

U. S. DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

ROYAL MEEKER, Commissioner

BULLETIN OF THE UNITED STATES }
BUREAU OF LABOR STATISTICS } . . . { WHOLE NUMBER 206

EMPLOYMENT AND UNEMPLOYMENT SERIES: No. 5

THE BRITISH SYSTEM
OF LABOR EXCHANGES

B. LASKER



OCTOBER, 1916

WASHINGTON
GOVERNMENT PRINTING OFFICE
1916

ADDITIONAL COPIES
OF THIS PUBLICATION MAY BE PROCURED FROM
THE SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE
WASHINGTON, D. C.
AT
10 CENTS PER COPY
▽

CONTENTS.

| | Page. |
|--|--------|
| Introduction..... | 5 |
| Object of labor exchanges..... | 5, 6 |
| Initial difficulties..... | 7-9 |
| Organization..... | 9-11 |
| Methods of registering applications..... | 12-14 |
| Methods of registering vacancies..... | 14, 15 |
| Methods of filling vacancies..... | 15-19 |
| Procedure in case of labor disputes..... | 19-21 |
| General results..... | 21-25 |
| Effect of unemployment insurance on work of labor exchanges..... | 25-30 |
| Effect of labor exchanges on casual labor..... | 30-36 |
| Effect of labor exchanges on seasonal labor..... | 36, 37 |
| Effect of labor exchanges on female labor..... | 37-39 |
| Effect of labor exchanges on juvenile labor..... | 39-43 |
| Advantages to employers..... | 44-47 |
| Advantages to workers..... | 47-52 |
| Advantages to the State..... | 53-55 |
| Conclusions..... | 55, 56 |
| Appendix A.—Labor Exchanges Act, 1909..... | 57, 58 |
| Appendix B.—General regulations for labor exchanges..... | 58-61 |
| Appendix C.—Special rules for labor exchanges as to registration of juvenile applicants..... | 62, 63 |
| Appendix D.—Memorandum by Board of Trade and Board of Education as to cooperation between labor exchanges and educational authorities..... | 63-66 |
| Appendix E.—Schedule used in unofficial investigation of labor exchanges, 1913..... | 66, 67 |

BULLETIN OF THE U. S. BUREAU OF LABOR STATISTICS.

HOLE NO. 206.

WASHINGTON.

OCTOBER, 1916.

THE BRITISH SYSTEM OF LABOR EXCHANGES.

BY B. LASKER.

INTRODUCTION.

Under the Labor Exchanges Act of 1909, a complete national system of employment bureaus was established for the whole of the United Kingdom. It was the first of the kind and resulted from an intensive study of the problem of unemployment, both private and official, during and after a number of exceptionally severe trade depressions and more especially from a unanimous recommendation of the Royal Commission on the Poor Laws and Relief of Distress, 1905 to 1909. It is administered by the national Board of Trade through a department created for that purpose, of which Mr. W. H. Beveridge, one of the foremost authorities on the organization of the labor market, is the director.

OBJECT OF LABOR EXCHANGES.

The Labor Exchanges Act was passed primarily for the purpose of increasing and improving means of communication between employers seeking workpeople and workpeople seeking employment.¹ The Board of Trade was given powers to establish labor exchanges—called so in distinction to existing labor “bureaus” which, as we shall see, had somewhat fallen into disrepute—and to take over any already in existence;² to establish advisory committees in connection with them; to make regulations concerning the advancement of State loans in payment of fares to workers proceeding to employment procured for them at a distance; and to assist the board generally in studies of the labor market. The labor exchanges are not intended to provide work other than the vacancies reported by employers, private or public. Nor is there attached to them machinery for the relief of distress occasioned by unemployment. By a later enactment, labor exchanges have become the principal administrative agencies for carrying out the provisions of the national insurance against unemployment regulations; but originally, and still in the first

¹ Section 5 of the act defines as a labor exchange “any office or place used for the purpose of collecting and furnishing information, either by the keeping of registers or otherwise, respecting employers who desire to engage workpeople and workpeople who seek engagement or employment.”

² The only important bureaus taken over were those of the “London Central (Unemployed) Body.”

BULLETIN OF THE U. S. BUREAU OF LABOR STATISTICS.

WHOLE NO. 208.

WASHINGTON.

OCTOBER, 1918.

THE BRITISH SYSTEM OF LABOR EXCHANGES.

BY B. LASKER.

INTRODUCTION.

Under the Labor Exchanges Act of 1909, a complete national system of employment bureaus was established for the whole of the United Kingdom. It was the first of the kind and resulted from an intensive study of the problem of unemployment, both private and official, during and after a number of exceptionally severe trade depressions and more especially from a unanimous recommendation of the Royal Commission on the Poor Laws and Relief of Distress, 1905 to 1909. It is administered by the national Board of Trade through a department created for that purpose, of which Mr. W. H. Beveridge, one of the foremost authorities on the organization of the labor market, is the director.

OBJECT OF LABOR EXCHANGES.

The Labor Exchanges Act was passed primarily for the purpose of increasing and improving means of communication between employers seeking workpeople and workpeople seeking employment.¹ The Board of Trade was given powers to establish labor exchanges—called so in distinction to existing labor “bureaus” which, as we shall see, had somewhat fallen into disrepute—and to take over any already in existence;² to establish advisory committees in connection with them; to make regulations concerning the advancement of State loans in payment of fares to workers proceeding to employment procured for them at a distance; and to assist the board generally in studies of the labor market. The labor exchanges are not intended to provide work other than the vacancies reported by employers, private or public. Nor is there attached to them machinery for the relief of distress occasioned by unemployment. By a later enactment, labor exchanges have become the principal administrative agencies for carrying out the provisions of the national insurance against unemployment regulations; but originally, and still in the first

¹ Section 5 of the act defines as a labor exchange “any office or place used for the purpose of collecting and furnishing information, either by the keeping of registers or otherwise, respecting employers who desire to engage workpeople and workpeople who seek engagement or employment.”

² The only important bureaus taken over were those of the “London Central (Unemployed) Body.”

instance, they are market places for labor and, as such, have only an indirect influence on the quantity and quality of the labor supply or the volume and nature of the demand for labor.

The need for new machinery to accomplish the simple purpose of bringing together employers desiring workers and workers desiring employment had been demonstrated by many isolated investigations of the problem of unemployment, which indicated that frequently workers were standing idle around the gates of one work place when there was plenty of work, fitting their capacity, to be had at others, sometimes in the same city, sometimes at a distance. The wastefulness of the delay in securing suitable workers or finding suitable jobs was equaled only by the prodigious waste of physical and moral strength from a planless and unnecessarily prolonged search for work and the resulting discouragement.¹

It is hoped that as the labor exchanges increase the mobility of labor they will abolish the wasteful system by which a large firm is apt to keep its own reserve of labor in the shape of half-employed workpeople waiting at its gates instead of drawing from a common reserve in which the variations of employment in one branch can in some measure be compensated by the fluctuations in another.²

In addition to their immediate object of reducing these different forms of waste the labor exchanges were further expected to contribute to the knowledge of the labor market and, by providing a trade barometer indicating the general fluctuations of employment, to enable the National Government and the local authorities to shape their labor policy in accordance with them and, if necessary, to take steps in time to prevent by artificial means abnormal unemployment and distress. It was hoped further that by providing records of employment in different trades over longer periods, the labor exchanges would assist in the recognition with more precision of such general movements of expansion and reduction in the volume of employment offered in different industries as would justify or necessitate alterations in the facilities for industrial training. Such records would further indicate the trades especially liable to frequent or seasonal cessations of work and therefore especially fit subjects for unemployment insurance, and the "blind alley" employments which give occupation for a few years only and then throw those engaged in them on the labor market unequipped and sometimes unfitted for other work.

There was thus, from the beginning, a wide social policy behind the comparatively simple machinery created for one definite practical purpose.

¹ For a record of detailed inquiries into the effect of frequent periods of idleness on health and character, see "Unemployment—a Social Study," by Rowntree and Lasker. Macmillan, London, 1911.

² Board of Trade circular "Labor exchanges, 1913."

INITIAL DIFFICULTIES.

At first, it was not easy to make clear to the public the difference between the new labor exchanges and their functions on the one hand and the labor "bureaus" on the other. The latter, under the stimulus of a previous act of Parliament,¹ had been created in many cities by municipal "distress committees"—bodies consisting partly of elected members of city councils and partly of co-opted philanthropists—at a time of exceptional trade depression. And although many of them were intended as labor exchanges in the true significance of the term, practically all were swamped sooner or later by the unclassifiable type of unskilled, shiftless, often physically handicapped or old or intemperate or starving, "semi-employable" applicants for whom wages, as a rule, could be secured only in part as remuneration for services rendered and in part as charity. The provision of relief employment for this class had gradually grown out of a genuine endeavor to secure useful, though specially organized work, for persons temporarily idle in large numbers through an industrial crisis, who in all likelihood would return to their former occupations with the revival of trade.

A number of municipal distress committees which carry on labor bureaus are still in existence. They have, in fact, been revived in some cases by the war with its new labor problems, but they are not in competition with the Board of Trade labor exchanges because they have become avowedly agencies for the organization of relief work or for recruiting municipal employees of the unskilled grades.²

¹ Unemployed Workmen Act, 1905.

² The general development of the work of distress committees in England and Wales from 1909 to 1914 will be seen in the following table, compiled from the Seventeenth Abstract of Labor Statistics of the United Kingdom, 1915.

| Year ending Mar. 31— | Committees in operation. | Applications for work received. | Applicants provided with work. | Persons assisted to emigrate. ^a | Persons assisted to move. ^a | Per cent of applicants under 30 years of age. | Per cent of applicants who were general or casual laborers. | Total expenditures. ^b |
|----------------------|--------------------------|---------------------------------|--------------------------------|--|--|---|---|----------------------------------|
| 1910.... | 116 | 127,066 | 55,603 | 1,702 | 515 | 26.4 | 47.0 | \$1,331,820 |
| 1911.... | 94 | 73,491 | 29,993 | 2,775 | 260 | 23.2 | 48.3 | 893,406 |
| 1912.... | 74 | 54,019 | 23,011 | 4,283 | 115 | 25.0 | 44.3 | 806,914 |
| 1913.... | 72 | 43,381 | 19,439 | 3,544 | 94 | 21.8 | 46.7 | 765,739 |
| 1914.... | 59 | 24,300 | 9,803 | 1,950 | 131 | 20.3 | 50.2 | 549,686 |

^a Including dependents.

^b Including cost of relief work provided, expenditures in aid of emigration and removal, and cost of administration.

It will be seen from these figures that the operations of the local distress committees have rapidly decreased in number, clientele, and expenditure, and that both the average age of applicants and the proportion of unskilled and casual laborers among them has increased; that is, the "unemployable" element has become more predominant. Since, however, this movement coincided with one of improved trade, it is not possible to explain it altogether or even chiefly by the establishment of the national labor exchanges and their increasing use by the more vigorous and respectable classes of labor.

It was only by persistent effort, sometimes in the face of a determined politically inspired opposition, that the new labor exchanges were able to win for themselves the place in the industrial life of the nation which the legislature had intended for them. The greatest difficulty was experienced in persuading self-respecting and skilled artisans that the exchanges were at their service as much as that of unskilled and casual laborers.

The system is *industrial* in the sense of having nothing to do with the poor law or the relief of distress. No questions are asked at an exchange except those which bear upon a workman's industrial capacity. No workman need be afraid that by going to an exchange he will appear to be asking for relief or to be proclaiming himself as "distressed."¹

Employers at first applied to the exchanges only when in need of the lowest types of occasional help or when, owing to an unusual pressure in the demand, they had failed to fill, by their usual means of recruiting, vacancies for more qualified and experienced workers. It was only natural that under such circumstances there was nothing the officers of labor exchanges could do to dispel the impression that only the worst paid types of workers had a chance of securing work through putting themselves on the register. In some cases, the very industry and keenness of these officers increased their handicap; for, when they did receive requests for a better type of labor, they were apt to be too anxious to please and so sent the best available applicants on their register instead of confessing that they had no labor to offer of the qualifications required. As a result, employers frequently were disappointed, and, for long, justly regarded the exchange as rather a useless institution so far as the hiring of skilled labor was concerned. It has taken years to persuade employers that they must use the exchanges all the year round and for all classes of labor—not at times of exceptional pressure when good men are scarce—in order to test fairly their power to procure suitable men more quickly and at less expense and trouble than by any other method. In some cities, this initial misunderstanding has not yet been quite removed.

Another hindrance at the outset was that obviously there could not be enough experienced persons to staff the new bureaus, of which 430 were opened during the first two years, with 1,066 subagencies. The new organization had to build up its own force and, since the necessary qualifications for success could not be foreseen with sufficient precision to make advisable the usual civil-service examinations, there had to be during the first few years a good deal of

¹ "Board of Trade Labor Exchanges," leaflet, 1914.

replacement and gradual elimination of the unfit.¹ On his first round of visits to labor exchanges in the north and midlands, about a year after their establishment, the writer not infrequently found in adjoining towns as managers of exchanges of about equal importance men who had been school-teachers and trade-union officials, lawyers and charity workers, army officers, and clerks. A charge that these men had been appointed on patronage principles was easily refuted, an official inquiry showing that a majority of the new offices created were actually held by men belonging to other parties than the one controlling the Government. It should be added that from the beginning the standard of efficiency and enthusiasm for their work shown by this new service as compared with that of many of the older departments was remarkable, and such success as there is to show now, after six years, is almost entirely to be attributed to this.

ORGANIZATION.

So much for some of the initial troubles. In January, 1916, there were 390 labor exchanges—some of those previously established having been amalgamated during the last two years—and, together with their branch offices and subagencies in industrial suburbs, small towns, and rural districts, they may be said to cover the whole of the United Kingdom.² The exchanges are grouped in eight territorial divisions, varying in area with the industrial importance of the counties included in each, and controlled by divisional offices or clearing houses. These in their turn are coordinated with a central office or clearing house in London. The exchanges are connected by telephone, not only each with its divisional office, but also with each other, both within and without the division.

The Labor Exchanges Act, 1909, is a short one, consisting of only six sections. The whole of the cost of administration is borne by the national exchequer; but, as is usual in British social legislation, no financial provision is made in the act itself, but "any expense incurred by the Board of Trade in carrying this act into effect, including the payment of traveling and other allowances to members of advisory committees and other expenses in connection there-

¹ This is admitted by the Board of Trade, which, in one of its circulars, says: "The system of exchanges which now covers the United Kingdom had to be organized and brought into working order by a staff inexperienced in a class of work in which experience had never before been really obtainable; while in many cases the exchanges have been handicapped by temporary and unsuitable premises."

² The number of "agencies" varies from time to time; there are usually several hundred of them in localities where some business in connection with unemployment insurance must be conducted, but where the possible amount of placement work would not justify the opening of a regular office. Often a single officer, by attending offices in different small towns on one or two days each week—preferably on market days—and continually traveling from one to another, is able in a somewhat perfunctory, but, for practical purposes, sufficient, manner to cover a fairly wide territory.

with, to such amount as may be sanctioned by the treasury, shall be defrayed out of moneys provided by Parliament." No fees whatever are charged either to applicants for employment or to employers notifying vacancies.

In detail, the system is founded entirely upon the regulations made under the act by the Board of Trade, which have the force of laws, but must be laid before Parliament for confirmation, either before or after their actual enforcement.¹ For the better administration of the act a separate labor exchanges department was created by the Board of Trade.

The staffing of labor exchanges, originally planned on a population basis, has been complicated by the administration of the unemployment insurance regulations through the exchanges. For, whereas the placement work may be expected to correspond roughly to the population of each district, the chief unemployment insurance provisions of the act of 1911 apply only to certain trades whose volume varies in different localities and areas. Originally the exchanges were divided into six classes, serving areas with populations of over 100,000, from 50,000 to 100,000, from 25,000 to 50,000, suburban districts, small industrial towns near larger centers, and small towns and districts with specialized trades. This plan has been modified by consideration of the number of insurable workmen in each locality, and the staff in the exchanges of the larger centers has in some cases been increased from 8 to over 20. In the civil-service estimates for 1913-14 provision was made for a central office staff of 287, including 216 clerks and lower grades; a divisional exchange staff of 749, including 589 clerks and lower grades; a labor exchange staff of 2,494, including 267 managers, 20 secretaries of juvenile advisory committees, and 2,207 clerks and lower grades; a total staff of 3,530. This number, however, includes the staff needed for the administration of unemployment insurance which, owing to the close association of the two administrative functions, it is impossible to enumerate separately.²

The premises used at first were often unsatisfactory owing to the short notice with which the system was started. In many of the

¹ "Any general regulations made under this section shall have effect as if enacted in this act, but shall be laid before both Houses of Parliament as soon as may be after they are made; and if either House of Parliament, within the next 40 days during the session of Parliament after any regulations have been so laid before that House, resolves that the regulations or any of them ought to be annulled, the regulations or those to which the resolution applies shall, after the date of such resolution, be of no effect, without prejudice to the validity of anything done in the meantime under the regulations, or to the making of any new regulations." (Labor Exchanges Act, 1909, sec. 2, subsec. (3).)

