



## REPORTS AND ENQUIRIES

### The Work of the British Ministry of Labour

Although the British Ministry of Labour came into existence in 1917, it did not at first issue any general report covering all its activities, so that the report for 1923 and 1924, recently issued<sup>1</sup>, is of more than usual interest. It is not, however, wholly confined to the calendar period 1923-1924. From time to time reports on particular branches of the Ministry's work have been published, and in such cases the present report continues the narrative from the point there reached. Where no previous report has been issued, a brief survey of the work since its inception is included in the new report.

The functions of the Ministry, which are wide and varied, may for convenience be grouped under six heads:

(1) Industrial Relations. The Ministry assists in the settlement of industrial disputes and the formation of conciliation boards and joint industrial councils, and in general deals with questions affecting the relations between employers and employed.

(2) Employment and Unemployment Insurance. The Ministry is responsible for the system of employment exchanges, the administration of the national scheme of unemployment insurance, and a variety of other matters affecting employment.

(3) Trade Boards. The Trade Boards Acts 1909 and 1918, administered by the Ministry, provide for the establishment of joint boards, comprising employers' and workers' representatives and impartial members, to fix minimum time wage rates in certain trades where wage rates were considered unduly low.

(4) Labour Statistics. The Ministry collects and publishes statistics on employment and unemployment; wages, hours of labour, etc.; working-class cost of living; strikes and lockouts; trade unions, employers' associations, and joint conciliation and arbitration boards; profit-sharing and labour co-partnership. Most of these statistics are already familiar to readers of the *Review*.

(5) Relations with the International Labour Organisation. The report outlines the history of the Organisation, and describes the position of Great Britain with regard to the Conventions and Recommendations adopted.

(6) Functions arising out of the War. The Ministry has to administer and wind up the various schemes for re-establishing ex-Service men and others in civil life by providing training and financial assistance.

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<sup>1</sup> GREAT BRITAIN. MINISTRY OF LABOUR: *Report for the Years 1923 and 1924*. Cmd. 2481. London, H.M. Stationery Office, 1925. 280 pp. 4s.6d. It is proposed in future to publish regular annual reports.

## INDUSTRIAL RELATIONS

The section of the report on conciliation and arbitration, covering the years 1921-1924, although highly condensed, is of great informative value. In addition to a brief description of the functions of the Ministry in regard to industrial relations, it gives statistics and other details of the proceedings under the Conciliation Act 1896 and the Industrial Courts Act 1919, summarises the more important of the awards of the Industrial Court, paying particular attention to enunciations of principle, and gives the essence of the reports submitted by the courts of enquiry set up under Part II of the Industrial Courts Act on the occasion of the tramway dispute of 1921, the engineering dispute of 1922, the South Wales coal tipping and trimming dispute of 1923, and seven disputes in 1924.

One of the most outstanding facts shown by the statistics is that during the four years under review the number of disputes settled with the assistance of the Ministry — 794 in all — exceeded the total number settled in the nineteen years from the passing of the Conciliation Act in 1896 to 1914. Of these 794 disputes 415 were referred to the Industrial Court for arbitration (including 226 in engineering and shipbuilding trades, 49 in public utility services, and 25 in transport trades); 49 were referred to single arbitrators; 33 to *ad hoc* boards of arbitration (including 17 in the iron and steel trades and 10 in engineering and shipbuilding trades); 10 were settled under the Conciliation Act 1896; in 277 cases agreement was reached with the assistance of officers of the Ministry (including 35 in the building trade, 27 in engineering and shipbuilding trades, 49 in transport trades, 31 in food, drink, etc. trades, and 16 in public utility services); and in 10 cases courts of enquiry were set up.

Among the awards issued by the Industrial Court, Decision No. 728 of 8 July 1922 concerning railway shopmen was of outstanding importance, both from the nature of the problem and from the numbers involved. The Court's decision dealt with the rates of pay and conditions of service of railway shopmen, which prior to this decision had varied considerably:

The Court have, therefore, reached the conclusion that railway service should be regarded by them as being a distinct industry to which special conditions attach, and that the Court's Decision should not impose on the companies and the employees an obligation to adopt or follow the rates of wages agreed upon or recognised by employers and workers in other industries employing similar classes of labour.

