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THE UNEMPLOYED

OLD POLICIES AND NEW

BY

RONALD C. DAVISON

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PREFACE

THE primary purpose of this book is to review the measures adopted in Great Britain for relieving and assisting the unemployed during the twenty eventful years since 1909. There is, at present, no such record available, except scattered through the pages of many official publications. The object has been to write a narrative of events, to sum up and report progress, rather than to make an exhaustive statistical study of any particular phase of unemployment.

An outline of the earlier history before 1909 has been given in order to show the evolution of thought on the subject and to link the present with the past. This is followed by an examination of the policy and practice of relief works, a description of the original Unemployment Insurance Scheme (1912), the Out-of-Work Donation Scheme (1918), and the post-war measures for the resettlement of workers, thus leading on to the extended Insurance Scheme of 1920. The effects of the Blanesburgh Report and the amending Insurance Act of 1927 are explained.

In the later chapters of the book the modern tendency to regard unemployment as a single

phenomenon attributable to one general cause, trade depression, and susceptible to one cure, is, in a measure, challenged. The need of greater differentiation between the many types of unemployed persons is urged. On the constructive side certain methods of regulating employment are discussed, and particular attention is given to the training schemes started by the Ministry of Labour since 1925. Finally the Industrial Transference Board's report and the baffling problem of the surplus workers in the coal and other depressed trades are considered.

The writer's thanks are due to those friends who have helped to revise the manuscript of the book, and particularly to Mr. H. C. Emmerson.

R. C. DAVISON.

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INTRODUCTION

It is one of the assumptions of social life that every able-bodied man has an opportunity of earning a living, yet, in this twentieth century, involuntary unemployment is a universal evil which shows no signs of abatement. To-day, in Europe and America, the problem is in the forefront of domestic issues; never before has it attracted so much attention from economists, legislators, administrators and students of social questions. Naturally many books have been written on so burning a topic, and, naturally also, most of them have dealt with the fundamental issue of prevention. In their search for a cure for unemployment, qualified writers have studied the problems of over-population and have ransacked the mysteries of national and international finance. No one would wish it otherwise, for there is no remedy like prevention, if that is within human attainment. But no attempt will be made in these pages to add to the literature on this branch of the subject.

There is, however, always with us the other and not less pressing problem of how to treat the actual victims of unemployment, and, so far as 'practical measures go, this has been the chief object of legislation and experiment in Great Britain. It is the purpose of this book to trace the evolution of such measures up to the present day and to discuss their successes and failures.

The importance of the subject needs no emphasis. Month by month, for eight years since 1920, the official census has disclosed a million or more unemployed in Great Britain, and so persistent is the figure that, whatever politicians may say, it can no longer be regarded as merely a passing phenomenon. Faced with the immediate problem, the State has already, in these years, built up a new equipment, almost a new social code, for dealing with the worst effects; but no one claims that finality has been reached. The question of the day is how to increase and improve the remedial measures; how to build on the bare foundation which has, with so much difficulty, been laid. Fortunately, knowledge is increasing in proportion to need. Thanks to the wealth of statistical and narrative information published by the Ministry of Labour, the subject can now, for the first time in our history, be studied with something like definition. Distinctions can be made between unemployment which is due to the ordinary fluctuations of industry, or to the normal ebb and flow of labour personnel, and that which

is due to the special contraction of employment in a trade like coal-mining or in a district like Barrow-in-Furness. Also the diagnosis reveals a hard core of unemployment due to or, at least, largely associated with, the personal deficiencies of a residue of would-be wage-earners. To this latter class, whose special needs have been rather overlooked in recent years, attention will be given towards the end of this book.

First, however, it is necessary to review, from the standpoint of 1928, the past and present policies which have been adopted for relieving the necessities of the unemployed as a whole. The main task is, of course, to trace the evolution of the State Unemployment Insurance Scheme from its small beginnings in 1912, but this only covers a part of the field. Other remedial or palliative measures, such as public relief works and Poor Law relief, must be included, and they have a longer history.