² The director and general manager of the department receive a salary each of \$5,000 to \$6,000; two principal officers each \$3,500 to \$4,500; seven chiefs of sections, \$2,500 to \$3,750; nine assistant chiefs, according to seniority; the principal woman officer, \$2,000 to \$2,250; three traveling inspectors and one "labor adviser," \$1,650 to \$2,500. The total estimated outlay on labor exchanges for 1913-14 was less than \$5,000,000 (£984,525).

towns visited there were, during the first year or two, in use as labor exchanges old warehouses and stores, sometimes in uninviting side streets, sometimes dark and undignified in appearance, sometimes too small and not lending themselves to effective subdivision. This has gradually been improved and a more or less definite standard has been applied not only to the premises themselves as regards location, size, heating, lighting, ventilation, subdivision, and general appearance, but also to the equipment. Only in a few cases has it been necessary for the Government to build; this has rightly been avoided as much as possible owing to the difficulty of foreseeing with any precision the probable growth of the work in different localities. The economy of this policy has shown itself especially since the enactment of the unemployment insurance law, and with the progress of ideas, since the beginning of the system, as regards the most effective arrangements. In every case separate registration offices—as far as possible with separate access from the street—are provided for men, women, boys, and girls. Often the men's department is further subdivided into separate rooms for artisans and laborers or casuals, spacious waiting rooms being provided for the last named. In the larger exchanges separate provision is always made for registering insurable and uninsurable workmen, but not always in separate rooms. A separation of the skilled and more respectable from the unskilled and more casual workers is, in the larger exchanges, also made in the case of women workers. These different departments are practically always under the same roof except where, under a joint system of juvenile placement, the local education authority assumes responsibility for accommodating that part of the work of the exchange or where special exchanges have been established to deal with specific trades or grades, such as longshoremen, cotton porters, and the like. The specialization of exchanges on the lines of occupational divisions has, so far, remained exceptional. In the larger cities branches are sometimes established in the most densely populated industrial districts, and these often take their tone from the predominant local industry without being definitely created for its exclusive benefit. Women's departments are always staffed by women officers; on the staffs of juvenile departments both men and women are found. Minute attention was paid, in connection with the draft of regulations, to the forms to be used for registration and statistical purposes. A departmental committee, appointed to consider this subject, reported in December, 1909, after a careful study of all available material, and practically all its recommendations were adopted.

METHODS OF REGISTERING APPLICATIONS.

The actual working of the system is not, perhaps, in essentials very different from that of others the world over; but it derives importance from the fact that it is the only one with a national application and that, as one of the most recent, it has absorbed the lessons of every other system with similar ends in view.

Applicants for employment must register personally, except in the case of minors yet at school and of others living over 3 miles from the nearest exchange. These may send in written applications. Usually a clerk takes down the necessary particulars on a ruled and printed filing card, differing in color for men, women, boys, and girls. The principal questions, in the case of adults, refer to name, address, name of labor organization to which applicant belongs, if any, nature of work desired, age, whether willing to work in another district, when free to begin work, whether and where previously registered, possible alternative trades, name and address of previous employers, nature and period of each previous employment. In the case of boys and girls, the questions asked also refer to name of last day school attended, date of leaving it, standard reached before leaving, intention of attending continuation classes—if so, whether day or evening and in what subjects—whether employed part time before leaving day school—if so, how long—whether willing to be apprenticed and, if so, whether able to pay premium. The back of the card, in each case, is reserved for a record of the vacancies to which the applicant is recommended; that is, date when sent for, name of employer, when sent to same, nature of vacancy, date placed, etc., and columns for office-recording numbers and symbols.

Clerks, artisans, and other educated and self-respecting applicants prefer to fill in their own forms instead of being examined orally. They are permitted to do so on a special form provided for that purpose, containing similar questions to those named, only more explicit. The information thus given must later be transferred by a clerk to a filing card. Whether examined orally or filling in forms of their own, applicants are not required necessarily to answer all the questions. But probably they stand a better chance if they do so and if they voluntarily add, in a space reserved for general remarks, further information throwing light on their experience in and qualifications for the work desired.

Applicants are encouraged to register at the exchange nearest their place of residence; but there is nothing to prevent a man from registering at several exchanges. This, however, is of little benefit to him since vacancies are always filled by local applicants and only if no suitable applicant is available who is resident in the exchange area are those from other registration districts considered. Owing

to the system of interlocal registration, the applicant in such cases usually hears of these vacancies just as quickly at the exchange in his own locality as he would hear of it by going to the exchange which has the vacancy.

On registration, the applicant receives a registration post card (brown), stating his name, address, and trade, and leaving space for him to enter the name of an employer with whom he may find work and the date of starting such work. This card must be posted to the exchange immediately, whether the work has been found through the exchange or independently of it.¹ So long as he wishes to remain on the register and have his name brought before employers, the applicant must present his card at the exchange at least once a week. Though in theory there is no good reason for it and though, as we shall see,² it is against the principle underlying the British labor exchange system that each vacancy should be filled as far as possible by the best available man of those on the register of applicants, it seems that in practice a man's chances are brighter if he calls daily and, in the case of unskilled laborers at least, brightest if he camps at the exchange all day long.³ This divergence of practice from theory is probably the only serious fault to be found with the administration of the British labor exchanges. Applicants residing outside the 3-mile radius are of course permitted to renew their registration by post.

The register of those whose applications are valid, that is have been made or renewed within the last week, is called the "live register." The cards of those who do not renew their applications form the "dead register." When there is reason to believe that applications have not been renewed owing to applicants' negligence rather than owing to their having found work for themselves, the cards often are placed on an "intermediate register." The old card is used again if, after an interval of a week or two, the applicant renews his application; but his registration is statistically treated as a new one.

There is nothing in the act or the regulations made under it to preclude a worker from registering while already employed. In theory, he would stand the same chance of securing work of the desired character as the workless applicant, provided he be equally suitable for a vacancy occurring in the trade. But in practice he is

¹ The address side has this imprint: "If you obtain work—either through the labor exchange or otherwise—you must fill in this card and post it at once to the exchange. No stamp is needed. Until you obtain work, you must present this card at the labor exchange every — in order to remain on the register."

² Page 17.

³ In a report to the International Association on Unemployment (Bulletin, July–September, 1913, p. 773), the director and general manager of the Board of Trade labor exchanges say: "If he wishes to remain on the register, he has to bring this card to the exchange each week, and, in addition, he is encouraged to call daily at the exchange to inquire as to vacancies."

not encouraged to leave his employment for the sake of a change; and the fact of his lesser ability to reregister frequently, and to call upon employers whose names are given him, makes him less eligible. Complaints were frequently made by employers during the first year or two of the exchanges' existence that the facilities offered to employed workers to secure new positions had the tendency of making them continually dissatisfied, insubordinate, and shiftless. If this were true on an appreciable scale it would mean that previous to the establishment of the labor exchanges wage earners had insufficient opportunities for improving their position without giving up the jobs they held and thereby endangering their livelihood. But so far as it has been possible to ascertain the truth, it seems that the complaint of employers has been much exaggerated; that many of the persons engaged through the labor exchanges in the earlier stages of their history were apt to be of the less stable type, who would not have stayed for long in the same place anyhow, by whatever method hired. This criticism also overlooks the fact that if employees have been helped to secure new positions while still employed, employers also have been helped by the labor exchanges to replace them at the shortest notice, if necessary, from a distance. The astonishing fact, to an impartial observer, is that in spite of the greater mobility given to labor through the interlocal method of notification of vacancies and aids to traveling, further discussed on page 51, wages and conditions of labor have remained so dissimilar in near-by and even adjoining localities. The only possible explanation is that the British worker values home ties and connections more highly than a slight rise in wages or mildly improved living conditions, and that the actual loyalty even of low-paid workers to their employers and their interest in the concerns in which they are employed are apt to be seriously underestimated by theoretic economists.

Registration at a labor exchange, in case of unemployment, is practically compulsory in the case of workmen entitled to benefit under the obligatory unemployment insurance section of the National Insurance Act, 1911, since in his case a public test of his willingness to accept employment, if suitable work can be found for him, is the principal condition under which such benefit becomes payable. His insurance stamp book, while he is out of work, has to be deposited at the local office of the Unemployment Fund; that is, the local labor exchange, and is returned to him as soon as he has secured work. In all other trades registration of unemployment is purely voluntary.

METHODS OF REGISTERING VACANCIES.

Notifications of vacancies may be made by personal call, by letter, telephone, or telegram. Employers also are supplied, if they desire, with post cards for free transmission on which to send in their re-

quests for workpeople. These cards state name and address of the firm, description and number of the workpeople required, wages offered, and time and place for interviews of applicants. On the address side this note is printed :

While full particulars as to requirements and wages offered will assist the exchange in selecting suitable applicants, the extent of the information given is within the discretion of the employer.

An increasing number of employers, among them many of the largest concerns, have decided to engage all their labor—or sometimes all but a few specially qualified skilled artisans whom they can better secure by other means—through the exchanges. To them thousands of blue enameled plates have been distributed for exhibition at their works' entrances to inform applicants for employment that employees are hired only through the local labor exchange.

Sometimes the employment officer of a large firm, especially if the latter be situated at some distance from the labor exchange for the district, is given the privilege of using a room set aside for him at the labor exchange at stated times of the week, where he can interview applicants for employment previously roughly selected by officers of the exchange for his further choice.

METHODS OF FILLING VACANCIES.

The filling of vacancies proceeds on the principle that the labor exchange is merely a mart. It assists employers by making a rough selection for them of applicants answering the description given in the request; but it merely submits applicants for the employer's consideration; it does not assume any responsibility as to the ability or character of the person submitted. Similarly, the exchange does not undertake any responsibility to the worker concerning the nature or the wages and other conditions of the work offered. It simply hands on information as received and leaves it to employers and workpeople to decide for themselves whether they can come to terms. If a worker refuses a job on the ground that the wages offered are not high enough this does not disqualify him as regards his chance of future employment. If an employer refuses to employ a man submitted to him because he belongs to a trade-union, then the exchange will endeavor to supply him from the list of applicants with the desired qualifications one who does not suffer from this fatal flaw. If the workman by insisting on too high a wage should lose good opportunities he will have only himself to blame. If the employer by putting a taboo on trade-unionists can secure only inferior labor it is his lookout. The exchange remains perfectly impartial.

When a vacancy has been reported, an officer of the exchange immediately goes through the card index of registered applicants waiting for a job—the “live register”—to see whether any of them answer the description given. For the principal trades in his district he will have separate files so that no time will be lost by search in a large, miscellaneous card index. He may have only one suitable person on the register; or of several applicants belonging to the trade one may be so superior to the others in what is known of his qualifications that he is singled out for submission to the employer. A green identification card is given or sent him, and he is asked to present himself at the place and time mentioned by the employer in his request. This card is contained in a sealed envelope addressed to the employer and reads as follows:

In reply to your request for —— I am sending ——, the bearer, who should present this card in a sealed green envelope addressed to you. If you engage bearer, please sign and return this card to me as soon as possible, even if the engagement is only temporary. If you do not engage bearer, please give this card back to him *unsigned*.

Manager.

N. B.—Until this card is returned the situation is considered open.

In a corner of the envelope this “notice to applicants for employment” is printed:

If not engaged, you must bring this card back to the exchange in order to have an opportunity of being sent to another job which is open.

The card is addressed to the manager of the exchange and may be mailed to him unstamped.

In the majority of cases several applicants are sent, to give the employer a final choice, each supplied with a green identification card. Sometimes, labor critics complain, the number of persons sent is unnecessarily large. But it appears that the more efficient managers try to reduce as far as possible the number of errands upon which men are sent. Investigation of this matter showed that there was a noticeable difference in this respect in the practice not only of different exchanges but also in that of one and the same exchange with regard to different classes of labor. An intelligent and observant manager of an exchange usually knows those of his larger clients who prefer to have sent to them a more or less unselected group of workers to choose from for themselves and those who prefer the officers of the exchange to make a more careful selection for them. Also, in some trades the variation of skill and character, so far as suitability for employment in that trade is concerned, is not nearly so important as in others, and it is less important for employers to make a careful personal choice. A hotel manager, for instance, will want to

know all about the experience and character of a new cook before he engages him; a builder, on the other hand, may not need to be so particular in putting on a new mason, so long as he is duly qualified by trade-union membership, though both men are skilled workers.

When it is remembered that the vacancies reported vary from positions for responsible employees, appointed sometimes for life, to jobs of an hour's duration for casual laborers, it will easily be seen how impossible it is to provide in rules and regulations for the exact procedure to be followed in the selection of applicants. In theory this is purely with respect to their suitability for the work offered on the motto "the best man for each job," and no regard is had to the length of time during which an applicant has been on the register, to questions of local residence, conjugal condition, financial stress, or any other extraneous consideration of that nature. After all, the purpose of a national system of labor exchanges is not merely to effect as many placements as possible, but to make placements satisfactory both to employers and employees. One of the chief arguments for a uniform system of placement on a large scale, such as the British, is that it helps cut out the waste from industrial misfits arising when the labor market is too restricted to allow of an adequate choice and resulting in inefficiency and unemployment.

But, as Prof. Pigou points out in a recent book,¹ the unification in a single system of the hiring of labor for a number of concerns in itself does not necessarily bring about increased placement of the fittest or gradual elimination of the unfit.² There never was any doubt that the Board of Trade scheme of labor exchanges was meant to be administered with strict adherence to the principle of precedence by fitness only.³ But it appears that in practice a close inquiry into the respective merits and qualifications is not always made. Although this has been criticized elsewhere, it must of course be admitted that such scrutiny is not always possible. This is especially true of unskilled workers and in cases where the number of applicants in any one trade is exceptionally large, as for instance in the building trade during the slack months. In such cases, the general practice seems to be for the manager either to send men of whom he happens to know that they have given satisfaction in other employments to which they have previously been recommended, without taking the trouble of inquiring closely into the suitability of the

¹ "Wealth and Welfare," Macmillan, London, 1912, p. 318.

² In some of the European labor-bureau systems a rule has been provided explicitly stating that vacancies must be filled in order of priority of application.

³ "Employers have realized that their freedom of selection is in no way interfered with; that the sole qualification taken into account in submitting men for vacancies notified by them is the applicant's industrial efficiency * * *."—C. F. Rey, general manager Board of Trade labor exchanges, in paper read at National Conference on Prevention of Destitution, June, 1911.

applicants whom he does not happen to know personally; or to send a considerable number of applicants for the employer to make his own choice; or to send men who are in the waiting room or easily reached; or to send persons who have been put on the register most recently and who, by virtue of having maintained their jobs longer than other applicants, may be supposed to have superior qualifications. Sometimes, however, it seems that the opposite of the last-named custom is applied, contrary to instructions and the fundamental aim of the exchanges, namely, that managers send applicants who have been longest on the live register. This may, in rare cases, be owing to pressure on the part of trade-union secretaries, who, of course, like to see preference given to those of their members who are most difficult to place; or, more frequently, to the natural desire on the part of the officer to get rid of applicants who have been haunting the office for a long time. Often employers themselves hinder a thorough selection of suitable persons from the live register of applicants by an unreasonable urgency in their demand which forces the manager to send the first "best person for the job" vaguely answering the requirements mentioned whom he can get hold of in the time stated. Moreover, since the exchange has no means of testing the statements made either by applicants for work or by employers and merely hands on the information given it, it follows that in practice, even with the best intention, the idea of "the best man for each job" can be applied only very roughly and intermittently. It is well that this idea should not be lost sight of as a guiding principle; but the real selection must of necessity rest with the employer.

When the local current or live register does not contain anyone answering the requirements of an employer it is the duty of the manager to do two things: First, to advertise the vacancy on a bulletin board, usually placed in the window of the exchange premises; and second, to communicate it to the divisional office for the area in which the exchange is situated both by telephone and by written forms filled up and forwarded at least once each day. The divisional office, unless able to fill the vacancy immediately from its list of applicants on the live registers of the different exchanges in the division,¹ circulates its notification, along with that of other unfilled vacancies in the division notified from the various exchanges in it, either among the exchanges which are likely to have on their live registers applicants of the class required or among all the exchanges of the division. After a given time, should it fail to fill the vacancy within the division, the divisional office takes further action. It either

¹ A rare occurrence. Normally, applications for work will only be reported to the divisional office if there is reason to believe that a demand for a person of applicant's qualifications is not likely soon to arise locally while suitable vacancies are likely to be open in other exchange areas in the division.

circulates its notification among other divisional clearing houses which are likely to have applicants of the class required or reports it to the central office in London, which in turn circulates the notification among all the divisions. In this way the circle within which a request of an employer for workers is made known is a gradually widening one. The same, with limitations, is true of requests for employment. Unless they can be satisfied locally—that is, unless there is a reasonable likelihood of finding a suitable local opening in the near future—they assume the character of a search over an area of about one-eighth of the United Kingdom, and after that of a country-wide inquiry. It must not be imagined, however, that as a result of this system every British workingman regards the whole country as a possible field for his wage-earning activity. While undoubtedly, as will be seen on page 51, the creation of a national pooling of possible openings has been of great benefit to him, his natural conservatism and love of home have prevented anything in the nature of a general game of “pussy wants a corner.”

PROCEDURE IN CASE OF LABOR DISPUTES.

The action of the labor exchanges is governed by different rules in cases where a strike or lockout is actually in progress and in cases where a trade dispute is said by one side or the other, or by both, to be in existence which, however, has not led to a cessation of work. Their duty is laid down in subsection (2) of section 2 of the act:

The regulations shall provide that no person shall suffer any disqualification or be otherwise prejudiced on account of refusing to accept employment found for him through a labor exchange where the ground of refusal is that a trade dispute which affects his trade exists, or that the wages offered are lower than those current in the trade in the district where the employment is found.

With regard to strikes and lockouts, the general regulations issued by the Board of Trade in 1910 interpret this clause as follows:

III. (1) Any association of employers or workmen may file at a labor exchange a statement with regard to the existence of a strike or lockout affecting their trade in the district. Any such statement shall * * * be signed by a person authorized by the association for the purpose. Such statement shall be confidential except as hereunder provided and shall only be in force for seven days from the date of filing but may be renewed within that period for a like period, and so on from time to time.

(2) If any employer who appears to be affected by a statement so filed notifies to a labor exchange a vacancy or vacancies for workmen of the class affected, the officer in charge shall inform him of the statement that has been filed and give him an opportunity of making a written statement thereon. The officer in charge in notifying any such vacancies to any applicant for employment shall also inform him of the statements that have been received.

In the application of this ruling no serious difficulties have arisen. Usually there is no question as to the accuracy of a statement filed either by a trade-union or an employers' association that a strike or lockout exists. If, however, an employer, on being informed by the exchange of the report by a trade-union of a strike affecting his plant, denies the existence of such a strike and insists on having his request for workers put on the bulletin board of the exchange, the manager has to comply with his request. But on receiving applications for such vacancies he must inform the applicant that such and such a trade-union has reported the existence of a strike affecting that firm, and that the firm itself denies it. He will also produce the respective documents themselves if requested to show them. He is expressly forbidden either to discourage or encourage an applicant to take such a job; and there have been very few complaints that this rule has been violated.¹

Another regulation provides that the special privileges as to advance of traveling fares, which is further referred to on page 51, shall not be given where the firm concerned is affected by a strike which has been reported to the exchange by a trade-union.

