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# A SHORT HISTORY OF THE UNEMPLOYED

#### THE

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# A SHORT HISTORY OF THE UNEMPLOYED

by

WAL HANNINGTON

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SINCE THE CLOSE of the Great War, mass unemployment has been a permanent feature of our economic and social life in Britain. The failures of successive governments to tackle this problem, the organised struggles of the unemployed to live, the many changes which have been made in Unemployment Insurance and Poor Law Relief regulations have made a history which must find its place in the wider industrial and political history of the post-war period.

The present booklet—as its title implies—is intended to give the reader a concise account of events in connection with unemployment from 1918 to 1937. Its size necessarily compels avoidance of detail, especially in connection with the many big struggles which have been fought by the unemployed during this period under the leadership of the National Unemployed Workers Movement.

For a full history of such events I must refer the reader to my book Unemployed Struggles (my life and struggles amongst the unemployed), published by Lawrence and Wishart. There is also my book, The Problem of the Distressed Areas, published by Gollancz, which deals in detail with the grave issues arising from the existence of continuous mass unemployment in those parts of the country now known as the "distressed areas."

In this "Short History of the Unemployed" I aim not only at giving a record of important events in connection with the general question of unemployment, but I also seek to impress upon the reader the importance of organised working-class action, by showing how such action has influenced the governments in connection with the conditions of the unemployed.

It is my firm belief, based upon the facts of past history, that the ruling class never makes concessions to the working class out of any sense of civic duty or because of sympathy for the human welfare of the common people. From the beginning of the industrial system, the workers have had to combine in trade unions and to exert pressure upon the employing class by strike action. or the threat of strike action, to secure improvements in their wages and conditions of employment. Likewise, the unemployed workers have had to organise and agitate by demonstrations and hunger marches to secure what improvements in benefit scales have been granted or to resist new attacks upon their standards from time to time. To write the history of changes in the administration of Unemployment Insurance and Poor Law Relief without relating them to the struggles of the unemployed would be to present an inadequate and misleading picture of events.

This booklet should therefore serve the double purpose of acquainting the reader, in a concise form, with the changes in unemployment administration and at the same time revealing the effect of working-class action in respect to those changes, and thereby giving historical facts in their proper setting.

### WAL HANNINGTON.

## CHAPTER I

# WHAT IS UNEMPLOYMENT?

UNEMPLOYMENT IS A PROBLEM as old as the industrial system itself. Under the system known as "capitalism," the right to work does not belong to the worker, although he depends for his livelihood upon working. It is the employing class-those who claim ownership of the means of wealth production and distribution-which decides whether the worker shall work or not. The factories, mills, mines, shipyards and transport system are their private property, and before the workers are permitted to work they must seek an employer who will engage them to work in his establishment. When the employer dispenses employment he does so "as a business" man," not as a philanthropist. When he engages workers he does so in order to make profit from their employment. The fact that the workers need employment in order to live finds no place in the consideration of the employing class when they hire workers. It is a wellknown fact that the longer a man is out of employment and the more desperate his desire for a job because of his increasing poverty, the less chance he stands of receiving favourable attention when he applies for a job which is available. The employer prefers to take the worker whose period of idleness is the shortest, because he considers that the long-term unemployed have deteriorated in skill, physical fitness or alertness of mind, and would therefore not be so profitable as the worker more recently in employment. Just as the employer or his representative decides whether or not a man shall be started, so he decides whether he shall be discharged when his employment has ceased to be a source of profit.

Whilst in the main the action of the employer in engaging or discharging workers is determined by the profit motive, we must also take into account the fact that the employer himself is not a completely free agent in deciding whether employment of workers can be made profitable or not. He is himself subject to the pressure of economic forces which operate within capitalist society. and which determine whether he works his establishment at full productive capacity, half capacity, or whether he closes down altogether. In short, the basic cause of unemployment is capitalism. Capitalism is not a collectively regulated system which distributes according to its productive capacity. There is no system of planned economy within capitalism. Its individualistic and competitive character means that underlying production there is constant economic warfare raging for the control of markets both at home and abroad for the disposal of the commodities which have been created by the workers, or which are in the process of creation. Under capitalism the urge for profits leads to increases in production without a corresponding increase in the purchasing power of the masses; therefore there is a steady accumulation of commodities in excess of the purchasing power of the masses until we reach from time to time a position in which, as the economists say, "supply exceeds demand." There is a glut of certain commodities for which buyers cannot be found. Prices fall; financial credit is restricted because the bankers become apprehersive; panic sets in amongst the manufacturers; production is slowed down or stopped, and the workers are thrown into unemployment. This, in turn, affects the distributive trades and the rapid impoverishment of large masses of the workers leads to a collapse in other fields of production which supply the everyday needs of the workers, until the whole productive and distributive centres of the country are caught up in the vortex of the crisis. Mass unemployment sweeps throughout the ranks

of the workers bringing with it increasing poverty for themselves and their families until such time as capitalism can overcome its crisis and open the gates of industry to them again.

The constant introduction of labour-saving devices, machines that displace workers, speed up and subdivision of labour processes, Stock Exchange gambling, monopolies created to force up prices by restricting production these and other numerous complicating factors have their effect in producing what are commonly described in Socialist terminology as the "economic contradictions" within capitalism, causing at various periods economic disturbance which produces unemployment.

It is not my intention, however, to enter deeply into this subject, but I have opened this chapter with this elementary statement of the basic cause of unemployment in order to make it clear at the outset that unemployment is not some misfortune which descends like a storm from the skies, but is a problem which is produced by the nature of the capitalist system. This is an indisputable fact borne out by the whole history of capitalist society. Recognition of this fact is to be found not only in Socialist circles. Consider, for instance, the following emphatic statement made in the report of the Liberal Industrial Enquiry published in 1928:

"Unemployment is the gravest of the social maladies of the day—a disease incalculably harmful in itself, and symptomatic not only of the deep-seated malaise from which British industry is suffering, but of fundamental defects in our economic organisation."

It is interesting to note that amongst those who served on this committee of enquiry and whose names are appended to the Report we find such moderate-minded gentlemen as Mr. Lloyd George, Sir Herbert Samuel, Sir John Simon, Sir Archibald Sinclair, Sir Josiah Stamp and Mr. Ernest Brown, the present Minister of Labour. So my statement that unemployment arises from the nature of capitalism cannot be dismissed as a mere shibboleth in the propaganda and phraseology of the Socialists. It is a judgment based upon the study of capitalist economics, which even the present Minister of Labour affirms—or, at least, did so in 1928.

Therefore, it is clear that when we are considering what is or should be the position of the unemployed in society, we are not dealing with a body of social misfits, workshies or persons incompetent to earn their own livelihood. We are dealing, in the main, with men, women and youths who are anxious to work, but are denied the right to do so. They cannot be held responsible for their idleness, because access to the means of production is forbidden to them by a class—a small minority of the population—which claims the private ownership of those means of life upon which the great mass of the people depend for their existence.

That being the case, there can be no moral justification for denying to the unemployed a decent standard of existence during their period of compulsory removal from industry. Yet such existence is denied to them by the very class which is responsible for their unemployment.

In the following chapters we shall explain the postwar history of the struggle which has gone on incessantly (and must continue) around the very question of the right of the unemployed to live.

But first let us consider the pre-war position of the unemployed in order that we shall have a background to our post-war study.

Throughout the last century, history records that there have been recurring cycles of "boom" and "slump" —that is, periods of trade prosperity followed by periods of depression and unemployment. For the period preceding 1911, there are no official figures of the total number of unemployed, because there existed no Government system of registration. The only figures which are available are those of certain trade unions which recorded the extent of unemployment amongst their members. These figures reveal that the periods of trade depression in which unemployment amongst the union members rose above 5 per cent. from 1850 onward were: 1851 and 1852; 1855 to 1859; 1861 to 1863; 1866 to 1870; 1877 to 1880; 1883 to 1888; 1892 to 1896; 1903 to 1905; 1907 to 1910. The three highest points of unemployment recorded in the trade union returns were: 1858, 14 per cent.; 1879, 13 per cent.; 1886, 11 per cent. These are average figures taken from all the returns available, which means that in certain unions the percentage would be much higher.

Further, it must be remembered that up to 1890 practically all the unions were craft unions of skilled workers. It was not until Tom Mann and Ben Tillett commenced the "New Unionism" campaign in the eighties that the masses of unskilled and semi-skilled workers came within the range of trade unionism. Whilst there are no accurate figures available to show the extent of unemployment amongst the working class as a whole during the periods mentioned above, the Report of the Liberal Industrial Enquiry estimated that, even in the periods of good trade, when prosperity was at its highest point, there remained 200,000 unemployed, and when trade was neither particularly good nor particularly bad the number of unemployed fluctuated around half a million. One can therefore roughly estimate that the number unemployed in the worst slump years was something between 700,000 and 1,000,000. We see, therefore, that our post-war unemployment has far surpassed—both in the numbers involved (sometimes reaching 3,000,000) and in its duration-anything ever known before in this country.

Now let us consider the pre-war measures of the Government in connection with this problem. Up to the

year 1905 the governments did not apparently consider the problem as one which called for any special action on their part. It was treated as an industrial misfortune for the workers which should be left to right itself with the swing of the trade pendulum. The unemployed who were skilled workers and members of a trade union which had friendly benefit rules would draw each week from their union funds a few shillings to help them tide over their difficulties. But for the great mass of unorganised workers when unemployed—who greatly outnumbered the trade unionists—no provision whatever was made.

There was, of course, the Poor Law, which had been placed on the Statute Book in the seventeenth century and had subsequently been amended several times, but this was not framed to meet ordinary industrial unemployment, and consequently its regulations were such as to forbid unemployed workers turning to it for assistance except when they had been reduced to a condition of complete destitution. Until they were entirely without food, home or even relatives or friends who could assist them, they were not deemed to be cases for any assistance within the meaning of the Poor Law. Even in such cases, it was not the practice to render assistance to persons who were able-bodied, other than in the form of institutional relief, which meant having to enter the workhouse.

How did the great mass of the unemployed live then? The plain fact is that they did not live—they simply starved. They eked out a miserable existence with what small savings they might have made when working; they turned for help to relatives and friends in better circumstances, and they went as beggars cap in hand to any charitable organisation or religious body which felt disposed to help by gifts of money or food. That is the disgraceful condition to which honest artisans and labourers were driven by capitalism when the system had no place for them in industry. When they meekly accepted their poverty, the Government looked on at their suffering with cynical indifference, but when they showed signs of revolt it denounced them as workshies and wasters under the influence of wicked Socialists.

In the two years following the close of the Boer War in 1902 unemployment rapidly increased, and this time the indignation of the workers compelled the Government to take the first step towards State responsibility for the unemployed. Socialist propaganda was gaining strength, and the old Tory and Liberal parties were at last being seriously challenged in the parliamentary field by Labour forces which were heading towards the creation of a powerful independent workers' political party.

The Tory Government became alarmed at the growing militancy and political independence of the workers, and in 1905 it tried to regain their confidence and to show that it was capable of progressive legislation. It passed the Unemployed Workmen Act which provided for annual parliamentary grants to be administered through Distress Committees set up in all towns with a population exceeding 50,000. But the Government still could not stomach the idea of providing monetary assistance direct to the unemployed. The relief of distress amongst the unemployed under this Act was confined to the starting of relief work schemes in conjunction with the municipal authorities and to meeting expenses for the emigration of the unemployed to the British Dominions, particularly Canada.

The Tory Government was defeated in the General Election of 1906 and a Liberal Government was returned. Twenty-nine independent labour candidates had been successful in the election, and immediately following this the Labour Party was formed. Nothing was done by the Liberal Government to extend the legislation on unemployed until 1909, when it passed the Labour Exchanges Act, which came into operation on February 1st, 1910. The function of the labour exchanges was that of providing State machinery for "assisting the mobility of labour and of collecting accurate information as to unemployment." Employers were asked to notify all vacancies for jobs to the nearest labour exchange and the workers were asked to register at the exchanges for employment. When the scheme started only sixty-one labour exchanges were opened, but it quickly developed until, by the end of the following year, nearly 300 exchanges were established. By the end of 1912 there were 414. During the year 1912 approximately 1,650,000 workers registered for employment and the number of vacancies filled amounted to 785,239.