To the present generation the absorbing events of the last ten years fill the scene. They include the resettlement of the population on a peace footing, the onset of the great post-war slump in trade, the first nation-wide experiment in State-managed unemployment insurance, the first recognition, in the spirit, if not in the letter, that unemployment is a national responsibility, and the first attempt to provide a subsistence as the honourable right of workers who are genuinely seeking employment. But these modern developments have their roots

in the past. The sweeping character of the last-mentioned principle is not simply due to the adoption of the Unemployment Insurance Scheme, but rather to the war-time wave of generosity towards our civilian armies and to the ample pledges given by the Ministers who conducted the War. Unemployment Insurance itself is attributable, not to the War, but to the new scientific spirit which had invaded social reform in the great Liberal decade before the War. That in turn had its roots in the Victorian reaction against the deterrent Poor Laws of 1834. There are, therefore, still some lessons to be learned from the study of past experience of unemployment.

The aid of history is involved, not so much because each generation has learned from the errors of its predecessor, but rather because each generation has arrived at a different diagnosis and a different prescription and has handed them on as a legacy to the future. It is broadly true that, after due experiment, each medicine has been found to have some virtue, and none has been wholly abandoned. Therefore, the effect of time upon the methods of treatment has been cumulative, rather than selective. Finally, since the year 1920, all previous prescriptions, good or bad, have been applied in some degree, together with one or two new ones devised for the occasion. Here is a list of eighteen post-war methods of dealing with unemployment :

- Private charity.
- Poor Law relief (indoor and outdoor).
- Relief works with and without Exchequer grants.
- Emigration.
- Trade union insurance.
- Systematic short time.
- National Unemployment Insurance.
- Institutional training both of disabled and of fit men.
- Training with employers.
- Juvenile Unemployment Centres.
- Women's training.
- Land settlement.
- Afforestation.
- Road construction.
- Land drainage.
- Trade Facilities Act.
- Export Credits Act.
- State subsidy to an industry or part of an industry.

Of these remedies, at least the first seven had all been tried before the War, and the first three, *i.e.* charity, Poor Law relief, and relief works, had all been condemned either as inadequate or actually harmful. But they show no sign of disappearing from the list, and are, indeed, freely resorted to in each recurring crisis.

APPENDIX

SUMMARY OF UNEMPLOYMENT INSURANCE ACTS, 1920-1927

THE following summary gives an outline of the Unemployment Insurance Scheme as in force on April 19, 1928. The actual legal provisions governing the scheme can only be studied by reference to the text of the principal Act passed in 1920 and of the various amending Acts passed subsequently. It should also be noted that some of the provisions on points of detail were made by Regulations and not by the Acts themselves.

1. **INSURABILITY.**—The following persons are required to be insured :

All persons between the ages of 16 and 65 who are employed under contract of service in Great Britain, including apprentices in receipt of a money payment.

The following persons are *not required to be insured* :

Persons employed in agriculture, horticulture, and forestry.

Persons employed in private domestic service.

(*Note.*—Persons employed in domestic service in any trade or business carried on for gain are insurable.)

Established civil servants.

Persons who are not manual workers and who are receiving remuneration at a rate exceeding £250 a year.

Persons to whose employers the Minister has granted a Certificate of Exception. Such certificates can only be

granted to Government Departments, Public and Local Authorities, Railway Companies, Public Utility Companies (such as gas, water, etc., companies), and employers whose employees have superannuation rights under an Act of Parliament. The Certificate is limited to permanent employees in whose case the Minister thinks insurance against unemployment is unnecessary and the Certificate covers only permanent employees who have completed three years' permanent service.

Female professional nurses and probationers.

Regular sailors, soldiers, and airmen. But reservists, territorials, etc., are insurable during a period of training if they are normally insurable at other times.

Members (other than temporary members) of a police force to which the Police Act, 1919, applies.

Teachers in established posts.

Persons employed as commission agents who are mainly dependent upon some other occupation or who are employed as commission agents by more than one employer and are not mainly dependent upon any one such employer.

