and girls who became clerks during the war, taking the places of male clerical workers who were not protected from military service, and who reclaimed their former posts after the war. The number of clerks unemployed is inflated by the inflow of disabled men after the war, these men being trained for clerical work because they were unfit for any other. But although individual clerks suffer greatly when unemployed, the percentage of unemployment is probably rather less than in other classes of workers, as the effect of the depression in their case has been to reduce wages, or to shorten the hours of work with a corresponding reduction in earnings. An unfortunate result of unemployment peculiar to clerks is that it becomes increasingly difficult to keep "smart" in appearance as clothes wear out, and the clerk's chance of employment grows steadily less.

It is practically impossible to ascertain the extent of short time or under-employment in Manchester, because of the great variety of trades, but the effect of the slump on wages is not a very difficult subject.

Reductions in the wages of girl workers are a very serious matter. Girls working in rubber factories now get 17s. 8d. per week, and the earnings in the waste paper and tobacco trades are also very low.

The wages of dockers have already been commented on: 75 per cent. of the dockers get 33s. per week or less, and 50 per cent. get 22s. per week or less.

Wages in the iron and steel trade (for labourers) are very low, because they did not move up with the sliding scale, but have come down with it.

Effects on Physique

In spite of the assistance given by the unemployment benefit and by outdoor relief, part of which is being paid in kind, the physique of a great number of Manchester workers is undoubtedly being impaired by prolonged unemployment. I have questioned a number of people on this subject, and in not one case has the opinion been

challenged that physique has deteriorated. The matter is of such importance that it seems advisable to set out the evidence in full. The retiring Medical Officer of Health (Dr. Niven) said: "It is almost impossible to give a definite answer; we have not sufficient information, but tuberculosis is notifiable and is a very sensitive indicator of privation, and the tuberculosis figures are up." The new Medical Officer pointed out the abnormal rise in the infantile mortality rate, from 99 for the year 1921 to 104 for the first six months of 1922, but stated that it was usually higher in the first half of the year, and that it has probably been disturbed this year by an epidemic of measles. Dr. Niven was of opinion that, allowing for these two considerations, the figure was still abnormally high; from previous experience one would have expected a fall in the infantile mortality rate, because mothers had to stay at home instead of going to work. (He quoted the effect of the cotton famine on the infantile mortality rate.)

The Superintendent of the Poor Law Union, who is also a member of the Local War Pensions Committee, and is reputed to have a wider knowledge of the poor of Manchester than any other person in the city, was of the opinion that physique was probably running very low in many cases.

I had interviews with five prominent trade union officials, and all were agreed that physique had deteriorated. The usual statement was to the effect that lowered physique and lowered morale interact, each steadily growing worse. The Secretary of the Union of Clerks said that it was very noticeable in the case of his members that physique deteriorated in unemployment. Hair turned grey very rapidly, and there appeared to be an increase in nervous complaints, more markedly in the case of the older men. Unlike the artisan, the clerk is not used to periods of unemployment, and appears to worry about it more. Worry, more than actual want, is the cause of deterioration.

A clerk at one of the Labour Exchanges told me that of the men with whom he has been coming into close contact during the last few months, the elderly are getting

more weary and decrepit, and the younger are more nervous and irritable. The majority of men he referred to were formerly employed in various branches of the engineering trade.

The Secretary of the Lord Mayor's Fund, and two of the controllers of Social Centres, said that there was very marked deterioration in the health and physique of the war invalids and the partially disabled men who could not get work.

Unemployed men themselves claim that their physique is being impaired. A group of iron and steel workers said that one of their friends had died through breakdown caused by worry. He had worked continuously for many years and had considerable savings, but the constant drain on these preyed on his mind.

Morale

That the majority of the unemployed are disheartened, and miserable, and feel utterly helpless and insecure, there can be little doubt. That large numbers of men have become so used to taking relief in various forms that they prefer living on the Guardians to working, seems very improbable. In a big industrial city such as Manchester, there is always a fringe of workers who are unsteady, and this fringe has grown broader in recent years, but the additions are mainly young men who have learnt to be "old soldiers" in the Army. Possibly, had there been no slump, these men would gradually have settled in industrial occupations, but nobody can be positive on this point.

The leaders and trade union officials of low-grade labour say that in normal times they object to the strike, because idleness has an unsteady effect on their members. From this they argue that a long period of unemployment must inevitably cause large numbers of men to lose morale, till they prefer to obtain an uncertain livelihood in idleness rather than work. I cannot find any facts to support this view. On the contrary, take the example of the relief works carried on in Manchester. At first the labour is inefficient, but this is not due to unwilling-

ness, so much as to the fact that the habit of working steadily has been lost and must be re-acquired. In a few weeks' time the relief worker becomes more efficient than the regular Corporation navvy.

Some thousands of men each day visit the Social Centres opened in connection with the Lord Mayor's Fund. The Centres are situated so that they attract the lowest ranks of the unemployed, but three of the leaders of these Centres assured me that not more than 10 per cent. of their visitors were "unemployables"—that is, tramps, criminals and war cripples. The remaining 90 per cent. were fit and had a very genuine desire for work. Many ex-service men hoped that this country would become involved in war in the near East, that they might find employment in the Army.

There may possibly have been some feeling of contentment in idleness in the earlier months of the depression, but almost all the unemployed are now weary of doing nothing and anxious to get back to work.

I have not heard any suggestion made that higher grades (engineering, etc.) deteriorate in morale by becoming less willing to work after a long period of unemployment. I discussed the subject of morale, usually for a considerable time, with a number of people, all of whom informed me that there had been a deterioration of "morale." But it was not clear what exact meaning was given to the word, nor what reasons assigned for the deterioration. The general opinion seems to be that, with the exception of a fringe of young ex-service men, the "work shy" class has not grown.

Emigration

Many of the lowest grades assert that they would be very glad of the opportunity to emigrate. Some of the higher grades, having savings, have already gone abroad, but the number would make a small percentage, say a fraction of 1 per cent., of all the unemployed. They are townsmen, and probably want town work abroad. On October 4, 1922, the first batch of fifty men from the Labour Exchange was approved by the Australian Com-

missioner for emigration under the Empire Settlement Act. The Commissioner has also obtained sixty men by advertisement. They are mainly single men between the ages of 18 and 30, and are unskilled.

Political Unrest

There is little political disturbance in Manchester, the local Communists having no very strong following.

The Social Centres do a most valuable work in helping to keep men off the street corners by providing shelter and games, but the Communists condemn the Centres, and oppose them as vigorously as they can. Particularly in those districts in which the engineering and iron and steel trades are carried on, there is much explosive material in the ranks of the unemployed, and it is felt that a serious disturbance is not an impossibility should anything suddenly disturb the men.

I have not been able to obtain any reliable information on the subject of crime, but gambling has certainly increased among low-paid workers, women, and the unemployed. It takes the form of backing horses, groups of people frequently pooling their stakes.

The Business Man's Point of View

The general opinion is that the fundamental factor in the prolongation of the slump is price. If prices were nearer to the purchasing power of consumers, other obstacles in the way of trade would be very minor hindrances. In his half-yearly statement on July 3, the President of the Manchester Chamber of Commerce summarised the situation as follows:—

“ The Board of Trade recently issued a comparative statement showing the relation between pre-war values with those of the present time. A reference to it will show you that in the first class—food, drink and tobacco—the average value of the March quarter of this year was 154·4 per cent. as against 100 per cent. in 1913.

“ In the next class—raw materials and articles mainly unmanufactured—the average value was 130·3 per cent. as against 100 per cent. in 1913, but when we turn to our export

of manufactured articles we find a very different story. The average price we received during the same period was 228 per cent. as against 100 per cent. in 1913. Is it surprising under these conditions that we find our former customers, particularly in view of the fact that their alternative market, the Continent of Europe, is largely out of business in consequence of exchange difficulties, taking from us a reduced quantity, with the inevitable result that unemployment is rife in almost every industry?"

In the cotton industry two items of cost have been relatively high; finisher's charges and freight. A prominent Manchester merchant gave me some information on these subjects. Bleachers are about to reduce charges, and the finishing trades appear to be taking a more reasonable attitude now. If substantial reductions are made, the industry as a whole will benefit.

Freights are an item of some importance to exporters, and a reduction of $37\frac{1}{2}$ per cent. in the rates to India, conceded this month (October) should help merchants. The Chairman of the India section of the Manchester Chamber of Commerce states (*Manchester Guardian* "Commercial," October 5, 1922) that the movement for securing reduced rates will extend to all the other Eastern ports. He estimates that the concession will be equivalent to $2\frac{1}{2}d.$ a piece of ordinary cotton shirting, or $\frac{1}{8}d.$ per lb. on a bale of 40's yarn. I have reason to believe that this estimate may err somewhat on the low side. Manchester merchants are not anxious to inform Indian dealers of the full value of the concession. A shipper doing a large Eastern trade informed me that Manchester cloth was from 1s. 6d. to 2s. per piece too dear to meet overseas indent prices.

It is interesting to note that shippers, to obtain the concession in freight, must undertake to ship their goods by the Bombay Steam Trade Conference lines for five years. In the engineering industry, according to the head of an important Manchester firm, labour is the all-important item, having great influence, not only on the cost of engineering products, but also on the cost of the raw materials, pig iron and coal.

Wages in the engineering industry itself are now (October)

on the bottom scale, a fitter, from October onwards, getting 52s. per week, and at the present cost of living this would appear to be very close to, if not actually at, the lowest possible limit. Wages are also low in the iron and steel trades and in the coal industry, but in the building trade, with which the engineering trade is often closely associated, skilled rates work out at over 70s. per week, and the labourers' rate at 55s. The engineer interviewed, was emphatically of the opinion that other wages should be levelled down to rates which would compare more satisfactorily with the fitter's rate, but stated that he had been informed that the Government was strongly opposed to any step which might interfere with the progress of housing schemes.

The problem of Labour's opposition to dilution can hardly be said to exist in the engineering trade since the recent lock-out. The opposition is strongest when there is a shortage of labour, because the worker's bargaining position is strongest then. With lower labour costs there appears to be a slight improvement in the engineering trades. The engineer who made these statements is an expert on the subject of the mechanical handling of goods, and thinks that a scheme which would provide for the re-equipment of ports, goods stations, etc., would not only provide useful work for the branches of engineering concerned, but would also have the following beneficial effects on national prosperity :—

- (1) By more rapid unloading and loading, ships' time in port could be shortened, probably halved in many cases.
- (2) By reducing cost of docking and of handling goods, all industries would be benefited.
- (3) Re-equipment would be an inexpensive way of increasing the capacity of ports and terminals, obviating the difficulty and expense of digging new docks and merely duplicating existing equipments. Some ports are very inefficient, on account of both bad management and lack of good equipment.

UNEMPLOYMENT IN MIDDLESBROUGH (SEPTEMBER, 1922)

Conditions of Pre-war Trade

The wide district surrounding the mouth of the Tees is largely dependent on the iron trade, the products of which form 85 per cent. of the district's total exports. During the decade which preceded the war, 1904-1914, this dominant industry of Tees-side passed through three periods of moderate depression. The first began after the Boer War and extended from 1904 to 1906. The second covered the larger part of 1908 and 1909, and the third covered part of 1911 and the larger part of 1912, the coal strike of the latter year being the chief disturbing influence. The upward movement which began at the end of 1912 was maintained during the whole of 1913, when the largest production was reached, and it can be said that in the middle of 1914, before the rumours of war became insistent, the general trade outlook was bright.

The depressions in the iron trade during this decade were intimately connected with the relation between the producing capacity of the furnaces and steel-works of Tees-side and the capacity of the furnace works of Germany and the United States. The trade was being menaced by the better appliances which these two countries were procuring, and by the decrease in quality of the local iron-supplies.

In 1912 and 1913 several of the leading iron and steel manufacturers on Tees-side had begun to introduce extensive improvements in their works, and they were increasing their imports of ore from Spain and other countries. When

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the war broke out the iron trade and the general trade of Tees-side were in a strong and healthy position, and the district might well be described as prosperous. Unemployment, save of a casual character, was practically non-existent. Serious problems of poverty and ill-health certainly did exist. In the 'fifties and 'sixties of last century, the rapid growth of the iron trade led to the building of long rows of houses quite close to the ironworks, and a considerable portion of these houses, in the course of one or two decades, became slums. Again, some of the conditions of the work at blast-furnaces are not conducive to thrift, and thus even moderate depression brought considerable distress.

A feature of the iron trade deserves special notice. From the beginning of the century up to the outbreak of the war, a great change in management was going on. Whereas in 1901 there were in the Cleveland district thirty-seven different firms engaged in the manufacture of iron and steel, there were not more than ten independent firms when war broke out, and before the war ended the whole iron and steel trade of the district was controlled by only five companies.

The buying out of smaller firms, or the acquiring of a controlling interest in firms of equal standing, gives greater facilities for experiment and readaptation, since a large firm can afford to scrap old machinery and introduce new without seriously disturbing its production or its commercial transactions. In the iron trade, the change towards consolidated manufacturing power synchronised with, and was partly aided by, another change. The making of iron and that of steel were formerly separate processes, some firms being essentially iron-makers and others steel-makers. The transformations of the last few decades have not only brought the firms together, but have made possible, by the aid of electric furnaces and other devices, the conversion of iron ore into the finest steel in one continuous process. Helpful also to this district has been the proof, given during the war, that very fine steel can be made by the basic process from ore that has a relatively large phosphorus content.

The twofold unification of the industry had begun to affect the relation of employer to employed before the war, and it will do so much more in the future. Combination on one side has led to combination on the other. For example, all the local and sectional divisions of blast furnacemen were united into one organisation during the war; and were it not for the rude shock which the great collapse of prices and wages caused eighteen months ago further amalgamations would probably have been achieved.

To understand the relationship between the two industrial camps in the iron trade (which has an important bearing on all problems of employment) it is necessary to bear in mind that for more than fifty years an almost automatic system of adjusting wages to prices has been in successful operation, and has extended gradually from one part of the industry to the other. During this period disputes in the Middlesbrough area have been few, and the relation between employer and employed has been cordial, though perhaps not markedly cordial, because one defect of the sliding scale is that it generally operates too mechanically. Yet negotiation is frequent. On account of changes in the process of work and in the cost of raw material, it has been necessary from time to time to alter some of the methods of adjustment. There has invariably been a spirit of give and take in the negotiations, one side or other refusing to press an advantage which the strictest application of the sliding scale might warrant. This spirit was displayed by both sides in the steel trade, when the three-shift system was introduced in 1918 (it had been in force in the furnaces since 1897). It was agreed that all the lower-paid workers should pass from twelve hours to eight hours without suffering any reduction in wages. The others contributed in proportion to their higher rates of pay, the majority submitting to about half the reduction consequent on a reduction of hours, while the highest paid accepted the whole reduction.

The severe period of depression through which the country is passing is testing the relations of production to wages in this trade, as in most trades. At a recent

meeting of one of the largest firms in the Cleveland district, one of the directors declared that the total wage cost of producing a ton of pig iron, which in 1913 amounted to 29s. 10d., amounted, in 1920, to 123s. 9d., while the wages cost of a ton of steel had risen from 68s. 5d. to 296s. 6d. The rise in actual wages was, however, much less, the average being from 50s. to 118s. The subsequent reduction in prices and wages has not removed the disparity. From the point of view of the employer, concerned not only about his own profits but about the competing power of the industry, a serious problem is here revealed, into which there enter many other factors than those of the sliding scale and the three-shift system.

The mechanical adjustments of the sliding scale leave something to be desired on the other side. But the iron trade, particularly the Cleveland and South Durham section, has one notable record from which to derive encouragement even amidst the present depression. It is that this industrial area has been less injuriously affected by industrial disturbances than perhaps any other in the country, although it has more than once suffered severely from the troubles in the coal trade. Thus, a condition favourable to the peaceful relations on which prosperity largely depends has been established.

Effects of the War

A few months after the outbreak of hostilities the Government appealed to the iron manufacturers of the country to increase production to the utmost possible extent. In response to this appeal, the producing capacity of the Cleveland area rose by 25 per cent., the largest advance being in the output of steel. This change in the making of products into which more mechanism, skill and labour enter will, Sir Hugh Bell believes, enable the Cleveland district to recoup itself for the diminution in the local resources of iron ore. Given cheap coke, and the steady reduction of waste in manufacture, the standard set during the war will give a national production of 10,000,000 tons of steel, with a North-East production not under

2,500,000. Markets for these quantities are mainly a question of general world improvement. In spite of the discouragements now visible, the readaptation of steel and furnace plant is still going on.

Of course, the fact must not be overlooked that the war had consequences most prejudicial to the operations of the steel trade, as indeed to those of all other trades. During the last half of the war period, there was substituted for the normal channels of trade the artificial channel which military alliances and the demands for war material created. The ordinary system of bargaining and price adjustment was replaced by a system of bounties and State-fixed prices. When State control was removed, on April 30, 1919, the price of pig iron rose at once from 95s. per ton to 149s. per ton, and with a persistence which had little interruption it travelled to 225s. per ton—4½ times the average price prevalent before the war. Moreover, the foreigner had to pay an additional premium of 22s. 6d. per ton. Steel prices were, of course, proportionately raised.

During the whole of 1920, with a marked weakening towards the close, these prices raged. The seller was not alone to blame. The buyer was insistent, and willing for a time to pay almost any sum to get the goods.

Early in 1921 the deflation came with terrific force. Within the first three months the price of pig iron tumbled down from 225s. to 125s. The oscillations round this price consequent on the scarcity produced by the coal strike, which began on April 1, were comparatively small, but the strike itself was a great disturbing influence. Virtually all the blast furnaces were blown, and although small quantities of steel were being made from scrap iron and existing stores of pig iron, it may be said that the iron industry of Cleveland was at a standstill for three months. Fortunately, the steel manufacturers and merchants were able to maintain their markets fairly well. Indeed, the foreign exports from Middlesbrough were equal to those of 1920. But this represented distribution, not production.

Many of the effects of the great coal stoppage of 1921 on unemployment are shown in the tables obtained from the Employment Exchange and the Board of Guardians, the months most affected being May, June and July, but there are other effects which cannot so easily be tabulated. Although the Government conceded special benefits to the worker the allowance of 15s. a week irrespective of family had to be supplemented by payments from the trade unions. As the recovery after the coal stoppage was only partial, the payments were continued for some weeks after the pits were reopened. Thus the blast-furnacemen got from the beginning of the coal stoppage :— For eight weeks, 18s. ; for four weeks, 10s. ; for eight weeks, 6s. ; for two weeks, 4s. Similar were the allowances of other unions. At the end of four or five months it was found that the reserves had been dangerously drawn on, and that the contribution to unemployment could not be maintained. Many private reserves were also exhausted. Consequently, as the deep depression continued in 1922, more and more men were driven to seek help from the Guardians.

The total fall during 1921 in the price of pig iron (No. 3 Cleveland) was from 225s. to 100s. Through the sliding scale the fall in wages—from an average of £5 7s. 11d. in September, 1920, to £3 14s. 2d. in December, 1921—was proportionate. So far as production is concerned, the figures for the last five months of 1921 reveal only the recovery from the coal stoppage.

However, during 1922 there has been a progressive advance towards cheaper production, and it can be said that the competing power of British iron and steel, in spite of the temporary advantage which the low value of the franc and the vanishing value of the mark give to continental competitors, is fully as great as it was before the war. The price of coke has been brought down to 26s., which is not much above the 1913 rate of 21s. 6d. (It rose to 28s. during September owing to American influences.) Wages have further dropped to an average of £3 5s. In 1920 the average was £5 7s. 11d. The advance on the

average pre-war wage is 75 per cent. ; in other words, the man who was receiving 5s. 6d. per shift in 1913 is to-day receiving 9s. 7½d. The fall in raw material and wages since 1920 has made it possible to quote 90s. per ton for Cleveland pig iron, which is exactly 50 per cent. above the price realised in 1913.

Six months ago it was possible to claim that the United States, in the cheapening of iron production, had done better than the United Kingdom. The after-war readjustments in the U.S. were certainly swifter and more marked than here. The reactive effects produced by the prolonged coal, iron and railway stoppages in the U.S. it is impossible to estimate, but the assumption of Cleveland manufacturers—based on considerable experience—is that the competing power of the two countries is now about level. The high American tariff, which has just come into operation, may obstruct the entrance of British iron for a time, but it will in the end fail to strengthen the world position of the American iron trade.

Shipbuilding

Next to the iron trade comes shipbuilding. The pre-war output on Tees-side (including the Hartlepoons) was about 200,000 tons. The trade was then prosperous, and wages were rising. During the war years there was at first a slump, and then a period of intense activity, limited only by the scarcity of labour. The outcry for ships and ever more ships, during the last eighteen months of the war, led to the construction of large yards, docks, and fitting shops, on the northern banks of the Tees opposite Middlesbrough. On the whole, the shipbuilding capacity of the Tees (including the Hartlepoons) was increased by 50 per cent.

At the end of the war it was almost impossible to obtain a place on the order books of the shipbuilding firms. Ridiculously high premiums were offered by home and foreign shipping companies to secure a favoured position, and the tonnage rates quoted were five times those

demanded before the war. The instability of these conditions was most imperfectly realised both by the employers and the workers. In the beginning of 1919, when the pressure of work was greatest, most of the yards of the country were almost entirely laid idle through the dispute between the Shipbuilding Employers' Association and all classes of shipworkers regarding working hours—a dispute which led to no useful results.

After the strike, activity was resumed, and up to nearly the end of 1920 full work, high wages and big profits were the order of the day, the wages being from 120 per cent. above pre-war rates, for the lowest-paid workers, to 85 per cent. for the highest paid. During the activity two of the oldest shipbuilding firms on Tees-side were bought up, or bought out, by non-local companies. It seemed to pay those who required the ships to buy out the Middlesbrough firm in order to get their work done. As soon as the work was finished, a general slump having come, the yards were closed, and there appears to be little prospect of their being reopened in the near future.