Of trade disputes which have not actually led to a strike or lockout the labor exchange obviously has no precise knowledge. Such disputes may be said to exist by a trade-union secretary but be denied by the majority of workers in the plant concerned, and all varieties between a mild disagreement and a serious threat to quit work are possible. Yet, in order to prevent the acceptance of positions by persons ignorant of existing trade agreements and the penalizing of persons refusing to accept a position offered them because of an alleged trade dispute, two rules have been framed which amply safeguard the workers without in any way embarrassing employers willing to keep faith with their employees. One of them provides for the filing at the labor exchange for public inspection of trade agreements or rules of public authorities as employers bearing upon wages and conditions of work.² By this means an applicant can make sure before applying for a vacancy posted up at the labor exchange or communicated to him by it that the wages and conditions offered are in accordance with existing trade-union agreements, or, in the case of a public contract, with the rules adopted by the authority. The second regulation provides that no applicant who refuses to apply for a vacancy communicated to him by the exchange for the reason

¹The actual attitude of labor exchanges on the occasion of strikes is further discussed on p. 48.

²General Regulations, 1910, IV (2): "Copies or summaries of any agreements mutually arranged between associations of employers and workmen for the regulation of wages or other conditions of labor in any trade may, with the consent of the various parties to such agreements, be filed at a labor exchange, and any published rules made by public authorities with regard to like matters may also be filed. Documents so filed shall be open to inspection on application."

just mentioned, or because he considers the wages offered lower than those current in the trade and district, shall on that account be disqualified for being considered in connection with other openings.¹ It is only natural that, in spite of these various provisions, the charge should occasionally be made that labor exchanges are used for the importation of "scabs," but an endeavor to locate actual instances of such practice, made by the writer two years ago, yielded only one case, in which the guilty officer had been promptly removed.

GENERAL RESULTS.

In consequence of the war, which has deprived the department of many of its most important officers and burdened others with new duties, only a summary of statistical information is available for the work of the exchanges in the years 1914 and 1915.² These figures must be used with caution, and particular care should be taken not to infer from them more than they are capable of proving. They do not, for instance, register the total amount of unemployment; nor is it known whether they correctly reflect movements of employment generally. Since the use made of labor exchanges by workers of the same trade in different localities and by workers of different trades in the same locality varies considerably, it is not possible without using also other available material to judge from labor-exchange statistics as to the relative amount of unemployment in different trades, among skilled and unskilled, in different areas, and at different times. These criticisms, however, apply with less force probably to the branch exchanges than to any labor exchanges not so thoroughly organized into a national system. So far, however valuable in themselves for various purposes, they are only contributory to a knowledge of the labor market generally. If, for instance, we learn that the labor exchanges in 1915 received 3,186,137 applications for work, representing 2,345,816 individuals,³ we must remember that in these totals are included men hired for a few hours to shovel snow as well as men with a high and rare degree of skill for whom permanent appointments have been found.⁴

¹ General Regulations, 1910, IV (3): "No person shall suffer any disqualification or be otherwise prejudiced on account of refusing to accept employment found for him through a labor exchange where the ground of refusal is that a trade dispute which affects his trade exists or that the wages offered are lower than those current in the trade in the district where the employment is found."

² See Board of Trade Labor Gazette for February, 1915, and February, 1916.

³ Of this number, 19,013 were on the casual register only; but we do not know the proportion of those on the general register whose placement was known to be temporary only.

⁴ There came to the notice of the writer the case of an overzealous exchange official who, having employed a woman in the exchange's waiting room for half an hour mending his coat, considered it his duty carefully to record the transaction among vacancies reported and filled. It is not to be inferred, however, that any appreciable part of the published statistics have been arrived at in similar ways.

The number of vacancies reported in 1915, namely, 1,797,646, was only three-fifths of the number of applications registered; so that apparently two-fifths of the number of applications for work booked represent a surplus of labor offer. But here again rash deductions should be avoided. Of the vacancies reported one-quarter remained unfilled. Besides, we do not know how large a proportion of the registered applications lapsed because the individual found work elsewhere or because the employer who had reported a vacancy omitted to send the green post card informing the exchange of his acceptance of the applicant sent. We are told that the number of registrations given includes reregistrations of the same individuals; but we do not know how large a proportion is thus accounted for.

However this may be, the proportion of applications registered or even of the number of individual applicants of the number of vacancies reported or filled would not in any case provide us with a criterion of the efficiency of the system. For that proportion depends primarily on the state of trade. For a test of the practical results, two things are worth noting: First, the continued increase from the start in the number of applicants registered and of vacancies reported during a period of exceptionally good trade; second, the continued improvement in the proportion of applicants for whom work was found. The following table will show the remarkable progress in both these directions since the starting of the system:¹

TABLE 1.—OPERATIONS OF LABOR EXCHANGES, 1911 TO 1915.

[Source: Seventeenth Abstract of Labor Statistics of the United Kingdom and Board of Trade Labor Gazette for February, 1916.]

| Year. | Exchanges open at end of year. | Applications registered. | Individual applicants. | Vacancies reported. | Individuals given work. | Vacancies filled. | Per cent of applicants given work. | Per cent of vacancies filled. |
|-----------|--------------------------------|--------------------------|------------------------|---------------------|-------------------------|-------------------|------------------------------------|-------------------------------|
| 1911..... | 261 | 2,040,447 | 1,513,369 | 788,609 | 469,210 | 621,410 | 31.0 | 78.8 |
| 1912..... | 413 | 2,465,304 | 1,643,587 | 1,062,574 | 573,709 | 828,230 | 34.9 | 77.9 |
| 1913..... | 422 | 2,965,893 | 1,871,671 | 1,222,828 | 652,306 | 921,853 | 34.9 | 75.4 |
| 1914..... | 401 | 3,442,452 | 2,164,023 | 1,479,024 | 814,071 | 1,116,909 | 37.6 | 75.5 |
| 1915..... | 399 | 3,186,137 | 2,326,803 | 1,797,646 | 1,058,336 | 1,308,137 | 45.5 | 72.8 |

Compared with the figures for 1913, the number of vacancies reported had increased by 21 per cent in 1914 and by 47 per cent in 1915; the number of registrations, by 16.1 per cent in 1914 and by 7.4 per cent in 1915; the number of individual applicants registered, by 15.6 per cent in 1914 and by 24.3 per cent in 1915; the number of

¹ For tables giving the trades of men, women, boys, and girls registered as applicants for work and who found work during 1911, 1912, and 1913, see Seventeenth Abstract of Labor Statistics, Board of Trade, Cd. 7733, 1915. The respective figures for 1914 and 1915 are not yet published.

vacancies filled, by 21.2 per cent in 1914 and by 41.9 per cent in 1915; and the number of individuals given work, by 24.8 per cent in 1914 and by 62.2 per cent in 1915.

Table 2 shows separately for men, women, boys, and girls that the tendency for the proportion of individual applicants registered who were given work has been one of steady improvement.

TABLE 2.—PER CENT OF INDIVIDUALS REGISTERED FOR WHOM WORK WAS FOUND, 1911 TO 1915.

[Source: Seventeenth Abstract of Labor Statistics of the United Kingdom and Board of Trade Labor Gazette for February, 1916.]

| Item. | 1911 | 1912 | 1913 | 1914 | 1915 |
|------------|------|------|------|------|------|
| Men..... | 27.5 | 32.8 | 30.8 | 36.7 | 53.8 |
| Women..... | 31.7 | 32.9 | 37.9 | 33.6 | 33.3 |
| Boys..... | 46.7 | 48.2 | 54.1 | 54.2 | 59.9 |
| Girls..... | 42.9 | 43.4 | 47.1 | 41.3 | 46.2 |
| Total..... | 31.0 | 34.9 | 34.9 | 37.6 | 45.5 |

It will be seen that progress was not regular all along the line. The decreased proportion of the women and girls for whom work was found in 1914 as compared with 1913 is explained by the Board of Trade as due to the large number of registrations during the last half of the year, principally in the clothing and textile trades and in domestic service, caused undoubtedly by the war. But in spite of this depression there was an absolute increase in the number for whom work was found, namely, 221,465 women and girls in 1914 as compared with 187,630 in 1913. The increase in the proportion of girls for whom work was found in 1915 was due, firstly, to the demand for women on shell making and filling, making of small-arm ammunition, and on other Government work, and, secondly, the demand for women to replace enlisted men in the textile industry, conveyance of goods, etc., agriculture, and commercial, clerical, Government, and professional occupations.

A more striking picture of the effect of the war on the work of the labor exchanges is given by the following table in which the number of adult applicants for work remaining on the register at the end of each month and the daily average of vacancies filled is compared for the last three years.

TABLE 3.—NUMBER OF WORKERS ON THE REGISTER AND DAILY AVERAGE OF VACANCIES FILLED—1915 COMPARED WITH 1914 AND 1913.

(Source: Seventeenth Abstract of Labor Statistics of the United Kingdom, and Board of Trade Labor Gazette for February, 1916.)

On register at end of period.

| Period ending— | Men. | Women. | Per cent of increase (+) or decrease (-) compared with 1914. | | Period ending— | Men. | Women. | Per cent of increase (+) or decrease (-) compared with 1913. | |
|----------------|--------|--------|--|--------|----------------|---------|--------|--|--------|
| | | | Men. | Women. | | | | Men. | Women. |
| 1915. | | | | | 1914. | | | | |
| Feb. 12 | 55,723 | 31,653 | -51.9 | + 79.3 | Feb. 13 | 115,767 | 17,650 | - 5.3 | + 3.3 |
| Mar. 12 | 43,847 | 30,326 | -53.8 | + 69.7 | Mar. 13 | 94,931 | 17,871 | + 5.8 | + 12.2 |
| Apr. 16 | 40,394 | 41,363 | -50.0 | +162.1 | Apr. 17 | 80,711 | 15,783 | + 14.2 | - 8.9 |
| May 14 | 31,487 | 38,989 | -54.9 | + 95.5 | May 15 | 76,520 | 19,944 | + 20.9 | + 43.0 |
| June 11 | 37,039 | 43,165 | -34.0 | +116.1 | June 12 | 80,471 | 19,970 | + 20.3 | + 13.8 |
| July 16 | 40,539 | 46,623 | -52.4 | +172.4 | July 17 | 85,185 | 17,115 | + 22.6 | + 21.5 |
| Aug. 13 | 39,086 | 44,924 | -73.3 | + 55.2 | Aug. 14 | 146,531 | 28,943 | +127.9 | + 96.5 |
| Sept. 10 | 35,245 | 45,331 | -76.2 | + 20.6 | Sept. 11 | 148,391 | 37,599 | +107.0 | +130.6 |
| Oct. 15 | 38,248 | 53,716 | -62.9 | + 48.7 | Oct. 16 | 103,154 | 36,117 | + 24.3 | +107.7 |
| Nov. 12 | 34,960 | 67,960 | -57.6 | + 94.3 | Nov. 13 | 82,429 | 34,974 | - 11.7 | +113.0 |
| Dec. 10 | 33,767 | 64,382 | -49.8 | +117.5 | Dec. 11 | 67,265 | 29,604 | - 32.3 | +107.1 |
| 1916. | | | | | 1915. | | | | |
| Jan. 14 | 39,522 | 71,429 | -41.2 | +131.4 | Jan. 15 | 67,215 | 30,864 | - 47.9 | + 88.5 |
| Average.. | 39,405 | 48,322 | -58.8 | + 89.2 | Average.. | 95,714 | 25,536 | + 12.3 | + 60.5 |

Daily average of vacancies filled during period.

| Period ending— | Men. | Women. | Per cent of increase (+) or decrease (-) compared with 1914. | | Period ending— | Men. | Women. | Per cent of increase (+) or decrease (-) compared with 1913. | |
|----------------|-------|--------|--|--------|----------------|-------|--------|--|--------|
| | | | Men. | Women. | | | | Men. | Women. |
| 1915. | | | | | 1914. | | | | |
| Feb. 12 | 2,640 | 852 | +50.7 | +22.6 | Feb. 13 | 1,752 | 665 | +18.3 | +21.5 |
| Mar. 12 | 2,536 | 928 | +37.5 | +36.7 | Mar. 13 | 1,844 | 679 | + 6.9 | + 7.8 |
| Apr. 16 | 2,559 | 993 | +31.2 | +35.8 | Apr. 17 | 1,950 | 731 | + 5.6 | +14.4 |
| May 14 | 2,420 | 1,090 | +18.9 | +39.4 | May 15 | 2,035 | 782 | +17.3 | +24.3 |
| June 11 | 2,357 | 1,175 | +28.4 | +46.5 | June 12 | 1,935 | 802 | - 7.0 | + 6.9 |
| July 16 | 2,343 | 1,248 | +29.9 | +40.9 | July 17 | 1,904 | 886 | - 2.9 | +17.8 |
| Aug. 13 | 2,129 | 1,215 | -10.0 | +83.0 | Aug. 14 | 2,366 | 664 | +38.3 | + 1.8 |
| Sept. 10 | 2,303 | 1,248 | -14.1 | +99.0 | Sept. 11 | 2,681 | 627 | +61.5 | + 1.1 |
| Oct. 15 | 2,251 | 1,283 | -15.2 | +55.7 | Oct. 16 | 2,656 | 824 | +60.0 | +24.3 |
| Nov. 12 | 2,264 | 1,388 | -13.5 | +76.4 | Nov. 13 | 2,617 | 787 | +55.1 | +17.8 |
| Dec. 10 | 1,984 | 1,493 | -22.2 | +83.0 | Dec. 11 | 2,551 | 816 | +47.9 | +27.7 |
| 1916. | | | | | 1915. | | | | |
| Jan. 14 | 1,887 | 1,385 | -16.8 | +80.3 | Jan. 15 | 2,269 | 1,768 | +51.5 | +29.9 |
| Average.. | 2,304 | 1,194 | + 4.9 | +57.3 | Average.. | 2,196 | 1,759 | +28.1 | +16.6 |

1 Not including post office temporary Christmas work.

In explanation of these figures, the Board of Trade remarks:

During a normal year the numbers on the register would show the seasonal fluctuations of trade, with a high unemployment figure at the beginning of the year, a decline to mid-July, and an increasing figure to the end of the year. The seasonal fluctuation is, however,

masked by the unemployment following the outbreak of war and the increased industrial activity in the later months of the year.¹

The decrease in the number of men on the register at the end of the monthly period, compared with the number on the register a year before, starts with October, 1914, and goes right through 1915. It is due, of course, to enlistment and to a demand for labor, growing throughout this period, in armament work and on every kind of naval and military contract work. To judge from the daily averages of vacancies filled, this movement of men ceased about July, 1915, when, apparently, the shortage of labor as judged by the number of vacancies filled became serious.

On the other hand, there was a continuous steady increase in the number of women registering. By the end of the year this increase had amounted to 131.4 per cent, compared with the figure at the commencement. This corresponds to the growth in the demand for the services of women in munitions work and to replace men enlisted from other occupations. Many of the women who registered were volunteers offering themselves from patriotic reasons for employment for which they frequently could not be regarded as suitable.²

It is quite impossible, of course, in the absence of statistics of placements effected without the aid of public labor exchanges, to reach a conclusion on the relation of the exchanges' operations to the total labor turnover. The period covered by their history so far, with the exception of two or three months after the outbreak of the war, has been one of relatively good trade, and it remains to be seen whether employers have sufficiently got into the habit of calling up the exchange when in need of workers to continue this practice when other methods of securing labor by reason of slackening trade activity become again more fruitful. There can be no doubt that in future during a trade depression the number of applications registered by the exchanges will enormously increase.

EFFECT OF UNEMPLOYMENT INSURANCE ON WORK OF LABOR EXCHANGES.

It is not improbable that the provision against unemployment made by so many British trade-unions acted against rather than in favor of a rapid increase in the use of the State labor exchanges by organized workers.³ For it must be assumed that the unions paying benefits to their members when out of work have always

¹ Board of Trade Labor Gazette for February, 1915, p. 43.

² *Idem*, p. 48.

³ "The latest complete figures relate to 1908, when returns were received from unions with a total membership of 2,359,867, or more than 99 per cent of the total membership of all unions at the end of that year. Out of this number, 1,473,593 were insured against unemployment, and an additional 1,524,091 were entitled, in cases of unemployment, to traveling benefit, or to total or partial remission of contributions, or to occasional allowances."—Labor Yearbook, London, 1916.

been active in using every possible means of placing them. Indeed, personal inquiry among the officers of such unions showed that while generally they appreciated the advantages of a national system of registration, they did not usually find that this system had much to offer in practice to their own members or helped to reduce their payments in unemployment benefits, because they already had created for themselves fairly successful methods of rapidly obtaining and distributing to their members information on all vacancies in their trade as they arose.

On the other hand, it will be expected, and in fact there can be no doubt, that State insurance against unemployment, which uses the labor-exchange system to test the fact of unemployment before payment of benefit, must increase the volume of transactions of the exchange. The unemployed insured workmen are obliged to register, and the fact of their registering there induces employers to report their vacancies. As we have seen, there has been a constant increase in the number of applications registered since the exchanges were opened, and although there was no noticeable jump in this increase in 1912-13, when such benefits became first payable,¹ it is probable that the effect of the use of the exchanges in connection with the national insurance scheme was gradual but considerable. It not only compelled large numbers of workers to register at the labor exchanges their desire to secure work, but since many of these belonged to the superior classes of organized labor their example in using the exchanges stimulated a larger use of them also on the part of noninsured workers.

It is not intended here to enter a full discussion of the national provision against unemployment in the United Kingdom made by the National Insurance Act of 1911. But a few particulars are necessary to show the importance of its effect on the use of the labor exchanges. Part II of that act contained two separate measures:

First, to encourage more trade-unions to give out-of-work pay to unemployed members, a subvention not exceeding one-sixth of the amount so paid is contributed by the State to unions of workmen not in the compulsorily insured trades mentioned below, subject to approval by the Board of Trade, which also has wide powers in making regulations. This State grant, a method more commonly employed in Great Britain and in other European countries than it is in the United States for the purpose of achieving national objects by means of financial encouragement, immediately enabled a number of important unions to establish unemployment benefits, though previously they had not seen fit to do so; it also gave to other unions which already paid such benefits a powerful incentive to make them more adequate than they had been before.