Persons casually employed for private purposes. (Casual employment for the purposes of the employer's business is insurable and also casual employment for the purposes of a game or recreation where the employee is engaged or paid through a club, *e.g.* golf caddies engaged or paid through a club are insurable.)

Persons employed in certain part-time subsidiary employments specified in Special Orders made by the Minister.

Share fishermen wholly remunerated by share.

Persons employed by their husbands or their wives.

Persons employed by their parents and receiving no wages or other money payment.

Persons maintained by the employer and not receiving wages or other money payment.

The decision on questions of insurability lies with the

Minister of Labour, but any person aggrieved by a decision of the Minister may appeal to the High Court, and the Minister may, instead of himself deciding any question, refer the question to the High Court.

The following persons may apply for a Certificate of Exemption during the currency of which they are not liable to pay contributions and are not entitled to receive benefit :

(a) Persons in receipt of a pension or income of the annual value of at least £26 not dependent on their personal exertions.

(b) Persons ordinarily or mainly dependent for their livelihood on some other person.

(c) Persons ordinarily and mainly dependent for their livelihood on earnings in an uninsurable occupation.

(d) Persons who are employed in a seasonal occupation not usually extending over more than 18 weeks in a year and who are not ordinarily employed in any other insurable occupation.

The employers of persons holding Certificates of Exemption are still required to pay the employer's share of the contribution.

2. UNEMPLOYMENT INSURANCE CONTRIBUTIONS.—Contributions are payable by employers, employed persons, and the Exchequer.

Present Rates of Contribution (since July 2, 1928)

<i>Class of employed persons.</i>	<i>Employer's contribution.</i>	<i>Employed person's contribution.</i>	<i>Exchequer contribution.</i>	<i>Total contribution.</i>
Boys aged 16 and 17	4d.	3½d.	3d.	10½d.
Girls aged 16 and 17	3½d.	3d.	2½d.	8½d.
Young men aged 18, 19 and 20.	7d.	6d.	5½d.	18½d.
Young women aged 18, 19 and 20.	6d.	5d.	3½d.	14½d.
Men aged 21 to 65	8d.	7d.	6d.	21d.
Women aged 21 to 65	7d.	6d.	4½d.	17½d.

It is the duty of any person on entering insurable employment to obtain an unemployment book if he has not already obtained one and to hand the book to his employer. It is the duty of the employer to obtain an unemployment book from the employed person at the commencement of the employment.

The employer of an insurable person is, in the first instance, liable to pay the joint contribution of himself and the employed person. This is in general to be done by affixing an unemployment insurance stamp to the unemployment book issued in the name of the employed person. An unemployment book has a currency of one insurance year, ending early in July each year.

In general contributions must be paid before wages are paid. If the employment terminates, contributions must be paid up to date at once. When the unemployment book expires, it must be stamped up to date within six days after expiration.

The employer is entitled to recover the employed person's contribution by deduction from his wages or any other remuneration, but only from wages or remuneration paid for the period to which the deducted contributions apply. The employer cannot recover by deduction from any subsequent payments due to the employed person, but he may recover by legal process in certain cases.

A weekly contribution is payable for each calendar week (Sunday midnight to the following Sunday midnight) during any part of which the person is employed. Only one contribution is payable in respect of each week, although the person may be employed insurably in the same week by more than one employer.

Special arrangements may be made by employers with the Ministry of Labour under which the employer may make a deposit with the Ministry in order to enable him to stamp his employees' books at quarterly or half-yearly intervals instead of at each payment of wages.

Stamps affixed to unemployment books must be date-

cancelled by employers, who must not make any other writing or mark upon the book or stamp.

Employers who fail to pay contributions as required or employed persons who do not comply with the requirements of the Regulations are liable to be prosecuted.

The employers of persons who hold Certificates of Exemption pay only the employer's contribution, by affixing a stamp to a special book issued to exempt persons.

Employers of persons aged 65 or over who are in insurable employment pay the employer's share of the contribution only, and pay it whether or not the employee is in receipt of a State Old Age Pension.