At the present moment, the constructional and repair work in the shipyards of the Tees and the Hartlepools does not amount to more than a fourth part of the pre-war amount, and the consequence is that the number of unemployed amounts to 70 per cent. of the total number of workers. The reactive influence on the steel-works has been great. During the war, many of the rolling mills were equipped with the latest machinery, so that the output of ships and plates might be increased by at least 50 per cent. The power to produce remains, but the demand at present is very small; and as the revival of shipbuilding depends on the revival of general trade, it is not easy to estimate when big orders will come in.

Yet on Tees-side there is a strong belief that if political disturbances are avoided, and there are no great industrial disputes, the slow recovery manifested in the middle of the summer will continue, and that unemployment throughout the winter will be less than it is at the present moment.

Ten per cent. less was the estimate of a gentleman well acquainted with the chief trade of the district.

Transport Charges

It takes $5\frac{1}{2}$ tons of raw material to produce 1 ton of Cleveland pig iron. All the material has to be assembled at the works. If the rates of carriage are high, one of the great advantages on which this country relies—proximity of coal and iron—is diminished. The urgent need for the railway companies to reduce their rates can thus be readily perceived. Railway rates are still 80 per cent. above the pre-war figure. This, it is contended, represents 20 per cent. of the selling price of pig iron and 15 per cent. of the selling price of finished steel. What the iron-maker says to the railway is this: "We have brought our prices down to 50 per cent. above pre-war level, and for certain steel products to less; you just do the same to help us to regain our trade, which will add to your revenue." To what extent the railway companies will be able to comply cannot be foreseen, but there is force in what an experienced iron manufacturer said in discussing general post-war prices. "The aim of the commercial community should be to bring prices steadily down to a level not more than 50 per cent. above pre-war rates. We can get down below that figure in time, but we shall be benefited by a steady stabilisation of prices at 50 per cent. above the pre-war level. Once we have a general belief that practically no more reduction of prices is immediately possible, buying will increase."

The situation was recently well described in an article in the *Northern Echo* :—

"Colliery owners are at present handicapped because they cannot send out coal at a price low enough to tempt ironmasters to get their works in full swing: the ironmasters again are waiting for the shipyards to create a demand: shipbuilders say they cannot quote low enough to induce shippers to displace their older vessels by newer ones, and the shipping firms declare there is not enough trade to give employment to the best of their vessels."

A reverse process, however, taking place in any one of these inter-dependent industries, will facilitate the recovery of the others.

It is often helpful to turn from mass movements in trade to single incidents which illustrate the present difficulties which confront traders. A consignment of paper amounting to several tons came recently from Aberdeen by sea to a port on the north-east coast of England. It had to be delivered at a warehouse not quite two-thirds of a mile distant from the place of debarkation. The cost of cartage for this short distance was equal to two-thirds of the freight from Aberdeen.

Effect of High Rates

One other important factor must be noted. When manufacturers and retailers are accused of increasing unemployment by their high prices they often reply, "Our prices are high because our rates and taxes are high." Before the war the rates in Middlesbrough had risen to 9s. 8d. in the £. To-day they are 20s. on an assessment increased from 30 to 40 per cent. To obtain the relation of imperial and local taxation to the cost of any one article is very difficult. In the case of the iron trade, Sir Hugh Bell made a statement at the last annual meeting of Bell Bros. showing the effect of the rates on the cost of coal, iron and steel :—

"This is a matter to which I have drawn attention long prior to the war. In 1912 I gave the following figures as representing the rates we paid in the respective years named :—

1899	.	.	.	.	.	£6,606
1904	.	.	.	.	.	11,645
1911	.	.	.	.	.	15,351

Here are the corresponding figures for the last five years :—

1917	.	.	.	.	.	£19,505
1918	.	.	.	.	.	21,382
1919	.	.	.	.	.	32,983
1920	.	.	.	.	.	47,113
1921	.	.	.	.	.	51,006."

From another leading firm in the iron trade similar facts and figures were obtained :—

1913. Pig Iron. On an output of 322,000 tons the rates per ton paid in respect of the coal, coke, ironstone, and blast furnaces for 1 ton of pig iron were *-/9-7d.*

On steel on an output of 223,000 tons the rates were *1s. 2-3d.*, inclusive of pig iron given above.

1917. In the case of pig iron, on an output of 256,000 tons the rates per ton were *11-5d.* and on steel, with an output of 209,000 tons were *1s. 4-6d.* (inclusive).

1921. In the case of pig iron, on an output of 106,000 tons the rates per ton were *5s. 2-6d.* and on steel, with an output of 129,000 tons *8s. 0-9d.* per ton (inclusive).

These figures are in respect of the same collieries, furnaces, etc., and include all the local rates paid directly by the works producing the material, but not the rates which account for a considerable proportion of the addition, included in additional transport charges.

The effect on retail articles can be less easily estimated, but by the managing director of a large wholesale and retail grocery business, who had gone very carefully into the question, I was informed that import duties on goods sold by grocers had been increased by no less than 208 per cent. over the 1914 figures.

Income and Super Taxes being based on profits, their effect on the price of goods cannot easily be estimated. The outstanding fact is that whereas in 1914 the Income Tax was *1s. 3d.* in the *£*, it is to-day *5s.*, with a Corporation Tax of 5 per cent. added.

The Fluctuation of Unemployment

The signs of depression visible at the end of 1920 developed rapidly in 1921. In January the number of men unemployed on the register of the Middlesbrough Exchange was 1,071, most of whom were labourers who had come into the Cleveland district during the war. For the next two months the increase of unemployment was marked, but comparatively gradual, the figures being :—

February 4	1,459 men.
March 4	3,728 men.

At the beginning of April there was a sudden change. On the first of the month the great coal stoppage started, and the chief industry of the Cleveland district was almost entirely dislocated. The change is revealed by the following figures :—

April 6	17,348 men.
May 6	20,831 men.

On June 24 the highest figure was reached—25,348 men. So long as the coal stoppage lasted the further fluctuations were small. Of course, each week there was a contingent of women, boys, and girls, the proportion to the men being on the average similar to that recorded for July 8, for which all the figures were :—

24,418 men ; 458 women ; 900 boys ; 76 girls.

Towards the end of July, a settlement having been reached in the coal trade, about one-fifth of the furnaces were re-lit. On August 5 the figures were : 13,948 men ; 210 women ; 394 boys and 54 girls. At the beginning of September the number of men was reduced to 10,677. Thereafter the fluctuation was relatively small. At the beginning of this year the number of men unemployed was 11,942, the increase since September, 1921, being partly seasonal and partly due to the closing of some of the ship-yards. In February the number was 9,709, since when there has been a steady, if slight, decline until the present month. On September 20, when the last figures were obtained, the numbers registered as unemployed were :—

8,751 men ; 164 women ; 232 boys ; 16 girls.

An increase of 570 men over the number for August is not due to any deepening of the depression, but to the spread of its effects to parts of the community whose reserves have been depleted. In September the biggest industry of the district (the iron and steel) was busier than it had been at any part of the year.

UNEMPLOYMENT BY INDUSTRIES (SEPTEMBER, 1922)

Industry.	Number Unemployed.
Iron and steel	1,961
Engineering	1,863
Shipbuilding	1,778
Building trades	774
Constructional works and roads	169
Casual labourers (including transport workers).	500
Ironstone mining (those resident in Middlesbrough).	130
General labourers	367

In addition to the iron-workers unemployed there were 400 at the end of September who were only working alternate weeks. The total number of insured workers in Middlesbrough, whose population in 1921 was 131,103, was 45,359. It may be noted that, in addition to those receiving the "dole," there were about 1,500 single men whose cases did not comply with the conditions for unconvanted benefit, and were being reviewed by a committee. Out of the 45,000 insured persons only 25 per cent. were receiving the insurance money in virtue of their contribution. The remaining 75 per cent. had exhausted their contributions, and were receiving free or unconvanted benefit.

To ascertain the percentage of unemployment in the various trades through the Cleveland district, which is almost entirely dependent on two or three main industries, the figures of the Middlesbrough Exchange, which covers only the municipal boundary, must be compared with those of the trade unions, which cover a much larger area, the difficulty of obtaining houses having much to do with the place of residence of the unemployed. The section of the Blast Furnacemen's Union which has its head-quarters in Middlesbrough, and which covers the Tees and the Tyne areas, with a membership of 9,700 before the slump (at present the membership is about 8,500) had in the middle of September only three-sevenths of its members employed. During the last week of September another furnace was restarted, and there is a prospect of another being speedily re-lit. It may, therefore, be assumed that by the middle

of October about one-half of the members will be employed.

The proportion of unemployment in the shipbuilding trade of the Tees-side area varies a good deal in the different branches. In the middle of September the average unemployment was put at between 60 per cent. and 70 per cent. Most of the discharges occurred in the last quarter of 1921, but the number was steadily added to this year, as those engaged on finishing work completed their jobs. During the last month there has been a slight improvement, and there are some signs of still further improvement in the late autumn. For two periods of eleven weeks each the Boilermakers' Union contributed, first 7s. 6d. and then 7s. towards unemployment among its members, but the depletion of the funds led to a cessation of payments, and now it is estimated that 33 per cent., chiefly helpers or labourers, are receiving relief from the Guardians.

Distress in Middlesbrough has been increased through the additions made to the population during the intense war activity, especially during the last eighteen months of the war, when new steel-works and docks, with (so far as possible) the necessary houses, were being constructed. It is estimated that no fewer than 15,000 men—many of them from the south of Ireland—were drawn into the district, although at any given time there were not more than 8,000 strangers. Out of the number about 2,000 are said to remain, and are dependent for their maintenance either on the uncovenanted benefits given at the Employment Exchange or on the relief given by the Board of Guardians.

Poor Relief and its Effects

The work of the Board of Guardians since April 1, 1921, has been practically transformed. Its chief function hitherto had been to deal with the infirm, casuals, unprotected children and general pauperism. In 1910 the number of persons dealt with throughout the year was 97,392 (not, of course, separate individuals) and the amount expended £19,193. In 1913 the corresponding figures were 124,061 and £16,208. In one month of this

year these totals were exceeded. The net cost for the year April 1, 1921, to April 1, 1922, was £199,483 3s. 2d., that is, ten times the amount spent in 1910 and twelve times the amount in 1913. At the time of writing there are few signs of any diminution of the outlay. The Middlesbrough Board has within its jurisdiction a population of 170,000 (almost entirely industrial) exceeding that of the county borough of Middlesbrough by about 35,000.

Some idea of the variation in the amount of relief by the Board of Guardians is given in the following tables:—

MIDDLESBROUGH UNION

Average weekly number of Unemployed Men (and Dependants) receiving Out-Relief, together with cost.

	No. of Cases.	Total Persons.	Cost.
1921.			£
June	1,983	10,019	1,610
September	2,351	10,005	2,434
December	3,350	14,205	2,787
1922.			
March	4,322	17,092	3,344
April	4,744	18,923	3,906
May	5,559	20,751	4,737
June	7,583	27,165	7,574
July	6,298	23,002	4,733
August.	6,221	21,073	4,706

Total amount expended on Out-Relief (1921).

	£	s.	d.
Ordinary cases	80,345	6	5
Able-bodied cases	119,137	16	9
	£199,483	3	2

For the carrying out of this extensive work of relief the machinery is inadequate. The policy of the Guardians in normal times is based on inquiry into individual circumstances, and relief is given only when the Relieving Officer and the Ward Committee of the Board think there is

genuine inability to provide the necessaries of life. An attempt is still made to inquire into new cases, but with a demand for relief ten times greater than it was, to do so adequately is impossible. Relief tends, therefore, to be given more and more according to a merely mechanical system.

During the last eight months the task of the Middlesbrough Board has been to supplement the "dole" where it was not regarded as adequate, and to fill up the "gaps." The gap in the "insurance dole" is now nominally only one week in five, but it is often more, for when the insurance contributions are exhausted, the benefits of a large number of men are often suspended for five or six weeks, and the demands on the Guardians are then correspondingly increased.

The idea behind the gap and other suspensions of benefit is doubtless that the individual himself and the local authority, should have a direct sense of responsibility for the state of affairs. The result, however, is far from satisfactory. In effect, there are two relieving bodies, with divided responsibility and authority, both of whom have most inadequate investigating power. The Guardians hold that industrial unemployment is essentially a national concern—and more so than ever at the present moment—that the difference between the normal fluctuations before the war and the abnormal fluctuations after the war is due to national or international causes for which the locality as such is not responsible. The task for which they are specially equipped is to deal with the poverty which may be held to have local causes as distinguished from general causes. The task arising out of the vast army of unemployed created by the after-effects of the war, is of a different order, and it demands that local effort should be a co-ordinated part of national effort.

Any one who watches the relieving officers of the Board of Guardians while they are attempting to accomplish their task will be deeply impressed by the dangers of the present system. There are, let us say, 200 men, with a

few women, assembled in a hall. One by one they come before a long table at which three or four officers sit. They present papers on which the officers of the Employment Exchange have made some remarks—the claim has been disallowed at the Exchange, or it is subject to a revision that will take several weeks, or the gap week is on. The variations are extreme: there may be a thousand more claims one week than another. The most the relieving officer can do is to see that there has been no deception on the part of the claimant. If the dole has been refused for one reason or another, the Guardians believe that they must act. It falls on them to give, say, 24s. or 25s. to a man with a wife and family. When the dole is forthcoming their task is to supplement it with 3s. or 4s. Up to September 20, the assumption in Middlesbrough was that adequate relief must be based on 20s. for a man and a wife and 5s. for each child. On September 20 the following revised scale was introduced, which reduced the allowances by from one to three shillings. One-half of the allowance is given in money and one-half in kind; that is, in an order to the grocer with whom the family deals—a relationship between the grocer, the recipient, and the relieving authority which has elements of danger.

**PRESENT SCALE OF OUT-RELIEF FOR ABLE-BODIED
UNEMPLOYED.**

Single persons (living in lodging houses)	10s.	} Half in money and half in kind.
Single persons (living at home or with relatives)	10s.	
Single persons	12s. 6d.	
Man and wife	20s.	
Man, wife and child	24s.	
Man, wife and 2 children	27s.	
Man, wife and 3 children	30s.	
Man, wife and 4 children	33s.	
Man, wife and 5 children, or more	35s.	

All income to be deducted from the above scales.

Sickness cases are dealt with at the discretion of the Relief Committees.

As the man or the woman passes the relieving officer he may be impressed by the genuineness of the distress—and much of it is genuine—or he may be convinced that the applicant is already, or is rapidly becoming, a person who has no sincere desire to find work, or who has made no effort to provide against an evil day. But the officer has no means of really verifying his impressions; he must therefore in practice treat every case alike. Thus he becomes simply an instrument for staving off the consequences of a deep-seated social malady. No social problem is being solved in this way: much immediate misery is relieved, but no real work is done to overcome unemployment.

Indeed, some of them who have watched closely the methods of the Exchange and of the Guardians fear that the work of both (unavoidable although it may be) is tending to make recovery more difficult. Work or maintenance seems to be a plausible demand. No man with any sympathy can come in touch with the unemployed without perceiving the mental and physical suffering they undergo. Unemployment is the nightmare of the working classes. The problem of its reduction by more harmonious co-operation, industrial, national and international, which reduces the crises of trade to the vanishing point, is the greatest one that has been set to this age; and next to it is the problem of covering by real contributory insurance the risks of unemployment. But while bearing this in mind, it must be recognised that a mechanical automatic system of relief has a tendency to destroy resourcefulness and personal initiative. After the first honest reluctance to take the money of the Guardians, for which no contribution has been made, there come often a placid acquiescence and the acceptance of conditions which just conserve existence without effort. Doubtless, among the hundreds gathered at the relieving station there are many who honestly would ten times rather have work than relief, but there are others slipping gradually down to a dangerous indifference, and others who, after years of thrift, are saying: "It does not pay to be thrifty."

The Feeding of School Children

The feeding of school children has been tending in many parts of the country to become a supplementary form of Poor Law Relief. On April 1, 1921, 250 children in Middlesbrough were on the list for meals at school, the number having increased considerably since January of that year on account of the decrease of employment. During April and May the increase assumed alarming proportions, being often as much as a hundred per day; and on June 2, 2,200 children received a meal. On June 30 the number was 2,307, representing a list of 3,000. There was a slight reduction during July and August, but the list did not fall below 2,000. After the partial reopening of the iron-works at the end of July the decrease was steady, and at the end of October only 850 were on the list. Further reductions were made in the first part of this year, but a more systematic purging of the list began in June, in obedience to instructions from the Board of Education. The Board pointed out that it is not the business of the Education Authority to act as a general supplementary agency of relief, and that the purpose of the Feeding of School Children Act is to deal solely with medically certified cases of malnutrition. The carrying out of this principle has brought the number on the list down to 130. The responsibility for general distress is left to the Guardians, who deal with the parents.

It may be mentioned here that the Middlesbrough Guardians have endeavoured to the utmost extent to prevent boys under 18 from coming into direct contact with the mechanism of Poor Law Relief. When applications come from such boys their parents are communicated with, and any relief is given through them.

Allotments

One healthy element in the situation is that large numbers have found work in Middlesbrough in allotment gardens. The amount of actual food contributed to the community, and the profits earned by the 3,131 allotment holders may

be small, but the work has helped many to bear the discouragements and anxieties of unemployment with greater fortitude. Unfortunately some of the unemployed (exact figures are very difficult to obtain) have been compelled to transfer their lots owing to financial difficulties. The low price obtained for potatoes this year has also discouraged a few, because in some cases it would have been cheaper to buy potatoes than to grow them. Still, the development of the allotment movement may generally be regarded as one counteractive influence to the effects of extensive automatic Poor Law relief.

Relief Works

Only the fringe of the present vast evil is being touched by the Allotment movement. The chief question is: "Can anything be done on a fairly large scale, to give the men who are loitering at street corners or standing round the Employment Exchanges the discipline of work, while they are waiting for their regular employment?" Locally there is not much scope for large productive schemes of public work. The land in the vicinity of the town is well cultivated, and there are no practical reclamation schemes of any size. A new main road to Redcar, skirting the Tees, has been sanctioned, and should be pushed forward with the utmost speed, and there is still a good deal of profitable road-making to be done in Middlesbrough itself; but there are limits to such undertakings. Road-making in normal times is spread over ten, fifteen or twenty years, according to the character of the road. It is possible to make the present a time of increased activity, especially as many postponements occurred during the war; but the system of gradual road construction must be maintained as the basis of municipal policy. If, however, in a large district like Cleveland, with two main industries—iron-making and agriculture—all the local bodies were to combine, and to appoint a small Select Committee composed of delegates from each, and of representatives of the Government Departments interested, which have to be consulted before any scheme is sanctioned, something on

a much larger scale than any one local authority could undertake might be set on foot. Such a scheme—reclamation, afforestation or main-road construction—need not interfere with the separate action of the local units. But in all work that is planned the relief of industry by the growth of its manufacturing and selling power must be borne in mind.

As many of the roads and streets in Middlesbrough were so much in need of reconstruction, special proposals were put forward for the relaying of a number of the important roads and streets in reinforced concrete. This was decided upon firstly because reinforced concrete is a good and durable form of construction for road purposes, especially in a place like Middlesbrough, where the subsoil is of a variable character and the roads are required to carry heavy traffic, and also because it was estimated that 50 per cent. of the total cost of the proposed work would be spent in wages, and thus provide the maximum amount of labour for the unemployed. It has been found, after weeks of unremitting operations, that in actual practice some 55 per cent. to 60 per cent. of the total cost of reinforced concrete carriageway construction was absorbed in labour charges. The net cost per square yard, all charges taken into account, has worked out at something approaching 20s.

The work has been carried out most satisfactorily, in spite of the fact that the labour employed is unskilled labour supplied through the Employment Exchange.

The works undertaken for the relief of unemployment in Middlesbrough have cost up to the present upwards of £100,000, towards which grants have been received from the Ministry of Transport and the Unemployment Grants Committee.

The Corporation are pleased with the works so far carried out, and they have now started with the remaking and relaying of Stockton Main Road. This road is classified as a first-class main road by the Ministry of Transport. It is estimated that the cost of this work will amount to £68,000.

Fifty per cent. of the wages due to men on this work

who are on the books of the Guardians for relief is reimbursed to the Corporation by the Guardians.

From June, 1921, to March 31, 1922, just over 30,000 unemployed men were engaged on relief works. The men were obtained (without any distinction as to their fitness) through the Employment Exchange, and were employed at the rate of 200 to 300 per day, each man being given two days' work per week, which means that between 600 to 900 men were receiving part-time employment each week for a period of just over ten months. Relief works were closed down on March 31 last, but many schemes are prepared for the immediate future.

The cost of the works carried out by unskilled labour comes out for the total job (i.e. material and labour) to about 33 per cent. more than if skilled labour were used, the labour cost alone being 50 per cent. to 60 per cent. more than labour known as "skilled" or "selected."

The figure 30,000 seems large, but it is only equivalent to the continuous employment of 300 men for ten months. The on-and-off system was devised in order that the greatest number of unemployed might have the benefit of work, but it may be doubted if the effect of this system was beneficial even to the men concerned. A better plan would have been to follow the practice of the iron-works, which is to give work to a selected number in alternate weeks. A smaller number of men, it is true, would have been employed over the ten months, but the work and the discipline would have been improved. It is satisfactory to note that the roads done with the unemployed labour can bear comparison with roads made in the ordinary way. However, it is necessary to remember that the added cost (shown in the above estimate) to the municipality and the Government involves a diminution of the financial power on which the profitable trading that brings employment depends.

