

funds. The employer was not required to make any contribution.

British Unemployment Insurance

A brief review of the conditions preceding the adoption of Unemployment Insurance in Great Britain is of interest. In Great Britain the responsibility for self-support was placed squarely upon the workman. He was encouraged to join a benefit society, one of the functions of which was to assist its members during unemployment. To the casual laborer, however, these societies were of little use, and when a workman found himself incapable of supporting a family he was obliged to turn to the Poor Law Authorities. Their answer to his appeal was usually the workhouse with its accompanying work test. Here he was provided with the barest necessities, but in accepting even these he became classed as a pauper. He was given a rough kind of work, and from association with those who were usually found in these institutions, a self-respecting workman was likely to degenerate. These benefit societies undoubtedly fulfilled their original purpose of reducing the number of those who came upon the town, but as constructive agencies they seem to have failed.

In 1886 during a period of considerable unemployment, Mr. Joseph Chamberlin, at that time President of the local Government Board, advised municipal authorities to undertake outdoor relief work which was to be conducted outside the workhouses and was not to brand the recipient with the stigma of pauper. In 1905 during another period of unemployment, the Unemployed Workmen Act was passed. Under its provisions a number of Labor Bureaus were set up to serve as employment exchanges and relief agencies. Workmen were encouraged to emigrate to places where work was more plentiful. Although considerable experience was gained through this Act it cannot be defined as either successful or popular. Conditions did not improve as rapidly as had been expected, and during the next few years investigation and discussion were the rule. This culminated in the passage of the Labor Exchanges Act in September, 1909, and early in 1910 these exchanges began to be opened throughout England. The purpose of this act was to bring together employers in need of workmen and unemployed workers. It was hoped to improve the condition of the casual laborer and to gain definite information upon the general subject of unemployment, but the main purpose in the act seems to have been the provision of a working basis for the Unemployment Insurance Act shortly to be introduced.

On July 15, 1912, the National Insurance Act became effective. It made unemployment insurance compulsory for all workmen in several industries, consisting for the most part of building, shipbuilding, and the engineering trades. This brought under the Act about two and one-half million workers. In 1916 munition workers were added to the group of insured and in 1920 the scheme was increased to embrace practically all of the industrial population. Persons engaged in agriculture, private domestic servants, government employees, and a few other minor groups were not included, but about twelve and one-quarter million persons came under the scheme. Under the original act each man paid into the fund a weekly contribution of 2½d. The employer also paid a contribution of 2½d. and the state added one-third to the joint contributions of the employer and workman. In return for these contributions benefits to the amount of 7s. a week were to be paid for not more than fifteen weeks in a year to men who were unemployed, when such unemployment was not due to a trade dispute, to loss of work through misconduct, or where the workman had not left his employer voluntarily without just cause. There was a waiting period of a week after the unemployment was reported before benefits were paid. Both the contributions paid and the benefits received by women and children were smaller than in the case of men.

In 1919, since a considerable reserve had accumulated, the benefits were increased from 7s. to 11s. a week for men. In 1920 benefits were again increased to 15s. a week for men, and to meet this added expenditure the contributions were raised to 4d. from the worker, 4d. from the employer and 2d. from the state. At this time the number of contributions required before a worker was eligible to receive benefits from the fund was decreased. In 1921 the benefit was again increased, this time to 20s. although as the Act was originally introduced it called for but 18s. The contributions were increased to 5d. from the men, 6d. from the employer and 2¾d. from the state.

In June, 1921, benefits at the rate of two million pounds a week were being paid from the fund while the contributions were less than 350,000 pounds a week. In three months the insurance fund had been reduced from twenty-two and one-half million to eight and one-half million pounds. It was apparent that the fund would last for only about another month, and, therefore, another Act was passed reducing the weekly benefits from 20s. to 15s. for men and increasing the

weekly contributions to 7d. from the men, 8d. from the employer and 3¾d. from the state.

Whenever an employee goes to work at present in Great Britain he leaves a pass-book with his employer; each week the employer fixes stamps in his book for his own and the employee's contribution to the insurance fund. This process continues as long as the employee is at work. If he loses his job he goes with this book to the nearest employment office, notifies them that he is out of work and asks for a new position or an out of work benefit. In case his application for benefit is approved, this is paid to him until he has exhausted his benefit or obtained work. He must report regularly to the employment office, sign his pass-book and prove that he is still out of work. In case suitable employment is found for him he is expected to accept this. He is not, however, supposed to accept work in an establishment where a strike is in process, or at a rate of wages lower or on conditions less favorable than those which he habitually obtained, or in another district at less than the customary rate of wages. In case the benefit is refused or stopped by the insurance officer in charge of the local exchange, the workman has the right to appeal to the Court of Referees appointed by the Ministry of Labor; in all cases where the Court of Referees and the insurance officer agree, the decision is final. In case of disagreement the insurance officer may appeal to an umpire appointed by the Crown. In looking over several hundred cases decided by the umpire it is evident that the most common cause for dissatisfaction on the part of a worker is that he should be obliged either to accept some position which does not appeal to him or lose his out of work benefit.

High Hopes Not Realized

In reviewing the experience of Great Britain with unemployment insurance during the ten years which have elapsed since the act went into effect, it is evident that the high hopes which were entertained at its inception have fallen far short of realization. The employment exchanges proved to be an unwieldy and expensive piece of machinery. Certain radical groups in England, taking advantage of the general dissatisfaction with the unemployment insurance scheme, claim that the only way out of the present situation lies through the abolition of the entire capitalistic system. They claim that one of the corner stones of this system is a continual over-supply of labor, and that inasmuch as capital has proved itself unable to make

use of the available supply of labor, the system should be scrapped and something else introduced in its place. One of these radicals said, "Unemployment is at the root of the whole of the social evils of the day and at the root of the capitalist system, and any legislation must deal with it from the point of view of destroying unemployment rather than of making unemployment tolerable. Employment depends upon the primary trades getting access to their raw materials."

Many plans have been advanced in England to replace or supplement the Insurance Act, as there is a widespread feeling that the present act is little better than a makeshift and does not reach the real root of the question. In the meantime the Insurance Fund is practically bankrupt and is functioning only through the Government guarantee.

A number of progressive employers in England have recently brought forward a plan supplementary to the Insurance Act, assuring to single men 50 per cent of their wages during unemployment and to men with dependents a larger proportion with a maximum benefit of five pounds weekly. Under its provisions workmen would contribute one penny in every 10s. of wages, which is somewhat less than 1 per cent; the state would pay for the cost of administration, together with a subsidy; the remainder, estimated at about 2 per cent of the wage bill, would be contributed by the employers. In the words of the promoters of this plan:

Essentially the proposal is one to compel industry to create a wages equalization fund, and to give employers an incentive to eliminate every removable cause of unemployment. It is suggested that not only would such a policy be worth almost any cost in the suffering it would alleviate, but that it would prove in practice to be just as sound a policy as a dividends equalization fund.

Rowntree and Company of York, England, and several other progressive firms have already set up such an equalization fund, which is supplementary to the Insurance Act. It has proved to be a commendable step forward in the way of providing continuous pay for the unemployed of their plant.

The most elaborate practical attempt to provide continuous wages for workmen in England has been through the Building Guilds. Following the war there was a great shortage of houses for the workmen of the country, and under the Housing and Town Planning Act of July, 1919, the Ministry of Health was authorized to require the building of such houses under its supervision. Under this plan several hundred houses have been erected under contract with the