While in the Court's view the proper course is to regard the railway service as an industry in itself, it is manifest that where it draws upon supplies of labour of a kind required in other industries the rates of wages paid by the railway companies cannot, without inconvenient consequences, differ too widely from the rates obtainable by the men elsewhere. But to say that the rates within and without the railway service should be generally similar is not to require that they should be absolutely identical, or that they should always move in unison. In determining the rates to be paid to railway shopmen, the Court have kept in view, among other factors, the district rates of the various classes of workmen, where such district rates exist. But, for the reasons already

set out, they have not regarded such district rates as binding upon them and as pre-determining their decision.

The disposition to take the industrial rather than the craft point of view is emphasised in two other decisions quoted.

The main principle laid down by the Court concerning the determination of wage rates is also of great interest. Decision No. 717 of 28 February 1922, concerning brewery workers in South Wales and Monmouthshire, contains the following passage illustrative of the Court's attitude:

The Court have indicated on more than one occasion that in considering alterations in the rates of wages it is right to have regard to other circumstances besides the cost of living. An increase in the cost of living does not necessarily and of itself warrant an increase in wages; and for similar reasons a fall in the cost of living does not necessarily and to the exclusion of all other considerations justify a reduction of wages. Prominent among such other considerations is the state of trade or the capacity of the industry to pay rates of wages of a certain amount without restricting the demand for the product or imposing an undue burden on the employers.

The summaries given of the reports of the ten courts of enquiry set up during the four years under review, covering as they do a variety of industries and of causes of disputes, are of decided interest as showing the use to which such machinery can be put. The value of these summaries would have been greatly enhanced, however, if it were indicated to what extent the findings of the courts were instrumental in bringing about the ultimate settlement.

## EMPLOYMENT

### *Employment Exchanges*

On its creation the Ministry of Labour took over from the Board of Trade the employment exchanges which had been in operation since 1910 and had also since 1912 administered the Unemployment Insurance Acts.

At the end of 1924 there were 382 employment exchanges, 772 branch employment offices<sup>1</sup>, and 324 local employment committees, representing employers, workers, and certain other bodies. As a rule an employment exchange deals with workers of all classes, but there are two special exchanges in London, one for women and the other for the building industry. Special arrangements are made for dealing with seasonal demands for labour, while in some localities, notably Liverpool, a special system for registering and placing dock workers is in force.

The industrial depression which began at the end of 1920 greatly increased the difficulty of finding employment for workers who applied to the exchanges, while the work of administering the unemployment insurance scheme, enormously increased by the Act of 1920, to some

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<sup>1</sup> Local agencies set up in smaller towns where the volume of business is not sufficient to justify the establishment of a complete employment exchange.

extent overshadowed the primary function of the exchanges. Nevertheless, as the following figures show, the number of workers dealt with by the exchanges has been considerable:

WORKERS AND VACANCIES REGISTERED AT EMPLOYMENT EXCHANGES,  
1922-1924

Category	1922	1923	1924			
			Total	Men	Women	Juveniles
Workers registered	8,819,523	8,774,644	11,262,887	7,526,355	2,823,405	913,127
Vacancies notified	839,633	1,056,970	1,345,394	735,645	359,262	250,487
Vacancies filled	697,036	893,713	1,143,742	667,816	268,705	207,221

*King's National Roll*

In 1919 a national scheme for the employment of disabled ex-Service men was inaugurated. Employers were invited to join the King's National Roll, by which they undertook to engage disabled ex-Service men up to 5 per cent. of their total staff (a reduction of the proportion being allowed in special cases). The Ministry of Labour is generally responsible for the scheme, which is administered by local committees under a National Council. At the end of 1924 there were approximately 28,500 employers on the Roll, and about 350,000 disabled ex-Service men employed by them.