House Building

Whether skilled or unskilled labour is employed, one class of relief work which must be distinguished from all

other work is that of building houses. In the course of investigating the effects of out-relief, the fact was established that some of the recipients were paying 10s., 12s., and even 15s. per week for rent. When the total allowance is 27s. to 30s. such an outlay does not leave enough for the barest necessities. Yet in most of the cases investigated there was no alternative. Some applicants had been driven from respectable quarters of the town to seek relief. For them to seek shelter in a meaner part of the town would be useless, because there are no vacant houses, and large sums are being demanded even in the lowest quarters for a share of a small house. Other applicants for relief were caught unprovided when the scarcity of accommodation was greatest, and occasionally as much as 13s. per week had to be paid for two small rooms and a share of the kitchen.

Under schemes carried out or sanctioned by the Middlesbrough Town Council 784 houses have been constructed since the war, and about 100 are nearing completion. In addition 121 houses have been erected by private builders with the aid of the Government subsidy, and 16 without such aid; the latter, however, include no working-class cottages.

The estimated housing deficiency, however, is on a modest computation 3,000—a figure which makes no allowance for the clearance of slum property over-ripe for destruction before the war began. One of the most disturbing factors, under these conditions, is that the Employment Exchange Register should contain the names of 770 members of the building trade out of employment. The figures are accounted for almost entirely by the completion of the municipal building contracts. While a year ago there were 800 men employed on these contracts, there are to-day only fifty men occupied, completing the last small contract. The suspension of building operations is the present policy of the Government, to which most of the municipalities are constrained to submit. The first reason given for it is that wages and material are still too high.

Certainly a great deal of money has been lost on housing. For the first houses erected in Middlesbrough after the war the contract price was £837, for three bedrooms and one kitchen-living room, with bath and a small garden, but extra expenses brought the cost up to £1,000. For a house otherwise similar, but containing only two bedrooms, the total cost was £930. For 750 of the 900 houses constructed these high rates were paid; for 100 a mid-price—about £650—was given, and fifty are nearing completion for which the price is from £460 to £400. These last have three bedrooms, but the rooms are smaller than in the other houses.

On the housing problem the following particulars obtained from the Middlesbrough Borough Engineer throw some light. Bricklayers who before the war were getting 9½*d.* to 10*d.* per hour got at the height of the boom, in 1920, 2*s.* 4*d.* per hour, and are now getting 1*s.* 8*d.* per hour. The labourers who before the war were getting 6*d.* to 7*d.* per hour got 2*s.* 1*d.* at the highest point, and are now receiving 1*s.* 3*d.* per hour. Cement, which before the war was selling at 28*s.* to 30*s.*, rose to from £5 to £6 per ton, and has not yet been brought lower than 72*s.* to 73*s.* per ton. Bricks, which were 26*s.* per thousand pre-war went up to £6; the price to-day is 56*s.* to 60*s.* Timber which was £10 to £12 per standard before the war went up to £50, and to-day is selling at from £25 to £30.

Wages have been stabilised to the end of March. This stabilisation, however, is at a level far above that of the other workers in Middlesbrough, and the costs of material are also much above the average level of to-day. If more permanent stabilisation can only take place at a level of 50 per cent. above pre-war prices, it is evident that the present building prices, which are from 100 per cent. to 150 per cent. above pre-war, must come down before healthy building development can be expected. The private builder has as yet done little to increase housing accommodation. The prevailing opinion is that a change may be expected when the Rent Restriction Act is removed, that after some accentuated fluctuations,

rent and the cost of construction will adjust themselves, and that the continuation of a policy of subsidising will not help to bring about the best form of stabilisation.

The relationship between the Government and the municipalities in regard to housing liability is by no means conducive to economy or to housing development. In the total debt of Middlesbrough, which is £3,885,326, there is included a liability of £887,966. The arrangement is that the Government recoups the Corporation for all approved expenditure in respect of interest and redemption, beyond the limit of an amount equal to a penny rate. The present rateable value of Middlesbrough is £633,241. A penny on this is £2,638 ; £887,966 at 5 per cent. is £44,398. The great difference is visible at once. The arrangement is, however, terminable at the end of seven years from 1919, and no clear understanding as to what will be done thereafter has been reached. This uncertainty checks building development.

The problem has been stated thus : " It ought to be possible to build houses with a fair profit to all concerned at 50 per cent. above pre-war rates. Costs in some directions may for a short time be greater than this 50 per cent. limit, but if both masters and men could realise that their own permanent interests coincide with the production of good houses at a rent within reach of the working classes—and certainly nothing beyond the 50 per cent. limit will answer this condition—we should witness a gradual and healthy development of house-building enterprise. It is most desirable that the building trade should be brought as speedily as possible to the normal relationship of supply and demand consistent with co-operative as well as private enterprise. If the workmen by combining among themselves can go one better, I say ' Let them try,' but they will have to do a good deal more thinking and agreeing before they can accomplish much. What is most adverse to business at the present moment is the fear that the granting of large contracts will raise prices for a time, that prices will then fall, and that the rents to cover costs will be too high. The controllers of the building trade have it within

their own power to take their trade and the community out of this vicious circle, and thus to help the country in the severest unemployment crisis it has passed through. It is a disgrace that a tenth of the unemployment in Middlesbrough should come from the building trade."

There is a serious rating problem, it may be added, which will soon have to be faced. According to the present rating principle, the better a house is the larger are the rates that fall on the tenant, and these rates have to be paid whether he is making or losing money. This handicap to good housing was felt before the war; it is three times greater to-day. The shopkeeper or manufacturer has a corresponding grievance. If he extends his premises his assessment goes up whether his business prospers or stagnates. Profits and income are the only fair basis of taxation.

It may be interesting to note that in Middlesbrough, one-half of the cottages erected for the municipality after the war were according to the Dorman-Long ferro-concrete plan. The concrete houses are for every domestic purpose as serviceable and comfortable as the brick houses. The lowering of the price of bricks and the increase in their production have brought the prices of the two types of house to a level, and this creates a healthy rivalry which should be beneficial to house-building.

UNEMPLOYMENT IN SHEFFIELD

(AUGUST 28, 1922)

Introduction

The object of this inquiry was to investigate as fully as was possible in a short time the extent of unemployment in the city. Information was sought as to the last trades of the people unemployed, how long they had been out of work, how they were living, the effect enforced idleness was having on the physique and morale of the people, what was being done to cope with the problem, i.e. the provision of relief works, etc., and what are the trade prospects for the coming winter; and, by discussion with employers and others, whether it were possible to devise any scheme for dealing with the problem of unemployment.

Pre-war Conditions

Sheffield has always been subjected to periods of great activity and slump. Whenever there was a war in a distant land, or rumour of war, some of the big armament firms were busy turning shells, and often took on a great deal of labour from outside districts—rural workers, etc., in order to meet the rush of work. Guild of Help workers of long standing told me that case after case which used to come before them, when asked the last job they were on, would reply: "Turning shells at ——" or "——" as the case might be. People who came into Sheffield in times of brisk trade almost invariably stayed and settled down in the city. Consequently there was often a considerable number of unemployed people. No reliable statistics were collected before the war, as only a few trades came under the Unemployment Insurance Act. An investigation which was made a few years before the war showed that an average of approximately 4·7 per cent were out of work. The figure in Sheffield corresponded pretty closely to that

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upon which the Government Actuary based his calculations for the Unemployment Insurance Bill.

Is there a Surplus War Population?

Sheffield was one of our most important munition centres, and many thousands of people from other districts went into the Sheffield works. There was practically no unemployment, and high wages were the rule. In order to cope with the influx a number of wooden houses were erected, and these are still occupied. Many people from outlying districts travelled to Sheffield each day and did not take up residence in the city owing to the shortage of houses. As soon as work decreased these people ceased to come into Sheffield and sought work in their own locality. I endeavoured in many ways to find out whether the munition workers who came from other districts were intensifying the problems which were now having to be faced, and I received many conflicting replies. One reliable authority, who made an inquiry into this question some time ago, gave it as his view that most of these people had now left the city. This was confirmed by other independent observers. Other people in a position to judge maintained just as emphatically that many thousands of these people were still in the city, and were having to be kept by the local people. An analysis of the population figures shows that there is an excess of about 13,000 people in Sheffield at the present time over the normal increase, and this can only be accounted for by the fact that many of those who came into Sheffield to make munitions are still in the city. Allowing for an average of 4·7 per family, this means that roughly 2,800 men who came into Sheffield from other districts during the war are still there.

A leading official of the city was of opinion that, given normal trade, Sheffield ought to be able to absorb this number quite easily.

Immediately the war was over, orders for munitions stopped. The problem of unemployment did not, however, become really serious then, as there was a good deal of work on hand which had been held over. In addition,

there was a lot of work entailed in turning over from war production to peace production. The unemployment problem became serious last year, and since then the number of unemployed and the number working short time rapidly increased until May of this year, from which time it has very gradually declined.

Extent of Unemployment

The following table shows the number of unemployed on the first week of each month since September 1921 :—

Week ending	Civilians.	Ex-Service Men.	Women.	Boys.	Girls.	Total Unemployed.	On Organised Short Time.
1921.							
Sept. 3 . .	17,535	3,864	2,852	1,918	893	26,162	12,620
Oct. 1 . .	15,397	3,213	2,404	870	716	22,600	11,270
Nov. 5 . .	22,564	2,970	3,262	1,290	963	31,049	9,869
Dec. 3 . .	28,393	5,360	3,477	1,395	901	39,526	7,262
1922.							
Jan. 7 . .	27,077	7,149	3,678	1,401	902	40,207	7,238
Feb. 4 . .	28,336	7,484	3,771	1,401	968	41,960	6,959
March 4 . .	27,859	8,421	3,998	1,337	911	42,526	6,509
April 1 . .	30,217	6,940	3,739	1,110	769	42,775	6,326
May 6 . .	31,295	7,112	3,637	1,477	882	44,403	6,334
June 3 . .	31,559	7,851	3,456	1,055	761	44,682	4,921
July 1 . .	26,509	9,051	2,859	1,110	690	40,219	4,365
Aug. 5 . .	—	—	—	—	—	37,548	3,272

From the above it will be seen that unemployment reached its highest level during the four weeks ending May 6, when the number of those totally unemployed and those working on organised short time amounted to 50,737.

In addition to the above, there are roughly about 2,000 men whose claim to benefit has been disallowed, and although unemployed they do not now register at the Exchange. This figure is probably a low estimate, but there are no means of ascertaining the exact number.

PROPORTION OF UNEMPLOYED TO TOTAL INDUSTRIAL POPULATION.—The above figures convey little unless compared with the total number of workers in the city. The number of insured workers in Sheffield amounts to approxi-

mately 150,000. This means that 26·8 per cent. of the industrial workers of Sheffield are at present out of employment, whilst including those working on organised short time, the proportion reaches 29·8 per cent. In addition there are a large number of men only working thirty hours a week, or even less. There are no means of ascertaining exact details of the short-time workers, apart from undertaking a census of every place of business in the city. Varying estimates have been given me, ranging from 20,000 to 60,000. I think it would be an under-estimate to say that 30,000 men are working short time, in addition to the 3,272 short-time workers who are receiving benefit under the Insurance Act.

TRADES OF THE UNEMPLOYED.—The last date on which the trades of the unemployed were dissected was for the month ending July 10, 1922, when the following classification was made. The total number of unemployed at the present time is somewhat less than on July 10, but there is no reason to believe that the proportions of unemployed in the various trades are different.

MEN.	WOMEN.
<i>Building Trade :</i>	Engineering 96
Joiners 118	Tools and files 212
Bricklayers 175	Cutlery 359
Masons 33	Silver 360
Slaters 29	Domestic 341
Plasterers 6	Clerical 173
Painters 113	Warehouse 169
Glaziers 14	Shop assistants 165
Pipe fitters 52	Clothing, etc. 127
Domestic engineers 17	Miscellaneous 679
Labourers 1,782	
Engineering 13,782	
Steel 6,836	
Cutlery 1,193	
File trades 696	
Tools, etc. 258	
Clerical, etc. 451	
Silver trade 193	
Miscellaneous 7,605	
Labourers 1,696	

Note.—Labourers are included in the numbers for engineering, steel, etc.

LENGTH OF UNEMPLOYMENT.—I did not get exact details of the number of men who have been out of work for varying periods. All I can say under this head is that many have been unemployed for as long as 2½ years, whilst a considerable number have been out of work for a year or more. Almost the whole of the unemployed have had no work for six months or longer.

How are the Unemployed Living?

UNEMPLOYMENT BENEFIT.—Under the Unemployment Insurance Act, benefit at the rate of 15s. for men, 5s. for a dependent wife, and 1s. for each dependent child is paid to insured workers during unemployment.

On August 7 the number receiving benefit amounted to 33,025, whilst 5,685 were serving their gap week and receiving no benefit. These men would, of course, come on to benefit the following week. In addition, there were 2,097 men on the Unemployed Register who were not entitled to benefit, and probably 2,000 others who were not registered at the Employment Exchange.

GUARDIANS' RELIEF.—In the two Unions into which Sheffield is divided, that is the Sheffield Union and the Ecclesall Union, no less than 16,002 unemployed men were receiving Poor Law relief during the week ending August 5. The number of men receiving relief is decreasing slowly, as the following table shows:—

Week ending July 1	.	.	.	19,495
" " " 8	.	.	.	17,247
" " " 15	.	.	.	16,604
" " " 22	.	.	.	16,377
" " " 29	.	.	.	16,090
" " Aug. 5	.	.	.	16,002

The scale of relief in force in Sheffield at the present time is as follows:—

	£	s.	d.
Single man under 18	0	12	0
Single man over 18	0	15	0
Man and wife	1	5	0
" " and 1 child	1	10	0
" " 2 children	1	14	0
" " 3 children	1	18	0
" " 4 children	2	2	0
" " 5 children	2	6	0
" " 6 children	2	10	0 maximum

Relief is paid half in money and half in kind. Actual groceries are not distributed, but counterfoils are given which are accepted by provision merchants for groceries. There is no control as to what groceries are obtained in exchange for the counterfoils.

In addition to the usual run of out-relief people, none of whom are included in the above figures, any unemployed man who is married, and has no other source of income than the unemployment benefit, can apply to the Guardians for relief. For instance, an unemployed man with a wife and three children would receive 23s. unemployment benefit. The Guardian relief scale for a man, wife and three children is 38s., and any man in this position can apply to the Guardians for relief to the extent of 15s. a week. The Guardians investigate all cases coming to them, and if an applicant knowingly makes a false statement as to his income he is dealt with very severely.

An official of one of the unions, when asked why more of the unemployed did not apply for relief, gave it as his opinion that the bulk of them had other sources of income. No one else whom I questioned on this point confirmed this opinion.

Some Individual Cases

In order to get first-hand knowledge as to how the unemployed were living, I got into touch with some men who were standing in a square in the centre of the city, which is one of the unemployed's favourite haunts, and got them to tell me their history. I am quoting them as typical of many others.

A. Silver finisher. Thirteen and a half years in last job. Married. Six children at home, all girls, ranging from 17 to 13 months. Two-roomed house (one up and one down). Rent, 4s. 6d. a week. Rates, £3 13s. 3d. half year, paying by instalments of 2s. 6d. a week. Worked at a 60-pounder shell factory during the war. Was the first foreman to be taken on and the last to leave. Earned £3 a week at first, and during the last year received £6 os. 9d. a week. Out of work since November 25, 1921. On short

time for a long period previously, and any little savings were spent then. Last earnings, £2 os. 4d. for three days. Total income, £3 os. 4d., made up of unemployment benefit, £1 4s.; Guardians' relief (1s. 10d. per head each way), 14s. 8d. cash and 14s. 8d. groceries. One daughter, 17, working on short time, 7s. 10d.

"I never previously had relief from Guardians," he said, "but had to go to them at once when out of work, on account of the children, as things had been so bad for a long time. I want work very badly. I go round every day or so to the places where I think I have a chance of a job, but people look at me as though I were mad to expect a job in these days. Things is so bad. I really think a good day's work would do me good. When you have nothing to do but walk about the streets all day you gets into a sloshy way, but I could still do a hard day's work if I had the chance. I'm sick to death mouching about the streets with nothing to do. I have to sign on at the Labour Exchange Wednesdays and Saturdays. A week ago last Saturday there was a notice up advertising two jobs in my line. I asked for particulars and if I could apply, but they told me they had already sent a number of men. I found out that the jobs were at Chester. It would have been awkward to go away and keep two homes going.

"All the men I associate with in my branch of trade are most anxious to get work. There are many labouring men who are perfectly satisfied going on in this way and don't care if they never get a job, but decent fellows who have had good jobs want to get work again and have a proper going on.

"My wife is always saying to me, 'You cannot go on like this much longer: it is time you found something to do.' I have to put the brightest side to her and tell her that something will turn up.

"The unemployment dole has been a God-send to us chaps. I cannot think what on earth would have happened to us had it not been for this."

B. Pen and pocket-knife maker. Thirty-four years with one firm—only break fifteen months on munition work. Married. Aged 47. Five children at home, ranging from 19 to 6. Rent, 4s. 10d. a week. Rates owing, £3 6s. and £3 9s. Out of work since end of January, 1922—much short time before then. Last earnings, 38s. 6d. for two days. From August, 1921, up to Christmas on three days a week.

Cutlery workers are not an insured trade as so many of them are contractors out ("little masters").

Total income, £2 14s. 6d., made up of Guardian relief, 19s. 9d. money and 19s. 9d. in kind; son, 19, out of work (unemployment dole), 15s. Married daughter now lives with family, and she pays 7s. a week, which brings the money up to £3 1s. 6d. a week.

"I have had rheumatism and was ill for three weeks, but I was glad to say that I was better, as I had to go on the Health Insurance and my sick clubs, and all I had coming in was 29s. 10½d. a week, in place of the 39s. 6d. from the Guardians.

"People in my trade tell me that things are getting worse, and my firm looks like shutting down. Orders are very scarce.

"I have joined the Labour Club, and go there every day to see the papers. We pay 1d. a week, and it is much better having somewhere to go instead of always walking about the streets. We cannot stay at home all day, and must do something."

When I asked this man how they were managing, he said:—

"It is clothes and boots which worries the wife more than anything else. It is impossible to keep the children tidy. My wife always manages to get sufficient food. I don't know how she does it."

C. Aged 41. Single. Labourer. Only income, 15s. unemployment pay. In lodgings, and has promised to pay the landlady when he gets work. Is running more and more into her debt. Out of work since May, 1921, with the exception of one casual job which lasted seven weeks. Worked four years at a large engineering works.

D. Single. Aged 45. Living with his sister. Out of work for 2½ years. Was eleven years in his last place as a gas works labourer, and was discharged through no fault of his own. Does not get any unemployment benefit, nor help from the Guardians. When I questioned him as to why he did not get anything from either source, he confessed that many months ago he made a wrong statement, and was getting Guardian relief for a fortnight when he had no right to it. That was a long time ago, and since then he has not been able to get anything. His sister

allows him to stay with her, and he is owing her a lot of money.

E. Single. Aged 50. Last worked as a general man in a store, and had to leave when the business was sold. Previous to this was twenty-eight years as caretaker of concert hall. He used to clean the place and get it ready for concerts. Has been out of work for sixteen months. Receives 15s. unemployment benefit. In lodgings, and has been with the same people for a number of years. Is much in debt and has promised to make it up when he gets back to work.

(The above three men said they would go anywhere in the world if only they could get a job. They gave me their names and addresses, and asked me to look out for a job for them, and if I found anything to drop them a card.)

The Effect of Unemployment on the Physique and Morale of the People

DETERIORATION IN MORALE.—I discussed this question with all kinds of people, and the opinion, confirmed by trade union officials, by employers, social workers, Employment Exchange officials, relieving officers, and unemployed men themselves, is that in rapidly increasing numbers men are becoming more and more demoralised, and the number who will never again be content to settle down to steady work is increasing. It is, of course, impossible to give any figures to show the numbers who are becoming demoralised, but those with whom I have discussed the question agreed that the following classification of the unemployed was fairly accurate.

(1) Those who during the war were careful, and saved, in many cases quite considerable sums, for old age and other eventualities. These people, who are amongst the best type of workers and good citizens, have had to part with their savings and in some cases even with articles of furniture. They would feel it a gross insult if it were suggested that when their savings had gone they should apply to the Guardians for relief. They would starve

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THE TRADE CYCLE

An Account of the Causes producing
Rhythmical Changes in the Activities
of Business.

BY

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Girdler's Lecturer in the University of Cambridge.

Author of 'The English Capital Market.'

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Spectator : ' Deserves careful reading. In his "account of the causes producing rhythmical changes in the activity of business" he is reluctant to attribute the present spell of bad trade wholly to the war. Like the boom of 1919, the slump of 1921-22 was, he thinks, part of a cyclical movement such as we have often experienced at more or less regular intervals of perhaps eight years.'

Scotsman : ' Well reasoned and instructive throughout, it throws out some practical suggestions for checking reckless speculative expansion of business and over-optimistic stimulation in periods of boom.'

Clare Market Review : ' Sets out the main causes which underlie cyclical fluctuation in business activity . . . proposals for lessening the intensity of the trade cycle and its consequent evils of industrial depression and unemployment. Collective control of industry, the education of business men in economics, the rendering of the curtailment of the more speculative operations commercially profitable, the more rapid re-adjustment of wages and interest to profits, the restrictions of prices by the banks : these are discussed interestingly. The book is beautifully printed and must be read.'

Labour Magazine : ' A lucid and most interesting account of the Trade Cycle, deals with the causes which provoke alternating periods of active and inactive business. The last chapter is especially provocative of thought ; it contains suggestions for checking a too excessive growth of business confidence and speculation during the period of a boom and for limiting the intensity of a consequent following depression.'

Labour Leader : ' Interestingly written and lucid analysis. . . . All students of economics, and more especially all students of the unemployment problem, are under a great debt to this Cambridge teacher for writing a stimulating introduction to it.'

Book Post : ' Mr. Lavington, being a serious economist, well-trained in the modern school, offers no infallible quack nostrum to cure the unprofitable excesses of those " Trade Cycles " which afflict the modern industrial world, but he gives instead what is much more useful, viz. : a clear account of their causes and their course according to the best modern research.'