Compulsory insurance against unemployment was introduced by Part II of the National Insurance Act, which was passed in 1911. Weekly contributions to the scheme became payable on July 15th, 1912, and benefit began on January 15th, 1913. Before this Act was introduced, grave doubts were expressed amongst Government advisers and insurance experts about the practicability of such a scheme and the difficulty of preventing the funds becoming exhausted in periods of severe unemployment.

To minimise this danger, the scheme was limited to certain selected trades, and the periods of benefit were proportionate to the number of contributions paid. The trades covered were building, construction of railroads, docks, harbours, canals, embankments, bridges and piers, shipbuilding, mechanical engineering, iron-founding, vehicle construction and saw milling—covering 21 million workers in the United Kingdom.

The weekly contribution to the scheme was arranged by a system of unemployment insurance stamps issued through the Post Offices, which the employer had to affix to the insurance cards of his workers. It was a tripartite scheme, with a contribution from the employer, the worker and the State. The employer was empowered to deduct the worker's contribution each week from wages. This is still the system in operation.

Under the 1911 Act the weekly contribution was made up as follows: 21d. from the worker, 21d. from the employer and  $1\frac{2}{3}d$ . from the State. The benefit payable to the worker when unemployed was 7s. a week for male or female insured workers over eighteen years of age and 3s. 6d. for unemployed youths between the age of seventeen and eighteen years. No benefit was paid to persons below the age of seventeen. There was no adult or child dependent's benefit such as there is to-day. Therefore, when a worker became unemployed he could draw only 7s. a week irrespective of the size of the family he had to maintain. It was possible for insured workers who were members of trade unions which also paid an unemployment benefit to draw their State insurance benefit through their trade union branch; otherwise benefits were drawn through the labour exchange.

In 1916 the scheme was extended to other trades which were thought to be most likely to suffer from unemployment immediately after the War. At the end of 1916 there were  $3\frac{2}{4}$  million persons covered by the scheme. No change was made in the rates of contributions or benefits.

During the War unemployment in the insured trades almost disappeared, and consequently the income to the scheme was much greater than its expenditure. At the time of the Armistice, November 1918, the fund had a balance in hand of  $\pounds_{15,200,000}$ .

Whilst the War Government proclaimed that the soldiers would come back to "a land fit for heroes—a land flowing with milk and honey," it prepared for something entirely different; it prepared for mass unemployment. As early as December 1915 the Cabinet decided that ex-Service men who became unemployed in the period immediately following the War should be paid a special weekly unemployment allowance through

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the labour exchanges, irrespective of whether or not they had ever contributed to the Unemployment Insurance Scheme. What the Government had expected to happen, really did happen.

### CHAPTER II

# THE BEGINNING OF THE POST-WAR SLUMP

WE CAN SAFELY ASSUME that in December 1915, when the Government decided that provision should be made at the end of hostilities for special unemployment allowances to ex-Service men, the possible consequences of the aftermath of the War were already beginning to disturb them. By that time the War had already reached an enormous scale, surpassing anything which the world had known before. Millions of workers were either in the fighting forces or working in munition and other trades supplying the needs of the Forces, and the expenditure on the prosecution of the War had reached gigantic proportions. Whether it ended in victory or defeat, no statesman could fail to realise that the sudden stopping of this colossal war machine would produce grave economic and social problems, and that, the longer it went on, the more likelihood there was of such problems taking on a violent form.

After the successful workers' revolution in Russia in November 1917, apprehension rapidly developed amongst the British ruling class. A year later it was enhanced by the revolutionary overthrow of the monarchy in Austria-Hungary and Germany. Shortly before the Armistice, the Government decided that not only should a special State unemployment allowance (outside of insurance) be provided for ex-Service men and ex-Service women who became unemployed, but that the provision should also apply to the entire body of insured and non-insured workers who came under the

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National Health Insurance Scheme, numbering approximately 13 millions.

The scheme was called "Out-of-Work Donation" and came into operation on November 25th, 1918. For the ex-Service applicants, the scheme was to operate for a period of twelve months from the date of demobilisation, but for civilians the period was limited to six months.

The scale of donation was the same for ex-Service men and civilians, namely, 24s. per week for male, 20s. for a female, 6s. for the first dependent child, and 3s. for each additional child. For juvenile civilians fifteen to eighteen years of age half rates were paid, but ex-service applicants were paid the full rate even if they were below eighteen years. But this scale only stood for two weeks. The Government had become very nervous about social unrest. Added to the signs of discontent amongst the British troops, and the rapid spread of revolutionary ideas amongst the workers in the factories, came the shock of the German revolution in November. So, quickly following the introduction of the donation scheme, the Government decided to increase the scales of donation after December 12th, 1918, to 29s. a week for male applicants and 25s. a week for female. This scale could be drawn for the first twenty-six weeks, then the applicant continued on a lower scale of 20s. male, 15s. female. The Government anticipated civil strife arising from the disillusionment which would set in when the unemployment figures began to soar, and the donation scheme was intended as an antidote. Further, to minimise the danger, the Government became extremely cautious in regard to the rate of demobilisation-in fact, so cautious that grumblings amongst the troops gave way to open revolts in a number of regiments in 1919 because their demobilisation was being delayed.

By the beginning of May 1919 the number of persons drawing donation allowance was 640,000 males and 453,000 females. For the civilian applicants the donation period was due to end on May 24th, 1919, which would have meant that the scale for those who had contributed to the Unemployment Insurance Scheme would drop to that laid down in the 1911 Act, namely, 7s. a week, whilst for the non-insured workers there would be nothing.

The Government wisely considered that to allow such a thing to happen at a time when the cost of living was about 120 per cent. above pre-war level would be to invite trouble, so it was decided that the period of donation benefit for civilians should be extended for another six months, terminating on November 24th, 1919. Fortunately for the Government, immediately after this extension a temporary trade revival set in, and by the end of October the number of civilians claiming donation allowance had fallen to 135,185, whilst the ex-Service applicants numbered 344,242.

Therefore, when the extension period expired for civilians, the Government felt safe in allowing its termination. But for the ex-Service claimants whose twelve months period was due to expire at the same date, the Government decided to make a further extension until March 31st, 1920. This was followed by three further extensions, finally terminating on March 31st, 1921.

No part of the money paid in out-of-work donation came out of the Unemployment Insurance Fund. The entire cost was borne by the National Exchequer and amounted to  $\pounds 61,659,000$ , being  $\pounds 39,934,000$  paid in ex-Service donation and  $\pounds 21,725,000$  in civilian donation.

On December 25th, 1919, the Government raised the insurance scales for men and women over eighteen years of age from 7s. a week to 11s., and for boys and girls between seventeen and eighteen years from 3s. 6d. to 5s. 6d. a week. No change was made in the rates of contribution. This Act made no extension in the insurance scheme and therefore more than two-thirds of the workers remained uncovered by it.

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By the autumn of 1920 the temporary trade revival had broken and unemployment began to increase rapidly. Mass discontent arose throughout the country and expressed itself in protest meetings, resolutions and demonstrations demanding that the Government should make adequate provision for the unemployed. Fearing serious trouble, the Government acted promptly and rushed a new Unemployment Insurance Act through Parliament in August 1920 which became operative on November 8th.

This Act brought into compulsory insurance against unemployment an additional 8 million persons, making, with the numbers insured under the previous Acts, a total of about 11<sup>3</sup>/<sub>4</sub> million insured persons in the United Kingdom. The number insured in Great Britain alone was about 11<sup>1</sup>/<sub>4</sub> million.

This extended scheme applied to all persons of the age of sixteen years and upwards who were employed under a contract of service with an employer, limited, in the case of non-manual workers, to those receiving remuneration not exceeding  $\pounds 250$  a year. Agriculture and private domestic service remained outside the scheme.<sup>1</sup>

The scales of benefit were raised to the following amounts: Men 15s. a week, women 12s. a week, with half rates respectively for boys and girls between the age of sixteen and eighteen years. At the same time the contribution rates to the scheme were raised. For an adult male the increase was from  $2\frac{1}{2}d$ . to 4d. a week both for the worker and the employer, whilst the State contribution was only raised from  $1\frac{2}{3}d$ . to 2d.

Benefit was payable in the proportion of one week's benefit for every six contributions standing to the credit

<sup>&</sup>lt;sup>1</sup> It is not possible in this booklet to enter into a detailed explanation of the numerous conditions embodied in all the Acts. Even if space permitted it, the average reader would find such detail extremely wearisome reading. I shall therefore confine myself to recording the principal points of this legislation.

of the applicant, but the maximum benefit that could be drawn in any insurance year (July to July) was fifteen weeks.

The statutory conditions and disqualifications for the receipt of benefit were in the main identical with those laid down in the previous Acts. The applicant had to prove that he had paid a minimum of twelve contributions before he could claim any benefit; that he was capable of and available for work, but unable to obtain employment; that he had not lost employment by reason of a trade dispute, and had not left his work voluntarily or been discharged for misconduct.<sup>1</sup>

In respect of the 8 million new entrants into the insurance scheme, the twelve weeks' stamps condition would have meant that none of these workers could have drawn unemployment benefit until twelve weeks had expired from the operation of the Act: a special provision was therefore included in the Act, under which, during the first twelve months of its operation, such insured persons could claim eight weeks' benefit as soon as they had paid four contributions. Nevertheless, large numbers of these workers who had been thrown out of employment just prior to the scheme being extended to them found themselves unable to draw benefit. So there were three categories of unemployed workers created by the legislation which had been passed up to that time: (a) unemployed ex-Service men still entitled to draw "out-of-work donation"; (b) the insured unemployed civilian who drew a lower scale under the insurance scheme; and (c) the unemployed worker who now came within the range of insurance, but who could neither draw insurance benefit or "out-of-work donation."

<sup>1</sup> I particularly mention these latter conditions under which a claimant could be disqualified benefit in order to expose at the outset the foolish talk about men "chucking up their jobs to go on the dole." These conditions governing the receipt of benefit continue to this day.

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In spite of this attempt to effect the old strategy of divide and conquer, the Government found itself confronted with a tremendous rising wave of agitation amongst the unemployed. Great demonstrations of unemployed were marching the streets in the principal towns throughout the country. The first big clash between the Government and the unemployed took place in October 1920. A deputation of London Mayors demanded an interview with the Prime Minister to discuss the alarming increase in unemployment in their boroughs. Demonstrations of unemployed workers from all parts of London marched to Whitehall to support the Mayors' deputation. The police attacked the demonstrators, and a bitter fight ensued, in which defenceless unemployed-many wearing medals for services rendered in the War-were unmercifully clubbed down and trampled on by mounted police or fleeing demonstrators.

This event did more to disillusion the ex-Servicemen than anything else which had happened since the close of the War. They now knew the fine promises of "a land fit for heroes to live in," etc., for what they were really worth. They were brought down to earth. The imperialist War was over. They were no longer heroes in the eyes of the Government. They now realised that, although they had fought in the War, they would have to fight in the peace for the right to live, and that War medals would be no protection against police truncheons.

This was the first clash of its kind since the War and it came as a shock to many people. The idea of organisation began to sweep the ranks of the unemployed, and before the end of the year hundreds of local unemployed organisations were established throughout the country. An organised struggle of the unemployed against the Government began and has continued up to the present time, often taking the form, through the inhuman treatment of the Government, of open revolt and violent clashes on the streets with the forces of the State.

# CHAPTER III

# EARLY ORGANISATION AND STRUGGLE

 ${f T}_{{f HE}}$  FIRST DEFINITE FORMS of organisation which arose amongst the unemployed in the latter part of 1920 were local in character and lacked both political perspective and programme. They demonstrated on the streets with improvised bands and banners, and begged for charity with collecting boxes. The money collected was shared out amongst the members who could show acute domestic poverty. Appeals were made to local shopkeepers for gifts of meat and groceries, which were dispensed amongst those members most urgently in need. There was a vague idea that this mass-begging campaign not only helped to relieve distress, but shamed the Government because of its failure to prevent increasing unemployment. The more politically conscious workers, however, realised that such a policy-or rather lack of policy-was utterly inadequate as a means of relieving distress; that it lowered the dignity of the workers, and helped the Government to escape its responsibilities for providing adequate maintenance for the unemployed.