*Juveniles*

When the employment exchanges were first set up a certain number of juvenile advisory committees were appointed to advise both the management of the exchanges and juvenile applicants for employment. In other areas local educational authorities made similar arrangements under the Choice of Employment Act 1910. The existence of the two types of body led to some confusion, and in 1923 it was laid down that local education authorities should do choice-of-employment work only if they would also administer unemployment insurance in respect of juveniles on behalf of the Minister of Labour. At the end of 1924 there were 140 juvenile advisory committees attached to employment exchanges and 145 choice-of-employment committees under local education authorities. In addition to assisting directly in the work of the employment exchanges, the juvenile advisory committees arrange for school conferences towards the end of each term, when boys and girls about to leave school are advised as to openings for employment. They also attempt to follow up the young persons of their district for the first few years in employment by the system of aftercare or, as it is now called, "industrial supervision", carried out chiefly by voluntary workers.

Immediately after the war an attempt was made to obviate the evil effects of unemployment on young persons by opening "juvenile

unemployment centres", to give unemployed boys and girls a certain amount of continued education. At the end of 1919 the Government ceased to give financial support to the centres, the number of which fell to only six. In 1923, however, the centres were revived owing to the continued and extensive unemployment among young people, and young persons between 16 and 18 might be required to attend these centres as a condition of receiving benefit. From September 1923 to December 1924 some 54,000 boys and girls passed through these centres. At the end of 1924 there were 125 centres, at which the average daily attendance was 8,084. It is significant that the great majority of the pupils (6,128) were those with claims to insurance benefit.

### *Oversea Employment and Aliens*

The Ministry of Labour co-operates with Dominion Governments in finding employment in the Dominions and Colonies for workers from Great Britain, and also does a certain amount of placing abroad in response to requests from individual employers. From 1919 to 1922 the Ministry placed 3,877 persons in employment overseas. Under the Empire Settlement Act 1922 the Ministry co-operated with the Australian Government in selecting emigrants, and submitted 45,717 applicants to the Australian authorities, while 15,667 persons who applied through other agencies were interviewed.

While the Home Office has general control over the admission and residence of aliens in Great Britain, the Ministry of Labour has certain functions under the Aliens Order 1920, Article 1 (3) (b) of which makes the employment of any alien in Great Britain conditional upon the issue of a permit by the Ministry of Labour. The total number of applications for permits from 1921 to 1924 was 17,630, and 12,401 permits were granted.

### UNEMPLOYMENT INSURANCE

A report on the National Unemployment Insurance scheme up to July 1923 has already been issued<sup>1</sup>, so that the present report starts from that date. An outline is given of the principal changes in legislation from July 1923 to the end of 1924.

The rate of benefit for men was increased from 15s. to 18s. a week, and that for women from 12s. to 15s. The maximum period for benefit was first extended and then abolished, while the three weeks' "gap" after a certain period of benefit before recommencing was abolished. The waiting period was reduced from a week to three days, while the period of continuous employment necessitating a fresh waiting period on subsequent unemployment was increased from three to six weeks<sup>2</sup>. The qualification for benefit was altered from the payment

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<sup>1</sup> MINISTRY OF LABOUR: *Report on National Unemployment Insurance to July 1923*. London, H.M. Stationery Office, 1923. (Reprinted 1924.) Cf. *International Labour Review*, Vol. VIII, No. 6, Dec. 1924, pp. 854-856.

<sup>2</sup> It should be noted that certain of these provisions have again been altered by the Unemployment Insurance Act 1925 since the issue of the Ministry's report.

of 12 contributions at some time to the payment of 30 contributions since the beginning of the two insurance years preceding the current benefit year. The principle of refunding contributions in certain cases at the age of 60 was abolished. An important change was made as regards disqualification for benefit in cases of stoppage of work due to a trade dispute. The disqualification is now restricted to those directly involved in a dispute, and even they may escape disqualification if the dispute is due to the employer's contravention of a collective agreement.

In the general description of the working of the scheme, it is stated that arrears in payment of contributions and even defalcations were sometimes serious, but not frequent. Questions of liability to insurance were frequently raised, especially in cases of domestic service and agriculture, which are excluded from the scheme. An account is given of the more important decisions in such doubtful cases. Certain workers (though not their employers) may be exempted from the payment of contributions, chiefly on the ground that they are not wholly dependent on their insured employment. The number of such exemptions at the end of 1924 was 38,644.