Irish Independent : ' This well-written work deals in a lucid way with the causes producing trade fluctuations. . . . It should deeply interest the commercial man and the economist.'

rather than do this. Perhaps 30 per cent. of the unemployed are in this group. Many of them have allotments, which help them considerably.

(2) A second group consists of those who saved very little during the war, and immediately unemployment came had to rely solely on the unemployment benefit. Rather than go to the Guardians they are parting with many articles of household furniture, and will not go to the Guardians for relief as long as they are just able to scrape along. This group would account for perhaps 20 per cent.

(3) The third group, which would account for about 30 per cent., consists of those who, immediately unemployment came, endeavoured for a time to exist on the unemployment benefit, but when the pinch came very reluctantly sought relief from the Poor Law Guardians. At first this was a distinctly painful business, but more and more of them are becoming quite used to it, and it ceases to worry them. This group is becoming rapidly pauperised.

(4) The last group, and the one which will become a very grave problem in the future, is the class which immediately sought relief from the Guardians in addition to unemployment pay. These people, or at any rate most of them, feel that they have the right to be kept by some one whether they work or not. They don't care who pays so long as they get sufficient to drag along. This group will account for perhaps 20 per cent. of the unemployed.

People who have been closely watching the effects of unemployment on the people, are of opinion that the young men deteriorate much more quickly than do those who are turned 45 years of age. "It is much more noticeable in the younger men."

A trade union official gave it as his opinion that more than 30 per cent. of the unemployed will never again want work. There are now no disqualifications attaching to the recipients of Poor Law relief, with the result that those who are receiving relief are able to vote for the people who are to give them this relief. At the present time, out of thirty-one Guardians on the Sheffield Board, no less

than fourteen are pledged to give the highest possible relief. They are said to be mostly Communist, and have been elected by the people receiving relief. The other seventeen are of a mixed type, and are not organised in any way.

PHYSICAL DETERIORATION.—With regard to physical deterioration, most of the work in Sheffield is of a heavy type, and the result of having nothing to do for a considerable period, in many cases as long as two years, is weakening the men physically, and they will take badly to hard work for a time at any rate.

So far as the statistics of notifiable diseases, death rate, and infantile mortality rate are concerned, unemployment seems to have had no effect. A medical officer gave it as his view that no doubt many of the unemployed and their families were not getting as much food as formerly, but this was perhaps to the good, as most people ate too much.

The number of prescriptions made up under the Health Insurance Committee for the seven months of this year and the seven corresponding months of last year, show that the increase so far this year amounted to 14·2 per cent.

On the whole, I do not think that many people in Sheffield are going short of food, though great numbers are finding it difficult to get sufficient clothing. Last year a Clothing Fund was opened by the Lord Mayor, and altogether many thousands of parcels of clothing were distributed to the most deserving cases. It is estimated that at least 16,000 persons benefited under the scheme, whilst in addition nearly 5,000 pairs of boots were given to school children.

THE VALUE OF ALLOTMENTS TO THE UNEMPLOYED.—One of the most valuable assets to the unemployed has been the allotments, and there is no doubt that these are having a decidedly beneficial effect in keeping large numbers of men off the streets. In Sheffield, there are no less than 11,000 allotments, and those who are in a position to judge estimate that about 4,000 of the holders are at present out of employment. The ordinary sized allotment, if properly cultivated, will provide vegetables for a family of five for the whole year, and one can easily judge the

valuable contribution thus made to the standard of living.

There is a big waiting list for allotments in Sheffield, and the authorities have been held up for some time for the want of land. Arrangements are now on the way for securing more land, and the situation will soon be eased.

Some of the Causes of Unemployment in Sheffield and Suggestions made by Employers and others for Removing them

The trade of Sheffield can roughly be divided into two classes—the light trade (cutlery, etc.), and the heavy steel trade. With the passing of the need for munitions, trade slackened considerably, but there was much work still to do in converting many of the works to peace pursuits and the fulfilling of orders which had been held over. From the discussions I have had with some of the most prominent employers in Sheffield, it appears that in their opinion the decline in trade in the city is due to five causes:—

(1) The cessation of munition-making. Since the war some Sheffield firms have been making shells for America and Japan, but these orders have now ceased.

(2) The difficulties of foreign trade, due to the fact that the credit of most countries is bad, and manufacturers are not in a position to take the risks at present inevitable in foreign trade.

(3) The high wages demanded by workers, resulting in high costs of production, and the consequent inability of manufacturers to compete with other countries.

(4) The high cost of raw materials. A big proportion of the cost of the raw materials used in Sheffield trade—coal and pig iron—goes in wages.

(5) Excessive taxation, both imperial and local.

(1) With regard to number 1, the Government some time ago decided to place orders for the construction of four battleships at a cost of £8,000,000 each, and much of this work would have come to Sheffield. At the time of the Washington Conference this order was cancelled, and

since then the Government has agreed to build two battle ships instead of four. Sheffield manufacturers have been trying since the early part of January of this year to get the Government to proceed with the building of these two ships, but they cannot as yet get any satisfaction. The Town Clerk, the Lord Mayor and others have interviewed members of the Government on two or three occasions, but the Government will not pass the order. The deputation was informed that two battleships are to be built, but no definite order has been placed. The last time the deputation saw members of the Government, they suggested that if the Government would place the order for the two battleships it would no doubt be possible to arrange for deferred payments. The Corporations of the towns which would be most affected by the building of these battleships intend making another attempt to get the order placed, so as to relieve unemployment this coming winter. This order would help a number of places, including Barrow, where conditions are said to be even worse than in Sheffield. Approximately 10,000 men would get work in Sheffield if these two battleships were ordered.

(2) Sheffield manufacturers say that more publicity should be given to the Trade Facilities Fund and Exports Credits Scheme, and that the restrictions governing them should be made much less severe. Even when the risk is reduced to 20 per cent. no firm can afford to accept orders on this basis. One large firm did some trade with Russia, but they would not part with the goods until they were certain of payment.

Some time ago certain Sheffield firms thought they were going to get a big railway order from Roumania, but nothing came of it, and the opinion current in the district was that the Trade Facilities Fund was of no practical use.

The following were the suggestions given me by employers as to the help the Government might give them in reviving trade :—

(a) When a colony or other constituent of the Empire obtains a loan in this country, if any of the money is to

be spent on goods which we produce, a stipulation ought to be made that at any rate part of this money is spent here. An instance was given of the Indian Government placing an order for rails with a firm in Switzerland, though the money to pay for them had been obtained in this country. I understand the order was lost to this country by about a 5 per cent. margin. (b) The Government should do everything possible to develop the Crown Colonies. Railways are badly needed in this connection. A half-promise appears to have been made that something on these lines was going to be done by the Government.

(c) The Government should make drastic reductions in national expenditure by cutting down the size of many of the departments. "The Government talks economy but never practises it." When they reduce the staff in one department or section they simply transfer the men to another section or department.

(d) The Government should go very fully into the whole question of unemployment benefit and Poor Law relief. The present rate of relief makes the workers disinclined to accept work now that wages are coming down. In Sheffield many men with large families receive more when out of work than they would get if working a full week at their regular job.

(3) The wages question is to some extent being met by reductions which have already been made or have been agreed upon. In some instances the wages are far too low. For instance, labourers operating under the Steel Ingot Makers' Association agreement (that is in various branches of steel-works as distinct from engineering works) are now down to a variable figure of from 33s. to 34s. a week.

The wages of an engineer's labourer at the present time amount to £2 11s. 6d. a week, but arrangements have been made for certain cuts to come off which will bring wages down to 40s. 6d. a week as from September 25. For skilled engineers, by the end of September the wages will be 59s. a week.

Workers in the steel and engineering trades realise that low wages are essential to a revival in trade, and they have accepted these cuts without much trouble. Their quarrel is that the Corporation workmen are being paid too much money in proportion to their skill. A road sweeper is paid about 60s. a week and some of the tramway drivers nearly 80s.

The cutlery and small trade in Sheffield, apart from table cutlery, has practically been killed by German competition. Goods which can be produced by Germany to sell at 9s. per dozen cannot be produced in this country at less than 24s. Most of the cutlery workers are out on strike, as a protest against the employers' demand for a reduction in wages. The orders which the employers are now receiving can all be dealt with by the "little masters"—the contractors-out in the cutlery trade. The employers say that they have no intention of giving way, however long the strike may last, as it is impossible for them to carry on without a big reduction in wages.

(4) The cost of raw materials, which is regulated by wages paid in other industries, is still much too high. Sheffield manufacturers complain that the present price of coal is too high on account of the production per worker in the mines being so low. One prominent manufacturer suggested that the most important single thing the Government could do to revive trade would be to repeal the seven-hour day granted to the miners after the Sankey Commission. He pointed out that the production per worker had gone down considerably below the 1914 figure, and until this was higher there was no chance of getting the price of coal down to a fair level.

(5) The high Imperial and local taxation must receive early attention. The rates in Sheffield are now 23s. in the pound, and manufacturers are finding this a big handicap. I put it to one manufacturer that the rates would not really amount to much on an individual order, but he assured me that in one case an order was lost on a margin of less than 5 per cent., and the taxation on that particular job accounted for nearly 7 per cent of the price.

Prospects of Trade During the Coming Winter

During the past month most of the heavy engineering and foundry departments have paid less wages than for some little time. There is, however, an improvement in the steel trade, which has been most seriously hit, but this improvement is very slight and erratic. For instance, a firm may get an order which necessitates working almost at full pressure for a couple of weeks or so, and then there is another break.

Employers told me that their order-books were showing signs of improvement, but they were very slight. One employer said that as soon as the holiday season was over they would begin to feel the effects of the end of the engineers' lock-out. The lock-out ended just as the holiday season had started, and they had not yet felt the effects.

Every one in a position to judge is expecting a very bad winter of unemployment. The best estimate places the number of unemployed to be anticipated during the coming winter at between 20,000 and 30,000.

Relief Works

The Corporation of Sheffield has done as much, relative to population, in providing relief work for the unemployed as any other local authority, yet what they have been able to do has barely touched the fringe of the problem. The number employed on relief works at the present only amounts to about 218. This is due to the fact that notification was received from the Unemployed Grants Committee that the funds at its disposal had been exhausted, and that no further schemes could be considered. Since then, however, various schemes have been sent forward and most of them have been approved. The Ministry of Transport has agreed to contribute one-half the cost of a new road from Wardsend to Pitsmoor, at an estimated cost of £80,000. This will provide work for about 1,000 men for a period of six months. The Corporation are also commencing the construction of the Wasley Service Reservoir, which will provide work for 300 men for fifteen months.

So far as schemes which are being arranged are concerned, it is unlikely that the Corporation will be able to employ on relief works more than 2,000 during the coming winter.

From experience gained by the Corporation during the past two years, it has been found that the cost of providing work for the unemployed, including materials, supervision and other charges, has been approximately £5 10s. per man per week, half of which has been in respect of wages of relief workers. The Government subsidy towards this cost has been approximately half the total cost of road making and less on other works.

Organised Short Time

An employer who had given much thought to the question of unemployment said that some means must be found for doing away with the doles in their present form, as they were having a thoroughly bad effect on the unemployed. He suggested that consideration should be given to the question of employing more people on shorter hours, but this would have to be accompanied by a proportionate lowering of earnings. It would be useless to adopt the policy often advocated by the Communists that short time should be worked but that the weekly wage should be the same. This could not be done. There are in Sheffield roughly 150,000 insured workers, two-thirds of whom are employed and one-third out of work. If the 100,000 now employed could work for two-thirds of their time, it would mean that the whole of the 150,000 could be given work, whilst the total wage bill and output would remain the same. This would, of course, mean that the whole burden of unemployment would be borne by the workers themselves instead of being shared by all sections. If something on these lines could be arranged, it might be necessary to pay a weekly sum from some central or local fund towards the support of children, say in excess of two, or even in excess of one.

In considering whether this sort of scheme would work enormous difficulties come into one's mind, and it is quite possible that on full examination it would be found that

very little could be done in this way. A great number of those already in work are now only working two-thirds of their time, and a further reduction in their cases would be undesirable.

Employment on the Land

An official of the Corporation told me that a good deal of consideration had been given to the subject of afforestation some years ago, and it was not found practicable to do much in this direction. One of the foremost promoters of the afforestation movement in the district has come to the conclusion, after a good deal of experience in tree-planting on land belonging to the city, that it is not a practical proposition.

It was pointed out to me that there has probably been a larger proportionate influx of agricultural workers into Sheffield than into most cities, on account of the periodical rush orders received by the big armament firms and the shortage of unskilled labourers at those periods. This sort of thing has been going on for a long period. My informant suggested that a wise scheme for getting workers back to the land was more than ever necessary, and immediate steps should be taken to work out such a scheme. The present low wages paid to agricultural labourers, and the monotony of village life, did not encourage men to go back to the land.

EMIGRATION SCHEME.—A Labour leader suggested that a wise scheme of emigration to Australia would be welcomed by some of the unemployed. Before people could be persuaded to go to the Colonies, however, some sort of guarantee should be given by the Government. When I questioned him as to what he meant by a Government guarantee, he replied that something should be done to ensure that any one who went out to the Colonies would not be left stranded as had often been the case. If a man is prepared to work, the Government should assist him, for a time at any rate, until he got established on sure ground. There were people now in Sheffield who had been out to Australia, but who had been glad to get back to England, as conditions were not favourable.

UNEMPLOYMENT IN STOKE-ON-TRENT (OCTOBER, 1922)

THE County Borough of Stoke-on-Trent, created about twelve years ago, is an amalgamation of the six towns of Tunstall, Burslem, Hanley, Stoke, Fenton and Longton. According to the 1911 census the population was 234,534; by that of 1921, 240,440; but since then one or two surrounding rural and urban areas have been absorbed, increasing the total population to something, I understand, approaching 300,000. The occupational figures of the 1921 census are not available, but, apart from one or two influences that must be taken into account, those of 1911, which are summarised below, may be taken as a close indication of the occupations followed in the area.

1911 CENSUS.

	Males.	Females.
Total	114,764	119,770
Over ten years	86,361	91,060
Retired or unoccupied	11,811	53,804
Pottery, brick, cement, glass	24,441	23,629
Mines and quarries	14,329	Negligible
Metals and engineering	6,598	Do.
Conveyance of men, goods and messages	6,478	Do

There are no other occupations of importance, but it must be remembered that a considerable number of workers living outside the area, in Newcastle-under-Lyme and

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surrounding villages, are employed in Stoke and swell the figures engaged in its industry.

Pre-war Unemployment

I have found it quite impossible to obtain any figures, upon which the least reliance can be placed, as to pre-war unemployment. It is known, of course, that coal and iron mining were not "bad" industries as regards unemployment, and I found no reason to suppose that the North Staffordshire district differed in any important way from the whole. As regards pottery, the operatives were badly organised, and their union could not speak for the general body of workers, even if it had records of unemployment amongst its own members. As the result of many discussions on this point with a variety of people I should say, however, that the industry would have compared favourably with the majority as regards complete unemployment, but very badly as regards under-employment. The Secretary of the Burslem Labour Party, who worked for many years as a "placer," told me that throughout his period in the industry he worked on the average for not more than four days a week, and this experience was common to many workers in various branches with whom I talked. Short time was and is prevalent even in times of boom, the organisation of the industry lending itself to a great deal of waiting. Firemen wait for the ovens to be filled; men filling the ovens wait for placers to fill the saggars; packers wait for the ovens to be drawn, and so on. The unit of production is small and makes efficient organisation of labour power impossible.

Whereas in many of its branches the trade was always seasonal (for instance, at this moment, firms making pudding basins can sell all they manufacture) and sensitive to depression in other great industries, through the diminished purchasing power of the workers therein, it is certain that the unemployment to-day is quite unprecedented in duration and extent. The years immediately preceding the war were good ones in the Potteries.

Employment During the War

During the months immediately following the outbreak of war there was some dislocation in the industries in the Potteries, but not to the extent experienced elsewhere. Thereafter there was as nearly as possible no unemployment. The three important points regarding the war-time labour market are :—

(1) The Potteries had no munition or special war-time industry, and had no influx of workers from the surrounding country or from other towns.

(2) On the other hand a large number of women migrated to Birmingham, Coventry, and other munition towns. I raised the question (with various people) as to whether these had returned since the war, but no one has definite information. Doubtless some returned; others married and settled elsewhere.

(3) Women were substituted for men in the pottery industry on a large scale. Roughly speaking, before the war, employees in the industry were 50 per cent. men and 50 per cent. women. Towards its end the proportion, according to trade union officials, was about 33½ to 66½, and women still considerably outnumber the men. This substitution has important bearings on the present situation.

Unemployment since the War

In February, 1921, there were signs of the commencement of the depression, and during April, May and June the industry was almost completely closed down, owing to the protracted dispute in the coal-mining industry. No stock of coal is kept, for the reason that the great majority of firms have no accommodation for it. The general practice is to order a load of coal and have it dumped beside the oven as soon as possible before firing is commenced.

The figures of unemployment in August and the following months show the continued upward tendency which was discernible before the coal trouble. The latter may have precipitated the slump to some extent, but can in no way be said to have caused it.

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Since March, 1921, the Ministry of Labour have published in the *Labour Gazette* in the statistics relating to insured trades separate figures for the pottery industry. These are given below:—

	No. Insured.	Books Lodged.	Percentage.	Percentage on System- atic Short Time.
1921.				
Week ending :				
March 24 . . .	61,480	4,196	6.8	2.7
April 29 . . .	"	39,605	64.4	6.3
May 27 . . .	"	49,653	80.7	6.3
June 24 . . .	"	50,433	82.03	5.92
July 26 . . .	"	7,758	12.62	0.57
August 26 . . .	"	4,342	7.06	0.35
September 30 . . .	"	4,324	7.0	0.8
October 28 . . .	"	4,990	8.1	0.5
December 2 . . .	64,580	8,764	13.6	0.7
December 30 . . .	"	15,112	23.4	1.3
1922.				
January 31 . . .	"	12,571	19.5	0.7
February 21 . . .	"	10,586	16.4	1.7
March 27 . . .	70,110	9,077	12.9	1.8
April 24 . . .	70,060	10,474	15.0	2.3
May 22 . . .	"	8,544	12.2	1.5
June 26 . . .	"	8,269	11.8	1.1
July 24 . . .	"	10,163	14.5	1.0
August 21 . . .	"	13,981	20.0	0.5

These figures refer to the whole of the pottery industry. The percentage of workers on systematic short time is of course no indication of the amount of short time being worked, but only of that kind and degree of short time which entitles the worker to some benefit.

Because of its relative importance in the area special attention has been given to the pottery industry. The others have suffered less in some ways and more in others. According to officials of the North Staffordshire Miners' Federation unemployment is not bad amongst colliery workers. They speak only for their members (membership

has fallen greatly during the past year), and it may be assumed that unemployment is greater amongst non-organised workers. The coal-miners' complaint is not so much against unemployment as against the low wages of those in work. A great number of the men are down to the minimum of 32s. weekly.

Unemployment is much worse amongst the iron-miners. I was told that many of the big iron and steel works have done very little work during the past two years. Their numbers are smaller, but as a class the workers in the metal industry have probably suffered most. The slump in the pottery industry came very late—not until July, 1921—whereas the iron and steel depression was nearly twelve months earlier in arrival. Messrs. Kerr Stuart, one of the largest engineering firms in the district, are said to be employing now about 75 per cent. of their normal staff.

At the end of this report is appended a table showing the number of insured workers in the more important industries in the area, the number unemployed on certain dates, and the percentage unemployed in the different industries on September 25, 1922. The figures given in this table bear out what has been said above.

The Present Situation

While I was in Stoke there were signs of some slight revival of trade. It will be seen that the table referred to above shows a decline in recent weeks in the number unemployed. Of the Shelton Iron and Steel Works and other big metal firms I was told that they are doing more just now than has been the case for months. All sections of the pottery trade have been very badly hit—the home and export trades. But exports have recently improved (although it is feared that the new American import duty will have serious effects), and those sections which cater for the building industry, tiles and sanitary earthenware and the electrical branch, have looked up as a result of renewed building activity. Again the Christmas trade is having its effects. I discussed the prospects with employers and others, but while there is a good deal of optimism abroad

just now, no one was inclined to express an opinion as to the causes of the present slight improvement or as to the likelihood of its permanence. Experience of different firms is not only varied but apparently contradictory. On the one hand, I was told that whereas costly, luxury articles had no sale there had been a steady market for everyday crockery; on the other hand, that cheap crockery, such as is purchased by the working classes, was the worst hit trade and that better-class firms had been less affected. There is no doubt that cheap and gaudy decorated ware, for which there were big sales during and after the war, is scarcely being made. Men who did not manufacture, but possessed only a decorating kiln, have in many cases been wiped out. This is a part of the industry, however, which was, I understand, left much to Germany before the war. Undoubtedly also firms which specialised in the American export trade have had a very bad time. Less seriously affected have been larger firms with an old-established business and name of wide reputation, Wedgwoods, Copelands, Mintons, etc. But for a stranger to the industry it was impossible in a few days to understand all its ramifications and to obtain more than a general impression.

The Condition of the Pottery Industry

Before the war conditions of employment in the pottery industry were extremely bad, and on the employers' side comparatively little was taken out of the industry. In the majority of cases the industrial unit was the one-man business in which the proprietor himself sometimes worked manually and lived on a standard of comfort often not higher than that of the lower middle classes. The larger firms had generally started in this way.

During and since the war wages of pottery operatives improved, not quickly as in some industries, but steadily. The first post-war drop in wages was suffered in October last, and there is now an agreement, not terminable until March, 1923, whereby the minimum wage of all workers is 62½ per cent. above pre-war rates. In addition the basic

rates of some of the worst paid classes, e.g. warehousemen and white marl workers, have been permanently increased.