Many Socialists and ex-shop stewards saw the importance of becoming active amongst the unemployed for two main reasons. First, the need for giving proper political direction to the movement in such a way as to compel the Government to face its responsibilities to the unemployed, and, secondly, to organise and educate politically the unemployed so that the employing class could not use them to undermine trade union standards or to break strike action of the workers.

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The ex-shop stewards from the engineering trade took the lead in this work. They joined the unemployed organisations and began a campaign from within to prevent the unemployed from allowing themselves to be turned into beggars. They advocated a definite drive against the Government with the slogan of "Work or Full Maintenance." They urged that the unemployed should not only be united in local organisations, but that such organisations should be linked up with each other on a district and national basis so that concerted agitation could be conducted. They advocated that the demonstrations should cease using collecting boxes and instead of aimless route marches, they should organise marches to the Boards of Guardians to demand relief under the Poor Law.

These ideas rapidly gained support amongst the unemployed, but they were not adopted without a fight by certain elements within the local organisations who wished to continue with the collecting boxes and who argued that politics should be kept out. These elements, however, were steadily defeated, and by the end of 1920 the slogan of "Go to the Guardians" found tremendous mass support. Huge demonstrations were marching every day in all parts of the country to the offices of the Poor Law authorities, demanding immediately outdoor relief for those unemployed who could not draw Labour Exchange benefit. They also demanded supplementary relief for those who were drawing benefit on the grounds that the rates of benefit were inadequate. The Guardians' offices were stormed by deputations which locked themselves in the Board rooms until the Guardians promised to grant their demands. Violent struggles took place almost every day on the streets between unemployed demonstrators and the police.

Although the Poor Law laid it down that relief should not be provided to able-bodied unemployed without their performing task work or becoming inmates of the

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workhouse, the agitation became so overwhelming that the Guardians were compelled to break the law and to grant outdoor relief without conditions to the masses of unemployed who applied for it. The Government tried to restrain the Boards of Guardians, but failed, and everywhere the Poor Law regulations were broken down by the mass action of the unemployed, until outdoor relief. including supplementary relief, became an established practice. In some localities where the Guardians tried to save their faces by singling out certain applicants and refusing them relief unless they entered the workhouse, the unemployed organisations arranged for hundreds of persons to apply for workhouse tickets and then marched them into the workhouse in a body. Such invasions of the workhouses completely disorganised the administration, especially in view of the fact that the unemployed who had entered carried on agitation inside and refused to conform to the usual routine and discipline, whilst outside demonstrations marched daily to the workhouses to express their support to those who were carrying on the fight within.

After a few days of such agitation the authorities were usually eager to clear the workhouses of the organised unemployed, and did so by agreeing to provide them with the outdoor relief which they demanded. There was no uniformity of Poor Law relief scales. They varied from locality to locality according to the type of Guardians and the strength of the local agitation. The Borough Councils which had to levy the rates to meet this heavy demand for relief were driven to protest to the Government against their new burden, and thereby helped forward the agitation for State provision for all unemployed.

Many thousands of unemployed had never contributed to the Insurance scheme because they had fallen out of employment before the scheme was extended to their trades (November, 1920) consequently they were unable to obtain any Insurance benefit and had to depend entirely upon what they could obtain from the Guardians. In December, 1920, the Government was compelled to rush through Parliament a special short Act (the Unemployment Insurance Temporary Provisions Act, 1920) which waived the contribution regulation and granted eight weeks' benefit to all applicants provided they could show that they had been engaged in insurable employment during ten weeks since December, 1919, or four weeks since July, 1920, even though their employment had not been insurable before the November, 1920, Act. This benefit was limited to the period ending March 31st, 1921, the date upon which the donation scheme for unemployed ex-Service men expired.

Unemployment was rising by tens of thousands every week, and by March 25th over 2 million workers were claiming benefit. The struggles of the unemployed were reaching alarming proportions. Huge demonstrations were taking place every day in all parts of the country. Guardians' offices and workhouses were still being besieged. Public buildings, such as town halls, libraries and baths halls, were being seized and barricaded for meeting-places by the unemployed.

As March approached it was not only clear that the scales of insurance benefits would have to be revised, but that the actuarial basis of the scheme—benefit weeks according to the number of contributions paid would have to be waived.

A new Act was quickly passed by the Government and became law on March 3rd, 1921. This raised the benefit scale from 15s. to 20s. per week for male adults, and from 12s. to 16s. per week for adult females, with half rates for boys and girls. This Act brought into existence a system known as "uncovenanted" benefit, by which the rule of fifteen weeks' benefit in one insurance year was suspended and the claimant was entitled to draw sixteen weeks' covenanted benefit or twenty-two weeks' uncovenanted benefit in a period of thirty-five weeks up to November 2nd, 1921.

In April, 1921, the first National Conference of unemployed organisations was held in London. Delegates from the local organisations in all parts of the country attended and decided that their organisations should cease to be separate bodies, but should become part of a national organisation. The National Unemployed Workers' Movement was formed with a national headquarters in London and national officials elected to direct the work of the movement. Definite demands were formulated and plans of activity laid down. From that moment the movement against the Government went forward as a national co-ordinated force.

In November, 1920, the Unemployment Insurance Fund had shown a balance in hand of £,22,200,000. The heavy increase in unemployment, plus the increased and extended benefits which followed, quickly drained this fund, and by July, 1921, the balance had fallen to £1,000,000. The first Act of 1921 gave powers to the Ministry of Labour to borrow up to £10,000,000. The approaching insolvency of the fund caused the Government to seek a remedy by reducing the benefit scales and at the same time increase the contributions. This was effected by an Act which came into operation on July 1st. 1921. The benefit scales for men and women were reduced to 15s. and 12s. a week respectively and the weekly rates of contributions were raised as follows: from 4d. to 7d. for men, 3d. to 6d. for women. The employer's contribution was raised from 4d. to 8d. and 31d. to 7d. respectively, but the State contribution was only raised from 2d. to 3<sup>2</sup>/<sub>4</sub>d. The reduction in benefit scales simply meant that the campaign for supplementary Poor Law relief was intensified and extra relief was wrung from the Guardians everywhere by the mass action of the unemployed.

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On June 24th, 1921, the number of unemployed claiming benefit was 2,822,000. Coal-miners were not included in these figures, because at that time there was a national coalfield stoppage. The Government was quickly compelled to pass yet another Act, which came into operation on November 10th, 1921. This Act, whilst leaving the scales of single men and women unchanged, introduced a new feature into the Insurance scheme in the form of dependent's benefit. It gave to the married man an additional weekly allowance of 5s. for a wife and 1s. for each child, and it extended the provision of uncovenanted benefit for a further period of twenty-two weeks.

It is important to note that when dependent's benefit was first introduced under the November, 1921, Act it was specified by the Government as a temporary measure. It has, however, never been withdrawn. The struggles of the unemployed have not only compelled the Government to maintain it as a permanent feature in Unemployment Insurance, but considerably to increase the allowances.

The year 1922 opened with a very important pronouncement in connection with Poor Law relief. Sir Alfred Mond (the late Lord Melchett) had been appointed Minister of Health. By an Act which had been passed in 1919, central responsibility for the administration of the Poor Law had been transferred from the Local Government Board to the Ministry of Health. The Boards of Guardians, however, still retained a large measure of local autonomy, which accounted for the inability of the Ministry to prevent their granting out-door relief to able-bodied unemployed in spite of the restrictions laid down in the Poor Law.

In January, 1922, Sir Alfred Mond endeavoured to bring some uniformity in the scales of relief, and accordingly laid down the following scale:

		s.
For man and wife or two adults living together	• • •	25
For children under sixteen:		
First child	••	6
Second or third child	••	5
Fourth or any subsequent child	••	4
For an adult living with parents or relatives	••	10
For an adult not so living	••	15

Fuel up to 1 cwt. a week in winter (November 1st to March 31st) or  $\frac{1}{2}$  cwt. in summer (April 1st to October 31st) or its equivalent in money (not exceeding 3s. in winter and 1s. 6d. in summer) to be granted in addition to the above amounts.

The announcement of this scale meant a victory of far-reaching importance for the National Unemployed Workers' Movement. The "Go to the Guardians" campaign had wrought a revolution in the hoary Poor Law administration of this country. The Government had been compelled to give recognition to the principle of outdoor relief to all able-bodied unemployed. Further, it will be noted that this scale—known as the Mond Scale—was far in excess of the Unemployment Insurance scale, especially in connection with child dependents. It was, therefore, an admission of the inadequacy of the Insurance scale and consequently a recognition of the principle and practice of supplementary relief to Insurance claimants.

This victory had not been achieved lightly. Bitter struggles had raged right throughout the year 1921 between the organised unemployed, the Boards of Guardians and the Government. Violent conflicts on the streets between unemployed demonstrators and the police had been almost a daily occurrence. Many fierce battles had taken place in London when demonstrations had attempted to march to Whitehall.

Many borough councils and urban district councils were at the same time strongly protesting to the Government against the heavy drain on their local finances caused by this overwhelming demand for relief from the

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Guardians. They demanded that the Government should come to their aid with financial grants or a system of equalising the cost of Poor Law relief so that the more prosperous localities where the well-to-do class lived should share the burden with the poor districts.

The Government retaliated by demanding that the scales of relief should be substantially reduced. The capitalist Press conducted a campaign against the " extravagant doles," which it claimed were being paid by many Boards of Guardians, especially in Poplar. The Poplar Borough Council, which was responsible for collecting the rates, hit back by refusing to collect rates for the London County Council as a protest against the unequal burden falling on the poorer areas. This became the subject of legal proceedings in the Courts and on September 1st, 1921, an order was made for the arrest of all the Poplar Borough Councillors. They remained in prison for six weeks, during which time mass meetings and demonstrations took place all over the country to demand their release. In London huge demonstrations marched to the prisons to express their support for the Poplar Councillors.

The Government was compelled to rush through a temporary Act whereby, through the agency of the Metropolitan Common Poor Law Fund, the burden of relief was more evenly distributed between the richer and poorer districts of London.

On October 13th, 1921, a great demonstration organised by the National Unemployed Workers Movement succeeded in compelling the Government to grant an interview to a deputation at the Ministry of Health in Whitehall. Present at the interview were Ministers of other departments, including the Ministry of Labour and the Home Secretary. Sir Alfred Mond presided and ended the interview by stating that he was sympathetic to the claims of the unemployed and that a statement would be made in the House of Commons when it

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reassembled five days later. The statement duly came and was to the effect that a new Unemployment Act granting dependents' allowances commencing on November 1st (already described in the foregoing pages) would be introduced by the Government. The Mond Scale victory followed two months later.

# CHAPTER IV

# UNDER THE FIRST LABOUR GOVERNMENT

By April 1922 HUNDREDS OF THOUSANDS of unemployed had exhausted their period of uncovenanted benefit laid down in the Act of November, 1921, and fresh bodies of workers were being discharged from industry. There had been no abatement in the agitations of the unemployed, and in London, in addition to the numerous demonstrations, a series of very disturbing actions had been organised by the N.U.W.M. in the form of raids on certain factories where overtime was being worked. These raids were carefully planned. Bodies of selected unemployed would enter the factory during working hours, shut down the machinery, place pickets on the doors and take charge of the telephones to prevent communication with the police. A meeting would be held with the employees and appeals made to them to cease overtime work so long as millions of their fellow-workers were unemployed. A deputation would meet the management and demand that all overtime should stop except that of maintenance men. Usually the raid had the desired effect. In this period big fights against eviction for non-payment of rent also took place, opecially in Glasgow. Evictions were resisted either by barricading doors and windows or by organising mass demonstrations outside the house. Often when an eviction had been carried out the organised unemployed would seize another empty house and install the furniture of the evicted family, and argue with the landlord about terms afterwards.