Contributions paid in error may be refunded to a person and to his employer, if the application for such refund is made within six years of the date of payment. The amount of any benefit paid to the employed person in respect of such contributions is deducted before any repayment is made to him.

Seamen serving in the Navy, marines, soldiers, and airmen are entitled (subject to certain exceptions) to receive on discharge a credit of contributions which gives them the same benefit rights as if their period of service with H.M. Forces had been insurable employment. To meet the cost of this, payments are made to the Unemployment Fund by the Admiralty, the Army Council, and the Air Council, and an Exchequer contribution in the usual proportion is added.

3. UNEMPLOYMENT BENEFIT.—Insured persons between the ages of 16 and 65 who are unemployed and who fulfil the statutory conditions and are not disqualified are entitled to receive benefit at the following rates :

Rates of Benefit.

<i>Class of Insured Person.</i>	<i>Weekly Rate.</i>	
	<i>s.</i>	<i>d.</i>
Men aged 21 to 65 . . .	17	0
Women aged 21 to 65 . . .	15	0
Boys aged 16 and 17 . . .	6	0 ⁰⁰
Girls aged 16 and 17 . . .	5	0

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<i>Class of Insured Person</i>	<i>Weekly Rate</i>
	<i>s. d.</i>
Young men not in receipt of dependents' benefit :	
Aged 20	14 0
Aged 19	12 0
Aged 18	10 0
Young women not in receipt of dependents' benefit :	
Aged 20	12 0
Aged 19	10 0
Aged 18	8 0
Dependents' benefit :	
For an adult dependent	7 0
For a dependent child	2 0

Young men and young women aged 18 to 20, if in receipt of dependents' benefit, get the same rates of ordinary benefit as adults aged 21 to 65.

Persons aged 65 and over are not entitled to receive benefit.

Benefit for Dependents. The dependents in respect of whom the above-mentioned additional rate of 7s. a week may be paid are as follows :—

A wife living with the claimant or being maintained wholly or mainly by him.

A female person residing with the claimant (male or female) and wholly or mainly maintained by the claimant, if that female person has the care of the dependent children of the claimant.

A dependent husband if he is prevented by physical or mental infirmity from supporting himself and is being maintained wholly or mainly by the claimant, his wife.

A widowed mother, a widowed step-mother, a mother who has not been married or a mother whose husband is permanently disabled and unable to work, if living with the claimant, and being wholly or mainly maintained by him or her.

The additional benefit of 7s. per week can be received only in respect of one dependent at a time, and is not payable for a wife or female person who is in receipt of unemployment benefit or who is in regular wage-earning employment or is engaged in an occupation ordinarily carried on for profit.

The additional benefit of 2s. a week is payable in respect of any child under the age of 14 who is maintained wholly or mainly by the claimant and any child aged 14 or 15 who is under full-time instruction in a day school and is wholly or mainly maintained by the claimant. The 2s. may be claimed for a step-child, an adopted child, and an illegitimate child.

Waiting Period and Continuity Rule. There is a waiting period of six days for which no benefit is payable. Once a claimant has completed a waiting period, another waiting period is not required so long as the unemployment is "continuous." The rules under which two or more spells of unemployment can be regarded as one continuous spell so that no fresh waiting period is required are as follows :

Any three days of unemployment within six consecutive days are to be regarded as continuous.

Any two periods of three continuous days are to be regarded as continuous with one another if they are not separated by more than 10 weeks. Sundays are ignored.

Statutory Conditions for the Receipt of Benefit. The conditions for the receipt of benefit are as follows :

(1) That not less than 30 contributions have been paid in respect of the two years immediately preceding the date of the application for benefit.

A person who is during the two years in receipt of a disability pension for a disability contracted during the late War and who, by reason of his disability, fails to satisfy this condition need only prove the payment of 10 contributions instead of 30.

If a person is unfit for work by reason of sickness

during the two years, the period of two years may be extended by the period of sickness, but so that the total period shall not exceed four years.