¹ The act came into force in July, 1912.

Soon after the outbreak of the present war, as a result of a deputation to the Prime Minister from the joint board of the Trade Union Congress, the General Federation of Trade Unions, and the Labor Party on August 27, 1914, which painted a dark picture of the heavy drains on the unemployment funds of the unions at that time and the rapid exhaustion which was then feared, the Government grants were substantially increased for the purpose of safeguarding the solvency of the funds. Provided the union complied with certain demands and that it could prove from its books the existence of abnormal unemployment among its members, an emergency grant (in addition to the one-sixth already named) of either one-sixth or one-third of the expenditure of the union on unemployment benefit was allowed.¹

The second and more important form of unemployment insurance under the act of 1911 is the compulsory part, which is applied to all manual workers in building, works of construction, shipbuilding, engineering, iron founding, construction of vehicles, and sawmilling. The insured workers, numbering about 2,500,000, including some 10,000 women, or about one-sixth of all wage earners in the United Kingdom, contribute 2½ pence (5 cents) weekly, deducted from their wages by the employer, who pays an equal amount and is responsible to the Government for the whole payment by means of a stamp affixed to a card held by the employee. The State contributes a sum equal to one-third the amount contributed by both employees and workers and all the cost of administration. Out of these contributions the worker is entitled to a benefit of 1s. 2d. (28.4 cents) per day, or 7s. (\$1.70) per week during the period of his inability to secure work. Unions of workmen in insured trades are encouraged to pay unemployment benefits of 7s (\$1.70) per week by payments to them of subventions not exceeding one-sixth of such excess from State funds.

It is by the payment of benefits through the labor exchange that this institution is made the corner stone of the whole edifice of this part of the unemployment-insurance scheme, for no benefit is payable unless proof exists that the claimant is desirous of working if work of a suitable character can be found for him. Obviously, this means an obligatory use of the labor exchange, for it is the only possible test of willingness to work that can be sanctioned by the State. The problem involved is not an easy one. A workman is entitled to

¹ This scheme came into operation in October, 1914. At the end of March, 1915, applications for emergency grants, amounting to \$373,533, had been made to 182 labor associations with a membership of 283,778. Out of this sum, \$315,214 went to the cotton industry alone, the only staple industry which, through the dislocation of imports, had been substantially injured by the war. Of course, these sums are very small compared with the actual loss of wages—especially when that resulting from working short time is also counted—and the unions complain of the Government's parsimony.

benefit if he is willing to accept a "suitable" situation offered under "reasonable" conditions. But the words "suitable" and "reasonable" are open to many interpretations. As a rule, the situation must be in the applicant's own trade and must be at wages and under conditions at least equally as advantageous as those usually prevailing in the trade and locality where the work is done. The worker would be entitled to refuse work offered in a locality where wages are much lower than in his own, or if its acceptance were to necessitate his removal and that of his family, without offering any guaranty of employment over a sufficient period to make it worth while. It is regarded as a reasonable refusal if the applicant declines an offer of work elsewhere at a wage which would be insufficient to maintain him in that locality and his family apart from him where it is then living.¹

Since the number of applicants registered, vacancies notified, and vacancies filled obviously depends much more on the state of trade in different industries and in different years than on the efficiency of the labor exchanges or the respective popularity of their services with different classes of labor, no detailed figures are here given to show how the insured trades compare in these respects with the uninsured ones. There is, however, one point in the published statistics which is especially worth noting, namely, that the proportion of vacancies filled is rather higher in the insured than in the uninsured groups of trades. Table 4 gives the results of the operations of labor exchanges, compared for insured and uninsured workers of both sexes and all ages:

¹ It is obviously very difficult for the individual workman, under all circumstances, to know whether he is entitled to benefit or not; whether a refusal to accept a position offered him would be valid or not. Although fairly explicit regulations have been drawn up for the guidance of local officers of exchanges, the claimant has a right of appeal, free of cost, to a local court of referees, consisting of one representative each of employers and of wage earners and a chairman appointed by the Board of Trade. This court is in the nature of an informal committee, and meets at hours convenient for workpeople to attend. Its decisions are practically always accepted; but a further appeal, where, for instance, a trade-union desires a ruling on a matter of principle, is permissible to a permanently appointed umpire, who is a man of high standing in the legal profession.

Many of the doubtful cases turn on questions incidental to labor disputes. For instance, in connection with strikes, considerable numbers of wage earners are often thrown out of work who are in no way involved in the dispute. Again, there are many cases where a dispute arises as to whether a person, though unable to secure work at his own trade, should, if gainfully employed at another, yet be eligible for benefit. An amending act of 1914, among other things, lays down the rule that a workman is not disqualified from receiving unemployment benefit by reason of his being employed at some work which he ordinarily followed outside the regular working hours of his trade.

TABLE 4.—REGISTRATIONS, AND VACANCIES REPORTED AND FILLED, 1913, 1914, AND 1915.

[Source: Seventeenth Abstract of Labor Gazette Statistics of the United Kingdom and Board of Trade Labor Gazette for February, 1916.]

| Trade groups and years. | Registrations. | Vacancies reported. | Vacancies filled. | Per cent of vacancies filled. |
|--------------------------|----------------|---------------------|-------------------|-------------------------------|
| Insured trades: | | | | |
| 1913..... | 1,448,535 | 431,085 | 344,070 | 79.9 |
| 1914..... | 1,636,463 | 537,185 | 425,404 | 79.2 |
| 1915..... | 963,832 | 645,569 | 481,212 | 74.5 |
| Uninsured trades: | | | | |
| 1913..... | 1,517,358 | 791,743 | 577,783 | 73.0 |
| 1914..... | 1,605,989 | 941,839 | 691,505 | 73.4 |
| 1915..... | 2,222,305 | 1,152,077 | 826,925 | 71.8 |

Isolating the proportion of vacancies filled for adults only¹ and stating them separately for different groups of trades, we get the following results:

TABLE 5.—PER CENT OF VACANCIES FOR MEN AND WOMEN IN INSURED AND UNINSURED TRADES WHICH HAVE BEEN FILLED, 1912, 1913, AND 1914.

[Source: Board of Trade Labor Gazette, for February, 1914, and February, 1915.]

| Groups of trades. | 1912 | 1913 | 1914 |
|---|-------------|-------------|-------------|
| INSURED TRADES. | | | |
| Building and works of construction..... | 81.8 | 80.5 | 79.8 |
| Engineering, shipbuilding, construction of vehicles, sawmilling, and related insured occupations..... | 83.6 | 79.6 | 78.7 |
| UNINSURED TRADES. | | | |
| Conveyance of men, goods, and messages..... | 78.5 | 82.3 | 80.7 |
| General laborers..... | 90.2 | 88.2 | 86.9 |
| Domestic service..... | 72.3 | 70.9 | 70.3 |
| Food, tobacco, drink, and lodging..... | 80.7 | 81.1 | 79.9 |
| Textiles..... | 75.7 | 72.7 | 69.7 |
| Dress..... | 59.2 | 62.2 | 65.5 |
| Commercial..... | 71.0 | 69.4 | 74.2 |
| All other trades..... | 81.1 | 77.4 | 74.3 |
| Total..... | 80.0 | 77.8 | 76.9 |

These figures show that, while in both the groups of insured trades there has been a slight decrease each year in the proportion of vacancies filled, yet that proportion was each year higher than the average proportion for both insured and uninsured trades. This difference is too slight to have any great significance; but it tends to show that the obligatory registration of unemployment, as necessitated by unemployment insurance, not only increases the use of the exchanges by those seeking employment in the respective trades but also makes it possible to fill a larger proportion of the vacancies reported by the employers. It has been suggested that the engagement of labor through the public labor exchanges might be made

¹The term "adults" is applied to persons 17 years of age and over, and the term "juveniles," for whom separate statistics are collected through the juvenile branches of labor exchanges, to persons under 17 years of age.

compulsory in the case of the insured trades. It is difficult to see any strong objection to this from the employers' point of view since, obviously, they can not be compelled to engage any persons not selected by themselves or considered unsuitable by them for any reason whatsoever and since, on the other hand, the exchanges have an absolutely complete record of all persons belonging to an insured trade who are out of work at any one time. But, on the other hand, in the absence of better evidence, the figures given above seem to indicate that the use made of the labor exchanges by employers in these trades is probably at least as satisfactory as the use made by employers in other trades; and it is doubtful whether much is to be gained by making their voluntary cooperation an obligatory one.

One unfortunate effect of the unemployment insurance law on the work of the labor exchanges, though a purely temporary one, has been that for a year or two it laid such a heavy burden of additional work upon a staff which had hardly begun to master the more intricate problems of the labor-exchange work proper that improvements and developments of that work have been held back. The growth of the work of the exchanges, that is, the fuller use made of them on the part of both workers and employers, as illustrated by the figures given in Table 1, is all the more remarkable in view of the fact that at the same time the attention, especially of the higher officers in the system, was also taken up with the administration of another new, original, large, and difficult piece of social legislation.

EFFECT OF LABOR EXCHANGES ON CASUAL LABOR.

So far we have considered the results of the operations of the labor exchanges in general. They have, however, in addition, been inspired from the first by a number of specific social purposes. First among these is that of the "decasualization" of labor.

Recent inquiries into the nature of the unemployment problem and the composition of the unemployed in any one place or at any one time have indicated that normally the chronically underemployed form a much larger proportion of the total than had generally been thought. A more serious endeavor to mitigate the evil effects of unemployment made in the United Kingdom, especially after the trade crisis of 1904-5, also showed that they were the most difficult and socially the most menacing cases to be dealt with. Not only in the great harbor cities, such as London and Liverpool, but in many manufacturing centers a large part of the normal margin of unemployed labor was found, on inquiry, to consist of men who never work more than a few days at a time, earning sometimes wages that are fairly good as reckoned by the hour, but quite insufficient, on an average, to maintain themselves and their families in health,

decency, and modest comfort. It was obvious that if all this labor were recruited at a central labor exchange instead of separately by each employer at his own door the total volume of available work might be distributed in such a way as to give regular or nearly regular employment to some of the previously casual workers, while others would have to go entirely without work. This policy, so far as practicable, has been applied to the work of the national labor exchanges. It is the only one by which the normal surplus of labor due to its unsystematic and wasteful marketing can substantially be reduced.

It is nothing more than a development of the general policy of giving priority to the most qualified workers in filling a vacancy, a policy which obviously results in leaving those least experienced or skilled in a trade or least satisfactory on account of physical or moral defects more frequently out of work than the most able and desirable. In applying the principle to the filling of vacancies in occasional work some naturally are "squeezed out" of the labor market altogether. Owing to the hardships which would result if such a policy were suddenly and rigorously applied, it has in practice been only in the background, influencing but not dominating the choice of applicants for jobs. In some cases, however, the excessive labor reserve due to the separate margin of casual labor kept for their own convenience by a number of employers in the same trade and locality was on inquiry found to be so stupendous, so wasteful of character and virility among the less favored portions of these under-employed, and so unnecessary that steps were taken at least to prevent the entry of new workers into a field already so sadly overcrowded.

The most discussed example of the application of such a policy is the Liverpool dock scheme which, started in 1912, has attracted world-wide attention.¹ Briefly, it operates by a system of connected branch exchanges or clearing houses at different points along the water front, administered by joint committees of employers and workers, of which the local representative of the Board of Trade is the secretary. Here tallies are issued to registered workmen, and the total weekly earnings, sometimes made at a number of different docks, are paid out to them in a lump, weekly sum. In spite of a natural initial prejudice against such a scheme on the part of the longshoremen who partly had no desire to work more regularly and partly feared that a concentration of the available work upon a smaller

¹ The methods used in regularizing dock labor in Liverpool are described by Mr. Charles B. Barnes in "The Longshoremen" (Russell Sage Foundation, New York, 1915), and more fully by their originator, Mr. R. Williams, in "The Liverpool Docks Problem" (Northern Publishing Co., Liverpool, 1912), and "First Year's Working of the Liverpool Docks Scheme" (P. S. King & Son, London, 1914).

number would be used for lowering hourly rates of wages, the least that can be said for it is that it has proved workable. Indeed, certain details of the system have become so popular with the workers that they would go out on strike if they were withdrawn.

The scheme is made possible or, at least, helped by the national system of compulsory health insurance with which it is linked up, the employers having been persuaded to limit their hiring of labor to men licensed by the clearing houses by the financial bait of a reduction in their contributions to the insurance of these employees.¹ When the scheme was started 68 employers were parties to it and 31,000 laborers were registered under it. In addition to six clearing houses, situated at convenient points along the 8 miles of docks, each dealing with a definite dock area—stamping insurance cards, paying wages (for two-thirds of the employers), registering workmen, etc.—there are 14 surplus stands, each connected by telephone with the local clearing house to which it belongs, for the purpose of providing shelter for the longshoremen belonging to the particular section who are not hired at one of the four regular hiring times of the day, but may be distributed from there to any part of the docks where they may be wanted. In practice it means that each shipowner, stevedore, or firm, employing labor in closed docks, subject to this agreement has a more or less regular supply of labor engaged. In the case of the majority, this labor is paid through the clearing house for the particular section. For any additional help that may be required, the local clearing house obtains labor either from one of the local surplus stands or, if necessary, from one in some other section of the water front.

While dock labor as a whole can not be entirely regularized, this system at least provides for a complete pooling of all the reserves which individual employers of longshoremen require at times of pressure. Various schemes for absorbing the surplus labor of the docks into other occupations or otherwise providing for it have been discussed, but none so far have been carried into practice. Indeed, it is an achievement to have succeeded, in so short a time, by the methods pursued, in virtually closing the doors of employment in the Liverpool docks to all who are not members of the union or otherwise registered as regular dock workers. Only four years ago every

¹ Under section 99 of the National Insurance Act, 1911, the Board of Trade is able to deduct the workman's share of the health insurance contribution (4 pence) [8 cents] from his total weekly earnings paid at the clearing house in respect of all the jobs held by him during the week. The amount of contribution for the same man's insurance from different employers is not debited to them separately several times over (as would be the case had each in the course of the week separately engaged the worker outside the organized system), but is deducted only once in respect of the one man and apportioned between the various employers according to the total number of men employed by each during the week. A small commission, covering the actual clerical cost, is charged employers for paying their wages for them.

unemployed workman looked upon the docks as a possible means of earning a few dollars. Mr. Williams computed in 1914 that the maximum demand never exceeds 23,000 men in the busiest season, and that the number of men registered and in possession of tallies averaged about 31,000. Not more than 10.4 per cent of these during the first year worked 52 weeks. Over one-half (55.5 per cent) worked less than 40 weeks, two-fifths (38.8 per cent) less than 27 weeks, and nearly a quarter (23.5 per cent) less than 14 weeks. The statistics gleaned from the payment of wages through the clearing houses, in Mr. Williams' words,¹ "prove very clearly that shipowners are suffering very severely by reason of the fact that they have no reliable reserve of labor" and "that, given efficient and systematic organization, a very large number of men could be permanently employed year in and year out at the docks." But neither have employers as yet reached a recognition of this fact nor are dockers as a class willing, so far, to work regularly for the same employer.²

A similar scheme in Goole, a small east coast port, has proven even more successful in practice and is warmly praised by employers and employed. Arrangements under section 99 of the insurance act, methods of registration, issue of tallies, and payment of wages, are much the same as in Liverpool. There are two dock waiting rooms to which, through the central labor exchange, employers can communicate at the earliest possible moment the arrival of ships, number of men required, time of starting work, etc., and, in case of need, requests for additional men at any hour. A feature of this scheme is the payment of advances of wages to men who are not accustomed to wait for a weekly pay day from sums deposited with the clearing house for this purpose by employers at the beginning of each week. On a smaller scale the main elements of the scheme are also applied to the hiring of longshoremen in Sunderland. But here both participation of employers and registration of workers desirous of employment by them are optional, and the total number of men affected is small.

¹ "The First Year's Working of the Liverpool Dock Scheme," p. 130.

² Of considerable interest is the successful creation of a force of permanently employed longshoremen in Liverpool in the "Dock Battalion, Liverpool Regiment," started in the spring of 1915, of which Lord Derby is colonel and Mr. R. Williams is major and adjutant. At the end of August, 1915, it was 1,200 strong, and promised to prove an object lesson to the port as to what can be done by regular labor. The battalion was primarily formed for the purpose of doing Government work, and spends over nine-tenths of its time on discharging and loading for it ammunition, provisions for the troops, and the like. The men are properly enlisted soldiers and in every way subject to military discipline. They are made up entirely of unionists, and, in addition to the regular hourly earnings at union rates—but in their case guaranteed not to be less than 35s. (\$8.52) a week—they receive infantry rates of daily pay, amounting to 1s. (24.3 cents) a day in the case of privates. Their hours have been regulated as far as possible, even in spite of abnormal pressure at times, and, by one in an excellent position to judge, it is thought "that the influence of the battalion is bound to have a very striking effect on future work of the docks after the war."

Casual labor is dealt with under a separate scheme also in the case of cloth porters in Manchester and cotton porters in Liverpool; the provision of separate registries and waiting rooms here reduce for the workers the need of standing about the gates of different warehouses in all sorts of weather and enable employers to secure, at a few minutes' notice, the best of all the men available in the city for the purpose. The health insurance contribution cards in this case also are stamped by the registry officials with an appreciable saving to employers. The expense incurred by the clearing house in stamping the contribution cards and paying out the wages on behalf of employers who are parties to the agreement is charged to them on a pro rata basis. In Manchester, the standing of the porters affected has been considerably raised by this arrangement. Men who previously worked for only one employer—sometimes not more than a day or two in a week—now often work for four different employers on different days of the same week and take substantial wages home with them at the week end. But of at least equal importance to the higher earnings in all these cases is the increased self-respect of workers who now await a call for them in a decent environment where previously they were for long hours hanging about a particular work place in the hope of attracting attention and being engaged before others.

The placements of the special exchanges for dock laborers, cotton porters, and cloth porters are enumerated separately in the Board of Trade statistics and are of interest although, of course, by far the greater amount of placement of casual workers is done through the general register of the exchanges all over the country. In 1915, the number of men given casual employment through the special casual registers was 9,401, and the number of jobs given them about 53,286, not including 37,325 jobs filled through the clearing-house system for longshoremen in Liverpool.