With such militancy amongst the unemployed, it was
hardly the best moment for the Government to allow the benefit of large masses to expire. Therefore, although the special period for uncovenanted benefit prescribed in the November, 1921, Act, was not due to terminate until July 2nd, 1922—which would have meant that the bulk of the unemployed who had exhausted their twenty-two weeks' benefit by April would be unable to receive anything further—the Government had to pass a new Act which became operative from April 6th, 1922. This Act brought into operation what was known as the "third special period," to run from April 6th to November 1st, 1922 (thirty weeks), in which additional uncovenanted benefit could be drawn for fifteen weeks.

A new feature known as the "gap" was introduced. This provision meant that when a claimant had drawn five weeks' uncovenanted benefit, there should be an interval of five weeks before another five weeks' uncovenanted benefit could be received. The introduction of the "gap" was designed to spread the maximum of fifteen weeks' benefit over the whole thirty weeks of the third special period.

The operation of this "gap" system met with tremendous opposition. Not only did the unemployed fight it with demonstrations, but the Poor Law Authorities everywhere also took up the fight, because it involved an enormous increase in Poor Law relief expenditure upon which the unemployed were forced to depend entirely during the gap periods. So strong was the resistance to this new device of the Government for evading its responsibilities that after the first gap period a new Act had to be introduced reducing the gap to one week instead of five and extended the period of uncovenanted benefit from fifteen to twenty-two weeks.

Still the unemployed remained unsatisfied, and towards the end of the summer of 1922 the National Unemployed Workers Movement began to prepare for

the first great national hunger march on London to demand work or full maintenance.

The first contingent in the march set out from Glasgow on October 17th, 1922. Other contingents from various parts of Great Britain took the road at later dates according to plan. All marchers were to arrive in London on November 17th, 1922. It was a hazardous undertaking, with no previous experience to work upon, and many exciting scenes occurred before this activity terminated four months later with all marchers leaving London on February 20th, 1923. I have no space to describe these and similar events which occurred in subsequent marches in later years, but the full story is to be found in my book, *Unemployed Struggles*, 1919–1936. I wish, however, to mention here some important political consequences of the marches.

The marches succeeded in stirring the people in towns and villages to a vivid realisation of the failure of the Government in respect of unemployment. Before the marchers reached London the Lloyd George Government resigned and Mr. Bonar Law became Prime Minister with a provisional Government. There can be no doubt that the march, coming as it did on top of many months of intense local activity, was a deciding factor in this sudden resignation of the Government. The General Election which followed resulted in a big increase in the number of seats gained by the Labour Party, bringing their total from sixty-one in the previous Parliament up to 142.

Another important development took place whilst the marchers were in London. A deputation from the N.U.W.M. met the Trades Union Congress General Council on December 20th, 1922, to urge joint action against unemployment between the organised unemployed and the trade union movement. The T.U.C. General Council responded to the appeal and decided that a national day of joint demonstrations should be

organised for Sunday, January 7th, 1923. The call met with a tremendous response, and in every town throughout Great Britain tremendous demonstrations and mass meetings were held. This was the first time that the official trade union and Labour movement had associated itself with the mass agitations of the unemployed. Hitherto there had been a distinct aloofness. In the very early period of unemployed agitations, the N.U.W.M. had endeavoured to persuade the national leadership of the trade union and Labour movement to take up the task of organising the unemployed as part of the official movement. These efforts were, however, spurned, and the unemployed were thrown back upon their own resources and compelled to create their own organisation for the protection of their daily interests. The united demonstrations of January 7th, 1923, constituted a big step forward which the response of the workers throughout the country fully justified.

There can be no doubt, judging by the propaganda of the Tories in the General Election, that the Bonar Law Government had intended to make new attacks upon the standards of the unemployed. There had been much talk about "the need for putting the finances of the Unemployment Insurance scheme in order." But the intense activity of the hunger marchers and the emergence of the official Labour and trade union movement from seclusion checked the designs of the Government.

It had been compelled in November again to make provision for the unemployed to receive an extension of uncovenanted benefit for a further twelve weeks, but by the end of January this also had been exhausted. Another piece of patchwork was necessary, but, like the slum landlord, the Government tried to delay doing the job, but was only able to hold out for one month. In March a new Act had to be put into operation which sanctioned further payments of uncovenanted benefit. The period for which covenanted benefit could be

drawn in an Insurance year was raised to twenty-six weeks, as against eighteen weeks laid down in the previous Act. Further, under the 1923 Act the claimant became entitled to a maximum of forty-four weeks' benefit (covenanted and uncovenanted) in the period November 2nd, 1922, to October 17th, 1923.

The one week's gap in six was dropped, but there was a condition that two weeks' gap should apply when twenty-two weeks' benefit since November, 1922, had' been drawn; where only uncovenanted benefit was being drawn, a three weeks' gap was imposed after twelve weeks' benefit.

It is important to note that not all the unemployed who exhausted their covenanted benefit were entitled to follow on with uncovenanted benefit. Certain classes were debarred from this form of assistance. They were defined as:

- (1) Single persons who are residing with parents or other relatives to whom, having regard to all the circumstances, they can reasonably look for support during unemployment.
- (2) Married women living with their husbands who are in employment, and whose incomings provide an income for the household sufficient to justify the withholding of extended benefit from the wife.
- (3) Married men living with their wives who are in employment and whose incomings provide an income for the household sufficient to justify the withholding of extended benefit from the husband.
- (4) Persons who are wo king short time and whose incomings are sufficient to justify the withholding of extended benefit.
- (5) Certain classes of aliens.

Agitation against the Conservative Government of Mr. Bonar Law became so strong during the latter part of 1923 that the Government resigned. The General Election took place in January, 1924 and resulted in a defeat for the Conservatives and the formation of the first British Labour Government. The hunger march

and the consistent agitations of the N.U.W.M. had undoubtedly played an important part in preparing the ground for this important political advance.

A number of changes which benefited the unemployed were made by the Labour Government. The first step taken was the removal of the ban on those who had previously been excluded from uncovenanted benefit. An Act passed in February, 1924, abolished the three weeks' gap and provided for twenty-six weeks' uncovenanted benefit continuously in the first benefit year. This was followed by an Act in April, 1924, which increased the period of uncovenanted benefit to a maximum of forty-one weeks. The Labour Government followed up with another Act which came into operation in August, 1924 and which made certain fundamental changes. Benefits were increased, in the case of men, from 15s. to 18s. a week, in the case of women, from 12s. to 15s., and the allowance for a child dependent was increased from 1s. to 2s.

The six days' waiting period for which an applicant when first becoming unemployed could not claim benefit was reduced to three days. The dual system of benefits continued, but they were given different names. "Covenanted" became "Standard" benefit and "Uncovenanted " " Extended " benefit. " Standard " benefit was based on the strict Insurance principle of one week's benefit for every six contributions. The benefit-year principle was changed from the previous condition of July to July and defined as " the period of twelve months, starting from the first claim made by the claimant after the passing of the Act." When the maximum of twenty-six weeks' standard benefit in one Insurance year had been drawn, extended benefit became payable so long as thirty contributions had been paid during the two preceding Insurance years, a condition which also applied to standard benefit. This condition was known as the "first statutory condition

governing the right to benefit." It was found, however, that if this condition had been applied immediately large numbers of persons would have been swept out of benefit. Therefore the Minister of Labour was accordingly given power to waive the rule up to October 1st, 1925. Later it was decided that the "thirty contributions rule" should be automatically waived in the case of persons who could show a twelve-stamp qualification.

A very important change was also made in respect to workers affected by a trade dispute. Under the previous Acts almost any worker whose unemployment was in any way related to a trade dispute could be refused benefit. The 1924 Act changed this, and laid it down that where a claimant could show that he was not himself participating, and that he did not belong to a grade or class of workers, members of which were participating in or financing or directly interested in the dispute, or that the stoppage was due to an employer who contravened an agreement, such claimant would be entitled to benefit.

These changes effected by the Act of August, 1924, constituted definite improvements to the credit of the Labour Government. It must be noted, however, that eight months elapsed from the time the Government was elected before these changes were made. Ramsay MacDonald was Prime Minister and Philip Snowden Chancellor of the Exchequer. These two men in particular were extremely reluctant to attempt any legislation for improving the conditions of the workers which might arouse the hostility of their political opponents, and I think it is true to say that these changes which came in August were due not only to the agitations of the unemployed, but to the pressure exerted upon the Government by the trade unions.

In the same month that the Labour Government was formed a Joint Committee was established between the Trades Union Congress General Council and the National Unemployed Workers' Movement. This Committee was known as the Joint Advisory Committee on Unemployment, and its function was to conduct joint agitation for improving the conditions of the unemployed. A programme of demands was formulated and called the Unemployed Workers' Charter. Big Charter meetings and demonstrations were organised during the Labour Government's term of office and there is no doubt that such activities played a big part in breaking down the reluctance of the less staunch elements within the Labour Cabinet for improvements in the conditions of Unemployment Insurance.

There were many other grievances affecting the unemployed which were not removed by the Act of August, 1924. Especially was this so in respect of Poor Law relief. During the year before the Labour Government took office, a steady tightening-up process had been operating in the field of Poor Law relief, so that many of the advantages which the unemployed had won in their early struggles had been taken away. These grievances were discussed by the Joint Advisory Committee and formulated as follows:

- (1) The granting of outdoor relief to unemployed applicants on loan, which means that when they secure employment they have to meet a heavy debt to the Guardians. This operates not in all but in many localities.
- (2) The payment of all relief in kind. This means that no money is granted to meet necessary expenditure in the home.
- (3) Task work for bare relief.
- (4) Guardians refusing relief and offering the workhouse.
- (5) Disqualification of recipients of relief from standing as candidates for Boards of Guardians and urban and borough councils. This means a loss of civic rights through unemployment.
- (6) Belmont Colony and Hollesley Bay. These are institutions maintained by certain London Guardians to which they send unemployed men who apply for relief.

(7) The loss of National Health Insurance benefits through unemployment. This applies to men or women who have been unable to secure employment for a considerable time.

The Ministers of Labour and Health were interviewed by joint deputations representing the Labour Party, Parliamentary Labour Party and the T.U.C. to press for these matters to be attended to, but no progress was made, and when the Labour Government was driven out of office by the Tories in October, 1924, these and numerous other grievances remained unremedied. It must be said, however, that in addition to the improvements made by the Unemployment Insurance Act of August, 1924, the Labour Government had also responded to Charter demands for work schemes at trade union rates for the unemployed. An extensive plan of work schemes was formulated and many jobs were actually started, particularly in regard to housing, before the Labour Government fell. When the Tories came in again they lost little time in smashing the plans which the Labour Government had laid.

#### CHAPTER V

# THE BLANESBURGH COMMITTEE: STARTLING REPORT

The year 1925 opened with the Torie back in the saddle and Mr. Stanley Baldwin holding the reins. Their first job was a new Unemployment Act under which extended benefit ceased to be a statutory right, but became a privilege dispensed by the Ministry of Labour invested with discretionary powers. It also revived the old position in respect of certain categories to whom extended benefit should be refused, and the waiting period of six days was also reintroduced. The effect of these backward moves meant a saving to the Insurance Fund of  $f_{10,400,000}$  per year at the expense of the unemployed. At the same time, however, a reduction in the contributions to the scheme was decided upon to operate from January 4th, 1926, such reductions being 2d. a week both to employer and worker, in the case of men, and 1d. a week to both parties, in the case of women, boys and girls. These reduced contributions represented  $f_{.6,800,000}$  a year. There was thus a net gain to the fund of £3.600,000. Notwithstanding this, the condition of the whole scheme-especially its finances and the need for repeatedly renewing the system of extended benefits -was unstable.

On November 10th, 1925, the Government appointed a Special Committee of investigation, with the following terms of reference:

"To consider, in the light of experience gained in the working of the Unemployment Insurance Scheme, what changes in the Scheme, if any, ought to be made."