If a claimant satisfies this condition at the date of his claim, he is regarded as satisfying it for the next three months, and thereafter he must satisfy it at quarterly intervals.

Note. See paragraph below as to the special temporary rules under which this first statutory condition is relaxed for a period after April 19, 1928.

(2) That the insured person proves that since the date of the application he has been continuously unemployed.

An applicant is not regarded as unemployed on any day on which he is following any remunerative or profitable occupation unless that occupation is one that could ordinarily have been followed by him in addition to his usual employment and outside the ordinary working hours of that employment and unless he does not receive more than 3s. 4d. a day. Again, a person is not regarded as unemployed, although his employment has terminated, during a period for which he continues to receive wages or compensation for the loss of employment substantially equivalent to wages ;

(3) that the claimant is capable of work and available for work ;

(4) that the claimant is genuinely seeking work, but unable to obtain suitable employment ;

(5) that the claimant, if so required, has duly attended an approved course of instruction. [Specially applied to juveniles.]

The following rules apply in regard to these conditions :

A person does not fail to satisfy the conditions merely because he declines an offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute.

Similarly, he does not fail to satisfy the conditions merely because he has declined an offer of employment in his usual occupation in his usual district at a rate of wage lower or on conditions less favourable than those which he might reasonably have expected to obtain having regard to those which he habitually obtained in his usual occupation in that district or would have obtained had he continued to have been so employed ; or because he has declined an offer of employment in his usual occupation in any other district at a rate of wage lower or on conditions less favourable than those generally observed in that district by agreement between Associations of employers and employees or, failing any such agreement, than those generally recognised in that district by good employers.

After the lapse of a reasonable interval, a claimant may be required as a condition of receiving benefit to seek and to accept employment of a kind other than his usual employment if it is employment at a rate of wage not lower and on conditions not less favourable than those generally observed by agreement between Associations of employers and of employees or, failing any such agreement, than those generally recognised by good employers.

Transitional Conditions for the Receipt of Benefit.—Up to April 19, 1929, or the end of a benefit year beginning before that date (whichever is the later), a claimant who cannot satisfy the first Statutory Condition (the 30 contributions condition referred to above) may in lieu thereof satisfy the following three conditions :

(1) That eight or more contributions have been paid in the two years before the date of the claim :

or

that 30 or more contributions have been paid at any time ; and

(2) That he is normally employed in insurable employment and that he will normally seek to obtain his livelihood by means of insurable employment; and

(3) That he has during the past two years been employed to such an extent as was reasonable, having regard to all the circumstances of the case and in particular to the opportunities for obtaining insurable employment during that period.

Men who have during the last two years been in receipt of a pension for a disability received in the late War are excused from condition (1) above.

Disqualifications for the Receipt of Benefit. The disqualifications for the receipt of benefit are :

(1) An insured contributor who has lost employment by reason of a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises at which he was employed is disqualified for receiving unemployment benefit so long as the stoppage of work continues.

Separate departments on the same premises may be treated as separate premises for this purpose where separate branches of work which are commonly carried on as separate businesses in separate premises are carried on in separate departments on the same premises.

If the insured contributor obtains other employment during the stoppage of work, this disqualification may, in certain cases, be removed.

The disqualification on the ground of a trade dispute is not imposed if the insured contributor can prove both of the following :

(a) That he is not himself participating in or financing or directly interested in the trade dispute which caused the stoppage of work ; and

(b) that the persons who are so participating in or financing or directly interested in the dispute do not

include any members of his own grade or class who immediately before the stoppage were employed at the premises at which the stoppage is taking place.

(2) An insured contributor who loses his employment through misconduct or voluntarily leaves his employment without just cause is disqualified for receiving unemployment benefit for a period of six weeks, or such shorter period as may be determined, from the date when he so lost or left his employment.

(3) An insured contributor is disqualified for receiving unemployment benefit while he is an inmate of any prison or any workhouse or other institution supported wholly or partly out of public funds or while he is resident, whether temporarily or permanently, outside the United Kingdom.