Disputed claims to benefit may be referred to the Chief Insurance Officer, to courts of referees, or, in the last resort, to the Umpire. The numbers of such claims are shown below.

## DISPUTED CLAIMS TO BENEFIT REFERRED TO AUTHORITIES FOR DECISION

Authority	Claims referred		Claims disallowed	
	1 July to 31 Dec. 1923	1924	1 July to 31 Dec. 1923	1924
Chief Insurance Officer	159,639	437,156	114,609	267,579
Courts of referees	38,247	73,764	23,592	47,907
Umpire	2,571	3,360	1,821	2,204

The more important decisions of the Umpire are given in detail.

The total contributions paid under the scheme are shown below.

## TOTAL CONTRIBUTIONS PAID INTO THE UNEMPLOYMENT INSURANCE FUND FROM JULY 1923 TO DECEMBER 1924

Contributor	July 1923 to July 1924	July to December 1924
	£	£
Employers	19,300,000	9,400,000
Workers	17,400,000	8,400,000
Service Departments (Section 41 of 1920 Act)	270,000	130,000
State	13,200,000	6,400,000
Less refunds of contributions paid in error	90,800	38,200
Total	£50,079,200	£24,330,000

The cost of administration in 1923-1924 was £4,018,171, and the estimated cost for 1924-1925 was £4,327,353. There was a substantial reduction in the deficit on the Unemployment Fund during the period under consideration. The debt, which on 30 June 1923 stood at £15,600,000, was reduced by the end of 1923 to £12,790,000 and at the end of 1924 to £5,410,000.

#### TRADE BOARDS

The section dealing with the administration of the Trade Boards Acts 1909 and 1918 gives a general summary of the functions of the Ministry in regard to trade boards, and a detailed account of the working of the system during 1924. The Minister of Labour is empowered to apply these Acts by special order to any trade where there is no adequate organisation for the effective regulation of wages throughout the trade, and where, in view of the rates of wages prevailing, the protection of a trade board is required. At present some forty trades, a list of which is given, have trade board machinery in active working. During the years 1923 and 1924 no additional trades were brought under the Acts.

A full account is rendered, with statistical appendices, of the main activities and of the inspection of trade boards during 1924. In the course of the year 24 boards submitted for confirmation 57 sets of wage rates, 54 of which were confirmed by the Minister of Labour. In 5 cases an increase in rates resulted, and in 30 cases a decrease. The remaining changes were directed to supplementing or amending rates already in operation.

#### FUNCTIONS ARISING OUT OF THE WAR

##### *Interrupted Apprenticeships*

During the war a large number of apprentices went into the army without completing their training, and a scheme for interrupted apprenticeships was inaugurated to enable them to finish their training and qualify as journeymen. The state paid wage and maintenance allowances, while the wages to be paid by the employer were fixed. Separate schemes were drawn up for the various trades and industries by joint trade committees. Up to the end of 1924 the number of apprentices accepted under the scheme was 44,718, but in some industries the same principles were applied without the adoption of a formal scheme or application for state aid, and it is estimated that altogether nearly 100,000 ex-Service apprentices benefited either directly or indirectly by the scheme.

##### *Industrial and Professional Training*

The industrial training scheme initiated after the war was primarily intended to assist the disabled ex-Service man whose disability prevented him from resuming his pre-war occupation, though a certain number of fit men were also assisted. The Ministry guaranteed the payment of allowances for the worker, his wife and children, travelling expenses, residence away from home, etc. The industrial depression greatly increased the difficulties of carrying out the scheme, and since 1921 it

has been considerably restricted. It is estimated that from August 1919 to December 1924 some 88,000 ex-Service men had completed their training, while 6,800 were still pursuing it.

A further scheme was initiated for the training and assistance of ex-officers and men of similar education who wished to take up professional or business appointments. Here the Ministry of Labour worked in co-operation with other departments, such as the Board of Education and the Ministry of Agriculture. Grants towards maintenance and tuition fees were paid to students during their training. Up to the end of 1924 the total number of applicants accepted was 55,096, of which 386 had not yet finished their courses and 45,777 had completed them satisfactorily.