TABLE 6.—NUMBER OF JOBS FOUND THROUGH CASUAL REGISTER, 1911 TO 1914.

[Source: Seventeenth Abstract of Labor Statistics of the United Kingdom and Board of Trade Labor Gazette for February, 1915.]

| Class of laborers. | 1911 | 1912 | 1913 | 1914 |
|--------------------------------|--------|---------|---------|---------|
| Cotton porters, Liverpool..... | 4,237 | 3,108 | 1,958 | 1,652 |
| Cloth porters, Manchester..... | 66,701 | 62,047 | 69,013 | 38,914 |
| Dock laborers..... | 22,220 | 158,881 | 152,635 | 114,401 |
| Total..... | 93,158 | 224,036 | 223,606 | 154,967 |

The sudden rise in the number of jobs found for longshoremen in 1912 is due to the inclusion of figures for men engaged under the Liverpool clearing-house scheme which came into operation in July, 1912. The considerable reduction in the number of jobs found

through these special registries in 1914 and 1915, as compared with 1913, is undoubtedly due to the effect of the war on these occupations in the latter part of the former and throughout the latter year. But the steady decrease between 1911 and 1914 in the case of the Liverpool cotton porters, whose occupation is seasonal as well as casual, may perhaps partly be attributed to a genuine success in making employment less casual.

Another scheme of regularization which uses as a lever compulsory insurance against unemployment under Part II of the act of 1911, as well as health insurance, has been introduced in the leading South Wales ports to organize the work of men casually engaged in ship repairing. In this case no provision is made for the payment of wages on behalf of employers; but the exchange takes charge of the stamping both of the health and unemployment insurance contribution cards and renders weekly accounts to each employer showing the amounts due in respect of contributions under both these parts of the insurance act. While each employer contributes to the health insurance of each worker employed by him during the week according to the number of days' labor used, his contribution to unemployment insurance does not vary but is at the full weekly rate, whether the person insured has been employed during the whole week or only part of it. In this instance, also, the clerical expense incurred by the labor exchange is charged to the employers in the shape of a small definite monthly fee.

While, on the whole, public authorities have been slow to avail themselves of the services of the national labor exchanges, some of the larger municipalities, notably Birmingham, have agreed to engage all their temporary labor through them. In Leicester nearly all employers in the building trades have adopted a scheme under which the great majority of their vacancies are filled through the labor exchange, thus lessening the need for individual workmen to tramp from one builder's yard to another in search of work, which is the usual procedure of securing work in those trades.¹

Considerable efforts have been made by the women's branches in different divisions to "decasualize" as far as possible the work of charwomen. In Glasgow and other large cities the educational authorities have been persuaded to regularize the cleaning work in the schools. Large private employers also have similarly been induced

¹ It should be noted that, in addition to the various schemes here instanced, provision is also made for the use of health insurance as an incentive to "decasualization" in the Insurance Amending Act of 1913. Clause 19 of that act gives power to the insurance commissioners to schedule any particular trade in any district as being of a casual nature, and to order that instead of the usual apportionment of the health insurance contribution between worker and employer—4d. (8 cents) per week by the former and 3d. (6 cents) by the latter—the former shall pay only 1d. (2 cents) and the latter 6d. (12 cents). This, of course, makes much more expensive to employers the hiring of workers by the day or hour, because the full contribution has to be paid by the first employer in any one week. No report is available so far on the application and result of this clause.

to replace as far as possible the miscellaneous hiring of numbers of temporarily employed cleaners in their plants by the creation of a few permanent positions. Much yet remains to be done in that direction.¹

EFFECT OF LABOR EXCHANGES ON SEASONAL LABOR.

The problem of seasonal labor is not, perhaps, quite so pronounced in the United Kingdom as it is in the United States, since weather fluctuations are less severe. Yet it is of fundamental importance, and, from the first, the labor-exchange system has been used to contribute as far as possible to its solution by studying ways and means of dovetailing different seasonal employments in the same locality. It has also, in some cases, been able to reduce the seasonal nature of certain employments by persuading sympathetic large employers to rearrange their policy of production in such a way as to regularize employment. They have exercised a not negligible influence in this direction on public opinion, and through it on the enterprise of municipal and other public authorities and of big corporations. In an eastern seaside resort, for instance, owing to the representations made by the manager of the exchange, the city was induced to make a more deliberate endeavor to carry on all works of improvement as far as possible in the off season when large numbers of unskilled workers, engaged during the rest of the year in the many different branches of the conveyance, hotel, and catering trades, are apt to be completely idle. In at least one place a railroad company was induced to rearrange its annual schedule for painting and structural alterations to station premises, bridges, etc., in such a way as to spread the employment offered over a longer period and have as much of the indoor work as possible done during the winter months when the building trades are slack.

Special efforts have been made, through the central and divisional offices, to secure workers in sufficient numbers for seasonal rural occupations of importance.² Thus, in 1915, between June and October, 7,106 vacancies were filled for fruit and hop pickers, the corresponding figure for 1914 being 8,031. Not only in the south of England but also in Perth and other parts of Scotland the number of women placed each year as fruit pickers is on the increase. Similarly, the Edinburgh exchange and others fill hundreds of vacancies for women in the potato-digging seasons. It is not impossible that with a development of this special service the labor exchanges may

¹ The special difficulties connected with the casual employment of women are further referred to on page 37.

² It is, however, the general policy of the department to do nothing in the direction of encouraging the seasonal flow of Irish labor into British agriculture, which, for long, has been one of the least satisfactory features of British rural life.

contribute to revive in certain districts branches of cultivation which have been on the decline for lack of an adequate labor supply at the proper season.

Arrangements are made each year with the general post office to hire temporary labor for a few weeks in connection with the Christmas traffic. The number of applicants for this special work, 50,400 in 1915, and the number of vacancies filled, 32,039, are very considerable. The number of vacancies filled was 33,264 in 1911, 39,700 in 1912, 42,343 in 1913, 35,553 in 1914, the decrease in 1914 and 1915, as compared with the two previous years, obviously being due to war conditions.

EFFECT OF LABOR EXCHANGES ON FEMALE LABOR.

All of the larger labor exchanges and many of the smaller ones have separate departments for women, administered by woman officers. In each divisional office there is at least one woman officer of senior rank who supervises the women's work in the division. In 1915, 1,232,891 woman applicants were registered, an increase of nearly 526,000 over the previous year, and of more than 700,000 over 1913, which was due to the great demand for women in Government service and in the replacement of men in transportation, agriculture, textile industry, etc., and also to increased registration of women engaged in nonresident domestic service, including laundering and washing. The law does not permit the labor exchanges to deal with indoor domestic servants, except in the case of girls under 17 years of age, who in some districts may be placed in such positions by the juvenile branches under the supervision of the advisory committees. A large part of the woman applicants coming under the heading of domestic servants—over one-half of all woman applicants in 1914 and over one-third in 1915 come under that heading—are older women, many of them married or widowed, who enter the lowest paid forms of service and often are engaged in entirely casual or seasonal employments. Of 385,101 vacancies for women workers filled in 1915, 145,253 were for those included in this general group of domestic servants.

The placement of these women—hotel, restaurant, and laundry workers with well-defined qualifications apart—presents special difficulties, because of the less concise description of ability and experience possessed by the worker in domestic service compared with that possible in industrial occupations. A further complication arises from the fact that some of the applicants desire only temporary work to help over a period of financial strain in the home and may have little or no qualifications for the work they intend to undertake apart from the limited experience of their own home;

while others frankly desire casual work to secure "pin money," and still others are obliged to work regularly to contribute substantially to the household income. In the larger exchanges, applicants for permanent and temporary employment are as far as possible segregated; but it is not possible to carry through such a policy completely. Those most desirous and in need of regular employment often are among the least suitable to fill the vacancies about which the exchange has information, through lack of experience, strength, health, skill, appearance, or other necessary qualities. Various suggestions have been made for improving the employability of this type of woman by special training in housework, simple nursing, laundry work, washing, and the like; but none of them, so far as the writer is aware, has as yet been put into practice.

Girls under 17 are dealt with by the juvenile branches or advisory committees. In 1914, 61,320 of them were placed, 7,434 of them more than once, and about one-third of them in domestic service.¹ While, as a general rule, there is an oversupply of boy and girl labor in British industrial centers, there are some districts in Lancashire and Yorkshire where, owing to the rapid expansion of the textile industry, the supply of girl labor never comes up to the demand. Since in these districts wages are relatively high, labor exchange managers in other parts of these and neighboring counties have endeavored for some time to move to them families with many daughters or families in low-wage districts which are dependent on the earnings of their female members. In one case which has come to the writer's notice, the officer of an exchange prided himself on having caused a whole street of people to move from a small country town to a manufacturing center. So far as these efforts have gone, they have been entirely successful, in some cases bringing considerable prosperity into homes which previously, through lack of opportunity, had been poverty stricken.² But it must be confessed that on a large scale such removals, by depleting the rural labor market and by making the male and adult members of the family more dependent on the earnings of their minor and female relatives, would not be devoid of an element of social danger.

The labor exchanges have proved of great value in organizing the female labor market during the war. In March, 1915, the president of the Board of Trade issued a special appeal to women who were prepared to accept employment, if offered, to enter their names at the labor exchanges in a special register of women for war service.

¹ The corresponding figures for 1915 were not published at the time this article was prepared.

² The officers in these cases not only were careful to select suitable families already largely dependent on the work of their female members and with a minimum of local ties, but also went to considerable trouble to secure friends and suitable accommodation for them in the towns to which they helped them to migrate.

The total number thus registered to the end of the year was 124,405 (including 1,397 women also on the general register), of whom 60,651 have since canceled their registration or have been removed from the register as not effective. The total number placed in employment from this register was 8,255, of whom 1,268 were placed in armament work, 880 in agriculture, 978 in transport, and 1,234 in commercial and clerical occupations. The number remaining on the register at the end of the year was 55,499.¹

EFFECT OF LABOR EXCHANGES ON JUVENILE LABOR.

A problem to which the British labor-exchange system has perhaps given more attention than to any other is that of the employment of minors. The essential difference between the placement of adult and juvenile workers is that in the case of the latter employment has not only to be secured but a career to be chosen. Even more than in the case of adults, the endeavor must be to protect the applicant against a possible wrong choice and, subsequently to his placement, to watch over the initial stages of his industrial career. For this purpose, special juvenile advisory committees were created under the Labor Exchanges Act, representative of employers, trade-unionists, and persons specially interested in, and having special knowledge of, children. Also, nearly everywhere, one or more separate rooms are provided for boy and girl applicants for work, with separate access from the street, and so arranged that informal, personal talk between the officers and the individual applicants is possible.

One of the essential conditions of success in the juvenile work of labor exchanges is the close cooperation between those charged with the duty of placement and those charged with the duty of education. After some slight initial difficulties and jealousies between the educational and vocational authorities this condition is being admirably

¹ The number of women actually placed from this special register may seem surprisingly small, especially if compared with a statement made by the minister of munitions (Mr. Lloyd George) at a meeting in Newcastle-on-Tyne in December, 1915, that half a million women were then working in munition factories. The explanation is that the vast majority of those engaged on Government work were previously engaged in other industries and were transferred on the general register.

The large number of applicants dropped from the special register or who have withdrawn from it is explained in two ways: First, the register distinguishes between those who at some time, usually previous to marriage, have been engaged in gainful occupations and those who have not. A large proportion of the latter, though registered on application, have subsequently been removed from the effective reserve as unsuitable. Second, when, upon the publication of the appeal, women patriotically offered their services in such large numbers, unscrupulous employers in different parts of the country, munition manufacturers and others, were found guilty of using the situation for exercising pressure upon wages, in some cases actually replacing regular paid workers by volunteers. The number of such cases may not have been large, but it sufficed to startle the country, and resulted in large numbers of withdrawals from the special register and the exercise of greater vigilance on the part of labor-exchange managers.

fulfilled under the present system. The juvenile work is carried on in each locality under one of two different acts of Parliament. In March, 1916, labor exchanges in 59 cities were aided by juvenile advisory committees appointed under the provisions of the Labor Exchanges Act of 1909. That means the work of placement and vocational guidance is primarily in the hands of the officers of the national authority, the Board of Trade, assisted by local advisers. In 69 towns and cities committees have been appointed by the local authorities under the Choice of Employments Act of 1910, all but two of which cooperate with the Board of Trade and leave the actual placement work to the juvenile branch of the local labor exchange, while they themselves are primarily responsible for the work of guidance and supervision after placement.¹ The great importance of a close coordination between the work of placement and that of vocational guidance and educational oversight in the case of minors appears from the fact that about a quarter of the vacancies filled with boys and girls under 17 years of age represent the first situations obtained after leaving school.²

The sincerity of the endeavor to make this placement work of real social value may perhaps best be illustrated by two quotations from a circular issued jointly by the two national authorities responsible for it—the Board of Trade and the Board of Education.³

We are of opinion that the employment of juveniles should be primarily considered from the point of view of their educational interests and permanent careers rather than from that of their immediate earning capacities, and accordingly we urge upon local education authorities the desirability of undertaking, in accordance with the principles set out in the present memorandum, the responsibilities offered to them by the new act.

The work to be undertaken by public bodies in giving assistance in the choice of employment for juveniles may be regarded as having two branches. In the first place there is the task of giving such advice to boys and girls and their parents as will induce them to extend where possible the period of education, and to select, when employment becomes necessary, occupations which are suited to the individual capacities of the children, and by preference, those which afford prospects not merely of immediate wages but also of useful training and permanent employment. In the second place, there is the practical task of registering the actual applications for employment and bringing the applicants into touch with employers who have notified vacancies of the kind desired.

¹ In London there are 20 local advisory committees, appointed by the General Advisory Committee for Juvenile Employment. In addition to the committees enumerated, there are in Scotland three school boards with whom the Board of Trade cooperates in working employment bureaus established under the Education (Scotland) Act, 1908, and three juvenile employment committees in England, not appointed under any direct statutory authority, with whom the Board of Trade also cooperates.

² 23.6 per cent of the boys and 26.7 per cent of the girls in 1915, as compared with

³ Joint memorandum, 1911.
24.2 and 28 per cent, respectively, in 1914, and 24 and 30.4 per cent, respectively, in 1913.

The Board of Trade further outlines the kind of cooperation with the elementary schools which is desirable:¹

Every advisory committee will work out for itself the methods which are best adapted to its own local needs. There are, however, certain broad lines of action which seem to be applicable at least to the great majority of committees. It is in the first place necessary that some sort of report should be obtained from the schools upon those children with whom the committee are to deal directly; while certain subsidiary advantages are secured if a report is obtained upon all children leaving, whether work has been found for them independently or not. Such an arrangement, for example, enables a committee or its representatives to deal wisely with children who may fall out of employment at a later date and to exercise a useful supervision upon those who have independently obtained employment. The record obtained from the schools should show generally the capabilities and the attainments of the pupil, and special results of the final medical inspection and any wishes or recommendations with regard to employment and continued education.

Considerable attention has, from the first, been paid to the supervision or, as it is more frequently called in England, the "after care" of the children after placement. This service is carried on, as a rule, by committees of voluntary workers attached to the different schools, but sometimes directly to the juvenile placement bureau and under the direct control of the manager or the officer appointed by the education authority under the Choice of Employments Act for the co-ordination of the placement work with the educational system. Often the persons responsible for the after care of individual children are appointed before these have left school, and their names placed on the school-leaving form. The latter is a communication from the principal of the school to the advisory committee for each child leaving the school, stating his physical and mental characteristics, ability, health, probable date of leaving, standard reached, and particulars about the kind of employment and of further education recommended. The supervisor has to report regularly to the committee and has to keep in touch with the juvenile worker and his parents whether the conditions of employment and of home are good or bad.

Unless supervision is arranged for in respect of each juvenile, the exchange has no certain means of knowing whether the juvenile and his parents are satisfied with the place or even whether the juvenile is still in the place found for him. The person named in the school-leaving form as supervisor should be regarded as one who will represent to the advisory committee at the exchange the juvenile's point of view.²

It is even more important in the case of child workers than in that of adults to prevent frequent changes of occupation and to safe-

¹ Circular, June, 1912.

² Handbook for the Use of the Local Advisory Committee for Juvenile Employment in London, April, 1913.

guard such periods of idleness as must occur during unavoidable changes between jobs. The first of these aims, under the British system, is increasingly well attained by careful placement; the second is helped at least by the interest of the voluntary visitors in their charges. But periods of idleness in youth should be utilized, if at all possible, for some educational training which will increase the ability of those out of work to secure and retain employment. In this respect very little has as yet been attempted in connection with the labor exchanges in spite of the fact that the insurance act expressly authorizes the provision of educational training for unemployed insured workers whose prospects to secure employment might be improved by that means. At one or two branch exchanges in London classes for unemployed boys have been tentatively established by advisory committees, but a wider program of adequate provision for this special need, though indorsed by educationalists of national reputation, has not yet been realized.¹

The work among minors has so far been the most successful part of the placement work of the labor-exchanges. The proportion of reported vacancies filled in every year since 1911 was less than in the case of adults, but the proportion of individual applicants registered for whom work was found was substantially greater.

TABLE 7.—PROPORTION OF VACANCIES FILLED AND OF APPLICANTS PROVIDED WITH WORK, 1911 to 1915.