(4) An insured contributor is disqualified for receiving unemployment benefit while he is in receipt of any sickness or disablement benefit under the National Health Insurance Acts, or while he is in receipt of a blind person's pension under Section i of the Blind Persons Act, 1920.

Procedure for Deciding Claims. All claims for unemployment benefit (including dependents' benefit) and all questions whether the statutory conditions are fulfilled, or whether a person is disqualified for receiving benefit or otherwise arising in connection with claims for benefit, are determined in the first instance by statutory officers known as "Insurance Officers."

The claimant for benefit may at any time within 21 days from the date on which the Insurance Officer's decision is communicated to him, appeal to a Court of Referees. The Insurance Officer may, instead of himself deciding a claim or question, refer it at once to a Court of Referees.

The Court of Referees, after considering the case, makes a recommendation to the Insurance Officer, and the Insurance Officer, unless he disagrees, gives effect to the recommendation.

If the Insurance Officer disagrees with the recommendation made by the Court of Referees, he refers the case to the Umpire, an officer appointed by the Crown.

Any association of employed persons, or any individual claimant for benefit, may, with the leave of the Court, appeal to the Umpire against a recommendation of a Court of Referees, and the Court will give leave in any case in which it appears to the Court reasonable so to do, having regard to the importance of the principle involved, or to any other special circumstances.

The decision of the Umpire is final and conclusive.

After a claimant has received benefit for 78 days within a period of six months, his claim is reviewed by a Court of Referees.

If benefit is refused on the ground that a claimant is not capable of and available for work, or is not genuinely seeking work and unable to obtain suitable employment, he may renew his application and have it reviewed at intervals of six weeks.

Constitution of Courts of Referees. A Court of Referees consists of an impartial Chairman appointed by the Minister, one or more members chosen to represent employers and an equal number of members chosen to represent insured contributors. Panels of persons chosen to represent employers and insured contributors, respectively, are constituted by the Minister for each district.

Administration of Benefit by Local Education Authorities. Certain local education authorities have undertaken duties in connection with the payment of benefit for boys and girls aged 16 and 17. In the areas of those authorities boys and girls aged 16 and 17 must claim their benefit at the Bureau of the Education Authority.

Arrangements with Associations for the Administration of State Benefit : Indirect Claims. The Minister may make an arrangement, for the administration of State benefit, with any trade union or with a society approved under the National Health Insurance Act, or a body ancillary thereto.

The society or association must be one whose rules provide for payments to its members while they are unemployed.

If such an arrangement is made, the association makes payments to its unemployed members under its rules, and there is repaid to the association a sum equivalent to the aggregate amount which those members would have been entitled to receive as unemployment benefit, if they had made a direct claim for it at an Employment Exchange.

Among the conditions which an association must satisfy as from January 1, 1929, before such an arrangement can be made or continued are the following :—

(a) The association's rules must provide for payments to its unemployed members at minimum rates exceeding the amount of State benefit by the following amounts :

	<i>Per Week.</i>	
	<i>s.</i>	<i>d.</i>
In the case of men aged 21 or over . . .	3	0
In the case of women aged 21 or over . . .	2	6
In the case of young men and boys . . .	1	6
In the case of young women and girls . . .	1	3

(b) The aggregate amount payable in a year to each unemployed member, under the rules of the association, out of its private funds, must be at least :

	<i>s.</i>	<i>d.</i>
In the case of men aged 21 or over . . .	75	0
In the case of women aged 21 or over . . .	60	0
In the case of young men and boys . . .	37	6
In the case of young women and girls . . .	30	0

(c) The rates payable under the rules by the association out of its private funds must be payable in at least 10 weeks in a year.

(d) The rates payable by the association out of its private funds must be payable on each occasion on which a member would be entitled to receive direct payment of benefit if he made a claim at an Employment Exchange.

(e) The association must have an effective system of ascertaining the wages and conditions prevailing in every employment, in which its members are engaged, and of obtaining from employers notification of vacancies for employment.