Large profits were made by employers in the war period and since. The demand for their goods being far greater than the supply, very high prices were obtained. During the post-war boom they were able to obtain almost any price they liked, buyers bidding against one another for goods before they were drawn from the oven. There can be no regret as regards the improved position of the workers nor as regards better earnings from the industry on the part of employers, but there is some doubt as to whether the tendency towards the latter has not been overdone. On several occasions, the view was expressed to me that an unhealthy state of mind had resulted from the great days of the boom. It was said that employers, having tasted ease and luxury, were unwilling to relinquish any part of it: that men who had worked in their businesses all their lives now expected the business to support them while they played golf. Prices are fixed by the manufacturers' associations, and the practical point affecting unemployment is whether they are not fixed higher than is economically necessary. I was told that non-associated manufacturers were selling at prices below the scheduled prices. One of these showed me, one by one, the articles he was producing, his selling price and the association price. His was lower in every case from 10 per cent. to 25 per cent. Obvious difficulties were in the way of getting at the relevant facts here, but the secretary of an association, with whom I had a long talk, said that there was an undoubted determination that the industry should not fall back into its pre-war state of poverty, and that prices were fixed with this in mind. He thought that the present level was not too high, adding, however, that even if prices were lower there would be no increased sales as the market had no bottom! One association has just agreed to a 10 per cent. reduction in export prices. From various statements I gathered that the recent trade improvement may not be unconnected with other reductions of fixed prices.

Another statement of interest made was that the retailers are not doing their part in price reduction, and that shop prices stand at an absurdly higher figure than manufacturers' selling prices.

In more ways than one the industry is in a state of transition, and changes that were postponed by the war are now being stimulated. The very poverty of the industry was encouraging both technical and administrative changes, but when the war came money could be made in comparatively large quantities by any plant, however dilapidated and primitive. Now, however, improvements and economies are necessary if the return to the pre-war position is to be avoided. That the pottery industry has grown up almost as a domestic industry is due to the fact that the small unit of production is effective. A man cannot have a blast-furnace in his back-yard, but he can make egg-cups there. Scarcely any external capital has been used in the industry; in the great majority of cases it has been a matter of an operative starting in business on his own account, out of savings or other small sums. In pottery there is a greater element of art than in most industries, and this has given rise to the prevalent idea that the small unit is the only effective one, and that large scale production cannot be successful. Against change of any kind—technical or otherwise—there is strong feeling; yet it seems clear that change is taking place and must continue to do so, and that the transition is already affecting unemployment.

In the first place, the substitution of women for men which took place during the war has not been followed since by the restoration of men in every case. The movement towards an increased proportion of female workers in certain processes is even now going on. The post-war boom concealed what seems to be the fact, that numbers of men have been permanently displaced. In addition to substitution there are economies of labour by technical changes going on. The Borough Electrical Engineer told me that one result of the slump was that he was overwhelmed with orders for small electric motors to turn

machinery previously operated by foot treadles, etc. Casting instead of moulding is coming into wider use, and this new process saves considerable labour, especially men's labour. The use of the gas oven is being extended. Then there is an external influence which has been increasing during the last ten years and is now making its effect felt—namely, the substitution of metal for china or earthenware articles, e.g. pudding basins, pie dishes, etc. All these and other points give rise to the serious question whether the industry will ever reabsorb all the workers now unemployed.

The change from the very small to the reasonably large unit of production is necessarily slow, and the economies of labour that would be effected by such an alteration, such as the elimination of a great deal of waiting, will be less quickly felt. Probably there will always be small businesses doing special work in the Potteries, but there are signs that they will not long survive extensively. There are syndicates and rumours of syndicates. What appears to be a group of little concerns is found on investigation to be a single business. It is not easy to discover exactly what relationship exists between the members of these combinations. The small men must have been very badly hit in the last eighteen months, and it is probable that some of the stronger are quietly buying them up, retaining the proprietors in a managerial capacity. There is some co-operative buying of material and warehousing and selling of goods. The further and more difficult step of combined production in larger and more suitable premises will follow in time.

Relief of Unemployment

Until early this year two Unions operated in Stoke-on-Trent, the Stoke Union covering just over 100,000 of population, and the Wolstanton and Burslem united covering about 170,000. The two together did not deal with areas coincident with the municipal area. They have now been combined and additional districts included, so that again the population with which the new Union deals is

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only approximately the same as that shown in the census returns, and with that covered by the Ministry of Labour. The following are figures obtained from the Guardians' office:—

UNEMPLOYED OUT-RELIEF.

Stoke-on-Trent (before amalgamation).

	No. of Cases.	Nos. Relieved.	Amount of Relief.
1921.			
Week ending :			
October 22	224	877	£ 246
November 5	327	1,278	343
December 3	253	1,106	178
1922.			
January 7	392	1,918	318
February 4	368	1,650	275
March 4	382	1,722	290

UNEMPLOYED OUT-RELIEF.

Stoke-on-Trent and Wolstanton and Burslem United.

	No. of Cases.	Nos. Relieved.	Amount of Relief.
1922.			
April 8	427	2,013	£ 280
May 6	491	2,286	338
June 3	1,370	5,078	1,018
July 1	875	3,440	594
August 5	581	2,570	391
September 2	450	1,981	269
September 9	579	2,262	376
September 16	520	2,237	321
September 23	519	2,191	328
September 30	420	1,716	259

The above tables relate only to the out-relief of unemployed able-bodied persons. So far as I could discover no relief of this kind has been given in the district before the coal strike, during which 1,023 cases were dealt with

at a cost of £4,373. All this relief was given in kind. Apart from this special emergency no unemployed out-relief has been given other than that included in the tables.

As regards indoor pauperism and ordinary out-relief of the aged and infirm, there has been only a slight increase, less than 10 per cent.

In May, 1922, the Guardians resolved "that the scale of relief to unemployed persons (which may not be exceeded by the ordinary Relief Committees) be 7s. 6d. for men, 7s. 6d. for women, 5s. for each dependent child, with a maximum of 40s., all income to be deducted, half the relief to be given in money and half in kind: any cases of necessity requiring relief in excess of this scale to be referred to the Special Relief Committee, with or without recommendations. That vouchers for provisions, etc., be issued upon tradespeople with whom the recipient is in the habit of dealing."

Prior to the passage of this resolution the scale had been higher, 10s. for men, 10s. for women, with a maximum of 50s. The reason given to me for the reduction was that the higher scale was frequently in excess of the earnings of fully employed persons. Before the amalgamation deputations representing the unemployed and labour organisations waited on the Guardians, in order to secure uniformity of treatment in the two Unions, but there have been no deputations to ask for an increased scale, and no demonstrations against the Guardians such as are common in London and elsewhere. While, of course, it is not admitted that 40s. is an adequate maintenance allowance, there is no general feeling that the scale should be increased, or any opposition to the policy of the Guardians that I was able to discover.

In addition to the relief of totally unemployed persons relief supplementary to wages is given to those who work for only two days per week or less.

The financial position of the Guardians is better than in any other industrial area that I know. They have no debt or overdraft at all. From 1912 to 1919 the Poor Rate in Stoke varied between 2s. and 2s. 6½d. In 1919 it

was 2s. 1d. The rate for the current year is 2s. 2d. This situation, astonishing when compared with that in other places, is partly due to the small number of persons relieved (out of a population approaching 300,000) and partly to the amalgamation. This year the Stoke rate would have been considerably higher had it not been combined with the Wolstanton and Burslem United Union, which had a lower rate, Wolstanton being a middle-class residential district.

The Condition of the Unemployed

The distinct impression gained from conversation with a great variety of people is that, having regard to the extent of unemployment, the workers in the Potteries have, so far, suffered little acute distress. This immunity can be attributed to several factors. In the first place the Unemployment Insurance and out-relief constitute a buffer between the unemployed person and destitution. The general view is that these schemes have gone far to save the situation. Secondly, the industries have all had a succession of years of great prosperity, during which the people were able to accumulate personal resources. Thirdly, the family income counts more than the individual man's income to a far greater extent in the Potteries than in most districts. Much less frequently is the husband the sole bread-winner. He may be a miner or a metal worker, but his wife and children are in the pottery or some other occupation, so that it is a very bad time indeed when nothing is coming in. It is quite a usual thing to see a line of perambulators outside the Employment Exchanges, the married women seeking work or drawing unemployment benefit. I found no evidence, however, that odd jobs, as in some other places, provide a means of supplementing the incomes of unemployed people.

It would, however, be a mistake to assume that all is well. If there is little of what can be termed actual distress, there is a great deal of privation and stringency in home life, and this of a kind that is often not superficially noticeable. The resources mentioned above are exhausted, and homes impoverished. Teachers notice a deterioration in the

condition of children's clothing. Each person to whom I talked, while testifying to the general satisfactoriness of the situation, having regard to the circumstances, had instances in their personal experience of families in distressingly reduced condition as regarded clothing and household belongings. As regards food, too, it is evident that the families of unemployed men are in a great many cases getting less than sufficient. The metal workers are on the whole the worst off. The manager of a subscription club told me that not only had the weekly contributions ceased, but that in many cases he had had to refund the amounts already saved, a sacrifice that is made only as a last resource. Nor is it to be expected that the comparative immunity from serious distress will continue unless unemployment diminishes.

The mental condition of the unemployed is one of great depression. I talked with numbers of unemployed men, and with others in sympathetic touch with the unemployed. What I found was a dispirited and almost hopeless outlook. Yet there is nothing that could be called agitation or unrest. No man with whom I talked was inclined to damn the boss, or the capitalist system, or indeed to lay the blame for his misery at any particular door. Doubtless this is accounted for by the organisation of the industry. As a general rule there is no isolation of the employer from the worker. The worker knows the man for whom he works personally, often they are engaged together on the same tasks. There are no outdoor meetings or processions of unemployed to be seen, only groups of men standing listlessly at street corners.

The extent to which the unemployed have deteriorated industrially or become unemployable cannot be measured, but the capacity of many must have seriously diminished. An official of the Pottery Operatives' Union took a very grave view of this question, as did the assistant manager of one of the Employment Exchanges. The latter definitely stated that employers were not registering their vacancies at the Exchanges because they did not want men who had been long out of work.

Unemployment and Public Health

The condition of the people affected by unemployment is not as yet reflected in the statistics of public health. The Medical Officer was of the opinion that the late arrival of the slump in the pottery industry, and the prevalence of family earnings, as mentioned before, which in a great many cases ensures at least a minimum of necessary food, account for this. Towards the end of the coal strike there was widespread distress in the district, and this might be coupled with the very high infant death-rate of last year, but the doctor thought the high rate due rather to the hot summer combined with bad housing. Stoke-on-Trent has always a high rate of infantile mortality, and in this connection it was pointed out that 95 per cent. of the houses there have an annual value of less than £25. There is scarcely any middle or upper class area to average the bad figures of the slums. It is estimated that nearly 10,000 houses are needed. In Longton alone there are four condemned areas.

What statistics fail to reveal is seen, however, by Health Visitors, Maternity and Child Welfare Centre workers, etc. Although a good deal of free milk is given, the increasing evidence of malnutrition of mothers is unmistakable, and I was told again and again by people in a position to judge that the physical resistance of the people in general is weakening, as a result of insufficient nourishing food. In this connection, Labour members of the Council complain that the School Feeding Act is not being administered as liberally as the circumstances require, and that the health of the children is being seriously undermined. The actual number of necessitous children fed increased from 82 in September, 1921, to 431 in July last. No children were fed at school before the coal dispute.

Officials of the Health Insurance Department and of approved societies were unanimous in the statement that the payment of sickness benefits had considerably increased during the past eighteen months. This is attributed to decreased resistance to sickness, because of privation due

to unemployment, involving more frequent illness and less rapid recovery. It was emphasised, however, that unemployment itself resulted in more frequent claims to sickness benefit. If there is plenty of work to be had at good wages, men and women continue to work even if slightly unwell. If they are unemployed they claim sickness benefit upon the slightest provocation, particularly if their right to unemployment benefit is temporarily exhausted.

Mayor's Relief Fund

This fund was opened a few months ago, at the instance of the trade unions, before the Unemployment Insurance "gap" was reduced. The response to the Mayor's appeal was poor (about £1,000 has been collected), and the immediate emergency having passed, none of it was disbursed. The proposal now is to employ it during the coming winter for the provision of footwear for children.

Relief Works

The following list gives particulars regarding the Relief Works undertaken last winter :—

	£ Estimate.	No. of Men Employed.	Grant.
1. Turnhurst Road Sewer, Tunstall .	3,224	30	60% of £1,333
2. Cemetery Under- drainage, Burslem	1,333	16	60% of £666
3. Cemetery Under- drainage, Hanley.	2,044	14	60% of £666
4. Improvement, Trent- ham Road, Stoke	2,000	23	60% of £416
5. Pool Dole Sewerage, Fenton	1,920	15	60% of £666
6. Recreation Ground, Stone Road, Long- ton	4,500	38	60% of £4,000
7. Warren Street Exten- sion, Longton. . .	2,700	23	60% of £2,415
8. Clayholes Recreation Ground, Hanley .	3,800	20	60% of £911.

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	£ Estimate.	No. of Men Employed.	Grant.
9. Cemetery Extension, Longton	3,100	20	60% of £920
10. Outfall Sewer, Golden- hill	10,038	30	65% for half period of loan
11. Waterloo Road Sett Paving, Burslem .	10,675	30	50%
12. Sett Paving, High Street, Hanley . .	11,424	30	25%
13. Storm Sewers, Penk- hull	10,000	50	65% for half period of loan
14. High Street Improve- ment, Fenton . .	4,805	20	50%
15. Park Tennis Courts, Tunstall	1,493	15	65% for half period of loan
16. Stone Road Improve- ment, Longton .	1,859	20	50%
17. Sewer, Nile Street, Burslem	5,762	20	65% for half period of loan
18. Sett Paving, Fenton Road, Hanley . .	11,794	30	50%
19. Park Tennis Courts, Longton	933	10	65% for half period of loan
20. School Improvement, Longton	1,215	10	65% Do.
21. Warren Street Exten- sion, Longton (Street Works) .	2,216	20	65% Do.
22. Sewer, Shelton New Road, Stoke . .	1,091	15	65% Do.

Where the grant is 65 per cent. of the interest and sinking fund for half the period of the loan, such period is generally thirty years, with the exception of No. 21, which is twenty years.

The items against which a 50 per cent. grant is indicated are Ministry of Transport items.

I discussed the question of the cost of Relief Works with the Deputy Surveyor. He said that it was quite impossible to say to what extent a piece of work done as a relief job was more costly than such work done purely for its own sake. It depended upon the character of the work and the class of labour supplied. If he had a gang of colliers, accustomed to the use of picks and shovels, his labour costs were little higher than ordinarily, if a gang of potters they were a great deal higher. One difficulty was to find works on which a large proportion of unskilled labour would be employed—levelling was the best for this purpose. The unknown quality of the labour which would be forthcoming made estimating very difficult. If it were assumed that poor labour would be on the work and estimates were formed accordingly, the Government Departments concerned turned them down as excessive, but if an estimate was made on the assumption that colliers would be engaged in the work and in fact the labour consisted of clerks and potters, then a loss would result. Another difficulty was that the Employment Exchange wished constantly to change the men engaged on relief works. Thus, as soon as a group of men's hands had hardened and they began to know their way about the job, they would be withdrawn and another raw lot sent in their place.

It was originally intended to pay full ordinary rates to men on relief work, but the Government would only allow 75 per cent. of the standard rates. In effect the average weekly payment was £2 11s. as against £3 1s. 6d. paid to regular Borough employees.

There was objection to the Government rule that 75 per cent. of the men given relief work should be ex-service men. This often involved injustice to men who were too old or unfit for military service, who having wives and dependent children were passed by in favour of unmarried ex-soldiers.

Extensive plans for next winter are prepared. The extent to which these are put into operation depends upon the decision of the Borough Council and the sanction of the Government.

Other Points

(a) **LOCAL WAGE RATES.**—The following figures give some indication of the wage rates prevailing in the district :—

Coal miners' minimum	32s. weekly
Building labourers	1s. 3d. per hour (44-hour week in summer)
Civil Engineering Labourers and Navvies	1s. 3½d. per hour (49-hour week in summer)
Corporation workers	54s. weekly
Pottery mill labourers	50s. "
„ warehouse women	26s. 8d. "
„ dipping-house women	30s. "

(b) **RETAIL SHOPKEEPERS' SALES.**—The small local shopkeepers keep no records of sales, and it does not require their evidence to show that sales have dropped a great deal in the past year. Some figures obtained from the Burslem and District Industrial Co-operative Society are of interest, however. The sales for the quarter (14 weeks) ending September 4, 1922, amounted to £231,411, a decrease when compared with the corresponding quarter of the previous year of £11,397. The average weekly sales were £16,529 as against £18,677. In the year ending March 7, 1921, before the slump, the sales were £1,092,650, in the following year only £948,238, in spite of an increase of 3,000 in the membership. It must be remembered that some part of these decreases is attributable to reduced prices.

(c) **ALLOTMENTS.**—Although the Deputy Surveyor said that the Borough is well supplied with allotments as compared with other towns, I nowhere heard the opinion expressed that these are of material value to the unemployed. There is apparently no unsatisfied demand for allotments.

(d) **REMEDIES.**—The views expressed to me by Major Wedgwood confirmed and summarised what I had gathered from other sources. As regards the home trade the slump in the Potteries followed and was caused by the slump in other great industries. A recovery of these industries

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must precede any improvement in the home market. As regards export trade, it is not felt that any of the schemes put forward for Export Credits, etc., would be of assistance. The organisation of the industry would not easily permit use to be made of such a system even if it were likely to be of value.

NUMBER OF INSURED WORKERS BY INDUSTRIES AND NUMBER UNEMPLOYED ON CERTAIN DATES

(Area covered by Employment Exchanges at Burslem, Hanley, Stoke-on-Trent and Longton.)

Industry.	Estimated Number of Insured Workers.	Number of Unemployment Books Lodged.					Percentage Unemployed. Sept. 23, 1922.
		1921, June 24.	1921, Dec. 30.	1922, Mar. 28.	1922, June 27.	1922, Sept. 25.	
Building	3,200	668	627	542	566	588	18.4
Engineering	2,650	1,757	967	753	883	468	17.7
Explosives and chemicals	250	210	66	44	46	47	8.5
Iron and steel	4,550	4,055	2,043	1,764	1,207	1,065	23.4
Brass, copper, zinc, etc.	1,000	976	347	321	324	289	28.9
Brick and Tile Manufacture	1,600	402	207	273	308	218	13.6
Pottery, earthenware, china	45,950	39,817	12,518	6,609	6,184	6,857	14.9
Hotel and boarding-house service	650	148	83	72	58	41	6.3
Railway service	2,450	138	132	127	74	89	3.6
Tramway and omnibus service	800	—	—	—	—	—	—
Other road transport	1,350	366	127	99	138	144	10.7
Coal-mining	21,100	621	984	907	915	953	4.5
Printing, publishing and bookbinding	750	233	43	35	31	50	7.9
Tailoring trades	600	—	—	—	—	—	—
Manufacture of food and drink	1,200	—	—	—	—	—	—
Public utility services	850	—	—	—	—	—	—
Distributive trades	3,400	250	197	253	194	236	4.9
National and Local Government	1,850	—	—	—	—	—	—
Professional services	650	—	—	—	—	—	—
Other industries and services	5,700	—	—	—	—	—	—
	100,850						

UNEMPLOYMENT IN WOOLWICH

Woolwich Borough and Woolwich Union

The Borough of Woolwich consists of the three parishes of Woolwich, Plumstead, and Eltham. On the other hand the Woolwich Union consists of the three parishes of Woolwich, Plumstead and Charlton. Woolwich Dockyard is in the Parish of Woolwich: the Arsenal began on Woolwich Warren, but after absorbing that area has spread eastwards over Plumstead Marshes, and now by far the larger part of its area is in Plumstead Parish.

The Parish of Charlton adjoins Woolwich Parish on the West. While part of the Woolwich Union, it is in the Metropolitan Borough of Greenwich. For a long time it has been, so far as arrangement of streets and houses is concerned, continuous with Woolwich, but it was till recently separated from Greenwich by a considerable area of agricultural land. But from the economic and industrial point of view it is to be noted that while Woolwich and Plumstead practically form one town built up round the Dockyard and Arsenal, and mainly dependent upon employment primarily in the Arsenal, secondarily in the Dockyard and the military establishments, Charlton, while also the residence of many Arsenal workers, is also the chief place of residence of workers in Siemens' works, which are situated at the extreme west corner of the Parish of Woolwich.

The Parish of Eltham, previous to the outbreak of the South African War, was completely separated, as an inhabited area, from Woolwich and Plumstead, by Woolwich and Eltham Common, the Crown woods on Shooter's

Hill, and by arable land. At that time building began extensively on the said area of arable land. The first houses built (by Mr. Cameron Corbett) were probably intended for a suburban London population, but they were mainly bought by Arsenal men. Subsequently an L.C.C. tram route linked Eltham up with the Arsenal gates, and a vast amount of building of new houses was completed before and during the war in the parts of Eltham nearest to Woolwich. Thus by degrees Eltham has become more and more a part of the town of Woolwich economically and industrially, as well as part of the Woolwich municipality.

The estimated civilian population of Woolwich and Plumstead for the year 1921 was 108,045
of the Parish of Eltham . . . 28,262

making 136,307 for the Borough.

The population of Charlton Parish must be approximately equal to that of Eltham, so that the population of the Woolwich Union may be taken also at about 136,000.

The military population at the Census of June, 1921, was 4,096.

The Activity of the Arsenal

The prosperity of Woolwich fluctuates with the activity of the Arsenal. There are some fairly important industrial undertakings in the neighbourhood which have an independent industrial life, and of those an account is given below. But the greater part of private employment is indirectly dependent on the Arsenal, e.g. the building trade and retail trade. Hence when the Arsenal is discharging men, private employment, so far from being able to absorb them, is also compelled to shorten staffs.