[Source: Seventeenth Abstract of Labor Statistics of the United Kingdom and Board of Trade Labor Gazette for February, 1916.]

| Year. | Per cent of reported vacancies filled. | | Per cent of registered persons provided with work. | |
|-----------|--|---------|--|---------|
| | Adults. | Minors. | Adults. | Minors. |
| 1911..... | 80 | 75 | 28 | 45 |
| 1912..... | 80 | 70 | 33 | 46 |
| 1913..... | 78 | 66 | 32 | 51 |
| 1914..... | 77 | 69 | 36 | 48 |
| 1915..... | 73 | 69 | 44 | 52 |

A relatively shorter supply of, or larger demand for, boy and girl labor as compared with adult labor would, of course, be sufficient to explain the placement of a larger proportion of juvenile applicants and the nonsatisfaction of a larger proportion of requests for juvenile workers from employers. But there is no reason for believing that during the period covered the demand for juvenile labor was relatively greater than the demand for adult labor. It was a period of exceptionally good trade during which the demand for adult workers

¹ See "The Training of Unemployed Youths," by Rowntree and Lasker, in Bulletin of International Association on Unemployment, June, 1912, and authorities there quoted.

must have been exceptionally keen.¹ Taking the relative demand for adult and juvenile labor in a normal year as a basis of comparison, one would expect the demand for juvenile labor to be relatively higher in a year of bad trade and lower in a year of good trade when the most expensive reserve of labor, that is obviously of adult persons, is called into use. We therefore have this phenomenon that although for the reason stated the demand for adult workers must have been exceptionally keen, yet the proportion of juvenile applicants provided with work was substantially higher. At the same time a comparatively smaller proportion of the jobs offered by employers was filled. May one not perhaps conclude from this that the officers of the juvenile branches or advisory committees have been successful in a more deliberate choice than is possible with adults of suitable positions for their applicants without, for that reason, leaving a correspondingly larger proportion of them unprovided with work?

While there is still some persistent and, as we shall see, not always unjustifiable criticism of the work of the general labor exchanges both from employers and from employed, there are no two opinions on the value of the juvenile work where it has been organized on the basis of the agreement between the Board of Trade and the Board of Education. Employers find that they are saved much investigation and disappointment by consulting the manager of the juvenile labor exchange about the school record, home conditions, previous occupations, special abilities, and character of the boy and girl workers they wish to engage. They are helped by a very thorough preliminary selection, based on ample data, made on their behalf by officers of experience, even when they have to make a final choice for themselves. The system where fully worked out secures for them the aid of the supervisors in persuading to stay in their employment young workers who give satisfaction and whom they desire eventually to promote into permanent adult positions, but who are apt, without some controlling influence, to throw up their job on the least provocation. Reversely, they can return with a better conscience boys and girls who are manifestly unsuitable for the work in hand but for whom, since they have entered their employment, they feel some responsibility. The advantages of the system to the young people themselves and to society at large are so obvious and are so well understood that they need hardly be dwelt upon here.²

¹ The average yearly proportion of trade-union members unemployed in 1911 to 1914, for instance, was only one-half that of the previous four years—2.9 per cent, as compared with 6 per cent.—Seventeenth Abstract of Labor Statistics of the United Kingdom, p. 6.

² See especially "Youth, School, and Vocation," by Meyer Bloomfield, Houghton, Mifflin Co., Boston, 1915, and other works by the same author.

ADVANTAGES TO EMPLOYERS.

To round out the general description given of the British system of labor exchanges and its results it will be well briefly to consider the advantages which, in normal times, their operations have brought to employers and workers. In doing this the writer is obliged to fall back upon notes taken on the occasion of two detailed personal investigations made by him in 1911 and in 1913, the results of which have been communicated in part to the International Association on Unemployment.¹ On both occasions a definite schedule of questions was submitted to the persons interviewed;² on both occasions the replies received verbally and in writing were contradictory on many points and the general tendencies and effects had to be studied largely by personal observation.

The great majority of employers when the scheme was started were opposed to it, either from political prejudice or because they were satisfied with their method of hiring labor, or because they could not get away from the idea that it was meant as a means of disburdening the community of the care of the inefficient and "unemployable" by palming them off on unsuspecting employment clerks and foremen. There was also some hostility due to the interference of the National Government in what many regarded as a local problem. Even after five years of education through actual practice the labor exchanges have not yet succeeded entirely in opening the eyes of the public to the fact that the causes of unemployment are industrial rather than regional and that the wider the area over which it is possible to spread operations for the prevention of ill adjustment, the more probable is their success.

The criticism that the labor exchanges are often staffed with men from a distance who are entirely unacquainted with local trades and usages and frequently supply workers of the wrong kind simply because they do not understand the technical description and terminology of the jobs given in notifications of vacancies, is frequently heard and has justification in fact. As a remedy, the transformation of the national exchanges into a federation of municipal exchanges has been advocated. On the other hand, there has also been consistent opposition to a purely municipal scheme. One large builder, for instance, told the writer: "On no account must we have municipal participation in the management of labor exchanges. Municipal management of employment bureaus has always been guided by sentiment and not by business principles. They never get the highest type of man because they will give preference to local men or to men with a family." Several employers favored a rule under which, with retention

¹ Bulletins of October-December, 1911, and July-September, 1913.

² See Appendix E.

of national control, either the manager or some other prominent official of each exchange must be drawn from a local industry. But it is clear that such an arrangement would not be satisfactory. Where officers have been appointed who previously were engaged in local industry, one continually hears the charge that they know nothing of the other trades in the town or that they lean to the side of the employers or of the labor associations, as the case may be. Such a man, in fact, just because of his local affiliations previous to the appointment, has special handicaps to overcome and is apt to be less effective than a stranger of equal ability.

The solution of this special problem, lack of intimate knowledge, would rather seem to lie in the direction of a gradual accumulation of local data and experience, that is, continuity of service on the part of the staff, and the aid of local advisers from the ranks of both employers and workers. At the present time there are 17 advisory trade committees, consisting of an equal number of employers' and workmen's representatives appointed by the Board of Trade. Several of them cover whole divisions (such as Ireland and West Midlands), others smaller industrial sections of a more or less homogeneous character (such as Liverpool and district, Manchester and district, West Riding of Yorkshire, southern section, North Wales, etc.). In one or two cases, the mutually hostile attitude of employers' and workers' organizations was so firmly rooted that the advisory committee, instead of helping the efficiency of the exchange or group of exchanges with which it was affiliated, was rather apt to raise new difficulties by continual bickering over all sorts of questions of minor importance—so that some of these committees, though still nominally in existence, have been allowed in practice, more or less, to vegetate. Generally speaking, however, the advisory trade committees have contributed not a little to a smooth working of the exchanges' activities. In at least one case known to the writer, the cooperation on a matter of common interest on the part of the representatives of management and labor has had the effect of bringing into closer personal sympathy men who previously saw each other only on the occasion of trade disputes when anger and misjudgment prevailed.

It is unquestionably true that, at the beginning, many labor-exchange officials, in an excess of zeal, were more concerned with piling up figures of vacancies filled than with a careful selection of suitable men. When they failed to find men of the description wanted, instead of admitting their inability, they tried to place others who came near the description and happened to be out of work. In the course of time, however, especially as the knowledge and experience of the labor-exchange staffs increased, this tendency has practically disappeared, and the attitude of employers, in consequence, has become more sympathetic.

Especially, many of the largest employers and those employing many varieties of skilled persons have found the labor exchange of great practical value to them. To secure a man of experience in some comparatively rare trade frequently required considerable expenditure on advertising and long delays. Now, such a man, if at all available, however distant, can be traced without delay through the clearing house of the labor exchange. In the writer's own knowledge, the operations of one divisional exchange, at least, have extended to the filling of positions for quite a number of professional persons, such as a cookery teacher, a social worker in a factory, and an architect. Of this advantage of the automatic enlargement of the field for inquiry when persons of the description wanted are not to be found in the locality, a large manufacturer says:¹

Employers now have the great advantage of being able to consult an up-to-date and live list of unemployed which oversteps limiting geographical boundaries. Let me give a few instances of what is occurring. York has found builders for the Doncaster coal fields. Leeds has imported borers for horizontal boring machines (a class of labor which it is always difficult to obtain). Workmen in so highly specialized a trade as fine gun-sight work have recently been transferred from the South to the North of England. A firm of Selby shipbuilders were recently stopped for riveters; the exchange rapidly secured them a gang from Birkenhead.

In the course of time, the classification of unemployed skilled workers in the files of the labor exchange has greatly improved, partly by the diligent study of the different local trades on the part of the managers of the exchanges and partly by the issue, from time to time, of revised and corrected lists of occupations from headquarters.

One advantage to employers which, curiously enough, few of them seem as yet to have made a very full use of is that the local records of the labor exchange put them in a better position, before accepting a contract or entering upon an extension of their plant, to get an idea of the amount of labor of the type required which is likely to be available.

Again, in spite of the instances given above of attempts at regularizing employment, it must be admitted that as yet comparatively few of the lesser employers of labor seem to have grasped the saving to themselves which might be realized from pooling their labor reserves with those of other employers. Where plenty of men anxious to secure work are hanging about the gates of the individual factory or yard there is, first, a continual temptation to the foreman or employment manager to dismiss a man for the slightest cause; and this means an unnecessarily large labor turnover, implying often lower

¹"The Advantages of the Labor Exchange to the Large Employer," by Arnold S. Rowntree, M. P. Privately printed (1913?).

production, more accidents, favoritism, demoralization, and general dissatisfaction among the men. Then there is the deterioration in the men themselves from being irregularly employed or from being subject to undeserved and often rash dismissal. All this must eventually tell upon the cost of production. In Great Britain the discussion of questions such as these has been so long continued that many of the larger and more intelligent employers were glad to get rid of the line of applicants at their doors, which to them was at once a source of waste and a secret cause of moral uneasiness. Some of those seen expressed themselves as highly gratified by the results of hanging out the little enameled shield proclaiming that all labor taken on by the firm was hired through the labor exchange and confessed their previous error in believing an individual reserve of labor an indispensable precaution.

Where labor is obtained by advertisement, the expense saved, in some cases which have come to the writer's notice, from using the labor exchange instead has been considerable. An employer who on one occasion spent a three hours' railway journey in looking through a batch of answers to one advertisement later on had the same type of employee supplied him by the labor exchange in his town without any cost and trouble to himself. Reference has already been made to the arrangement under which employment officers of large concerns are permitted to select employees from a number of applicants submitted to them in a room at the exchange placed at their disposal. Rural employers save whole days by sending a post card where previously they had to drive around or attend a fair to secure farm servants.

Many other instances might be given of the advantage of a national system of labor exchanges to employers as experienced in the United Kingdom. In the case of the North of England at least, with which the writer is more familiar than with the rest of the country, this advantage was striking and substantial, not merely theoretical. Naturally there is always room for improvement in the efficiency of the service, and the growth in the number of employers making use of it in itself produces better and better results in individual placements.

ADVANTAGES TO WORKERS.

The advantages to the workers are more widely appreciated. In the first place it is of obvious advantage to organized labor to have the country aroused on the seriousness of the problem of unemployment, and the labor-exchange system, with its careful collection of statistical material, undoubtedly contributes to this. Indeed, the labor exchanges bill was supported by the Labor Party "on the

ground that reliable data for effective unemployed legislation would be secured as a result of its operations."¹

Yet at the outset the attitude of the trade-unions in Great Britain was anything but sympathetic. Many of them feared that, in spite of protestations to the contrary, blacklegs were going to be supplied in case of strikes or that it would be made easier for employers to secure labor at less than the current rates of wages. One or two of the larger unions, however, realized from the beginning that the labor exchanges only menaced the interests of labor if and to the extent to which organized labor refused to use them. Thus, in a communication to the Iron Founders' Society by the general secretary of the Federation of the Engineering and Shipbuilding Trades, dated June 4, 1910, we read:

It is to lessen the competition of so many sources of labor supply that the federation urge the members of the affiliated societies to make the fullest possible use of labor exchanges. If employers realize that by applying to these institutions they can obtain an immediate supply of dependable and efficient workmen, they will at once discard all except this one source and make as full and exclusive use of these institutions as it is desirable they should.

These institutions have come to stay. If they are ignored by the organized trades, they will be used by the nonsociety men who, freed from the supervision, influence, and example of the trade-union movement and protected and encouraged by a department of the State, will feel themselves justified in selling their labor at a rate which will be governed solely by their inclination and necessity in open defiance of the general interests of their craft and of the conditions which apply to their particular trade. Labor exchanges will thus become the rivals and competitors of the trade-unions and the happy hunting ground of employers who wish to engage cheap labor, and the fault will lie at the door of those who by their abstention presented these exchanges as a monopoly to men who declined to pay a trade-union contribution, and who will constitute a State-aided menace to the observation of trade-union conditions. It is necessary that trade-unionists shall use these exchanges as a measure of protection to the funds of their own societies.

It was only to be expected that everything would not go smoothly at first from the point of view of labor; but the actual instances in which a labor exchange was perverted to serve the interests of the employing class on investigation resolved themselves into very few, indeed. The letter just quoted, for instance, while encouraging the affiliated societies to send in well-authenticated causes of complaint to be brought before the Board of Trade, says that "complaints innumerable have already been made, many of which on investigation have been found to be paltry and unfounded." One of the cases occurring soon after the establishment of the exchanges, which

¹ Labor Yearbook. London, 1916, p. 325.

raised a storm of indignation, was, indeed, a bad one. The supervising officer of the Yorkshire division, in a circular addressed to boards of guardians (public charity authorities), drew attention to the shortage of female labor for the worsted industry in the rural districts around Bradford and Halifax, and for the woolen industry of the upper Colne Valley, and suggested that, with the help of the labor exchanges in the division, places might be found for widows and daughters from 13 years of age in receipt of outdoor relief, if they were willing to remove to these districts. The wages offered he represented as the standard rates for the districts. The trade-unions in the towns named had no difficulty in showing that the wages offered were below standard rates and that there were numbers of unemployed without the importation of paupers. Obviously it was a case of overzeal on the part of the official concerned, acting on a suggestion from an employer and without malice or corruption. He was promptly removed.

In spite of rumors which were current for some time that the exchanges discriminated against trade-unions, rumors which on investigation always turned out to be baseless, the discontent of the organized workers did not last long. Generally speaking, more intelligent comprehension of the wider social aims of the system is to be found among labor leaders than among employers. Once the original prejudice was broken down—sometimes as a result of a lecture campaign by the exchange officials in their own time—they realized the importance of making the fullest possible use of these new institutions in order to “permeate them,” as one trade-union official said, “with a trade-union atmosphere.” Of course the exchanges have not in any proved case leaned toward the unions in defiance of the rules prescribed for them by the Board of Trade, but in some cases a most cordial cooperation between the trade-union secretaries and the staff of the exchanges has been established which indirectly benefits the unions. Not infrequently the membership books of the unions are kept at the exchanges to enable the officials rapidly to ascertain which members are out of work. In the insured trades it is necessary for the manager of the exchange, who is also the insurance officer, to keep in close touch with the union secretaries. In one city the trades and labor council—the local federation of trade-unions—has established its headquarters next door to the exchange and encourages the officials to come in at any time to consult with the secretaries when in need of men of any particular description not on the register of applicants. In some towns trade-unions make extensive use of the privilege granted them under the regulations of the Board of Trade of holding meetings after business hours on the premises of the labor exchange. Such permission is only given,

however, subject to the approval of the local trade advisory committee, upon which employers are equally represented with the workers, and a fee, often only nominal, is charged.

Obviously the fear that a larger knowledge of available labor would enable employers to lower wages proved groundless, since that tendency was balanced by an equal enlargement of the workers' knowledge of available jobs both in their own town and elsewhere. Indeed, as a rule, employers had had better facilities in the past to find out what labor was available than the individual unemployed workman had to find out what jobs there were. But the fact that new vacancies are continually seen posted up on the bulletin boards of the exchanges also has changed the mental outlook of the unemployed worker. Even if none of the vacancies posted on a particular day happen to be suitable, the knowledge of a continued stream of fresh jobs is apt to keep up courage and to dissipate that mental depression which in days gone by resulted from a fruitless tramp between the different possible sources of employment. And by lifting that depression, that fear of being unable to secure a job of any kind impressed by the legend read on a hundred doors, "No new hands taken on to-day," the bulletin board of the labor exchange has given the man out of work a more courageous stand when jobs are offered him at less than standard rates of wages. Both through the use of labor exchanges by trade-unions and from this natural cause, therefore, their general effect on wages undoubtedly, in so far as there was any effect at all, has been beneficial to the workers. Fortunately for their sound development, the beginning of the British labor exchanges coincided with a period of rising good trade. It meant that the knowledge of vacancies in different centers stiffened the workers in their demands, and, although probably it did not have much effect on wages in the aggregate, it did induce employers in the low-wage districts to offer wages coming up more nearly than before to those paid in neighboring centers with higher standard rates.

The effect of this tendency, however, is exceedingly slow and must not be overrated. Firms notorious for the payment of low wages are, on the whole, still in a position—after the exchanges have been in existence for five years—to secure a sufficient labor supply without using the exchanges. Also, though it is often charged by employers that the labor exchanges attract and supply men of the lowest grade who "won't work," actual experience seems to indicate that this class of persons, which is willing to accept almost any wage, so long as payment is immediate and no great or continuous effort is required, does not as a matter of fact make much use of the exchange. It has been confused with a different class, namely, that of men who are shiftless, not because they are "happy-go-lucky," but because they are constantly trying to "improve" themselves and never stay long

enough in any one place really to do so. The manager of a large ship-repairing firm, though blaming the exchange for supplying too many men of that type, admitted that employers have chiefly themselves to thank for the instability of so many workers. Often, while the best workers—those who constitute the irreducible minimum of a permanent force—are kept in regular employment at standard wages, the employer does not see the same necessity of offering good conditions to the rest of his employees, with the result that either he has to put up with second-rate men or that those who accept work at a lower wage than they consider fair are always discontented, do not improve in efficiency, and on the slightest provocation go off elsewhere “to improve themselves.”

The chief advantage of the exchanges to labor is not to be sought in the effect on wages, but in an appreciable shortening of the search for work, especially when employment is difficult to get in the worker's own town. To the skilled and highly organized men the labor exchange has little to offer locally. Usually the employers know where to find them, and the members of the union, at their ordinary meeting place, are as quickly informed of new vacancies when they arise as is the clerk at the labor exchange. But the widened field of inquiry, through the operation of the interlocal scheme of registration, has been of help even to the most strongly organized workers. Thus one very able and influential trade-union official, though somewhat critical of the labor exchanges and complaining especially of their lack of understanding of the specific needs of local trades and their ignorance of local customs, went on to say that trade-unions by themselves never could have hoped to organize so efficient an interlocal registration service, and that in his opinion the system had quite appreciably shortened the period of the search for work when work had to be sought outside the unemployed worker's own town.