The Ministry also dealt with finding professional and business appointments and advising ex-officers and similar workers as to employment. This work came to an end on 31 April 1925, since when the Officers' Association of the British Legion has carried it on. This work is one of peculiar difficulty, but up to the end of 1924 the Ministry had succeeded in placing 79,555 officers and others under this scheme.

### *Civil Liabilities*

In 1919 a Civil Liabilities Resettlement scheme was initiated to assist ex-Service men to meet liabilities such as rent, mortgage payments, rates and taxes, insurance premiums, and school fees, which their military service had prevented them from discharging. At present, however, grants are normally made only towards the purchase of stock or equipment to enable the applicant to set up in business. The maximum grant is £104. From 1919 to 1924, 122,035 grants amounting to £3,940,419 were made. An investigation of a sample 350 cases made in 1923 showed that 66 per cent. of the men assisted had been more or less successful, in spite of the trade depression.

### *Women's Training and Employment*

A Central Committee on Women's Training and Employment was established during the war and reappointed in 1920 to consider special schemes for women unemployed or handicapped as a result of the conditions arising out of the war. A report on the Committee's work up to the end of 1922 has already been issued<sup>1</sup>. The total number of women assisted by the Committee up to the end of 1924 was as follows:

Scholarships for professional or semi-professional women	4,009
Homecraft courses	25,070
Domestic outfits	3,837
Clerical courses	352
Individual vocational training	145

The total expenditure was approximately £423,297.

It is impossible in a brief summary to give a full account of the many activities of the Ministry. The report itself, while highly com-

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<sup>1</sup> *Second Interim Report of the Central Committee on Women's Training and Employment to 31 December 1922.* London, H.M. Stationery Office, 1923. 6d.



pressed, gives many interesting details and illustrative quotations, and full statistics are given in appendices.

### THE UNEMPLOYMENT GRANTS COMMITTEE

Mention may also be made here of a body which, though entirely independent of the Ministry of Labour, is directly concerned with the relief of unemployment — the Unemployment Grants Committee, which has recently issued its fourth annual report<sup>1</sup>. This Committee was established in December 1920 to give financial assistance to local authorities in executing "works of public utility designed to secure some measure of relief in districts or in trades suffering from unemployment".

The assistance granted by the Committee may take one of two forms (the scale of grant having been raised in 1924). In the case of approved works financed otherwise than by loan the Committee undertakes to meet 75 per cent. of the wages paid to unemployed men taken on for the work. Where works are financed by loan the assistance varies according to the type of scheme: (1) non-revenue-producing works: 75 per cent. of the interest and sinking fund charges for half the period of the loan, up to a maximum of 15 years; (2) revenue-producing works: 50 per cent. of the interest for the full period of the loan up to a maximum of 15 years; (3) public utility undertakings carried out by companies: 50 per cent. of the interest on the capital cost of the work over a period not exceeding 15 years, varying according to the degree in which the work is accelerated<sup>2</sup> and the date on which it may be expected to become remunerative.

Stress is laid on the fact that the schemes assisted by the Committee are not merely "relief works" but are also of permanent benefit to the community, this being one of the criteria applied in considering applications for grants. The works undertaken in the year 1924-1925 included large dock and harbour extensions, the extension of gas, water, and electric supply, road making, sewerage works, the formation of parks and recreation grounds, and the construction of public ferries. In addition to the employment directly provided by these works, an almost equal amount is provided in factories and workshops on the manufacture of the materials required.

From its institution up to June 1925 the Committee received applications for grants in aid of 9,858 schemes financed by loan, of which 6,668 were approved and 238 were still under consideration; and 6,227 for assistance on a wages basis, of which 4,112 were approved and 69 were still under consideration. The estimated capital cost of all the works approved was £85,123,371 and the total grants sanctioned amounted to £68,434,280. The amount of employment provided by these works is estimated at 3,181,271 man-months.

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<sup>1</sup> *Unemployment Grants (Viscount St. David's) Committee: Fourth (Interim) Report of Proceedings from 24 June 1924 to 24 June 1925*. London, H.M. Stationery Office, 1925. 21 pp.

<sup>2</sup> I.e. carried out earlier or more rapidly than it would have been on a purely commercial basis.