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Lord Blanesburgh became chairman, and the Committee became known as the Blanesburgh Committee. It had a personnel of fourteen members, three of whom were prominent leaders in the trade union movement namely, Mr. Frank Hodges, Miss Margaret Bondfield and Mr. A. E. Holmes. Fourteen months elapsed before the first report of this Committee was presented to the Government. During that period no changes were made in the Unemployment Insurance scheme beyond the passing of another Act in 1926 for continuing the period of extended benefit and reducing the State contribution to the scheme.

Throughout 1924-25 the number of registered unemployed had been steadily falling, and in January, 1926, it reached the comparatively low level of 981,877. There were, of course, many thousands of others who were not included in the registered figures, because they came in the categories which were debarred from extended benefit.

No outstanding activities in unemployment occurred during 1926, but the General Strike took place during this year and in that struggle the unemployed stood solid with employed workers against blacklegging as they had done on numerous occasions previously in smaller strikes since the National Unemployed Workers' Movement had been established. Solidarity with the workers engaged in strikes or lockouts had always been a cardinal principle of the N.U.W.M. from its formation, and the Movement had earned for itself the title of "blackleg-proof." Through the agitational and educative work of the N.U.W.M., this spirit had permeated the whole of the unemployed.

This important fact, however, did not deter the Trades Union Congress General Council from severing its connections with the N.U.W.M. when, after the General Strike, it swung over to an extreme right-wing policy and disavowed all association with "left" or militant organisations with which it had previously worked. The Unemployment Joint Advisory Committee between the T.U.C. and the N.U.W.M. was therefore dissolved. The General Council later embarked upon the formation of a joint committee with Sir Alfred Mond, Lord Ashfield, Lord Londonderry and a number of other big industrialists for discussions on rationalisation and peace in industry.

Throughout the second half of 1926, unemployment increased, and by the end of the year the "egistered figure stood at 1,357,000 and the debt of the fund was  $\pounds 22,640,000$ .

On January 31st, 1927, the first report of the Blanesburgh Committee was issued, signed by all members of the Committee without a dissentient. This report made astounding proposals for smashing down the standards of the unemployed, the principal points of which were:

1. To reduce the weekly scales of benefits as follows:

	Old Scale				Proposed New Scale	
		5.	d.			5.
Men over 21 years	••	18	0	••	••	17
Men 18 to 21 years		18	0	••		10
Boys 16 to 18 years	••	7	6	••		6
Women over 21 years	· •	15	0	••	••	15
Women 18 to 21 years	••	15	0	••	••	8
Girls 16 to 18 years		6	0	••	••	5
Dependent children under	14					-
years	••	2	0	••	••	2

In only one case was an increase proposed—namely, for adult dependents. Here it was suggested that the allowance should be raised from 5s. a week to 7s.

- 2. That the system of extended benefit should be abolished.
- 3. That a claimant for benefit must satisfy the following conditions:
  - (a) That at least thirty contributions have been paid in the previous two years in respect of him.

- (b) That he is genuinely seeking work, but unable to obtain suitable employment and is capable of and available for work.
- (c) That he has not left his employment voluntarily without just cause or been dismissed for misconduct.
- (d) That he is not affected by the trades dispute disqualification.
- 4. That all claims must come up for review by Courts of Referees after thirteen weeks' benefit.

Further, a number of proposals were made for tightening up the administration in such a manner that the benefit rights of many unemployed would be jeopardised. Special stress was laid upon the need for a firm application of the statutory condition "genuinely seeking work."

When the terms of this Report became public, amazement and hostility swept throughout the working-class movement. Widespread indignation prevailed amongst the rank and file of the trade unions when they learned that the Labour leaders on the Committee had signed the report along with the others.

Agitations led by the N.U.W.M. quickly gained strength. Thousands of resolutions were passed in trade union branches condemning the Report. Extensive public protest meetings and demonstrations were organised and the feeling amongst the workers became so strong that the T.U.C. General Council had to convene a special national conference at which the official movement recorded its opposition to the report and instructed the Parliamentary Labour Party to move amendments in the event of the Government attempting to embody the recommendations in legislation.

The agitation continued to grow in the following months, and when the Government framed its new Unemployment Act it had to discard the most severe recommendations of the Blanesburgh Committee.

As the winter of 1927 approached, the widespread distress caused by unemployment in the South Wales

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coalfield caused the N.U.W.M. to organise a march of Welsh miners to London. The march created a profound impression throughout the whole country, in spite of the official opposition of the T.U.C. and Labour Party leaders. It was the first big effort to focus special attention upon the plight of the people in the distressed areas. A deputation from the marchers met the Minister of Labour, and although he offered no immediate concessions an improvement in the administration of unemployment benefit and relief in the mining areas quickly followed. Thousands of men were restored to benefit who had previously been denied it, and there was a more generous and humane administration of the Poor Law. The Lord Mayor of London opened a special relief fund for the mining areas and the Government offered to subscribe  $f_{i}$  for every equivalent amount given by public subscription. The Fund realised over I million pounds. The Labour Party Executive, which had frowned upon the march, also made a move by appointing three special commissioners to visit South Wales and make a public report on the conditions of the area.

On December 22nd, 1927, the new Unemployment Bill, which incorporated a number of the Blanesburgh recommendations, became law. Whilst agitations of the unemployed and employed workers had compelled the Government to drop the harsher proposals of the Blanesburgh Committee, the new Act embodied enough of the recommendations to constitute a very serious attack upon the benefits of unemployed workers under the age of twenty-one. It also laid it down that from January 2nd, 1928, the upper age limit for unemployment should be sixty-five years and that beyond that age the claimant should have no further right to unemployment benefit but should be entitled to receive 10s. a week pension under the new Health and Pensions Scheme. Previously there had been no age limit for unemployment insurance and a claimant could receive benefit so long as he could satisfy the statutory conditions and show that he was available for and capable of work.

This change from benefit to pension was a serious blow to the elderly unemployed workers. Not only did it mean that his own income was suddenly reduced from 18s. per week to 10s., but it also meant that dependent's allowance completely stopped unless his wife was also over sixty-five years of age and therefore able to draw 10s. pension herself. This grave anomaly continues to this day and has in fact become aggravated since the adult dependent's allowance under the Unemployment Insurance scheme has been increased for those under sixty-five years of age.

The other regulations of the 1927 Unemployment Act came into operation on April 19th, 1928. The scales of benefit were as follows:

								New Scale. s.	Amount of reduction. s. d.	
Men-21 to 65 years								17	I	0
Young m	ien	18	but	under	19			10	8	0
,,	,,	19	,,	,,	20		••	12	6	0
,,	,,	20	,,	,,	21	••	• •	14	4	0
Boys		16	,,	,,	18	••	••	6	I	6
Women		21	,,	,,	65	••	••	15	Nil	L
Young w	omen	18	,,	,,	19	••	••	8	7	0
,,	,,	19	,,	,,	20	••		10	5	0
,,	,,	20	,,	,,	21	••	••	12	3	0
Girls ove	r	16	,,	,,	18	••	••	5	I	0

Child dependent's benefit remained at 2s. a week, but adult dependent's benefit was raised from 5s. to 7s. a week.

The weekly rates of contributions to the scheme for men stood at worker 7d., employer 8d., State 6d. Graduated lower rates applied for women and young persons under twenty-one years of age.

The first statutory condition for the receipt of benefit

was that the claimant must be able to show that at least thirty contributions had been paid by him in the preceding twenty-four months. This in effect meant that a claimant who could show a full Insurance card of 104 stamps in the twenty-four months prior to unemployment would be able to claim up to seventy-four weeks' continuous benefit before he reached the stage of failing to satisfy the thirty-stamps condition. Every claim, however, had to come up for review after every eleven weeks' benefit, and further benefit could be refused under other disqualifying regulations, even though the applicant could more than satisfy the thirty-stamps statutory condition. In this respect a clause which was later to be used with deadly effect was the " not genuinely seeking work " clause.

Under the new Act extended benefit ceased to exist, but as there were vast numbers of unemployed who were already in the position of being unable to satisfy the thirty-stamps condition, the Government was compelled to meet this position by the provision of what was known as "transitional benefit" for persons over eighteen years of age, to be operative up to April 19th, 1928, or the end of a benefit year beginning before that date, whichever was the later. But here again there were certain qualifying conditions by which the Insurance authorities were able to exclude many persons from transitional benefit. One of these was as follows:

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

It is not difficult to realise how such a clause could be used to deprive a claimant of transitional benefit. The authorities did, in fact, deliberately use it to deny transitional benefit to many thousands of applicants.

The operation of the new Act-especially the benefit Du

reductions and the number of claims disallowedcreated a storm of protests throughout the country. In the first four months of the operation of the Act, 204,511 claims for benefit were disgualified, most of them under the "not genuinely seeking work" clause. Under this clause the onus of proof was placed upon the applicant to show that he was genuinely seeking work. It was tantamount to reversing the British judicial principle that a man is innocent until he is proved guilty. It made every applicant guilty of not genuinely seeking work unless he could prove otherwise. Courts of referees generally demanded documentary proof from the claimant, such as replies to correspondence with employers or notes from foremen and others, to prove that the applicant had applied at such and such a firm for work. Often when such documentary evidence was available, the claimant was disallowed on the grounds of insufficient evidence.

Frequently a claimant, after applying for a job, would be unable to get documentary evidence because the employer refused to be bothered. Often in the Court of Referees the claimant would be subjected to a rapid fire of questions about the location of certain firms and the dates and times at which he had applied for jobs. If, in his nervousness, he made a mistake on any of these points, his evidence would in all probability be regarded as unsatisfactory.

Such methods of administration terribly harassed the unemployed. Men and women tramped for miles each day in a useless search for work simply to collect evidence with which to meet the new inquisition. In the areas now known as the "distressed areas," the daily tramp for work was particularly futile and they knew it before they set out. It ceased to be a search for work and became instead a search for evidence to show that there was no work.

Every month that passed found the anger of the

unemployed increasing against this administration and the deepening poverty which it was creating. In September, 1928, contingents of hunger marchers organised by the N.U.W.M. marched from all the Scottish coalfields and shipvard areas to Edinburgh, where they met the Scottish representatives of the Board of Health and Ministry of Labour to protest against the administration. Ouickly following this march, the N.U.W.M. prepared for a national march on London to demand higher benefit scales and the abolition of the "not genuinely seeking work" clause. The march started in January, 1929, and arrived in London on Sunday, February 24th, to be welcomed by a great demonstration in Trafalgar Square. Ten days later the Government announced that it would extend the transitional benefit period for another twelve months, thereby saving a quarter of a million persons from being ruled out from benefit. Whilst it did not abolish the "N.G.S.W." clause, the march had nevertheless compelled it considerably to modify its application.

The marchers left London on March 5th, and six weeks later the Tory Government resigned and the General Election resulted in the formation of the second Labour Government in May, 1929.

### CHAPTER VI

# THE "NOT GENUINELY SEEKING WORK" CLAUSE

A NEW HOPE CAME to the unemployed with the election of the second Labour Government in May, 1929, but it soon became clear that, with Ramsay MacDonald as Prime Minister and Philip Snowden as Chancellor of the Exchequer, no fundamental change either in policy or administration was to be attempted.

There were numerous injustices which the unemployed naturally expected a Labour Government to remedy by means which would not have involved any grave challenge to capitalism, but MacDonald was not long in office before he staggered the working-class movement by declaring that he intended to pursue "a policy of continuity"—in other words, he intended to make no break with the policy of the previous Tory administration.

This attitude was hotly opposed by many of the Labour back-benchers in the councils of the Parliamentary Labour Party, but MacDonald had filled nearly all the Cabinet posts with right-wing supporters, and the protests of the militant Labour members were suppressed under the plea of loyalty to the Labour Cabinet. Two years later the reactionary course which MacDonald had been allowed to pursue brought with it widespread discontent amongst the workers, open betrayal of the Labour cause by MacDonald, Snowden and Thomas, and the ignominious defeat of the Labour Government.