The advancing of railway fares to men for whom work is found in other towns is a boon that is much appreciated and, curiously, little abused. In the year ending September, 1914, nearly \$37,000 was advanced in about 20,800 cases; the total number of advances made from the commencement of the system to that date being about 54,800 and amounting to about \$87,600. The advances may be made only to applicants placed more than 5 miles from their homes; and local officers are especially warned “to avoid unduly encouraging rural laborers to migrate from the country to the towns or between Great Britain and Ireland.”¹

Application for an advance may be made by a workman when engaged through the exchange for work at a distance. In that case,

¹ For the same reason, that of preventing the encouragement of a rural exodus, local exchanges are not allowed to disseminate information on openings in foreign countries except with the special permission of the central office in London.

the employer agreeing, he is provided with a voucher exchangeable for a railroad ticket, the cost of which is deducted in installments from his weekly wages. Or, an employer may ask the exchange to advance the amount of the fare and refund it. The amount which the Board of Trade has failed to recover has remained almost negligible in comparison with the importance of these transactions. No allowance is made for conveyance of the worker's family.

A few figures will show the importance of the interlocal service. The vacancies filled in 1915 included no less than 283,644 cases,¹ or 22 per cent of the total number, in which persons were placed in exchange districts other than those in which they were registered. The corresponding number for 1914 was 177,312, or 16 per cent of the total, and for 1913 110,992, or 12 per cent. The increase is mainly accounted for by the war, especially the transference of labor for the erection of munition factories and huts for military camps, and by the demand for munition workers. In 1915 67,557 transferees, or nearly one-quarter of the total number, were beyond the limits of the exchange division. Of the total number of vacancies filled in 1914, 113,267, or over one-tenth, were filled by applicants residing more than five miles from the place where the work was to be performed. More recently the attitude of the workers toward the labor exchanges has been considerably modified by unemployment insurance which, as we have seen, is largely administered through the instrumentality of the exchanges and for certain classes of labor makes their use obligatory. It has brought more of the best type of worker into contact with the exchanges, men who previously were prejudiced against them. Of course, every expansion in its appeal means for a placement bureau not only so much added business, but also so much more efficient business. The larger the volume of transactions, the easier it is suitably to fit demand and supply.

The labor exchanges, in some cases, have been of some assistance to benefit societies, hospitals, trade-unions, tuberculosis committees, and other bodies in finding suitable employment for incapacitated workers. In this they directly contribute to the solvency of these societies and institutions and at the same time help to prevent that demoralization which so often comes to the partly disabled as a result of complete idleness. Especially in connection with the national health insurance scheme, local insurance committees have in some cases benefited considerably from the willing cooperation of labor-exchange managers in suitably placing persons whose support otherwise would have fallen on their funds.

¹ 196,037 men, 53,096 women, 19,976 boys, and 14,515 girls.

ADVANTAGES TO THE STATE.

We have here reached the consideration of advantages from a national system of labor exchanges, as exemplified in the United Kingdom, not only to employers or workers but to the State as a whole. With all its faults and shortcomings, in spite of the large discrepancy which we have found to exist, even during a favorable period, between the volume of offer and of demand registered, this system must undoubtedly be pronounced a national benefit. We have only to picture to ourselves the almost entire lack of provision for "marketing labor" prior to 1910, the failure of the sporadic attempts that had been made here and there to set up a machinery for bringing together labor and the demand for labor, to realize that for the first time a whole industrial nation is actually in possession of a means of securing accurate knowledge of the labor situation. The direct services rendered to employers and employees quite apart, this in itself has proved of inestimable advantage to the country, especially in the present war.

Whatever may or may not have been at fault with British "preparedness" in other directions, in her system of labor exchanges she did have ready, at the moment of need, a barometer of employment which was of the highest value, aside from the point of view of industrial recruiting and the manufacture of munitions. It was possible from the outset to forestall distress arising from unemployment owing to the sudden changes in the demand for commodities by drafting the workers displaced in one locality or industry to others where their qualifications were needed. Jewelry workers from Birmingham found remunerative employment in the manufacture of small arms in Sheffield; army and ordnance clerks, not available in sufficient number in some of the smaller towns where military headquarters are situated, were introduced from the larger commercial centers where, owing to a decrease in shipping, there was a surplus of experienced office workers. With the aid of actual knowledge concerning the state of employment—even though that knowledge was necessarily incomplete—it was possible to stimulate public and private employment with a view to avoiding distress from unemployment. The labor exchanges at one time indicated what appeared to be a total standstill in the building trade, and Parliament was induced to pass a relief measure enabling municipalities and other public bodies to draw upon the treasury to a greater extent than under previous enactments for funds with which to carry through housing schemes for the working classes that would absorb large numbers of men engaged in that trade.¹ On the other hand,

¹ Owing to the enlistment of large numbers of men, the abnormal unemployment rate in the building trades soon subsided, and few of the contemplated building schemes have actually been carried out.

the knowledge of the labor market provided by the labor exchanges was of help in discouraging injudicious attempts at relief measures made in the excitement of the first few weeks of the war. In spite of the greatest scarcity of labor witnessed by the present generation, the harvests of both 1914 and 1915 were saved by a methodical and efficient supplying, through the labor exchanges, of farmers with the most needed labor. Many other services have been rendered by the labor exchanges in the emergency which overcame the nation that no public authority could have rendered five years ago.¹

The writer has heard many complaints of the large volume of seemingly useless statistics required from the labor exchanges by the central clearing office. It is difficult to judge whether the tabulations of daily, weekly, monthly, and yearly data are really going to be of value some day in a more comprehensive study of the whole problem of unemployment than any yet made. They are admittedly only partly of value for immediate purposes. But, a priori, the writer inclines to the view that even a little wasteful expenditure on statistical work for a few years is preferable to the possible waste of so great an opportunity for securing facts which eventually may prove of the highest social importance. One employer seriously argued that by throwing an additional burden on the cost of production, however small, legal provisions such as labor exchanges could only add to the difficulties of manufacturers in competition with those of other countries, and therefore to unemployment. The answer is that, of course, there may be individual concerns so situated that they can not get any financial advantage out of the labor exchanges which would balance the amount of their tax contributions for their support. But spread over the taxpayers as a whole, the total cost is practically negligible compared with the saving from maladjust-

¹ Complete knowledge of the aid which the national system of labor exchanges has rendered in preventing distress from unemployment and in shaping the Government's labor policy after the outbreak of the war will be available only when the Board of Trade publishes the complete report of its activities during that period. The industrial crisis feared in August and September of 1914 as a result of the shock received by the financial system, the closing of markets, the dislocation of traffic, and other causes, did not take place. But many trades were very seriously affected by unemployment, and only recovered slowly. Some have practically disappeared, and the workers usually engaged in them have been absorbed in others. At the same time, a shortage of labor, resulting from the removal—at first of thousands, then of millions—of men from industry gave rise to entirely new and unforeseen problems. In some cases the rush of volunteer workers into all sorts of productive occupations actually led to a dismissal of the regular workers—this, as we have seen, was the case especially in some women's employments—and a severe depression of wages. The labor exchanges by themselves could not, of course, regulate conditions such as these. But they played a large part in the work of local committees for the prevention and relief of distress which, at the instigation of the Local Government Board, were created in every center of industry. These representative bodies had to rely for their knowledge of the state of employment almost entirely on the local labor exchange, whose manager, under instructions from headquarters to render all the services in his power, in many cases acted as joint secretary of the committee or as chairman of a subcommittee charged with a continuous survey, during the war, of the state of employment in the locality.

ment, from suffering, and from human deterioration. There can be no doubt that in the United Kingdom, even in these initial five years, when naturally the cost per vacancy filled was higher than it will be when the exchanges are more universally used by employers and workers, they have been a paying proposition from the point of view of national economy. Indeed, there is not now any responsible group of persons, so far as known to the writer, who would seriously wish to see them abolished.

CONCLUSIONS.

The practical value of the British system of labor exchanges has hardly yet had time to be tested fully, at any rate in the period preceding the present war. While it is possible to come to certain definite conclusions, a complete judgment must be withheld until a longer period of working under normal circumstances has elapsed. One critic observes¹ that—

In too many instances, as yet, the labor exchange is an engine which is working extremely well but which has not attached to it the rolling stock of social progress. But it is of the greatest importance, none the less, to have prepared at a time of prosperity such an engine which at any moment, apart from fulfilling a useful national purpose, can be hinged on—as it has been in the case of unemployment insurance—to new measures of social reform.

The present writer, in 1911, wrote:²

It would be unreasonable to expect that after so short an existence the labor exchanges should show a better result. Indeed, considering the distrust, indifference, and political hostility against which they have contended, the results so far attained are very encouraging.

He would now go further and say that the labor exchange has fully proved itself as a social instrument of the highest value, even without the attachment of other measures of reform. It has brought thinking persons both of the employing and working class to a fuller realization of the many misfits, hardships, physical and moral breakdowns which could be avoided by a more careful selection of employees on the one hand and of positions on the other. It has provided the nation with reliable data on the state of employment, comparable for different times, different trades, and different localities, on a sufficient scale to permit of safe deductions. It has helped the scientific analysis of the problem of unemployment, and thereby brought appreciably nearer its final solution. It has contributed to our knowledge of the causes of and best remedies for specific social problems, such as casual and seasonal irregularity of employment.

¹D. Caradog Jones, M. A., F. S. S., in *Bulletin of the International Association on Unemployment for July-September, 1913.*

²*Bulletin of the International Association on Unemployment for October-December, 1911.*

It is sometimes said that labor exchanges can not create work when there is none available. But, in a sense, they undoubtedly have increased the volume of employment, and this in more than one way: by helping employers to secure labor when none was locally available and none could have been procured without the aid of a nation-wide apparatus of inquiry; by shortening the average duration of the unemployment which results when the opportunity for work is in one place and the person looking for it in another; by forcing men who otherwise would have been content with intermittent employment of one or two days each week, to secure more regular work or none at all, and by thus indirectly compelling State and community to make provision for those who encumber the labor market and live on precarious "catch jobs" because old age or ill health prevents them from working more regularly; by placing those desirous of work, especially boys and girls, more fittingly, thus preventing frequent changes attended by periods of idleness; by preventing in all these various ways that moral deterioration which is apt to result from long or frequent periods of involuntary idleness, and to lead to an unemployment problem which is not caused by inability to secure work, but by unwillingness to perform it. Thus, not to any considerable extent so far, perhaps, yet noticeably, the British system of labor exchanges has reduced unemployment.

APPENDIXES.

APPENDIX A.—LABOR EXCHANGES ACT, 1909.

AN ACT to provide for the establishment of labor exchanges and for other purposes incidental thereto. (20th September, 1909.)

1. (1) The Board of Trade may establish and maintain, in such places as they think fit, labor exchanges, and may assist any labor exchanges maintained by any other authorities or persons, and in the exercise of those powers may, if they think fit, cooperate with any other authorities or persons having powers for the purpose.

(2) The Board of Trade may also, by such other means as they think fit, collect and furnish information as to employers requiring workpeople and workpeople seeking engagement or employment.

(3) The Board of Trade may take over any labor exchange (whether established before or after the passing of this act) by agreement with the authority or person by whom the labor exchange is maintained, and any such authority or person shall have power to transfer it to the Board of Trade for the purposes of this act.

(4) The powers of any central body or distress committee, and the powers of any council through a special committee, to establish or maintain, under the Unemployed Workmen Act, 1905, a labor exchange or employment register shall, after the expiration of one year from the commencement of this act, not be exercised except with the sanction of, and subject to any conditions imposed by, the Local Government Board for England, Scotland, or Ireland, as the case may require, and that sanction shall not be given except after consultation with the Board of Trade.

2. (1) The Board of Trade may make general regulations with respect to the management of labor exchanges established or assisted under this act, and otherwise with respect to the exercise of their powers under this act, and such regulations may, subject to the approval of the treasury, authorize advances to be made by way of loan towards meeting the expenses of workpeople traveling to places where employment has been found for them through a labor exchange.

(2) The regulations shall provide that no person shall suffer any disqualification or be otherwise prejudiced on account of refusing to accept employment found for him through a labor exchange where the ground of refusal is that a trade dispute which affects his trade exists, or that the wages offered are lower than those current in the trade in the district where the employment is found.

(3) Any general regulations made under this section shall have effect as if enacted in this act, but shall be laid before both Houses of Parliament as soon as may be after they are made, and, if either House of Parliament within the next forty days during the session of Parliament after any regulations have been so laid before that House resolves that the regulations or any of them ought to be annulled, the regulations or those to which the resolution applies shall, after the date of such resolution, be of no effect, without prejudice to the validity of anything done in the meantime under the regulations or to the making of any new regulations.

(4) Subject to any such regulations, the powers of the Board of Trade under this act shall be exercised in such manner as the Board of Trade may direct.

(5) The Board of Trade may, in such cases as they think fit, establish advisory committees for the purpose of giving the board advice and assistance in connection with the management of any labor exchange.

3. If any person knowingly makes any false statement or false representation to any officer of a labor exchange established under this act, or to any person acting for or for the purposes of any such labor exchange, for the purpose of obtaining employment or procuring workpeople, that person shall be liable in respect of each offense on summary conviction to a fine not exceeding ten pounds.

4. The Board of Trade may appoint such officers and servants for the purposes of this act as the board may, with the sanction of the treasury, determine, and there shall be paid out of moneys provided by Parliament to such officers and servants such salaries or remuneration as the treasury may determine, and any expenses incurred by the Board of Trade in carrying this act into effect, including the payment of traveling and other allowances to members of advisory committees and other expenses in connection therewith, to such amount as may be sanctioned by the treasury, shall be defrayed out of moneys provided by Parliament.

5. In this act the expression "labor exchange" means any office or place used for the purpose of collecting and furnishing information, either by the keeping of registers or otherwise, respecting employers who desire to engage workpeople and workpeople who seek engagement or employment.

6. This act may be cited as the Labor Exchanges Act, 1909.

APPENDIX B.—GENERAL REGULATIONS MADE BY THE BRITISH BOARD OF TRADE IN PURSUANCE OF SECTION 2 OF THE LABOR EXCHANGES ACT, 1909.

Registration of applicants for employment.

I. (1) Applicants for employment through a labor exchange shall register and shall renew their registration there in person, if they reside within three miles of the exchange or within such other distance as the Board of Trade may direct from time to time, either generally or as regards any specified district or class of applicants.

(2) In the case of applicants not residing within the above limit of distance, the officer in charge of the labor exchange may accept registration or renewal of registration through the post.

(3) Applicants shall register upon a form containing the particulars set forth in the first schedule hereto, subject to such modifications as may be made by the Board of Trade from time to time, either generally or as regards any specified district or trade or class of applicants.

(4) The above regulations shall not apply to juvenile applicants.

Period of registration.

II. Registration of applications for employment shall hold good for seven days from the date of registration or for such other period as the Board of Trade may from time to time direct either generally or as regards any specified district or trade or class of applicants, but may be renewed within that period for a like period and so on from time to time.

Strikes and lockouts.

III. (1) Any association of employers or workmen may file at a labor exchange a statement with regard to the existence of a strike or lockout affecting their trade in the district. Any such statement shall be in the form set out in the second schedule hereto, and shall be signed by a person authorized by the association for the purpose. Such statement shall be confidential except as hereunder provided and shall only be in force for seven days from the date of filing, but may be renewed within that period for a like period and so on from time to time.

(2) If any employer who appears to be affected by a statement so filed notifies to a labor exchange a vacancy or vacancies for workmen of the class affected, the officer in charge shall inform him of the statement that has been filed, and give him an opportunity of making a written statement thereon. The officer in charge in notifying any such vacancies to any applicant for employment shall also inform him of the statements that have been received.

Wages and conditions.

IV. (1) The officer in charge of a labor exchange in notifying applications for employment and vacancies to employers and applicants, respectively, shall undertake no responsibility with regard to wages or other conditions, beyond supplying the employer or applicant, as the case may be, with any information in his possession as to the rate of wages desired or offered.

(2) Copies or summaries of any agreements mutually arranged between associations of employers and workmen for the regulation of wages or other conditions of labor in any trade may, with the consent of the various parties to such agreements, be filed at a labor exchange, and any published rules made by public authorities with regard to like matters may also be filed. Documents so filed shall be open to inspection on application.

(3) No person shall suffer any disqualification or be otherwise prejudiced on account of refusing to accept employment found for him through a labor exchange where the ground of refusal is that a trade dispute which affects his trade exists or that the wages offered are lower than those current in the trade in the district where the employment is found.

Advance of traveling expenses.

V. (1) Where an applicant for employment has been engaged through a labor exchange at which he is registered to take up employment at any place removed from the exchange or from his ordinary residence by more than five miles by the quickest route, or by such other distance as the Board of Trade may direct from time to time, either generally or as regards any specified district the officer in charge may, at his discretion, make an advance to the applicant toward meeting the expenses of traveling to the place of employment.

(2) The advance may be made at the request either of the employer or of the applicant. The person at whose request the advance is made shall give such undertaking with respect to the repayment of the advance as the Board of Trade, with the consent of the treasury, may from time to time prescribe either generally or as regards any specified district or class of applicants.

(3) No advance shall be made where the officer in charge has reason to believe that the employment falls within the terms of Regulation IV (3) hereof.

(4) In making advances care shall be taken to avoid unduly encouraging rural laborers to migrate from the country to the towns or between Great Britain and Ireland.

(5) The advance shall not exceed the amount required to defray the applicant's fare to the place of employment, and will be made by the provision of a ticket or pass, or, in exceptional circumstances, in cash.

Employment outside the British Isles.

VI. The officer in charge of a labor exchange shall consult the central office in London before notifying to applicants for employment vacancies at any place outside the British Isles.

Advisory trade committees.

VII. (1) There shall be established by the Board of Trade in such areas of the United Kingdom as they think fit advisory trade committees consisting of equal numbers of persons representing employers and workmen in the district and appointed by the Board of Trade after consultation with such bodies and persons as they may think best qualified to advise them on the matter, together with a chairman, agreed upon by a majority both of the persons representing employers and of the persons representing workmen, or in default of such agreement appointed by the Board of Trade.

(2) It shall be the duty of advisory trade committees to advise and assist the Board of Trade in regard to any matters referred to them in connection with the management of labor exchanges.

(3) The members of an advisory trade committee, including the chairman, shall remain in office for three years.