Under such an arrangement the association will pay amounts representing State unemployment benefit to its unemployed members in accordance with its rules, including the provisions detailed above, and if at any time a member exhausts his right to receive private benefit from the funds of the association, the latter will cease to pay to him the amounts representing the State unemployment benefit, but will refer him for further payments to an Employment Exchange.

The Minister may pay to an association having an arrangement a contribution towards the administrative expenses of the association in connection with the arrangement.

4. MISCELLANEOUS.—*Provision for Training.* Grants may be made out of the Unemployment Fund towards the cost of approved courses of instruction for boys and girls of the ages of 16 and 17 years who are insured persons or are normally employed or likely to be employed in an insurable occupation.

Travelling Expenses. If an advance is made to a person for the expense of travelling to a place where work has been found for him by an Employment Exchange and that person satisfies the first statutory condition (see paragraph above), part of the advance may be met out of the Unemployment Fund.

Payments to Poor Law Authorities. If a claimant for benefit pending allowance of his claim is granted outdoor relief by a Poor Law authority in excess of the amount which would otherwise have been granted, the Minister may pay, out of benefit ultimately allowed, the amount of

the excess Poor Law relief to the Poor Law authority instead of to the claimant.

In deciding whether outdoor relief should be given, a Poor Law authority must take account of the whole of any unemployment benefit received by the applicant.

Recovery of Benefit Improperly Paid. A person is liable to repay any benefit improperly received by him by reason of the non-disclosure or misrepresentation by him of a material fact (whether fraudulent or not). Such benefit cannot, however, be recovered by deductions from benefit to which he becomes entitled later if he can show that he received it in good faith and without knowledge that he was not entitled to it.

Abolition of the Power to make Special Schemes. The Minister has no longer the power to make a Special Scheme under which an industry may contract out of the general provisions of the Act. The two existing Special Schemes—namely, those for the insurance industry and the banking industry—remain in existence.

Supplementary Schemes. The Minister may approve a scheme submitted by a joint industrial council or an association of employers and employees for giving additional benefits to insured contributors in any industry.

No part of the funds required for such a scheme is to be derived from the Exchequer.

Legal Proceedings. If any employer or employed person fails to pay any contributions which he is liable to pay or refuses to comply with any of the requirements of the Acts or Regulations, he is liable to a fine not exceeding £20.

In addition to other methods of recovery of unpaid contributions, an employer who is convicted of the offence of failing to pay any contribution may, apart from other penalties, be ordered to pay to the Unemployment Fund a sum equal to the total of all the contributions which he has failed to pay during the two years preceding the date of the offence.

Any person who buys, offers for sale, takes or gives

in exchange, pawns or takes in pawn any unemployment book or used unemployment insurance stamps is liable to a fine not exceeding £20 or to imprisonment for a term not exceeding three months, or to both such fine and imprisonment.

The Minister may recover any sums due to the Unemployment Fund by means of civil proceedings.

If a person has lost any unemployment benefit to which he would be entitled by reason of the failure or neglect of his employer to pay contributions, or to comply with the requirements of the Regulations, that person is entitled to recover summarily from the employer as a civil debt the amount of the benefit so lost. Proceedings may be brought for this purpose at any time within one year after the date on which the employed person would have been entitled to receive the benefit.

Unpaid contributions for the preceding year are entitled to priority in cases of winding-up of companies or of bankruptcy.

Financial Provisions. There is established, under the control and management of the Minister, a fund called the Unemployment Fund into which are paid all contributions, and out of which are paid all unemployment benefit and any other payments payable out of that fund.

The Treasury may advance sums required for the purpose of discharging the liabilities of the Unemployment Fund, provided that the total amount of advances outstanding at any time does not exceed £30,000,000 (subsequently extended to £40,000,000). Interest on such advances is paid out of the Unemployment Fund, and sums advanced are repaid from time to time.

The cost of administration of the Unemployment Insurance Scheme is paid by the Unemployment Fund itself up to a limit fixed at 12½ per cent. of the income of that fund.

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