In the first weeks of the Labour Government, the N.U.W.M. prepared this twelve-point charter:

- (1) Raise the benefit scales of the unemployed.
- (2) Remove the "not genuinely seeking work" clause.
- (3) Restore to benefit all unemployed persons who were disqualified under the previous Government's administration.
- (4) Make benefit continuous during unemployment; no disqualification unless suitable employment at trade union rates has been offered and refused.
- (5) Abolish the six days' waiting period; benefit to operate from first day of signing.
- (6) Introduce national work schemes at trade union rates and conditions.
- (7) Abolish all test and task work under the Boards of Guardians.
- (8) Guarantee full trade union conditions for all unemployed transferred under the industrial transference scheme.
- (9) Give the lead for a general shorter working day without wage reductions, beginning with the mining industry and Government establishments and Government contracting firms.
- (10) Introduce a system of adequate pensions for all workers over the age of sixty, in order that they can retire from industry.
- (11) Raise the school leaving age to sixteen, with Government maintenance grants.
- (12) Repeal the Guardians Default Act, and establish a national uniform scale of relief not lower than the Unemployment Insurance benefit scale.

A national campaign of meetings and demonstrations was organised, and tremendous support for the charter was expressed throughout the country. In July, 1929, the Government were requested to receive a national deputation to discuss the charter. This request was refused, and when the deputation visited the Ministry of Labour to urge that the interview should be granted, a large body of police were called in and the deputation was forcibly ejected from the building. Such treatment of a nationally elected unemployed deputation by a Labour Government caused widespread comment, and many resolutions of protest were sent to the Government.

Intense dissafisfaction began to express itself against the continuation of the " not genuinely seeking work " clause. Labour back-benchers in the House of Commons complained about the discontent which was growing against the administration of the Ministry of Labour. In the first four months of the Labour Government there had been a small decline in the number of claimants disallowed benefit under the N.G.S.W. clause compared with the previous four months of the Tory Government, but, compared with the corresponding four months of the previous year the N.G.S.W. allowances showed a very big increase under the Labour Government, the figures being 79,526 in the four months between May and October 1929 as against 58,185 for the corresponding period of 1928. In spite of this, the Labour Government resisted the demand for the abolition of the N.G.S.W. clause. Instead, under the plea of minimising the injustices, the Government decided in August, 1929, to establish additional machinery known as Boards of Assessors for further examination of claimants who had been disallowed under the N.G.S.W. clause, before the cases went to the Chief Insurance Officer for endorsement. These Boards-representing employers and workpeople-had no power of decision; they could merely convey their views to the Insurance officer and trust that he would take note of them. Strong opposition to serving on the Boards was expressed within the trade union movement. The popular demand was, not new cominittees of enquiry, but the abolition of the clause which was robbing thousands of unemployed workers of benefit every week.

The Ministry of Labour experienced considerable difficulty in finding representatives to sit as members of the Boards, and when they began to function in November, 1929, they were met with an organised boycott by the unemployed, who resented what they called the "new inquisition." Everywhere the unemployed refused to appear before the Boards. In an effort to break the boycott, the local Insurance officers attempted to rule that all claimants who refused to appear before the Boards should automatically be disqualified from benefit and have no right of appeal to the Courts of Referees, the local adjudicating bodies of the Unemployment Insurance scheme. The unemployed challenged the legality of such a ruling, and after some stormy protest demonstrations, especially in Lancashire and Yorkshire, the Ministry of Labour was compelled to "ule that appearance before the Boards of Assessors was optional on the part of the claimant. This was the death-knell of the Boards of Assessors, and in April, 1930, this machinery was officially scrapped.

The agitation of the unemployed against the N.G.S.W. clause and for higher scales of benefit had its effect upon the Government, and in December, 1929, a new Unemployment Act was passed in Parliament which came into operation in April, 1930. This Act made a number of important changes in the interests of the unemployed. They may be summarised as follows:

- (1) The old N.G.S.W. clause was abolished and a new formula took its place, under which a claimant could be disqualified for benefit if it were proved that without good cause he had refused a suitable offer of employment or had failed to carry out any written directions given by the Employment Exchange officers with a view to assisting him to find suitable employment. This meant that the onus of proof whether the applicant was not genuinely seeking work rested upon the Insurance authorities. In other words, the claimant could no longer be assumed guilty before trial.
- (2) The benefits of claimants between seventeen and nineteen years were increased and adult dependents benefit was raised from 7s. per week to 9s. No change was made in the scales of adult unemployed. They remained at 17s. for a man and 15s. for a woman.
- (3) The machinery for the determination of claims was recast so that no one except a Court of Referees or the Umpire could reject a claim to benefit.

- (4) The condition applicable to transitional claimants was improved so that they could no longer be refused benefit on the grounds of not having had a period of insurable employment in the previous two years.
- (5) The transitional period was extended for a further year as from April 19th, 1930, and the cost of this extension was to be borne by the Exchequer and not by the Unemployment Insurance Fund.

Unfortunately for the British Labour Government, a new world economic crisis set in during its first year of office. Unemployment figures soared to unprecedented heights in all capitalist countries. When the Government took office in May, 1020, the registered unemployed in Great Britain stood at 1,270,000. A year later it had risen to 1,770,000. By December, 1930, the figure had reached 2,643,127. Of course, the Tories unscrupulously sought to make political capital out of this-and, in fact, did so-amongst people who did not understand that this was the inevitable result of the world crisis of capitalism and would have occurred just as surely under a Tory Government as under the Labour Government. We must remember that the Labour Government was administering the system of capitalism, not Socialism, and was therefore subject to all its vicissitudes. We cannot, however, entirely divorce the pro-capitalist policy which MacDonald was pursuing from this increase in unemployment. Whilst this unemployment in the main was due to the world crisis, the Labour Government adhered to orthodox capitalist practices, which did nothing to mitigate the evil conditions but rather aggravated them. For instance, Mr. J. H. Thomas was appointed by the Cabinet to a newly created post of Minister of Employment. He became the prime mover in schemes of capitalist rationalisation. Conferences of employers were called by Mr. Thomas to encourage amalgamations, reorganisation and rationalisation. Where the employers were prepared to adopt such measures, the Government offered help in securing

credit on favourable terms by pledging State support for loans advanced. The Government openly devoted itself to assisting in the recovery of British capitalist industry on the principle that unemployment could be met by increasing the competitive ability of the British capitalist class to defeat its rivals in the struggle for world markets.

Speaking at the Oxford Union Society on June 5th, 1930, Mr. J. H. Thomas said: "I have deliberately, and will continue deliberately, to proceed on the basis of a process of rationalisation in industry, which must for weeks increase unemployment figures. I have got to do this in the interests of the country."

As a striking commentary upon Mr. Thomas's policy, there stood at that very moment 12 million unemployed in the country with the most highly rationalised industrial system, the United States of America. But Mr. Thomas's mind seemed to be closed to such evidence.

The heavy increase in unemployment throughout 1930 made it necessary for huge loans to be advanced to the Unemployment Insurance Fund. By December the debt had reached  $\pounds 56$  million and was increasing at the rate of  $\pounds 700,000$  per week. On December 9th, 1930, the Labour Government appointed a Royal Commission on Unemployment to enquire into the working of the Unemployment Insurance Scheme and to make recommendations with regard to—

- (a) its future scope, the provisions which it should contain and the means by which it may be made solvent and selfsupporting; and
- (b) the arrangements which should be made outside the scheme for the unemployed who are capable of and available for work.

The Commission was composed of nine persons, with Mr. Justice Holman Gregory, a Criminal Court judge, as chairman. To the surprise of the unemployed and the general labour and trade union movement, the Government appointed only two persons out of nine who were known to have any sympathies with the Labour Movement. It was to such a Commission that the Labour Government entrusted the task of making recommendations for the future of unemployed workers.

By the beginning of June, 1931, the number of registered unemployed had reached 2,600,000, and the debt of the fund  $\pounds 86$  million. In addition, transitional benefit was costing the Exchequer  $\pounds 35$  million a year.

In response to the Government's request, the Royal Commission presented an interim report in June, 1931. This report in the main recommended reducing the cost of benefit by an attack upon the scales and benefit rights of the unemployed. It was this report which proposed the infamous Means Test.

Before the report was issued, the N.U.W.M. had been able, by a study of the evidence considered by the Commission, Press statements and debates in the House of Commons, to indicate fairly accurately the lines of attack which the Commission would propose. Therefore, when the report was made public, it met with a burst of prepared opposition throughout the entire workingclass movement. The Government could not afford to ignore this without serious loss of prestige, so it decided to play for time in regard to the main recommendations of the report concerning scales of benefit, period of benefit, and the Means Test. In the House of Commons on June 22nd, 1931, Miss Margaret Bondfield, the Minister of Labour, m. de the following statement:

"The Government feel that they cannot proceed with the main recommendations of the Commission's report until they have before them the final conclusions of the Commission."

But in respect to what were regarded as the minor recommendations of the report she said:

"The Government agree in principle with the recommendations of the Royal Commission, and they propose to place before the House proposals to give legislative effect substantially to these recommendations."

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This "legislative effect" took the form of the Anomalies Act, which had for its object the tightening up of the regulations in such a way as to deny benefit to thousands of unemployed workers who came within the categories of (1) casual workers, (2) part-time workers, (3) married women and (4) seasonal-workers. The effect of the new regulations was estimated to secure a saving of  $\pounds 5$  million per year. The Act came into force on October 3rd, 1931, and in the first six weeks of its operation it was responsible for disallowing benefit to 77,572 unemployed workers.

Close on the heels of the Royal Commission's interim report came the report of another Government committee (set up in February, 1931) known as the Committee on National Expenditure, presided over by Sir George May. This report, published at the end of July, 1931, covered a wider field of economies than the Royal Commission, but it dealt with unemployment finances and expressed the opinion that even the drastic economies proposed by the Royal Commission report were inadequate to meet the situation.

The May Committee proposed enormous reductions of expenditure amounting to  $\pounds 96,578,000$ , of which  $\pounds 66,500,000$  should be at the expense of the unemployed, the remainder to be effected by cuts in the wages of civil servants, teachers and police, cuts in the pay of the soldiers and sailors, and reductions in expenditure on education, health insurance, pensions and other social services.

If the Royal Commission's report had the effect of alarming the working class, then the least that can be said of the May Committee's report was that it staggered them; all the more alarming and staggering because the blows came from bodies which the Labour Government had set up.

Even now the Labour Cabinet seemed not to have learnt its lesson, for, instead of standing solid against

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the proposals, defending the standards of the working class and demanding that the rich should be made to pay for the breakdown of their own financial system, the Labour Cabinet proceeded to discuss how the May Committee proposals could be applied, whilst every hour the faith of the workers in the Labour Government fell lower and their wrath rose higher. By the middle of August the whole working class was seething with discontent and a division developed within the Labour Cabinet. Eight out of the twenty-one Ministers stood out against the economy cuts, particularly in respect of the unemployed, MacDonald, Snowden and Thomas began to negotiate with the big bankers, and it became apparent that the bankers were running the show. The capitalist Press developed a violent campaign of abuse against the Labour Government, charging it with being responsible for the unsound economic and financial position of the country. Still the Labour Cabinet failed to rise to the occasion and hurl back the challenge to capitalism.

On August 24th, 1931, the Labour Cabinet completely split and resigned. Its four leading members, MacDonald Snowden, Thomas and Lord Sankey broke with the Labour Movement and went straight over to the camp of the enemy. Needless to say, the same capitalist Press which had charged the Labour Government with responsibility for the state of affairs warmly welcomed them and supported the appointment of MacDonald as Frime Minister of the National (Tory) Government.

The policy of the Labour Government had severely shaken the confidence of the masses, and in the midst of despondency, bewilderment and confusion, the General Election took place and resulted in the defeat of the Labour cause and the election of a Tory majority, which had sailed through the election under the new pennant of "National Candidates."

## CHAPTER VII

# 1931 AND THE MEANS TEST

THE FALL OF THE Labour Government in the autumn of 1931 was followed by bitter struggles of the unemployed against the new Government. On the day that Parliament reassembled under the provisional National Government, huge demonstrations of London unemployed marched to Whitehall. Severe fighting took place around the Government buildings and many demonstrators were arrested.

The Committee on National Expenditure had proposed that unemployed benefits should be reduced by 20 per cent., whilst weekly contributions should be increased, and that all claimants should be subject to a family means test after having received twenty-six weeks' statutory benefit. The opposition of the unemployed was so strong that the Government shrunk from going the full length recommended by the Committee.