(4) Vacancies, howsoever caused, occurring in the membership or chairmanship of an advisory trade committee shall from time to time be filled in the same manner as provided by subclause (1) of this regulation in regard to the original appointment of members and chairman. Any person appointed to fill a vacancy shall not hold office after the expiration of the period during which the person in whose place he is appointed would have held office.

(5) At the request of the majority either of the persons representing employers or of the persons representing workmen on an advisory trade committee present at any meeting, voting on any particular question shall be so conducted that there shall be an equality of votes as between the persons representing employers and the persons representing workmen, notwithstanding the absence of any member. Save as aforesaid every question shall be decided by a majority of the members present and voting on that question.

(6) On any question on which equality of voting power has been claimed under subclause 5 of this regulation the chairman shall have no vote, but in case of the votes recorded being equal he shall make a report to that effect to the Board of Trade and may also, if he think fit, state his own opinion on the merits of the question.

(7) Subject to these regulations the procedure of any advisory trade committee shall be determined from time to time by the Board of Trade, or by the committee with the approval of the board.

Grant of accommodation within the premises of a labor exchange.

VIII. (1) All applications for accommodation within the premises of a labor exchange shall be made to the officer in charge of such labor exchange,

who shall consult the advisory trade committee for the district. Any such application shall only be granted for such purposes and on such terms and conditions as the committee may approve.

(2) In the case of labor exchanges which were in operation before the passing of the Labor Exchanges Act, 1909, existing arrangements with regard to accommodation may be allowed to continue except in so far as they may be modified or canceled hereafter.

Juvenile employment.

IX. Subject to these regulations, special rules may be made from time to time by the Board of Trade, after consulting the Board of Education so far as regards England and Wales and the Scottish Education Department so far as regards Scotland and the Lord Lieutenant of Ireland so far as regards Ireland, with respect to the registration of juvenile applicants for employment; that is to say, applicants under the age of 17 or such other limit as the board may fix, either generally or as regards any specified district or trade or class of applicants.

The Board of Trade make these regulations by virtue of the power conferred upon them by section 2, subsection (1) of the Labor Exchanges Act 1909.

Dated this 28th day of January, 1910.

FIRST SCHEDULE.

PARTICULARS TO BE INCLUDED ON THE FORM FOR REGISTRATION OF ADULT APPLICANTS FOR EMPLOYMENT.

(N. B.—Applicants are not compelled to furnish all the particulars specified.)

Surname_____ Other names_____ Age_____
 Address_____

Work desired_____

Last employer and previous employer in that class of work, with address and period and date of employment_____

Qualifications for desired employment_____

Also willing to take work as_____

Whether willing to take work at a distance_____

When free to begin work_____

SECOND SCHEDULE.

FORM OF STATEMENT REFERRED TO IN REGULATION III (1).

I, the undersigned, being duly authorized by (give the name of the association) beg to notify that the above association has a trade dispute, involving (insert "a strike" or "a lockout," as the case may be), with (give the names of firms or class of firms or the name of the association).

Dated this_____ day of_____ 19__.

Signature_____

Address_____

APPENDIX C.—SPECIAL RULES WITH REGARD TO REGISTRATION OF JUVENILE APPLICANTS IN ENGLAND AND WALES, MADE IN PURSUANCE OF REGULATION NO. IX OF THE GENERAL REGULATIONS FOR LABOR EXCHANGES.

1. Juvenile applicants for employment shall register on the forms prescribed in the schedule to these rules, subject to such modifications as may be made therein by the Board of Trade from time to time. Such applicants, or any prescribed class of such applicants, may be permitted in lieu of attending personally at a labor exchange to register their applications at such other places as may be recognized by the Board of Trade as suitable for the purpose. Forms containing such applications, if transmitted forthwith to a labor exchange, shall be treated as equivalent to personal registration.

2. (1) Special advisory committees for juvenile employment shall be established in such areas as the Board of Trade may think expedient. These committees shall include persons possessing experience or knowledge of education or of other conditions affecting young persons, appointed after consulting such authorities, bodies, and persons as the board think best qualified to advise them, and also persons representing employers and workmen, appointed after consulting any advisory trade committee established in the district in pursuance of regulation No. VII of the general regulations, together with a chairman appointed by the board.

(2) Such labor-exchange officers as may be designated by the Board of Trade, and such of His Majesty's Inspectors of Schools as may be designated by the Board of Education, may be present at meetings of the special advisory committees, but shall not be members thereof.

3. Subject to these rules, the procedure of a special advisory committee for juvenile employment shall be determined from time to time by the Board of Trade or by the committee with the approval of the board.

4. It shall be the duty of a special advisory committee to give advice with regard to the management of any labor exchange in its district in relation to juvenile applicants for employment.

5. Subject to these rules, a special advisory committee may take steps, either by themselves or in cooperation with any other bodies or persons, to give information, advice, and assistance to boys and girls and their parents with respect to the choice of employment and other matters bearing thereon. Provided that the Board of Trade and the officer in charge of a labor exchange shall undertake no responsibility with regard to any advice or assistance so given.

6. (1) If any local education authority for higher education which has or may acquire statutory powers for the purpose of giving advice, information, or assistance to boys and girls with respect to the choice of employment or other matters bearing thereon, submits to the Board of Education a scheme for the exercise of those powers, and the Board of Education, after consulting with the Board of Trade, approve that scheme with or without modifications, the foregoing rules shall, so long as the scheme is carried out to the satisfaction of the Board of Education, apply to the area of that local education authority with the following modifications:

(a) The officer in charge of any labor exchange shall not undertake the registration of juvenile applicants for employment except in accordance with the provisions of the scheme.

(b) The special advisory committee for juvenile employment shall take no steps under rule 5 except in accordance with the provisions of the scheme.

(c) The Board of Trade may, if they think fit, recognize, in lieu of any special advisory committee established or to be established under these rules,

an advisory committee constituted under the scheme, provided that such committee includes an adequate number of members possessing experience or knowledge of educational and industrial conditions, and thereupon the Board of Trade may, if the circumstances require, either dissolve any special advisory committee or modify its area and constitution.

(2) Nothing in this rule shall affect the registration at any labor exchange of vacancies for juvenile workers notified by employers.

7. These rules shall apply to the registration of juvenile applicants in England and Wales.

These rules are made by the Board of Trade after consultation with the Board of Education in pursuance of regulation No. IX of the general regulations for labor exchanges managed by the Board of Trade.

Dated this seventh day of February, 1910.

SCHEDULE TO SPECIAL RULES.

PARTICULARS TO BE INCLUDED ON THE FORM FOR REGISTRATION OF JUVENILE APPLICANTS FOR EMPLOYMENT.

Surname..... Other names.....
 Date of birth.....
 Full address.....
 Name of last day school and date of leaving.....
 Standard or class in which applicant was on leaving.....
 Whether applicant was a half-timer before leaving, and, if so, how long?.....
 Whether attending or proposing to attend any continuation or technical school, and, if so, in what course or subjects, and whether in the day or evening.....
 Employment or employments since leaving school:
 (1).....
 (2).....
 (3).....
 Employment desired.....
 Whether willing to be apprenticed, and, if so, whether a premium can be paid.....
 Whether willing to take work at a distance.....
 Remarks.....

APPENDIX D.—MEMORANDUM BY THE BOARD OF TRADE AND THE BOARD OF EDUCATION WITH REGARD TO COOPERATION BETWEEN LABOR EXCHANGES AND LOCAL EDUCATION AUTHORITIES EXERCISING THEIR POWERS UNDER THE EDUCATION (CHOICE OF EMPLOYMENT) ACT, 1910.

1. We have had under consideration (a) the Education (Choice of Employment) Act, 1910, and (b) the special rules with regard to registration of juvenile applicants in England and Wales made on the 7th February, 1910, by the Board of Trade, after consultation with the Board of Education, under the Labor Exchanges Act, 1909, and printed as an appendix to the present memorandum. Under the new act the councils of counties and county boroughs, as local education authorities, are empowered to make arrangements, subject to the approval of the Board of Education, for giving to boys and girls under 17 years of age assistance with respect to the choice of suitable employment, by means of the

collection and the communication of information and the furnishing of advice. In the special rules of the Board of Trade two alternative methods are indicated by which information, advice, and assistance with respect to the choice of employment and other matters bearing thereon can be given to boys and girls and their parents in connection with the working of labor exchanges. Paragraphs 2 to 5 of the rules make provision for the establishment by the Board of Trade of special advisory committees for juvenile employment, which may, as one of their functions, take steps to give such information, advice, and assistance, but without any responsibility with regard thereto being undertaken by the Board of Trade or the officers in charge of labor exchanges. Paragraph 6 of the special rules contemplates the case of a local education authority which has and desires to exercise statutory powers for the purposes of giving information, advice, and assistance, and provides that, where such powers are exercised in accordance with a satisfactory scheme, the registration of juvenile applicants for employment shall not be conducted by the labor exchange except in accordance with the scheme, and that the Board of Trade may dispense with the services of a special advisory committee so far as the area of the authority is concerned. The enactment of the Education (Choice of Employment) Act, 1910, renders it possible for the procedure contemplated by paragraph 6 of the special rules to be brought into operation.

2. We are of opinion that the employment of juveniles should be primarily considered from the point of view of their educational interests and permanent careers rather than from that of their immediate earning capacities, and accordingly we urge upon local education authorities the desirability of undertaking, in accordance with the principles set out in the present memorandum, the responsibilities offered to them by the new act. We consider that it is of importance that these responsibilities should be exercised in the fullest co-operation with the national system of labor exchanges established under the Labor Exchanges Act, 1909, and the Board of Education will, therefore, before approving any proposals from local education authorities for the exercise of their new powers, require adequate provision to be made for such cooperation. Where a satisfactory scheme has been brought into force by a local education authority, paragraph 6 of the special rules will operate, and the Board of Trade will be prepared to recognize a committee of the authority as charged with the duty of giving advice with regard to the management of the labor exchange for its area in relation to juvenile applicants for employment. There are certain areas in which, pending the passing of the act, the Board of Trade have already established, or have definitely undertaken to establish, special advisory committees under paragraphs 2 to 5 of the special rules, and we presume that the local education authorities for these areas will desire to continue the arrangements already made, at least until some further experience has been gained, and will consequently defer the exercise of their powers under the act. So far as other areas are concerned the Board of Trade do not propose to take any steps for the establishment of special advisory committees until after the 31st of December, 1911, except in the event of the local education authority passing a formal resolution to the effect that they do not propose to exercise their powers under the Choice of Employment Act.

3. We recognize that the methods to be adopted by authorities in working the act must necessarily be subject to considerable variations in accordance with local conditions, and will, in particular, be affected by the distribution of the labor exchanges, the districts of which are not necessarily conterminous with the areas of authorities. We think, however, that in normal cases some such arrangements as are indicated in the following paragraphs are likely to

be found effective in practice, and may be expected to insure a reasonable distribution and correlation of functions between the authorities and the labor exchanges.

4. The work to be undertaken by public bodies in giving assistance in the choice of employment for juveniles may be regarded as having two branches. In the first place there is the task of giving such advice to boys and girls and their parents as will induce them to extend where possible the period of education, and to select, when employment becomes necessary, occupations which are suited to the individual capacities of the children, and, by preference, those which afford prospects not merely of immediate wages but also of useful training and permanent employment. In the second place, there is the practical task of registering the actual applications for employment and bringing the applicants into touch with employers who have notified vacancies of the kind desired.

5. In any scheme of cooperation put forward under the new act the first of these two tasks, that of giving advice, should, we think, be assigned to the local education authority, with the assistance of such information as to the conditions and prospects of particular kinds of employment as can be furnished by the Board of Trade through the labor exchanges. We think that the authority should act through a special subcommittee, which may, perhaps, also be the subcommittee charged with the supervision of continuation and technical schools, and which should always include an adequate number of members possessing experience or knowledge of industrial as well as of educational conditions. In its detailed working, which should include the keeping in touch with boys and girls after as well as before employment has been found for them, such a subcommittee will, we trust, utilize to the full the services not only of teachers and of school attendance officers, but also of voluntary workers, whose activities may here find one of their most valuable educational spheres; but the work will be of a kind which depends largely upon skilled and effective organization, and it will probably be found desirable, as a rule, to put at the disposal of the subcommittee an executive officer who will act as its secretary and maintain the daily contact between the authority, the voluntary workers, and the labor exchange.

6. As regards the second of these two tasks, namely, the registration of applications for employment and the selection of applicants to fill vacancies notified by employers, there is need for cooperation between the education authority and the labor exchange, and direct relations should be established between the subcommittee or officer of the authority and the officer in charge of the juvenile department of the labor exchange. For this purpose it will probably be found convenient for the two officers to be located in the same or contiguous buildings. At present a good deal of the work done in connection with the employment of children is done at the elementary and other schools at which the children are in attendance, and no doubt this will continue to be the case, at any rate so far as the giving of advice is concerned, but we desire to point out that the notification of applications for employment to a central office will increase the range of vacancies open to any one applicant, and will therefore advance the fundamental object of placing each applicant in the employment which best suits him, and to which he is best suited. We contemplate, therefore, that applications for employment from children still at school will continue to be received and entered upon the necessary cards by their teacher, but that the cards will then, generally speaking, be forwarded by him to the authority's officer. The applications from boys and girls who have left school can, we think, most conveniently be registered by the officer of the labor exchange, but arrangements should be made to admit of such applicants being interviewed by the authority's officer either at the time of registration or as soon as possible

after, as it is desirable that they should be fully advised before vacancies for employment are brought to their notice. All applications received in either of the ways indicated should at once be made available either in original or in copies for the use both of the education authority and of the labor exchange. Notifications of vacancies for employment should be made to the officer of the labor exchange, who will furnish the authority's officer with information as to each vacancy for which he proposes to submit a boy or girl, and with the name of any boy or girl whom he proposes to submit for it. Information passing between the authority and the labor exchange will naturally be held to be strictly for the purposes of their cooperation. We anticipate that in ordinary cases the question whether a particular vacancy is suitable for a particular boy or girl will give rise to no difference of opinion between the two officers. It will, however, probably be necessary to provide for the possibility of a difference of opinion. We think, therefore, that as a rule the decision should rest with the authority's representative as regards any child who is still in attendance at an elementary or other day school or has not left the day school more than six months previously, and that as regards applicants who have passed this limit the decision should rest with the officer of the labor exchange, who will, however, consult the authority's representative in all cases in which this is practicable, and will in all cases inform him as to the manner in which each vacancy is ultimately filled.

7. Should any scheme be submitted for the approval of the Board of Education under the act in which it is proposed to vary these limits or otherwise to depart materially from the scheme of cooperation outlined in this memorandum, it should be accompanied by a full statement of the special reasons urged by the local education authority in support of the proposed variation. The special circumstances of the case will then be considered jointly by the two departments.

(Signed) SYDNEY BUXTON,
President of the Board of Trade.

(Signed) WALTER RUNCIMAN,
President of the Board of Education.

3rd January, 1911.

APPENDIX E.—SCHEDULE USED IN UNOFFICIAL INVESTIGATION OF LABOR EXCHANGES, 1913.

I. EMPLOYERS.

- (1) What is their present attitude to the labor exchange?
- (2) What proportion of employers in the locality avail themselves of the labor exchanges to fill vacancies as they occur?
- (3) Do they use the labor exchanges to an equal extent for filling vacancies for skilled and unskilled workers, and for male and female workers? If not, state and explain limited use of labor exchanges.
- (4) Do all departments of the local authority regularly use the labor exchanges, and for all purposes of labor supply? If not, why not?
- (5) How are the employers who use labor exchanges satisfied as regards (a) rapidity of process; (b) suitability and choice of workers supplied; (c) effect on stability of workers; i. e., has it unsettled workers or encouraged unreasonable demands as regards wages and labor conditions? (On the other hand, has it increased the chances of good men to improve their position?)
- (6) Have labor exchanges been of any help to agricultural employers, or on the contrary tended to decrease their labor supply?

APPENDIX E.

II. WORKPEOPLE.

(1) What is their present attitude to the labor exchange?

(2) Are there any complaints as to supply of blackleg labor or preference being given to nonunionists? (If so, obtain absolutely reliable evidence.)

(3) What, in the opinion of workers, has been the effect of the labor exchange on wages? Has it, in practice, enabled employers—especially of unskilled labor—to reduce wages by offering them a wider choice of applicants for work, or has it enabled workers to stand out for better terms?

(4) Has the interlocal registration of vacancies tended to equalize wages as between different manufacturing towns? If so, has the tendency been in the upward or downward direction?

(5) Has the use of the labor exchange substantially shortened the search for work on the part of bona fide applicants?

(6) What has been the effect of the labor exchange on trade-union membership, if any?

III. LOCAL LABOR EXCHANGE (OR EXCHANGES).

(1) Has the work of the labor exchange tended to increase casual labor by making it easier for employers to recruit occasional workers and for workers to throw up their jobs by providing a greater choice of alternatives? Has any definite policy of "decasualization" been followed, and with what amount of success?

(2) Give instances of any ascertained effect of labor-exchange activity on wages and labor conditions.

(3) Is the juvenile department run by the labor exchange or by the education authority? In either case, what is done in advice as to choice of employment, and to what extent is the exchange actually used by children leaving school? Has the juvenile department actually succeeded in reducing juvenile unemployment and in preventing frequent changes of employment?

(4) Is there a permanent surplus of female applicants for employment? If so, how are vacancies for casual women workers (such as charwomen) filled; on what principle?

(5) To what extent, in the opinion of the officials, are the vacancies notified and applications made typical of the total demand and supply of labor in the locality? What proportion of the vacancies actually occurring during the year—roughly—is filled through the labor exchange? Explain any restriction of the use actually made of the labor exchange by workers and employers.

(6) Has the system of unemployment insurance had any effect on the general work of the labor exchange? If so, describe and explain.

(7) Any suggestions of the officials for improving the mechanism of the labor-exchange system, or for widening its sphere of usefulness.

NOTE.—Many of the questions put above can be answered only by stating opinions. These should be given as fully as possible, with name and occupation (not for publication) of informant, and, if possible, in his own words.

Rumors and insinuations should, as far as possible, be investigated and evidence be given of any complaints.

All facts and illustrations to be given in sufficient detail to enable their full appreciation.