In the Arsenal the most important field of employment is the trio of Ordnance Factories, the Royal Laboratory, the Gun Factory and the Carriage department. There were over 13,000 men working in these in the two years preceding the South African War; during that war the number was increased to over 20,000, but then the policy

of relying mainly on private firms was adopted by the War Office, and the number employed was cut down to about 8,500.

The recent fluctuations in Government employment in the Arsenal and Dockyard are shown in the following official figures :—

Establishment.	Immediately before the War.	Armistice Date.	Sept. 26, 1921.	March 31, 1922.
Ordnance Factories and Building Works Dept. . .	10,866	63,000	11,453	10,636
Royal Army Ordnance Depot	1,437	2,197	3,257	3,091
Chief Inspectorate of Armaments	1,191	30,000	1,467	1,343
Research Dept., Chief Inspectorate of Stores and Clothing, of Royal Engineer Stores, Signals, Experimental Naval Armament Stores Depot	947	7,289	899	895
	14,441	102,486	17,076	15,965

Some further discharges have taken place since March 31, 1922, and it is the avowed intention of the Government to reduce the Ordnance Factories to 6,600 men.

The above table does not include the Army Record and Pay Offices, for which I have no figures, but which also were inflated during the war and reduced subsequently.

We may, therefore, say that in this town of Woolwich with a *night* population of about 140,000 only, new workers (of whom the great majority were adult men) to the number of about 90,000 were taken on during the war and discharged since the Armistice.

This, of course, was only possible because of the close proximity of Woolwich to London. Great numbers of houses and huts were erected by the Government, and lodgings reached such a price that the tenant of a house could make the rent of the whole house (limited by the

Rents Restriction Act) by sub-letting a single room. But the majority of the 90,000 new hands came into Woolwich every day by train, tram and motor bus. Those of this majority, together with most of the men who secured temporary lodgings in Woolwich during the war, if now unemployed, are of course registering at Employment Exchanges elsewhere than in Woolwich. The most notable feature is that apart from women, girls, boys, and men working short time, there are registered week by week some 7,600 men entirely unemployed, and that number *does not fluctuate*. The reason it does not fluctuate or diminish becomes clear when the chief private establishments are reviewed.

Electrical Works

Besides Siemens', already referred to, there are in the parish of Woolwich two other considerable Electrical Engineering Works, Henley's and the Western Telegraph Co., both in North Woolwich (north of the Thames). All three of these increased their staffs during the war, but in no very marked degree; and the three together are now employing rather fewer hands than in 1914. Siemens' employed 3,838 in 1921, now 3,200; in 1914, 3,090. The Western Telegraph employed about 2,400 in 1914, now 2,100. Henley's employed at their North Woolwich works rather over 1,000 in 1914, rather fewer now, but expect with the seasonal fluctuation to reach the 1914 level by the end of the year. Henley's have a new factory at Gravesend, where they have room for expansion, which is lacking at North Woolwich. They were very busy in 1919 and early in 1920, but the condition of the foreign exchanges and the additional falling off of business due to the coal strike caused a great reduction of employment in their works. Taking these three firms together, it may be said that they have effected reductions of about 1,000 workers (about two-thirds being men) in the last twelve months.

Each firm has a waiting list, and none in case of wanting a few extra hands ordinarily applies to the Labour Exchange.

But the two North Woolwich firms have done so for labour of the building crafts, and report—

(1) That such men seem indifferent as to whether they get work or not.

(2) That men come classed as skilled carpenters, &c., who in past years would not have been recognised as skilled artisans.

Other Engineering

On the marshes east of the Arsenal the King's Norton Metal Company, Government contractors, were employing about 100 men before the war; during the war 7,000; now *none*. Part of their premises are leased to the Premier Electric Welding Company, who employ from twelve to twenty. The head of the King's Norton Metal Co. has hopes of restarting, but thinks the prospects for mechanical engineering very shady until the Government has sold off its surplus stores.

After the South African War, the bicycle business of Mr. Collier developed into the firm manufacturing the "Matchless" Motor Bicycle. The firm has still large works and is employing about 300 men, on organised short time, one week on and one week off. There is a complete slump in the motor-bicycle trade, but the manager is of opinion that as so many firms in the motor trade have gone under there is bound to be an improvement for those who survive, and he is pinning his faith to a new, light, cheap 5-seater car, with special features, and the employment he is giving now is largely that of making tools for the mass production of that car.

It is needless to point out that mechanical engineering all over the country is in a very depressed state; and that while it is hopeless for engineers discharged from the Arsenal to attempt to get work from private firms at their trade in the neighbourhood of Woolwich, if they search London, or any other engineering centre, there is everywhere a surplus of local unemployed to compete for any vacancies.

Other Industries

The only important factory employing women chiefly is James & Co.'s Shirt and Collar Factory, employing 400, chiefly girls and women. Trade is liable to seasonal fluctuations, but has been steady from year to year. The firm has another factory in the City. The firm prides itself on being a good employer, and gives long-service bonus and ultimately pensions, as well as other benefits. Vacancies are chiefly filled by relatives or friends of old employees.

The largest local firm of builders and contractors were paying (end of September) in weekly wages about £1,000; recently £4,000. The head of the firm says: "We are ready to take on contracts at bare prime cost, but we find they frequently go to other firms who put in at prices on which we know there must be an absolute loss."

The same gentleman holds emphatically—

- (1) That the dole system is absolutely ruinous.
- (2) That the country is played out unless there is a radical change in the attitude of mind of the manual labourer.
- (3) That if Labour leaders ceased to fear unpopularity and gave sound and straight advice to the rank and file, that change might come.
- (4) That towards the latter stages of the war men, so far from co-operating heartily, seemed to rejoice in putting hindrances in the way of the proper dispatch of work, and appeared to look forward to drawing wages for no work at all. That things are better in this respect now, but the change is due merely to hard times, not to any realisation of the expediency and duty of putting in good and full work.
- (5) That at the present time there is a sprinkling of older men who are usually better workers and better mechanics than the younger generation and who, if left alone, would work honestly and well; but as this good leaven becomes extinct it is to be feared that both the quality of work and the output will deteriorate, unless by some educational process the young men can be led to see

the necessity of making themselves really efficient and be brought to a better frame of mind.

(6) That his firm are rapidly expanding their operations in France and Africa. In France they employ workers of every nationality *except British*, but British supervisors. A very few British manual workers would ruin the whole lot. In Africa it is remarkable how rapidly the negro is acquiring skill (he illustrated this with photographs of buildings and furniture of negro workmanship at Lagos).

The Clerk to the Board of Guardians notes of men receiving the Unemployment Dole and Guardians' Relief: "A skilled mechanic does not slacken in his search for work, but he gives up the idea of obtaining the work he could do, and after a lapse of time applies for inferior work." Apart from work specially organised by the Borough Council for the assistance of the unemployed, the skilled man's chance of getting even the inferior work is not rosy, for most firms employing unskilled labour are working under similar conditions to the firm referred to above. However, there has been some slight revival lately in private building. The number of new houses completed and applying for certificates of adequate water supply, apart from the houses being built by the Borough Council under the Addition scheme, is as follows:—

1919	.	.	.	.	.	.	.	.	1
1920	.	.	.	.	.	.	.	.	5
1921	.	.	.	.	.	.	.	.	12
1922 (Jan. 1 to Sept. 29)	.	.	.	.	.	.	.	.	17

But when it is remembered that of all the Metropolitan Boroughs Woolwich is the one with the smallest population (17 per acre), and the largest area of land available for building, the smallness of these numbers is more significant than their increase.

Four hundred houses have been or are being built on the Borough Councils Housing Estate; about 300 are now occupied, and the applicants for the remaining hundred are between 400 and 500. The rents are uneconomic.

The whole emotional tone of Woolwich is extremely depressed, and has become markedly so during the present

year. The organiser of higher (cultural) education under the L.C.C. reports that there was two years ago, and even one year ago, a good deal of enthusiasm for literature and science, but this year entries for classes are fully one-third fewer than in 1921, and many classes will have to be abandoned. People want only the lightest form of entertainment.

Relief Works

The Woolwich Borough Council was elected on November 1, 1919, and has a large Labour majority, and has endeavoured to provide as much additional employment as possible to relieve distress and avert the pauperisation of the unemployed.

It has dealings in this respect with three Government organisations: the Ministry of Health, the Transport Board, and the Unemployment Grants Committee.

(1) In connection with the Housing Schemes of the Ministry of Health there is the erection of 400 houses already referred to. The actual building is done by contractors, but the road and sewer work has been done under the supervision of the Borough Engineer by men taken on from the Labour Exchange. These men have been paid the full trade union rate of wages. The cost must be taken as part of the total cost of the housing scheme, of the loss on which the amount of a penny rate falls on the Borough, and the remainder on the Treasury. The men taken on are selected by the Labour Exchange on the basis rather of necessity than of suitability for the work, but when reductions are made the best workers are kept on.

The same general conditions with regard to engaging or discharging men apply to the other schemes mentioned below:

(2) *Arterial Roads.* Those already constructed include:—

(a) The South Circular Road	. . .	1½ miles,	100 ft. broad
(b) Eltham By-Pass	. . .	2½ "	80 "
(c) Kilbrook Park Road	. . .	½ "	60 "
(d) Shooter's Hill By-Pass	. . .	2 "	80 "

This work is done in connection with the Ministry of Transport, which pays 50 per cent. of the estimated cost after it has approved the estimate.

(3) West Plumstead and Woolwich Relief Sewer and William Street Sewer. Work executed at the cost of the Borough out of loan.

(4) Minor jobs, painting, breaking up old granite paving setts and converting into hard core. Work executed out of current rates.

A small amount of assistance is given by the Unemployment Grants Committee, according to the following rules:—

(a) For revenue-producing works 50 per cent. paid for five years of interest on loans raised for periods of not less than ten years.

(b) For non-revenue-producing schemes, 65 per cent. of interest and sinking fund charges for half the period of the loan, subject to a maximum of fifteen years.

Up to August, 1922, the amount paid in wages on the above work was:—

Roads and sewers on the Housing Estate	£42,859
Arterial roads	80,184
Sewers	20,286
Minor works	6,462
	<u>£149,791</u>

A total number of 2,047 men got longer or shorter periods of employment.

Work started on January 21, 1920, on the Housing Estate, with two men only. The number was increased to twenty-four on March 3, it averaged about sixty through the summer months, was 102 at the end of August, and grew rapidly in November, reaching 398 at Christmas. The subsequent maxima and minima were:—

1921.		1922.	
January 19	247	January 18	344
March 9	593	February 1	391
May 18	427	April 5	256
June 1	501	April 12	274
August 10	342	July 12	136
October 19	508	July 26	148
		September 6	114
		September 20	135

Although this effort was a considerable one for the Borough to make, the employment of a fluctuating number of men from a few over 100 to a few short of 600 necessarily was only a very partial remedy for the mass of unemployment.

Larger schemes have been prepared for the coming winter and are being urged upon the Government Departments whose sanction and co-operation are necessary.

Outdoor Relief

As the result of the celebrated pursuit of the Prime Minister by the Labour Mayors of London and their interview with him at Gairloch, the Local Authorities (Financial Provisions) Act, 1921 (11-12 Geo. V., c. 67) was passed. By this Act, London Boards of Guardians were allowed to throw the cost of outdoor relief, which previously had fallen upon each Union separately, upon the Common Poor Fund of all London. In consequence, about one-fortieth only, on the average, of the cost of the outdoor relief granted by each Board falls upon the ratepayers of the district represented by the Board, and the remaining thirty-nine-fortieths on the ratepayers of other parts of London, who have no controlling voice in the administration; the only control over the Boards being vested in the Ministry of Health, which has been engaged in a difficult struggle with the most lavish of all Boards—that of Poplar.

The Woolwich Board on September 1, 1921, adopted a scale of 15s. per week for each adult and 5s. per week for each child, up to a maximum of £3 per week, i.e. if the family income was less than that required to provide 15s. per adult and 5s. per child it was made up by the Guardians to that amount. The extra relief was mainly given in the form of tickets for bread, meat, groceries, etc. This scale was considerably less than the Poplar scale, and attempts were made by the unemployed, under the leadership of so-called Communists, to intimidate the Guardians and coerce them into giving a higher rate, but without effect.

On June 1, 1922, the scale was given up in favour of

the "Mond Scale" prescribed by the Ministry of Health.

The reduction as compared with the scale of the Woolwich Board is not much greater than the fall in the estimated cost of living since the Woolwich scale was adopted.

The combined effect of the scarcity of employment and the Local Authorities (Financial Provisions) Act upon the number of persons in the Woolwich Union in receipt of relief is shown in the following table:—

NUMBER CHARGEABLE TO THE WOOLWICH GUARDIANS
(EXCLUDING LUNATICS)

Date.	Indoor.	Outdoor.	Date.	Indoor.	Outdoor.
Jan. 1, 1914	1,454	754	July 1, 1914	1,335	732
" 1918	975	228	" 1918	912	203
" 1919	883	214	" 1919	848	285
" 1920	957	407	" 1920	956	522
" 1921	1,013	764	" 1921	1,007	1,062
" 1922	1,081	6,968	" 1922	1,035	8,879

There is every prospect of this number being very considerably increased by next January.

The outdoor relief given by the Guardians is largely given to supplement the unemployment benefit (a) by bringing it up to the higher scale laid down by the Ministry of Health, and (b) by filling in the gaps during which the unemployment benefit is not payable.

So far as the Guardians are concerned, their administration of outdoor relief appears to be regarded by the great majority of Woolwich people as keeping a reasonable mean between the two errors of harshness and excessive extravagance. If the Woolwich ratepayers had themselves to bear an appreciable proportion of the total cost their opinion might be different.

Effects of Relief without Work

It is a common opinion that the dole system as worked doubly by the Labour Exchange and the Poor Law system is necessarily demoralising, and that:—

(1) It is specially demoralising to the young.
(2) That people who already were inclined to be idle and shiftless speedily become much worse in these respects, but that they jog along contentedly, not worrying about ever getting any work again.

(3) That the better-class people suffer very much. The men keep on trying in all sorts of ways, offering for any work they think there is any chance of their getting, irrespective of their previous experience and qualifications, and the women get very depressed and worried, wondering what will be the final upshot.

(4) That gambling has increased enormously and is now a perfect curse.

(5) Some very decided opinions were expressed to the effect that immorality, especially among young girls, has increased very greatly. (In this connection a Borough Councillor commented on the arrangement by which girls go to an office next door to the one to which men go to register at the Labour Exchange. Idle lads and idle girls, all in receipt of unearned money, he contended, make acquaintance with one another and get one another into mischief.)

Particular Cases

The following cases are vouched for on good authority as both true and typical:—

(A) A clerk, married during the war, has two children. Discharged from Arsenal after Armistice. Long refused to go to the Labour Exchange, hunted for work independently. Gradually got more and more desperate. Is now taking Labour Exchange *and Poor Law* money.

(B) Out of work now for five months. As keen as ever on getting work. Having saved money steadily for several years during the war, and also having relatives in work, is able to maintain his hopefulness and self-respect.

(C) Man, aged 47, five children, eldest boy of 16 also out of work. Guessed before discharged that bad times were coming and long got up at six every morning to search for an outside job—always hoping, always

disappointed. When discharged, for a long time refused to go to the Labour Exchange. Now, after seven months of registering, hopeless and hardened. Says, "If they want me to work they will have to bring the job to me."

(D) Well-educated woman, skilled dressmaker. During war married a man working in the Arsenal. Left a widow with one child. After long search during which savings (money, furniture, etc.) disappeared, found rough ill-paid work at "sectional dressmaking." Only friend in Woolwich a dock labourer's wife, who shares her home with her. Dock labourer when out of work is stood drink by friends, when in work stands drink in return; comes home with little money, to family quarrels. D, long much distressed, now hardened to it; goes out with labourer and his wife to public-houses where they drink together.

(E) Highly skilled man, scientific instrument maker. No chance now, apparently, of ever getting work at his trade again. Succeeded in getting work from Borough Council on road and sewer making. Hands now spoiled for his own work by pick and shovel. Deteriorated in standard of living, culture, etc. Consorts with navvies, and lives and talks like them.

(F) Was employed in Building Works Department, on work similar to navvies' work, and has had previous employment as navvy. When discharged tramped the country in search of work. Found everywhere influence or some disguised bribery of gangers necessary to get employment, and got very little. Ultimately returned, footsore, ill nourished. Was asked, "Why did you not register before?" Now draws unemployment pay, has given up looking for work independently of Labour Exchange, and knows that *that* will not find any for him.

(G) Widow, tall, capable woman, goes out charing. Says she has to waste two hours every day at the Labour Exchange, never any work to offer. Says, "12s. 6d. won't keep me, but soon I shall have a gap. I have had one gap already, but the next is eight weeks. What shall I do then? I shall have to go to the Guardians. I never have been to the Guardians in my life. If I could only

get something to do, if it brought no more than 12s. I should be very glad. Surely there is something useful that they could make with all that idle machinery—the Arsenal, if we were given a chance.”

Physical Condition of the Population

It is agreed on all sides that you do not see in Woolwich the starved, grey look that was so common among the unemployed at the time of the discharges after the South African War. The Birth-rate for the Borough of Woolwich for 1921 was 23·5, the Death-rate only 11·7, the second lowest of all Metropolitan Boroughs, though that for all London was only 12·4. The Infantile Death-rate was only 62 as compared with 83 and 84 for all London and England and Wales.*

The Borough Council provides milk for children and meals for expectant mothers. The milk provided is 1 lb. net of dried milk per week, supposed to be equivalent to one pint of milk per day. On a medical certificate the quantity can be increased. It is supplied free to families below a specified scale of poverty and at cost price to others not able to buy at the ordinary trade price. Half the cost of the free supply of milk is defrayed by the Ministry of Health.

MEMBERS ON ROLL.

	Expectant Mothers.	Nursing Mothers.	Children.
1919	178	54	1,263
1920	309	445	3,122
1921	489	588	4,150

Some indication of the changes of habit with regard to *domestic expenditure* is afforded by the sales in different departments of the Royal Arsenal Co-operative Society in the branches situated in Woolwich and Plumstead parishes.

The sale of loaves from Woolwich bakery was :—

Half year ending July, 1920	3,346,840
" " 1921	3,473,840
" " 1922	3,699,732

For earlier years the figures are not comparable.

The fluctuations in sales of Groceries, Butchery and Drapery Departments by *index numbers*, taking the sales in 1914 in each department as 100, have been :—

First half-year.	Grocery.	Butchery.	Bakery.
1914	100	100	100
1915	114	152	131
1916	127	194	132
1917	157	261	150
1918	176	273	169
1919	213	459	173
1920	267	398	182
1921	260	337	152
1922	208	240	112

In interpreting the significance of these figures, allowance must be made for the rise and fall of prices, which, however, still leave prices in 1922 far above the 1914 level. But while the bread sales show that the necessities of co-operators in the district are rather increasing than diminishing, the great falls in other purchases show their diminished resources.

The Invalid Children's Aid Society, which is very perfectly organised, reports that cases of malnutrition have become more frequent.

It should perhaps be repeated here that local observers are agreed in emphasising the demoralising influence of lack of work, combined with receipt of doles without work, on the young, and the suggestion is made that at least in their case the receipt of the dole might be made conditional on undergoing some useful training in education. It is also deplored that the present system very effectively discourages thrift. Nevertheless there seems to be a

balance of opinion among social workers to the effect :—

(1) That unemployment *plus* doles is not as demoralising as unemployment *plus* starvation.

(2) That until there is a revival in the demand for labour it is impossible to say whether the laziness induced by the present system is superficial and likely to disappear under changed conditions, or a permanent deterioration of character.

Remedies. I. THE ARSENAL PROBLEM.

It will be clear from the earlier part of this report that the condition of unemployment at present existing in Woolwich is the result of two sets of causes : (1) the heavy discharges from the Arsenal and other Government establishments since the Armistice, and (2) the general depression of trade throughout London and the country generally, particularly in the engineering trade, which debar men discharged from the Arsenal from finding private employment.

The discussion of possible remedies must, therefore, be concerned with the two sets of causes separately.

With regard to the Arsenal, there are three distinct issues :—

1. The distribution of Government orders for munitions of war during times of peace between Government factories and private firms.

2. The question of " alternative work," i.e. the question whether the plant and buildings of the Arsenal should not be utilised in part during times of peace for meeting other Government requirements than those for munitions of war, or even for manufacturing for the open market.

3. The question whether, if the Government will not utilise the site and buildings, it should not sell or lease some part to private firms which would give local employment.

With regard to these issues it is necessary to go somewhat into the past.

Before the South African War the orders of the War Office for munitions of war were divided between the

Government factories (Ordnance Factories, Woolwich Small Arms Factory, Enfield, and Small Arms Factory Sparkbrook), and private manufacturers, in the proportion of one-third to Government factories, two-thirds to private manufacturers.

After the South African War the private firms, not content with this proportion, secured the appointment of the "Murray" Committee (the Chairman of which is now a Director of one of the greatest of the Armament firms) which recommended that the staff at Enfield and Woolwich should be cut down to the smallest number from which expansion in times of war was supposed possible, and as large a proportion as possible of the orders given to private firms, which should thus be encouraged to equip themselves for production during war.

Hence while the men employed in the Ordnance Factories in Woolwich *before* that war exceeded 13,000, the Committee proposed that they should be reduced to 8,000. Enfield was similarly cut down, and the Sparkbrook Factory sold to the Birmingham Small Arms Co.

It is needless to add that this transfer of manufacture from Government factories to private firms was accompanied by a great increase in the total expenditure on munitions.

The people of Woolwich did not contest this policy in the agitation of 1905-6, etc., but contended:—

1. That to secure the rapid expansion of the output of munitions from the Arsenal during war it was necessary to maintain there a larger staff than 8,000.

2. That if not employed on war work the staff and machinery could profitably be employed in manufacturing other Government requirements.