The new attack was made in the form of the National Economy Act, which received the Royal Assent on September 30th, 1931. This Act gave the Government powers to make Orders in Council, which, in effect, meant violating the usual democratic procedure.

By the first Order in Council taking effect from October 5th, the Government raised the contributions to Unemployment Insurance to a uniform weekly rate of 10d. for workers, employers and State. Formerly it had been 7d., 8d. and  $7\frac{1}{2}d$ . respectively.

Under this first Order also the scales of benefit were reduced from October 7th by 10 per cent. This meant that the adult claimant's benefit was reduced from 17s. a week to 15s. 3d. for men, and from 15s. to 13s. 6d. for women, with corresponding reductions for younger applicants. The adult dependent's benefit was also reduced from 9s. to 8s. a week. The second Order, taking effect from November 12th, 1931, changed the regulations concerning benefit rights by limiting statutory benefit to twenty-six weeks in a benefit year, and imposing a Means Test upon all claimants for transitional benefit. The Public Assistance Committees were now given jurisdiction over the benefit claims of all transitional claimants, although such claimants still had to register at the Ministry of Labour Exchanges and to receive their benefit—if any—through the exchange.

Here it is necessary to explain that the Public Assistance Committees were the bodies which had taken the place of the Poor Law Boards of Guardians. Under the Local Government Act passed by the Tory Government in March, 1929, the democratically elected Boards of Guardians were abolished as from April, 1930, and replaced by non-elected Public Assistance Committees appointed by the Borough and County Councils. This Act was a retrogressive step from democratic decentralisation and meant more bureaucratic administration of the Poor Law system.<sup>1</sup>

The immediate result of the operation of the second Order in Council under the 1931 Economy Act was that 377,000 claimants ceased to be entitled to statutory benefit and passed into the category of transitional claimants; 475,000 were already on transitional benefit, which meant that a total of 852,000 immediately came under the new Means Test. The Means Test is a system by which every applicant for transitional benefit is

<sup>1</sup> This Act, like the Guardians Default Act of 1926, which gave legal power to the Government to remove Labour Boards of Guardians that treated recipients of Poor Law relief too liberally, is an example of how the ruling class proceed to eliminate the democratic machine when Labour control advances and the Tory policy is no longer secure. subjected to a searching enquiry into the domestic circumstances of the family. It takes the form of answering printed questionnaires about family resources, undergoing personal investigation before administrative committees and the visitation of Means Test officers to the home. Every item of income to the family must be divulged under penalty of prosecution for giving false information. Amongst the things which must be revealed by the claimant are wages earned by other members of the family, the names and addresses of their employers, income in respect to the claimant or other members of the household from service or War disability pensions. workmen's compensation, trade union or club benefits, sick benefits, old age, widows and orphans' pensions, particulars of deposits in savings banks or National Savings certificates, income from lodgers or sub-tenants, and a host of other questions. The old adage that " the Englishman's home is his castle " was blown sky-high by the Means Test. The privacy of his family life was violated, and he even became liable to the indignity of being followed and spied upon by Means Test investigators in all his public movements.

Discretionary powers were vested in the Public Assistance Committee to decide whether a claimant should be allowed any benefit, and if so, how much never, of course, exceeding Labour Exchange scale. Roughly, the general practice at this time was to assess the total family income and to deduct from the scale of the applicant all income which exceeded 10s. per head of the family for those over the age of sixteen, and 3s. for children. If it exceeded the full Labour Exchange scale due to such an applicant, then benefit could be stopped altogether.

It meant an attack upon the standard of the whole family. It robbed the family of the benefits of pensions, compensation, trade union and friendly society payments and savings. It made the wages of employed members of the family chargeable for the maintenance of their unemployed relatives. The work-places of those employed were even visited by Means Test officers to ascertain whether correct information had been given concerning the amount of wages being earned. It caused bitterness and dissension within the family.

In the House of Commons on February 9th, 1932, the Minister of Labour admitted that between November 12th, 1931, and January 23rd, 1932, no less than 193,542 men and 77,995 women had been cut off from benefit by the operation of the Means Test. By February 20th, 1932, the total disallowances had reached 377,511. The report of the Ministry of Health showed that on January 1st, 1932, the number of persons in England and Wales in receipt of Poor Law Relief had reached 1,143,025, being 286 in every 10,000 of the population. In March, 1932, there were 15,795 persons recorded as entering the casual wards as tramps, this being 4,000 more than in the previous year and the highest on record for twenty-five years.

Here were all the ingredients of revolt, and it is not surprising that the next twelve months became a period of incessant warfare between the unemployed and the Government. London, Glasgow, Dundee, Manchester, Castleford, Bristol, Tyneside, Liverpool and many other big industrial towns became the centres of repeated pitched battles on the streets between the police and the unemployed. The gravest conflicts of all occurred in September and October, 1932, in Birkenhead and Belfast. In Birkenhead it started on September 13th, when the police drew batons and broke up a demonstration which was marching away after an interview between the unemployed deputation and the Public Assistance Committee. The demonstration up to this moment had been quite orderly. The deputation had been received and had placed before the P.A.C. the following modest demands:

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Relief to be granted to all able-bodied unemployed with gs. per week increase in the scales, immediate provision of boots and clothes to necessitous unemployed, a free weekly grant of I cwt. of coal to each family during the winter months, and the application of a plan of public works schemes for the unemployed at trade union rates.

The P.A.C. agreed to consider the demands and immediately to send a telegram to the Government calling for the abolition of the Means Test. The attack made upon the demonstration as it was marching away to hear the report of the deputation caused bitter resentment, and two days later another demonstration was organised by the N.U.W.M. to protest against the police action and to demand the release of those who had been arrested.

Strong forces of extra police were imported into the town from other parts of the country, and this time an even more severe conflict occurred, followed by pitched battles which went on for three days. Hundreds of workers were injured, and thirty-seven police had to be carried to hospital. On the fourth day of the fighting lorry-loads of police descended upon certain blocks of poorer working class tenements in the dead of the night, smashed in the doors, beat up the occupants and carried many of them off in Black Marias to the police station with blood streaming from head, face and body wounds. The severity of the police conduct can be gauged from the fact that over 100 workers received hospital treatment for severe injuries, including cases of broken pelvis, fractured ribs, broken arms and legs.

On the fourth day after the fighting had started the Public Assistance Committee decided to raise the scales of relief from 12s. to 15s. 3d. for men, and from 10s. to 13s. 6d. for women. Later, forty-five workers were placed on trial, and varying sentences of imprisonment were passed, two of the leaders receiving sentences of two years each.

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On October 10th serious trouble started in Belfast over the question of unemployed relief scales. It went on for several days. Against repeated police attacks, the workers fought back with stones, pickshafts and other improvised weapons, and erected barricades in the streets against the mounted police and armoured cars which the police were using. Failing to defeat the workers with their batons, the police on the second day fired upon the workers with rifles and revolvers. Many workers were wounded, five seriously, one dying in hospital next day.

Mighty demonstrations of protest took place on the day that this worker died, and lorry loads of Royal Fusiliers, equipped with machine guns, were rushed into the city or held in reserve. The police again fired on the demonstrators and over fifty workers were wounded and one was killed. That night curfew was enforced in Belfast for the first time since the Irish struggles for independence in 1922. The following day the 2nd Battalion of the King's Royal Rifles arrived from Tidworth.

When the funeral of the two workers who had been killed took place, tens of thousands of workers marched in the funeral procession to Milltown Cemetery. Tom Mann, who had gone over to represent the British N.U.W.M. at the funeral, was arrested by the police at the cemetery gates and deported back to this country.<sup>1</sup>

The Northern Ireland authorities became seriously alarmed at the fighting spirit of the unemployed. The Lord Mayor of Belfast and representatives of the Ulster Government met in conference on the day of the funeral and decided to grant considerable concessions towards the demands of the unemployed.

The scale of relief for man and wife was raised from 8s. a week to 12s. a week.

<sup>1</sup> For a more detailed account of the Birkenhead and Belfast events, see *Unemployed Struggles*, by Wal Hannington, published by Lawrence and Wishart.

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Man, wife and 1 child from 12s. a week to 24s. a week. Man, wife and 2 children 16s. a week to 24s. a week. Man, wife and 3 children from 20s. a week to 28s. a week. Beyond that number of children, up to a maximum of 32s. a week, as against a previous maximum of 24s. a week.

In the House of Commons on October 19th, 1932, Sir Stafford Cripps, speaking against the Government, said:

"What are we to say to the unemployed of Bristol who point to Birkenhead? We, who are daily trying to persuade them that they will achieve nothing by rioting, that they can only achieve by constitutional action, are met by the argument: 'But what happened in Birkenhead?' Is anyone going to convince an unemployed worker who is told by a Communist that the way he can force relief out of a local authority is by mass action that these concessions have not been given as a result of force?"

Whilst the struggles were raging in Birkenhead and Belfast, another great national hunger march, organised by the N.U.W.M., was marching on London to present to the Government at Westminster a national petition containing 1 million signatures calling for the abolition of the Means Test. Two thousand five hundred marchers reached London on October 27th and were welcomed by over 100.000 London workers in Hyde Park. The police attacked the demonstration and fierce fighting took place which continued throughout the following week. It became most severe on November 1st when the marchers, backed by over 100,000 London workers, attempted to march to Parliament to present their petition. Fighting lasted for several hours in the vicinity of Whitehall. The petition was confiscated by the police. Dozens of workers were arrested, including the national leadership of the N.U.W.M., and subsequently sentenced to terms of imprisonment. The National Headquarters of the N.U.W.M. was raided by the police without a search warrant and its office material seized and removed in a police van. This raid later became the subject of an important lawsuit. The national leaders of the N.U.W.M.

decided to challenge the legality of the police action by prosecuting Lord Trenchard, the Chief Commissioner of the Metropolitan Police. Damages were claimed for "trespass, conversion and detinue of documents seized by the police." The case was heard in the King's Bench Division in December, 1933, before Mr. Justice Horridge and lasted for several days. The Attorney-General, Sir Thomas Inskip, and Mr. Wilfred Lewis defended the action on behalf of Lord Trenchard, whilst Sir Stafford Cripps, K.C., Mr. D. N. Pritt, K.C., and Mr. G. R. Mitchison appeared for the N.U.W.M.

In his closing speech Mr. D. N. Pritt, K.C., said:

"What disturbs my clients and what they really desire to have stopped is that police officers can walk into the offices of a perfectly legal organisation and, under the guise of arresting an individual, proceed to make a clean sweep of all documents, including books of accounts, collecting cards, etc., and remove them to Scotland Yard. This is a shocking proceeding. The Commissioner of Police and his officers have committed irregularities in complete disregard of the law of the land."

On January 24th, 1934, Mr. Justice Horridge gave the verdict in favour of the N.U.W.M. and awarded damages of £30 plus legal expenses against Lord Trenchard, and the immediate return of the N.U.W.M. property still in possession of the police. This verdict established an important point of law in respect of the rights of working-class organisations in relation to police actions.

At the end of November, 1932, the final Report of the Royal Commission on Unemployment was published. This Report (covering 500 pages) recommended fundamental changes in Unemployment Insurance and public assistance relief involving the establishment of a separate scheme for all unemployed who exhausted their statutory benefit period. It recommended further reductions in benefit scales, the shortening of the statutory benefit period to thirteen weeks, the reintroduction of the " not

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genuinely seeking work " clause, a system of compulsory unpaid labour for the unemployed, and numerous other changes to the detriment of the unemployed.

The year 1932 ended with 2,840,000 registered unemployed and many hundreds of thousands unregistered, the highest total figure of unemployment ever reached in Great Britain. It had been a year of most bitter struggle, in which the Government had unmercifully used the forces of the State to suppress the elementary demand of the unemployed for bread and work. In the course of fifteen months, from the commencement of the Means Test and benefit cuts, more than 400 members of the N.U.W.M. alone had been arrested and imprisoned for the part which they had played in the struggle.