This contention was referred to the "Henderson Conference" of Members of Parliament and War Office officials, which reported emphatically endorsing the Woolwich contentions. The Murray Committee's report was, however, acted upon, and that of the Henderson Conference ignored, and no alternative employment was found for Woolwich. It was also proposed then by a leading Woolwich citizen

(George Bishop, Secretary of the Woolwich Equitable Building Society) that the Dockyard should be sold to private firms and the work done there removed to the Arsenal. This idea was pronounced well worthy of consideration, but no action was taken.

Before the Armistice the Woolwich people, dreading an experience similar to that after the South African War, sent deputations to the Prime Minister and secured from him very explicit promises that the Arsenal should be well maintained and fully utilised during peace, in the manufacture of peaceful commodities when not needed for war work. The execution of these promises has been limited to giving the Arsenal one order for a few locomotives, concerning which more below. And it is now ascertained that the policy of the Government is to reduce the Ordnance Factories even below the 8,000 of the Murray Committee—namely, to 6,600.

Leading opinion in Woolwich is now clear on the following lines :—

(1) The demand for " alternative work " is not practical politics at present. War Office and Treasury officials don't like it, and accordingly whatever work were done would be killed as an apparently profitable transaction by being loaded with the tremendous overhead charges due to a mere nucleus of men being employed in workshops in which 63,000 were employed during the war. Further, the locomotives above mentioned are a deadly weapon against this policy. They were beautifully made, " made like a gun," and probably would outlast any ordinary locomotive, *but even apart from overhead charges* they cost more than the private manufacturers' price, and they cannot be sold to cover prime cost. Further, now that all private engineering firms are so badly off for demand, this is the wrong time for Government establishments to compete in the open market.

(2) On the other hand, the experience of the war completely disproves the arguments used for feeding munition firms with orders for war munitions during peace. It showed :—

(a) That during war *all* production must be organised and that practically no advantage comes from some private firms having been induced to maintain so much plant in time of peace.

(b) That existing works need to be supplemented now by national factories.

(c) That for organising and supervising both the private manufacturer and new national factories, the State must rely on its *own staff*, trained in the Ordnance Factories during peace.

(d) And that therefore the reduction to very small staffs of the factories at Woolwich and Enfield was a most serious hindrance to rapid expansion during war (rapid expansion being the avowed object of such reduction), and also to securing *efficiency and quality*.

(e) Further, the very existence of private firms making profits out of war materials, with great numbers of very influential shareholders and directors, is in itself a great contributory cause to the outbreak of war and perpetual nervousness about war, and in the interests of peace it is most desirable that all such private manufacture should be prohibited, and that whatever war material is manufactured should be manufactured by Governments only.

For these reasons Woolwich contends that *all* the orders during peace time for war material should be given to Government factories, and *none* to private traders, holding this to be in the national interest for (a) economy and reduction of naval and military expenditure, (b) maintenance of peace; and (c) national safety in the event of unavoidable war.

This policy, it is calculated, would mean sufficient increase of employment in the Arsenal to reduce the numbers of those unemployed to very moderate numbers, and the encouragement to local miscellaneous private employments would further absorb many of the remainder.

With regard to sale of the Dockyard and leasing of shops in the Arsenal (the latter proposal having been put forward by one of the Woolwich Members), it is thought :—

(1) That as engineering and other industries are situated at present, the Government would get no offers.

(2) That the proposal is dangerous, as playing into the hands of the Armament Ring, which would use it as a means of strengthening the pernicious industry of private manufacture of war material.

(3) But that if once the "100 per cent. to Government factories" and prohibition of private manufacture of munitions were established, then by all means let any plant and buildings not required by Government be leased to private firms, on condition that they should work under Government orders if war breaks out.

Remedies. II. THE GENERAL PROBLEM

With regard to the general problem, there is probably less hard thinking to be found in Woolwich than in most centres where unemployment is very acute. This is natural, as the Arsenal problem absorbs men's thoughts.

It is recognised that allotments are a valuable palliative. The Borough Council provides 694 allotments under the Defence of the Realm Act; 630 under the Small Holdings and Allotments Acts; 247 on its own land; the Royal Arsenal Co-operative Society provides many allotments on its land; and there are more let by private owners to associations. But the number of allotments has not increased during the last two years of rapidly increasing unemployment.

Familiar opinions among employers are expressed, e.g. :—

(1) That unemployment must be dealt with as a national problem.

(2) That no improvement can be expected till the question of German reparations is settled and foreign exchanges are stabilised.

(3) That there will be no improvement till manual workers put heart into their work.

(4) That there will be no improvement till taxation is reduced.

(5) That the institution of the dole system is the greatest

blunder the Government has committed ; the unemployed must not be allowed to starve, but the assistance given should be limited to bare necessities.

(6) That failing extensive constructive works by Government the dole system was necessary, and has probably warded off revolution.

The following less hackneyed ideas were discussed with particular employers :—

1. That in view of the necessity for Great Britain of importing food and raw materials, the exporting industries must be regarded as basic for Britain, as agriculture is for such countries as France. Export being now carried on under unprecedented difficulties of varying exchanges and hostile tariffs, the highest possible organisation of export trade is now necessary, and Government should call conferences of manufacturers with a view to the creation of Export Associations similar to the Japanese Export Association of Textile Manufacturers ; and that such associations should appoint an advisory committee to suggest means whereby Government can assist export business without undue cost or risk.

2. That in order to stimulate house-building, and thus both remedy the housing shortage and increase employment in one great industry, on the one hand the Rent Restriction Act should be allowed to expire, but on the other hand a temporary (ten years, say) exemption from local and imperial taxation should be allowed to all new houses. It is argued that :—

(a) This would be much more economical and more effective than the extravagant housing policy instituted by the Ministry of Health under Dr. Addison.

(b) That while it seems unfair to owners of existing houses that new houses should not share the burden of the rates, these ratepayers are already suffering that loss because the new houses are not built (except at the expense of rate and tax-payers) and the increased employment would benefit them by reducing poor rates.

(c) That they would also benefit by the increased supply of houses making possible the abolition of Rent Restrictions.

(d) That pre-war houses have (or would have but for rent restriction) an unearned increment of value due to having been built more cheaply than is now possible, and therefore the privilege for new houses is equitable.

(e) That Rent Restriction has many unfair and undesirable features, and it is desirable that we should revert to freedom of contract between owner and tenant, but this is not possible without a prospect of an ample supply of housing—which again can only be attained economically by a stimulus to private enterprise.

(f) That it is on record (*see* Dr. Albert Shaw's *Municipal Government on the Continent of Europe*) that this plan was tried with great success in Vienna at the time of the remodeling of the city by the removal of the fortifications.

It was observed by one of the Directors of the Royal Arsenal Co-operative Society that scarcity of housing militates against mobility of labour and against the absorption of the unemployed in industry.

APPENDIX I

TABLES ILLUSTRATING THE LOCAL AND INDUSTRIAL DISTRIBUTION OF UNEMPLOYMENT. (See p. 16.)

TABLE I

INSURANCE STATISTICS. DISTRICT SUMMARY OF MEN (OVER 18 YEARS) UNEMPLOYED, AUGUST 21, 1922.*

INDUSTRY.	London.		South-East.		South-West.		Midland.		North-East.		North-West.		Scotland.		Wales.		N. Ireland.		Total.			
	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.	No. of Unemployed.	% of Insured.		
	000's		000's		000's		000's		000's		000's		000's		000's		000's		000's		000's	
Building and construction	27	15	13	11	14	14	17	19	19	18	18	16	14	18	6	17	4	31	132	16		
Shipbuilding	4	27	2	20	9	22	—	—	39	49	17	30	37	48	6	38	10	29	124	39		
Engineering, vehicles and metals	32	17	18	18	13	18	87	38	102	39	59	23	68	33	8	12	5	38	392	24		
Pottery, glass, bricks, etc.	2	22	3	17	1	17	9	21	4	21	3	20	5	25	1	17	—	—	25	20		
Chemicals and explosives	4	12	1	12	1	16	2	17	6	19	7	14	2	13	2	28	—	—	25	13		
Coal-mining	—	—	—	—	3	18	11	6	24	7	9	8	11	8	23	10	—	—	81	8		
Other mining and quarries	—	—	—	—	3	19	2	13	5	26	3	25	1	20	1	7	1	39	16	18		
Textiles	1	11	—	—	14	3	8	7	6	19	16	4	10	—	—	—	4	17	39	9		
Clothing	4	8	2	13	2	13	4	8	1	5	2	8	2	13	—	—	1	25	18	9		
Food	5	9	2	7	2	9	3	9	2	7	4	11	3	10	—	—	1	12	22	9		
Transport, docks, seamen, etc.	26	12	7	13	10	14	7	12	16	14	30	18	13	14	4	9	3	20	118	14		
Miscellaneous trades and services †	16	10	4	9	4	10	10	15	5	11	9	23	6	12	1	12	2	33	57	12		
Totals	121		52		63		155		230		180		165		52		31		1049			
Per cent. of insured		13		12		15		18		18		16		21		12		25		16		

* The numbers insured are as estimated in January, 1922.

† Excluding Hotel Service, Commercial, Clerical, Insurance, Banking, Government Service, Public Utility Service, Professional, Distributive Trades and Oil cloth, etc.

TABLE II

LIST OF ALL DISTRICTS IN GREAT BRITAIN WHERE OVER 10 PER CENT. AND OVER 1,000 MEN WERE UNEMPLOYED.

LONDON.

District.	No. Unem- ployed	%	District.	No. Unem- ployed.	%
Acton	2,030	12	Leyton	5,796	24
Canning Town	9,530	12	Shepherd's Bush	5,016	16
Deptford	7,085	20	Tooting	2,755	23
Enfield	2,966	15	Wood Green	2,033	18
Willesden	3,141	16	Richmond	1,526	22
Lewisham	2,506	17	Brentford	1,683	11
Poplar	7,954	23	Camden Town	4,134	16
Stratford	6,432	17	Croydon	2,431	10
Walham Green	3,835	10	Edgware Road	4,856	12
Brixton	2,584	15	Hackney	6,769	20
Bermondsey	4,184	17	Ilford	2,004	14
Camberwell	6,965	23	Penge	1,007	12
Clapham Junction	7,480	22	Stepney	6,543	10
East Ham	4,492	22	Tottenham	5,205	20
King's Cross	5,385	10	Woolwich	7,538	17
Holloway	4,873	15			

SOUTH-EASTERN.

Kingston Town	1,200		Sheerness	5,700	26
Gravesend	2,200	20	Dartford	1,800	15

SOUTH-WESTERN.

Bath	1,900	17	Gosport	1,000	21
Kingswood (Bristol)	1,400	18	Cinderford	1,500	34
Portsmouth	6,800	19	Weymouth	1,200	32
Gloucester	2,400	32	Plymouth	5,100	24
Aldershot	1,200	22	Devonport	3,300	22
Redruth	1,300	39	Eastville (Bristol)	3,000	35
Camborne	1,398	50	Woolsten	1,000	18
Bristol	7,500	12	Cowes	1,000	17
Southampton	4,800	13	Stroud	1,900	27

WALES.

Merthyr	3,200	38	Bute	2,800	31
Abertillery	1,100	15	Aberdare	1,100	10
Barry	1,700	20	Port Talbot	1,900	16
Tonypandy	1,300	20	Brynmawr	1,400	47
Ebbw Vale	1,800	18	Newport and Dks.	4,000	17
Neath	1,700	10	Cardiff	3,000	10
Swansea and Dks.	18,100	22			

APPENDIX I

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MIDLANDS.

District.	No. Unemployed.	%	District.	No. Unemployed.	%
Luton	1,800	12	Stafford	1,100	16
Oakengates	1,900	28	Rugby	1,100	14
Birmingham	21,500	18	Redditch	1,600	22
W. Bromwich	3,900	26	Longton	2,600	28
Selly Oak	2,600	17	Gainsbro'	1,300	22
Wolverhampton	7,000	22	Long Eaton	1,800	20
Willenhall	1,700	32	Ipswich	5,300	23
Sparkhill	9,000	31	Bedford	1,500	16
Leamington	1,200	22	Yarmouth	2,000	21
Coventry	7,700	19	Bilston	3,800	30
Grantham	1,500	32	Darlaston	2,200	39
Nottingham	7,100	17	Smethwick	6,000	26
Stoke	1,700	11	Brierley Hill	1,800	26
Hanley	3,400	18	Walsall	6,800	29
Colchester	1,500	18	Aston	7,000	26
Norwich	4,600	18	Dudley	4,400	23
Lowestoft	1,700	21	Worcester	2,000	20
Wednesbury	3,300	32	Nuneaton	1,200	11
Cradley Heath	6,800	42	Burslem	2,500	25
Oldbury	2,300	25	Newcastle-under-		
Stourbridge	1,900	24	Lyme	1,500	14
Tipton	3,000	33	Lincoln	4,800	28
Handsworth	3,600	44			

NORTH-EASTERN.

Huddersfield	3,200	10	Willington Quay	1,600	39
Thornaby	3,000	55	Guisbro'	1,100	54
Jarrow	4,300	43	Derby	4,700	13
Bishop Auckland	3,600	36	Sheffield	22,200	33
Leeds	11,100	15	Blythe	1,100	13
Elswick	5,000	27	Barnsley	3,300	17
South Bank	3,500	29	Spennymoor	2,100	18
North Shields	3,500	31	Blaydon	1,300	15
Durham	1,800	14	Rotherham	4,000	13
Halifax	2,400	10	Pallion	5,400	37
Gateshead	6,600	25	Hoyland	1,400	24
W. Hartlepool	5,500	30	Crook	1,500	14
South Shields	6,400	43	Darlington	3,000	17
Spn Valley	1,200	11	Consett	1,700	12
Hartlepool	2,300	60	Felling	1,500	22
Newcastle-on-			Wombwell	1,300	19
Tyne	6,700	19	Saltburn	1,900	61
Sunderland	9,400	41	Stockton	6,900	49
Wallsend	3,200	16	Middlesbrough	11,700	33
Dunston	2,000	54	Hebburn	2,300	25
Attercliffe	11,000	31	Morley	1,700	16
Dewsbury	1,400	11	Hull	9,700	15
Southwick	2,000	21			

APPENDIX I

NORTH-WESTERN.

District.	No. Unem- ployed.	%	District.	No. Unem- ployed.	%
Macclesfield . . .	1,200	16	Manchester . . .	12,000	11
Widnes	1,800	16	Oldham	4,200	10
Bootle	10,300	19	Blackburn	4,200	15
Chester	1,700	17	Hyde	1,900	24
St. Helens	4,200	16	Preston	4,700	17
Glossop	1,000	17	Birkenhead	10,100	26
Crewe	1,700	13	Rochdale	2,800	11
Bury	2,100	14	Barrow	10,700	49
Stockport	3,100	14	Salford	7,800	17
Liverpool	30,800	13	Burnley	2,800	11
Stalybridge	1,800	25	Wigan	3,100	10
Bolton	4,200	10			

SCOTLAND.

Motherwell	5,800	27	Alexandria	1,900	58
Bridgeton	11,100	46	Renfrew	1,100	12
Glasgow, South side	10,900	33	Ayr	1,300	15
Kinning Park . . .	3,700	48	Aberdeen	7,400	23
Port Glasgow . . .	3,300	44	Stornaway	2,000	52
Dumbarton	2,400	40	Rutherglen	1,300	19
Greenock	5,700	28	Coatbridge	4,100	26
Leith	4,300	23	Springburn	6,400	31
Dundee	6,700	18	Glasgow	9,800	11
Wishaw	3,100	38	Kilmarnock	1,700	19
Cambuslang	1,400	22	Partick	6,000	33
Paisley	5,000	31	Clyde Bank	5,100	21
Falkirk	2,900	18	Govan	7,700	42
Johnston	1,600	33	Edinburgh	7,500	15
Maryhill	5,400	59	Arbroath	1,100	29

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TABLE III

PLACES WHERE UNEMPLOYMENT WAS OF SERIOUS DIMENSIONS,
AUGUST, 1922

District.	Place.	Worst Industries.	Number Unemployed.	All Industries.	
				No. Unemployed.	Per cent.*
LONDON	Bermondsey . .	Transport	1,541	4,184	17
	Camberwell . .	Transport	1,444	6,965	23
	Clapham Junc. .	Transport	1,009	7,480	22
	Deptford. . .	Engineering	1,133	7,085	20
		Transport	929		
	Leyton . . .	Engineering	1,287	5,796	24
	Poplar . . .	Transport	3,176	7,954	23
	Stepney . . .	Transport	2,941	6,543	10
	Stratford. . .	Engineering	1,128	6,432	17
		Transport	1,006		
	Tottenham . .	Engineering	1,110	5,205	20
	Edgware Road	Miscellaneous Trades and Services	1,200	4,856	12
	Woolwich . .	Engineering	1,731	7,538	17
	Camden Town .	Engineering	646	4,134	16
		Transport	581		
	East Ham . .	Engineering	676	4,492	22
	Hackney . .	Engineering	792	6,769	20
		Transport	720		
	Willesden . .	Engineering	904	3,141	16
	Holloway . .	Transport	744	4,873	16
	Engineering	640			
SOUTH-EASTERN	Rochester and neighbourhood	Engineering	1,332	5,736	25
SOUTH-WESTERN	Bristol	Transport	2,157	7,529	12
	Southampton and Woolston	Shipbuilding	2,447	5,818	13
Portssmouth and Gosport . .	Shipbuilding	1,945			
		Transport	3,323	7,874	19
		Shipbuilding	554		
	Plymouth and Devonport . .	Shipbuilding	1,460	8,442	24
		Engineering	1,305		
		Transport	1,100		
WALES	Camborne and Redruth . .	Mining	1,728	2,716	44
	The Coal-mining area (- 10 per cent. of insured)	Coal	22,722	54,467	11
	Swansea and Docks . . .	Transport	561	18,103	22
		Shipbuilding	656		
	Newport and Docks . . .	Shipbuilding	1,147	4,000	17
	Iron & Steel	925			
	Transport	458			
	Cardiff, Barry and Bute . . .	Shipbuilding	3,153	7,561	15
		Transport	1,709		
EAST MIDLANDS	Ipswich . . .	Engineering	2,350	5,314	23
		Transport	791		
	Norwich . . .	Engineering	813	4,601	18
	Luton . . .	Engineering	943	1,814	12
	Nottingham . .	Lace	938	7,138	17
Lincoln . . .	Engineering	3,544	4,722	28	

* The numbers insured are as estimated in January, 1921.

District.	Place.	Worst Industries.	Number Unem- ployed.	All Industries.					
				No. Unem- ployed.	Per cent.*				
BIRMINGHAM District	Birmingham and Black Coun- try	Engineering Metal Trades	26,780 30,270	96,698	25				
	Coventry. . . .	Cycles and Motors	3,387			7,716	19		
	Redditch. . . .	Cycles and Motors	893			1,640	23		
YORKSHIRE	Stoke. . . .	Pottery	5,496	11,799	18				
	Sheffield	Iron & Steel	13,816			33,219	34		
	Rotherham	Engineering	9,759			3,993	13		
	Leeds	Iron & Steel	1,955					11,086	15
	Barnsley	Engineering	4,796					3,283	17
LANCASHIRE	Hull	Coal	1,533	9,691	13				
		Transport	3,089						
	Liverpool	Shipbuilding	2,237	50,187	21				
	Birkenhead	Transport	19,968						
	Bootle	Shipbuilding	11,151						
	DURHAM, CLEVELAND AND NORTH- UMB' LAND	Manchester and Salford	Engineering	3,749	19,779	12			
		Preston	Transport	2,830					
		Bolton	Engineering	1,480			4,720	17	
		Blackburn	Engineering	1,533			4,173	10	
			Engineering	1,264			4,184	15	
		Cotton	1,066						
Barrow		Shipbuilding	3,422	10,650			49		
		Engineering	4,993						
St. Helens		Glass	1,438	4,172			16		
SCOTLAND		Middlesbrough and neighbourhood	Shipbuilding	3,494			18,230	34	
	Hartlepoons	Iron & Steel	8,599						
	Stockton	Engineering	2,792	7,831	35				
		Engineering	2,000						
	Darlington	Engineering	2,501	6,894	49				
	Sunderland and neighbourhood	Iron & Steel	1,365						
	Newcastle and neighbourhood	Engineering	1,639	2,978	17				
		Engineering	8,990						
	Motherwell, Coat- bridge and Wishaw	Shipbuilding	3,266	16,772	37				
	Glasgow and Clyde	Engineering	13,368						
Edinburgh and Leith	Shipbuilding	13,060	42,491	25					
Dumdee	Engineering	8,346							
SCOTLAND	Aberdeen	Iron & Steel		12,978	28				
		Engineering	32,223						
		Shipbuilding	27,597			91,630	27		
		Transport	6,656						
		Engineering	1,942			11,806	17		
	Shipbuilding	1,811							
	Jute	1,418	6,741	18					
	Engineering	1,158							
	Transport	1,550	7,409	23					
	Engineering	1,232							
	Shipbuilding	1,168							

* The numbers insured are as estimated in January, 1921.

APPENDIX II

PRODUCTION AND EXPORTS OF IRON, STEEL, SHIPS AND COAL

PIG IRON

Tons: Monthly Average.

	1912.	1913.	1920.	1921.	1922.		
					1st Qr.	2nd Qr.	3rd Qr.
Production	729,000	855,000	669,500	217,600	326,000	390,500	413,700
Imports	18,100	18,000	19,300	56,800	19,500	6,400	11,900
Exports	105,200	93,700	48,300	11,300	39,400	52,100	61,500
% of pre-war average	—	—	48	11	39	52	62
Available for Home consumption	641,900	779,300	640,400	261,100	306,100	344,800	364,800
% of pre-war average	—	—	90	37	45	49	51

STEEL

Tons: Monthly Average.

	1912.	1913.	1920.	1921.	1922.		
					1st Qr.	2nd Qr.	3rd Qr.
Production of steel ingots and castings	566,000	639,000	755,600	302,100	432,000	422,300	519,100
Production of finished steel (75% of above)	424,000	479,000	567,000	227,000	324,000	316,600	389,300
Imports of finished steel	148,200	167,900	73,300	80,300	52,900	51,500	57,000
Exports of finished steel	395,400	320,400	222,600	130,400	218,200	203,600	205,400
% of pre-war average	—	—	72	43	72	66	67
Available for Home consumption	276,800	326,500	417,700	176,900	158,700	164,500	240,900
% of pre-war average	—	—	138	58	52	54	80

APPENDIX II

TONNAGE OF SHIPS

Monthly Average.

Monthly Average of.	Tonnage Launched.	Exported.	Home.
1912	144,876	31,791	113,085
1913	161,013	40,216	120,797
1920	171,302	39,557	131,745
1921	128,171	47,368	80,803
1922—			
1st Quarter	111,451	67,684	43,767
2nd Quarter	49,629	27,294	22,335
3rd Quarter	102,411	35,401	67,010

COAL

Tons : Monthly Average.

Monthly Average of.	Production.	Imports.	Exports.	Burker.	Home Consumption.
1912	21,701,000	—	5,370,400	1,524,300	14,806,300
1913	23,951,000	—	6,117,000	1,752,000	16,082,000
1920	19,128,000	—	2,077,600	1,153,400	15,897,000
1921	13,653,000	290,000	2,055,000	910,500	10,977,500
1922—					
1st Quarter	20,734,000	—	4,412,100	1,467,700	14,854,200
2nd Quarter	19,184,000	—	4,649,100	1,475,800	13,059,100
3rd Quarter	21,112,000	—	6,097,500	1,578,500	13,436,000

APPENDIX III

MINISTRY OF HEALTH CIRCULAR NO. 240, OF
SEPTEMBER 8, 1921, TO BOARDS OF GUARDIANS
ON POOR LAW RELIEF TO UNEMPLOYED
PERSONS. (See p. 47.)

POOR LAW RELIEF AND UNEMPLOYMENT.

SIR,—

In view of the distress arising from the continuance of exceptional unemployment and the large numbers who in various parts of the country are dependent upon Poor Law relief at the present time, the Minister of Health deems it desirable to draw the attention of the Guardians to some of the more important rules which should guide them in the administration of relief. The Minister has had the advantage of consulting the Association of Poor Law Unions in England and Wales, and he is assured that they are in entire agreement with him in attaching importance to the observance of these rules.

It has long been recognised, both by the Central Department and by Boards of Guardians generally, that relief given under the Poor Law should be sufficient for the purpose of relieving distress, but that the amount of the relief so given should of necessity be calculated on a lower scale than the earnings of the independent workman who is maintaining himself by his labour. This is a fundamental principle any departure from which must in the end prove disastrous to the recipient of relief as well as to the community at large, and, although the Minister has no desire unduly to fetter the discretion of the Guardians as to the manner or method in which they afford relief, he will feel bound to exercise the powers which he possesses and to disapprove a departure from the Relief Regulation Order authorised by Article XII thereof in any case in which the relief given is contrary to this principle. The Minister thinks it necessary for this purpose to require that, when reporting departures under Article XII of the Relief Regulation Order, the Clerk to the

Guardians should give sufficient particulars as to the amount of relief granted, either generally or in particular cases, to enable the Minister to satisfy himself that the amount given is not in excess of what is necessary in accordance with the above-mentioned rule.

The next broad principle to be observed is that relief should not be given without full investigation of the circumstances of each applicant for relief. The giving of indiscriminate relief without proper investigation is demoralising to the recipients and is an injustice to the ratepayers. The Minister suggests, for the consideration of the Guardians, that they should require each applicant to sign a form containing a complete statement as to the income of his household from all sources. Orders for relief should be given for short periods only, and further investigation should precede the renewal of the orders. In no case should relief be given in money until the case has been before the Guardians and reported on by the Relieving Officer. In some unions it may be necessary for the Guardians to employ additional staff for the purposes of investigation and the Minister hereby sanctions the employment of such additional staff as may be reasonably necessary for this purpose.

The greater proportion of the relief granted to the cases now in question should be given in kind, and where the Guardians do not supply relief in kind from their own Out-relief Distribution stores the orders on tradesmen should specify in detail the particular articles to be supplied. Prices at which the articles are to be supplied should be arranged beforehand with the tradespeople supplying them. It will generally be found desirable that the payments to tradespeople should be made direct from the Clerk's Office and not by the Relieving Officers.

As there appears to be some misapprehension in regard to the power of the Guardians to give sufficient relief to pay rent, the Minister wishes to point out that while the Regulations prohibit the Guardians or their officers from paying rent directly to the landlord they do not prevent the Guardians, in considering the amount of relief to be afforded to any particular person, from taking account of the expense being incurred by such person in providing lodging. It is desirable, of course, that the Guardians should satisfy themselves that any part of the relief which they have given for the purpose of paying rent is in fact devoted to this purpose and they should therefore require the production by the recipient of relief of his rent book or other evidence that the rent is being duly paid.

The Guardians are reminded that any relief which may be given to, or on account of, any person above the age of 21,

or to his wife, or any member of his family under the age of 16, in accordance with the Regulations, may, if the Guardians think fit, be given by way of loan. The Minister considers it desirable that the Guardians, wherever practicable, should adopt this course, and all reports notifying departures under Article XII of the Regulations should include a statement as to the extent to which this policy has been adopted. It is suggested that the form of declaration which, as recommended above, should be signed by each applicant should include an undertaking to repay the relief that may be granted.

The Minister fully appreciates the difficulties with which the Guardians have to contend at the present time. He is confident that they will recognise their grave responsibility both to those who apply to them in distress and to the public whose funds they administer, and he has no doubt that on the present occasion as in the past he can rely on their discharging their arduous duties with both courage and sympathy.

APPENDIX IV

EXPENDITURE ON RELIEF OF UNEMPLOYMENT: OFFICIAL STATEMENTS. (*See p. 62.*)

A. SINCE THE ARMISTICE

In reply to a question in the House of Commons on May 19, the Minister of Labour gave the following figures relating to expenditure on the relief of unemployment since the Armistice :—

I.—UNEMPLOYMENT RELIEF WORK.

As many of the schemes to which the Government has contributed are in progress, there is no complete central record of actual expenditure up to date. The figures below are, therefore, given in terms of grants indicated by the Government, together with corresponding sums which the local authorities were required to raise.

- (a) *Ministry of Transport—Arterial and other road work.*
- | | |
|---|-------------|
| Grants indicated | £6,200,000 |
| Contribution by local authorities | £6,200,000 |
| | £12,400,000 |
- (b) *Unemployment Grants Committee.*
- (i) *Grants on basis of 60 per cent. of wages bill.*
- | | |
|--|------------|
| Grants allocated (deducting schemes which will not rank for grant) | £2,630,000 |
| Balance of cost to be paid by local authorities | £6,353,000 |
| | £8,983,000 |
- (ii) *Loans Scheme.*—In addition, capital expenditure to the amount of £17,238,000 has been approved for contribution towards the loan charges under the Loans Scheme.
- (c) *Agricultural Schemes :*
- (i) *Ministry of Agriculture—Land Drainage Schemes.*
- | | |
|---------------------------------------|----------|
| Maximum commitments to date | £388,000 |
|---------------------------------------|----------|
- NOTE.—Of this sum £113,000 is recoverable from Drainage Boards and landowners.
- (ii) *Ministry of Agriculture—Water Supply Schemes :*
- | | |
|---------------------------|--------|
| Grants promised | £9,600 |
|---------------------------|--------|

The total cost of these schemes is estimated at £28,200, of which £18,600 is borne by landowners.

- (iii) *Scottish Board of Agriculture—Land Drainage Schemes.*
Grants sanctioned £21,000

NOTE.—This figure is approximately one-half of the total cost of the schemes.

(d) *Forestry Commission :*

Estimated cost of approved unemployment schemes additional to normal estimates	£206,000
Estimated expenditure to be incurred by landowners and local authorities on certain of these schemes	£141,000
	<hr/>
	£347,000

(e) *Office of Works :*

(i) Emergency schemes (winter, 1920-21) of decorating and repair work in Government Departments	£77,000
(ii) Relief work—Royal Parks (winter, 1921-22)	£50,000
	<hr/>
	£127,000

(f) *Local Authorities :*

In addition to relief measures outlined above to which the Government have been contributing, local authorities throughout the country have instituted a substantial amount of relief work without Government assistance. Figures as to expenditure incurred in this way are not available, but returns received from local authorities show that throughout the last eighteen months they have been employing between 8,000 and 10,000 men in this way. The present number reported to be so employed exceeds 10,000.

II.—UNEMPLOYMENT INSURANCE, ETC.

(a) *Out-of-work Donation :*

(i) Ex-service men and women	£40,000,000
(ii) Civilians	£22,000,000
(b) Unemployment benefit (including dependants' grants)	£82,000,000
	<hr/>
	£144,000,000

III.—OTHER FORMS OF ASSISTANCE.

(a) Resettlement Training	£26,692,000
(b) Civil Liabilities Grants	£3,450,000
(c) Overseas Settlement	£1,830,000

NOTE.—In addition, £375,000 was set aside from the National Relief Fund for this purpose.

IV.—OTHER MEASURES.

In addition to the foregoing schemes the Government have instituted the following measures, namely :—

(1) *Trade Facilities Scheme.*

Maximum sum the Treasury may guarantee for capital works	£25,000,000
Guarantee given or sanctioned to date	£16,752,000

(2) *Export Credit Scheme.*

Total sum which may be sanctioned	£26,000,000
Advances, guarantees and credits sanctioned	£12,250,000

(3) *Acceleration of Government Contracts.*

Sum set aside by Government in autumn, 1921, for contract acceleration	£563,000
--	----------

(4) *Land Settlement for ex-service men.*

Expenditure by Ministry of Agriculture and Fisheries	£1,523,860
--	------------

(5) Loans under the Land Facilities Act, 1919, made by the Public Works Loan Commissioners to County Councils for capital expenditure on small holdings for ex-service men

£12,269,000

The Minister also stated that the present average weekly rate of expenditure on unemployment benefit is approximately £1,100,000, and the corresponding figure for outdoor relief of the unemployed is £247,000.

B. NOVEMBER, 1920—NOVEMBER, 1922.

Figures from speech of Minister of Labour in the Debate on the Address, November 30, 1922.

Nature of Expenditure.	Amount.	No. of Unemployed Persons given work.
Road Development	£14,000,000 ..	25,000
Road Repair and Maintenance	£20,000,000 ..	20,000
Afforestation and Light Railways	£1,250,000 ..	12,000
Work for Post Office and other Central Departments	£3,000,000 ..	10,000
Unemployed Grants Committee :		
Capital involved in schemes aided by 60 per cent. grant of wages	£10,250,000	} 200,000
Capital involved in schemes assisted by Grant towards interest	£19,000,000	

Nature of Expenditure.	Amount.	No. of Unemployed Persons given work.
Unemployment Insurance	£109,000,000	
Government Contribution	£30,000,000	
Export Credits: amount guaranteed	£22,000,000	
Trade Facilities Act.	£22,500,000	

C. PROPOSED EXPENDITURE ON UNEMPLOYMENT RELIEF, NOVEMBER 30, 1922.

(Minister of Labour's Speech November 30, 1922.)

	Estimated Expenditure.	Special Govt. Contribution.
Roads (funds available from previous year, and included in B above)	£5,300,000	
Roads: Liverpool-Manchester Road (conditional on Local Authorities meeting half the cost)	£3,000,000	£1,500,000
Unemployed Grant Committee: Completion of schemes on which expenditure already authorised	£7,000,000	
New schemes on basis of 60 per cent. of Wages Grant	£2,000,000	£600,000
Land Drainage and Afforestation Office of Works: Overtaking Arrears	£375,000	£270,000
Post Office Capital Expenditure	£1,000,000	
Trade Facilities Act:		
Outstanding	£2,500,000	
Extension Authorised	£25,000,000	
Export Credits: Outstanding	£4,000,000	
Export Credits: Further extension if necessary.		
Unemployment Insurance: 4th "Special Period," Nov. 1 to July 1	£35,000,000	
Poor Law Relief: Borrowing Powers of Guardians to be renewed.		
Railway Companies Capital Expenditure	£5,000,000	Nil.

APPENDIX V

TRADE FACILITIES ACT, 1921.

STATEMENT OF GUARANTEES WHICH THE TREASURY HAVE STATED THEIR WILLINGNESS TO GIVE UP TO MARCH 31, 1922. (See p. 56.)

Name.	Amount.	Extent of Guarantees.	Period Years.	Purpose of Loan.
Harland & Wolff, Ltd. . . .	1,493,345	Principal and Interest.	10	Establishment of ship-repairing works on Thames, widening a Dock and construction of new wharf at Meadowside Shipyard, Glasgow, and work at Greenock Shipyard.
Calcutta Electric Supply Corporation, Ltd.	500,000	" "	25 redeemable after 15	Purchase and installation of additional generating plant and buildings, additional High Tension Cables and Transformers, and additional direct Current Mains.
Holbrook Brick and Tile Co., Ltd. (Trotter and Liley).	4,700	" "	4	Extension of Brick Works.
W. Beardmore & Co., Ltd. .	600,000	" "	5	Completion of vessel at Beardmore's yard for Societa Anomina per Azione Lloyd Sabuado.
Palmers Shipbuilding Co., Ltd. .	300,000	" "	20	Construction of a new Graving Dock at Swansea.

Merton Board Mill, Ltd. . . . (Hugh Stevenson & Sons, Ltd.).	100,000	" "	10	To complete erection and equipmen of Boardmill by erection of build ings and provision of engines an boilers.
Regents Canal and Dock Co., Ltd.	40,000	" "	20	Various improvements in Limehous Basin.
Underground Railway . . .	3,000,000	" "	30	Enlargement of tunnel of the City & South London Railway, improve ment of stations and provision c new rolling stock, and Extensio of London Electric Railway from Golder's Green to Edgware.
Rhymney Valley Sewerage Board	250,000	" "	25	Drainage and disposal scheme fo Urban Districts in Rhymney Valley
Minehead Electric Supply Co., Ltd.	4,500	" "	25	Provision of Generator and Overhea Mains.
Cropper & Co., Ltd	100,000	" "	10	Building and equipment of new fac tory for manufacture of foldin boxes at Thatcham.
South Eastern & Chatham Railway Co.	6,500,000	" "	25	Electrification of Suburban lines.
Leckhampton Quarries, Ltd. . .	50,000	" "	25	Construction of Railway from Lime stone Quarries to G.W.R.
Kent Electric Power Co., Ltd.	15,600	" "	20	Provision of Mains, transformin Apparatus and Station Plant.
	<u>£14,958,145</u>			

APPENDIX VI

PROPOSAL FOR MODIFICATION OF UNEMPLOYMENT INSURANCE SCHEME

PUT FORWARD AT TIME OF PASSING OF 1920 ACT. (*See p. 79*)

A group of employers and representatives of labour have for some months past been meeting in informal discussions to consider some of the more important problems pressing upon industry during this present period of reconstruction. They soon came to the conclusion that by far the most urgent and serious of these problems was that of unemployment. It was considered to be the basic problem. While recognising the obvious truth that the only satisfactory cure for unemployment is employment, and that every effort should be made to effect a cure on these lines, they agreed that there may always be a margin of workers which industry cannot absorb, and that it is absolutely essential to deal with these on lines far more adequate than those provided by the National Unemployment Insurance Act, 1920, with its 15s. benefit.

With this end in view they have, with the aid of statistical and economic experts, drafted the attached scheme for Unemployment Insurance. It is felt that it could be grafted on to the existing Act, and applied at once.

The draft scheme is now submitted for public discussion at a time when the problem is acute. It is submitted anonymously in order that it may be discussed on its merits without the advantage or disadvantage of names, though it may be added that the employers represented in the group are directors of concerns employing tens of thousands of workers and many millions of capital.

The suffering caused by unemployment has been generally recognised, but too little attention has been paid to its reactions on production. Industry moves in a vicious circle. Additional production is necessary if poverty is to be abolished and unemployment relieved. Yet uninformed labour instinctively resists every kind of productive improvement lest it should cause unemployment. Improvements in

machinery, in the reorganisation of labour with a view to using more effectively skilled grades by means of dilution and in other ways, the introduction of systems of payment by results which have been proved to stimulate production, are all resisted more or less openly, and in every case fear of unemployment is largely responsible for the resistance. It is true that the fear may be largely unjustified, and that "ca' canny" may accentuate the very evil it is intended to prevent. But such facts are irrelevant. The rank and file of labour believe that improvements bring unemployment, and no one has ever succeeded in convincing them that they are wrong. Nor is it any use to argue and make agreements with the leaders of labour; it is the instinctive action of the rank and file that counts. An immense potential increase in the productivity of industry awaits release, and only the complete removal of the menace of unemployment can release it.

The present Unemployment Insurance Act at best is a palliative rather than a remedy. The benefits it offers are not in themselves sufficient to prevent the household in receipt of them from deteriorating week by week in both physique and *morale*; while in any case those benefits are only continued for a limited period. Such provisions cannot banish the fear of unemployment or the industrial policy to which this fear gives rise among the workers.

We consider that the State should deal with this problem on effective and permanent lines. It should admit the claim of all adult wage-earners who are willing to work and capable of working to either suitable employment or adequate maintenance throughout their working lives, and it should satisfy that claim by legislation providing unemployment benefit varying with the needs of the worker and his family (with a maximum).

Our detailed proposals are as follows:—

(1) Definition of "Insured Persons"

Subject to certain exemptions referred to later, the statute embodying the scheme should apply to all manual workers, and to salaried workers receiving not more than £400 a year, between the ages of 16 and 70. The exemptions should be those set forth in the Unemployment Insurance Act, 1920.

(2) Rate of Benefit

The rate of benefit should be fifty per cent. of the average earnings of the insured person, with ten per cent. additional for a dependent wife, and five per cent. for each dependent child under 16, provided that the total benefit

should not exceed seventy-five per cent. of the average earnings, nor should it in any case exceed £5 a week. In the case of seasonal or other exceptional trades, special provision should be made for the calculation of the earnings on which the rate of benefit is based. Benefits should be payable after three days' unemployment, and should be limited to one week's benefit for every six weekly contributions previously made; but in order to give the necessary sense of security from the beginning an adequate number of payments should be credited to all workers at the initiation of the scheme. The present limitation of benefits to fifteen weeks in any one year should be altered to one of twenty-six weeks. If the reactions sought are to be obtained we must aim at removing the *menace* of unemployment. We favour the limitation of benefit to one week for every six weekly contributions as a necessary safeguard against persons who are such unsatisfactory workers as to be practically uninsurable.

(3) **The Cost of the Scheme**

We have made such estimate of the probable cost of the suggested scheme as was possible with the materials at our disposal. We place the figure at about fifty-six million pounds per annum, exclusive of the cost of administration.

(4) **Sources and Amount of Contributions**

The contributions should be levied on the wage-earner, the State, and the employer. It is suggested that the workers' contribution should be at the rate of one penny on every complete ten shillings or part thereof of his earnings; that the State's contribution should be four million pounds annually, plus the cost of administration; and that the balance needed to enable the fund to pay the statutory benefits should be raised by a levy on employers. It is estimated that this levy would amount to two per cent. on the wage bill. That the scheme may be put into early operation and financed during abnormal trade depression, it is proposed that the employers' contribution should be fixed for a term of (say five or seven) years at an amount which it is estimated will enable the fund, if the worker contributes twopence in the pound on wages and the State its fixed contribution, to bear the statutory claims upon it. The State should then act in practice in the capacity of an Insurance Company. If there is a profit or a loss on the seven years' working, the State should take the full benefit

or bear the cost of this. The Government actuary should then re-assess the contributions for a further period of seven years on the experience of the previous term, the Government's contribution continuing to be the original figure of four million pounds, plus administration expenses. According to our estimate the cost of the scheme would be divided among the three parties during the first period in the following proportions :—

State	4 million pounds.
Workers	15½ million pounds. ¹
Employers	37 million pounds. ¹

Our suggestion is that while the workers' contributions should be the same in all industries, the State, as soon as the necessary statistics become available, should have power to vary the employers' contributions in a given industry, according to the amount of unemployment in that industry.

(5) Short Time

Under the Unemployment Insurance Act, 1920, paragraph VII, Clause 2(b), those suffering from under-employment can claim unemployment benefit under certain conditions. In view of the increased benefits here proposed, the inducements so to organise short time as to comply with the conditions will be greater than under the terms of the Act with its comparatively small benefits. This fact has been taken into account in framing the above estimates.

(6) Contracting Out

Contracting out is contemplated, as under the present Act, but in the present state of trade it is unlikely to take place on any large scale. An industry that contracts out would be required to collect the statutory rate of contributions from the workers, and to pay the statutory rate of benefit. The State would contribute at the same rate per worker as under the general scheme, and the employer whatever was necessary to provide the benefits.

(7) Administration

We suggest that the method of administering the fund should be that set up under the Unemployment Insurance Act, 1920. We are advised that with certain greatly needed and practicable alterations in the administration of the Employment Exchanges it will be possible to prevent malingering.

¹ These amounts will vary with the rate of wages.

The Scheme Summarised

The chief points in our proposals are as follows :—

- (1) Unemployment benefit takes the form, not of a fixed amount, but of a proportion of the workers' regular wage, adjusted to the number of dependants.
- (2) Whilst the worker's and the State contributions are fixed, the employer's contribution varies, being made to bear the residuary cost of unemployment in his industry.

The proposal is supplementary to the Unemployment Insurance Act (1920). That, and previous Acts, will have established the whole administrative machinery needed to work the proposal, which could thus be grafted on to the existing system.

Essentially the proposal is one to compel industry to create a *wages equalisation fund*, and to give employers an incentive to eliminate every removable cause of unemployment. It is suggested that not only would such a policy be worth almost any cost in the suffering which it would alleviate, but that it would prove in practice to be just as sound a policy financially as is a Dividends Equalisation Fund.

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