### CHAPTER VIII

# THE HUNGER MARCHERS AND THE 1934 ACT

THE YEAR 1933 OPENED with dozens of N.U.W.M. members, including four of the national leaders, in jail. The Government embarked upon a policy of pacification amongst the unemployed. It financed big schemes for establishing unemployed social service centres all over the country in which the unemployed were encouraged to spend their idle time playing games and doing odd jobs of voluntary work. Every endeavour was made to dissuade them from the path of militant activity and to bring them under the moderating influences of charity.

Fortunately for the Government, the peak of unemployment was reached in February, 1933, and from then onward the number of unemployed began steadily to fall.

Although the final report of the Royal Commission on Unemployment had been issued in November, 1932, the Government showed no great hurry to introduce new legislation. It was not anxious to provoke another 1932 ! Conditions became comparatively calm. The N.U.W.M. conducted a steady campaign of propaganda against the recommendations of the Royal Commission, but it was not until the autumn of 1933, when the Government announced the terms of the new Unemployment Bill, that the struggle began to rise again.

By this time the effect of the Means Test and benefit cuts began to be expressed in numerous reports of medical officers of health, some of whom openly declared that the increases in malnutrition and infant mortality were due to these measures.

In November, 1933, the Minister of Labour in the
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House of Commons proudly announced that the economies effected by the 10 per cent. benefit cuts and the Means Test in the two years ending October, 1933, had been  $\pounds 26,750,000$  from the Means Test, and  $\pounds 27,750,000$  from the cuts, making a total of  $\pounds 54,500,000$  wrung from that section of the community least able to make sacrifices.

Mr. Neville Chamberlain, then Chancellor of the Exchequer, announced in the House of Commons that the Government had now made up its mind not to restore the benefit cuts, although such measures, when introduced by Order in Council in 1931, had been declared to be purely temporary. This announcement, plus the new Unemployment Bill, provoked a new wave of unemployed struggle. Preparations were started for another national hunger march and for the holding of a great United Front Congress on February 24th and 25th, 1934, to coincide with the arrival of the army of hunger marchers in London.

The united front character of the preparatory campaign—many prominent representatives of the employed workers signing the manifesto for the march and Congress—aroused tremendous support. The great demonstrations of welcome to the columns of marchers on all routes awakened a new alarm in Government circles. Before the marchers reached London, Government supporters and the Press began to talk about the danger of riots. The Home Secretary, Sir John Gilmour, played up to this propaganda against the marchers by the following declaration in the House of Commons on February 18th, 1934:

"The right to hold peaceful meetings and processions is one of our most cherished rights, but if this right is to be abused in such a way as to lead inevitably to grave disorder or public disturbance, the Government will have to ask Parliament to grant such powers as experience might show to be necessary to deal with such demonstrations."

Two days later Sir Thomas Inskip, the Attorney-General, addressing a public meeting, joined in the scaremongering by talking about the danger of bloodshed and declaring that the Government would be bound to take steps to stop the march. As the marchers neared London, police preparations in the Metropolis became more intense.

The attempt of the Government to represent the marchers as disorderly persons led to the formation of a committee of well-known public men and women for the purpose of combating police provocation and ascertaining the true facts of the situation in the event of trouble arising. A few days before the arrival of the marchers in London, the Manchester Guardian published the following letter from this committee:

"The present hunger march has been preceded by public statements by the Home Secretary and the Attorney-General (who has already hinted at the possibility of bloodshed) which we feel justify apprehension. Furthermore, certain features of the police preparations for the present march-for example, instructions to shopkeepers to barricade their windows-cannot but create an atmosphere of misgiving, not only dangerous but unjustified by the facts.

"All reports bear witness to the excellent discipline of the marchers. From their own leaders they have received repeated instructions of the strictest character, warning them against any breach of the peace, even under extreme provocation.

" In view of the general and alarming tendency to encroachment on the liberty of the citizen, there has recently been formed a Council for Civil Liberties. One of the special duties of this Council will be to maintain a vigilant observation of the proceedings of the next few days. Relevant and well-authenticated reports by responsible persons will be welcomed and investigated by the Council.

" (Signed) Lascelles Abercrombie. Ambrose Appelbee. Dudley Collard. Harold Laski. C. H. Bing. Evelyn Sharp Nevinson. Henry W. Nevinson. Edith Summerskill,

C. R. Attlee. V. R. Brittain. A. P. Herbert. D. N. Pritt. Kingsley Martin. H. G. Wells. Ronald Kidd. (Secretary.)"

The United Front Congress opened in the Bermondsey Town Hall on Saturday, February 24th--the day on which all contingents of marchers entered the outskirts of London. One thousand four hundred and ninety-four delegates attended the Congress from all parts of Great Britain, representing nearly a million organised workers in the trade union, political and co-operative movements. The Congress was a tremendous success, in spite of its " unofficial " character. Its chief importance lay in the fact that it brought the employed and the unemployed together behind the hunger marchers for the fight against the new Unemployment Bill; for the restoration of the benefit cuts and the abolition of the Means Test; for a national plan of public works schemes for the unemployed, with trade union wages and conditions. It laid down the lines for continuing the agitation after the hunger march had roused the country. At the end of the Congress on Sunday, February 25th, the whole of the delegates marched in a procession to join the great welcome demonstration to the hunger marchers in Hyde Park.

The tremendous support which the march and Congress had gained amongst the people proved strong enough to make the Government recoil from drastic action against the marchers when they entered London. Although elaborate police preparations had been made, including the mobilisation of all special constables, the drafting of large bodies of outside police into London, elaborate police signalling systems and observation posts in the vicinity of Hyde Park, and patrol of the streets by flying-squad cars and vans, the great demonstration passed off peacefully.

The Government had been asked to receive a joint deputation from the march and the Congress. This request was refused by Mr. Ramsay MacDonald, who was still acting as the Tory Prime Minister. On Monday, February 26th, a petition was presented in the House of Commons requesting that representatives of the marchers should be heard at the Bar of the House. Again the Government refused. This unsympathetic attitude resulted in fierce debates in the House of Commons. The Press wrote of these debates as taking place "in an atmosphere of extreme bitterness, and tempers were raw." During the week a series of big agitations were conducted by the marchers and several minor clashes with the police occurred.

Before the marchers left London on March 7th, the Press announced that the Cabinet was "seriously considering the question of restoring either in whole or in part the 10 per cent. cuts in unemployment benefit."

After the marchers had returned home the agitation was continued throughout the country on the lines laid down at the Congress. New forces joined in the campaign against the Government. The Churches came in, especially the Congregational Union of England and Wales; Liberal associations urged better treatment of the unemployed; the Annual Conference of the Cooperative Party, representing 4 million co-operators, demanded the restoration of the unemployed cuts; and a deputation from the British Chamber of Commerce met the Chancellor of the Exchequer and urged that the Government should proceed with a plan of public works schemes. The agitation culminated in nation-wide demonstrations on Sunday, April 15th. Two days later, when Mr. Chamberlain introduced his 1934 Budget in the House of Commons, he announced that the Government had decided to restore in full the unemployed benefit cuts which had operated since 1931. The haughty Mr. Chamberlain had been compelled to eat his own words ! It had been decided, however, as a face-saving effort, that the restored scales were not to become operative until July. The march also compelled the Government to take special action in connection with those industrial areas in the country where

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unemployment had been most persistent and acute—now called the "distressed areas." Special investigators were appointed by the Government to visit South Wales, Durham, Northumberland, Cumberland and the West of Scotland. This led to the introduction of the Special Areas Act in November, 1934.<sup>1</sup>

At last the unemployed had compelled the Government to pay special attention to the plight of the people in these areas. The Unemployment Bill passed its third reading and became an Act of Parliament on May 14th, 1934. This Act made profound changes in the whole system of Unemployment Insurance. The Act was in three parts: (1) the Unemployment Insurance Act proper, dealing with all unemployed claimants on statutory benefit; (2) an entirely new scheme for creating an Unemployment Assistance Board, to deal with all claimants who exhausted their statutory benefit and all able-bodied persons in receipt of Poor Law relief; (2) the appointment of an Unemployment Insurance Statutory Committee to enquire into the working of the Act and to make recommendations every year as to changes in amounts of benefit or of contributions or in administration.

Only Part I of the Act came into operation on July 26th, the date fixed for the operation of Part II being January 7th, 1935. The Act lowered the age for entry into unemployment insurance from sixteen to fourteen years, although benefit was not payable to these contributors until they reached the age of sixteen. The scales of benefit laid down were as follows:

(1) Workers of the age of 21 and under 65:							
••	•••	••	••	• • •	••	17	0
••	••	••	••	••	••	15	U
of the	age of	18 and	l under	21:			
••	••	••	••	••	••	14	0
••	••	••	••	••	••	12	0
	  of the	of the age of		of the age of 18 and under	of the age of 18 and under 21:	of the age of 18 and under 21:	

<sup>1</sup> See my book, The Problem of the Distressed Areas, Gollancz.

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(3)	Worker	s of the	age of	17 and	l under	18:			
	Boys	••	••	••	•••	••	••	9	0
	Girls	••	••	••	••	••	••	7	0
(4)	Worker	s under	the ag	e of 17	years:				
•••	Boys	••	`	•••	•••	••	••	6	0
	Girls	••	••	••	••	••	••	5	0
Th	e rates of	f benefit	: payab	le in re	spect of	f deper	dents :	:	
		adult de			• • •	••	••	9	0
	For a c	hild der	enden	t	••	••	••	2	0

The contributions to the Unemployment scheme were laid down for each of the contributory parties, i.e. worker, employer, State, as:

d.

In respect of:

Man over 21 years of age	••	••	••	••	9
Woman ,, ,, ,,	••	••	••	••	8
Young man, age 18, 19 and	20	••	••	••	8
Young woman, ,, ,,	,,	••	••	••	7
Boy, age 16 and 17	••	••	••	••	5
Girl, ,, ,,	••	••	••	••	4 <del>1</del>
Boy, age 14 and 15	••	••	••	••	2
Girl, ,, ,,	••	••	••	••	2

The first statutory condition for the receipt of benefit was that not less than thirty contributions should have been paid in respect of the two years immediately preceding the date of application for benefit. If satisfying this condition, the claimant would be entitled to draw twenty-six weeks' benefit. At the end of this period, if still unemployed, he would have his case reviewed and be entitled to receive additional benefit on the following conditions: An additional three days' benefit for every five contributions paid in the five years prior to the date of his first claim, less one day's benefit for every five days' benefit received during that five years.

In simple terms this meant that if the claimant had been in regular insured employment for the whole five years before the date of his claim, he would be entitled to a further twenty-six weeks' benefit. The period of

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additional benefit would graduate downwards according to the amount of upemployment in the five years. If he had had sixty weeks' unemployment in that five years, he would receive only eight weeks' additional benefit; if unemployed for eighty weeks in the five years, only two weeks' extra benefit; any longer period of unemployment in the five years would disqualify him for any additional benefit. The other regulations governing Part I of the Act did not differ much from those previously in force.

In March, 1937, two minor improvements were made in the regulations: (1) The six days' waiting period before benefit commenced was reduced to three days, and (2) the period of additional benefit was extended by the change in the formula quoted above so that instead of deducting one day for every five days benefit received it would be one for every eight.

At the moment of writing another change is announced by the Government as a result of the growing agitations for higher scales to meet the increased cost of living. From April 1st, 1938, the scale of adult dependents' benefit is raised from 9s. to 1os. per week and the period of additional benefit is extended by subtracting one day for every ten days' benefit received in place of one for every eight. The effect of this change is as follows:

No. of Contributions in Last 5 years.	No. of Days Benefit Last 5 years.	Additional Days of Benefit.		
		New Rule.	Old Rule.	
260		156	156	
240	120	132	129	
220	240	108	102	
200	360 .	84	75	
180	480	60 <sup>°</sup>	48	
160	600	36	21	

### CHAPTER IX

### THE U.A.B. CREATES A STORM

IT WAS PART II OF THE 1934 ACT which caused the storm against the Government in the winter of 1934. Under this section of the Act, nearly 1½ million persons, who were on transitional benefit, were to pass into the new scheme of the Unemployment Assistance Board on January 7th, 1935. Able-bodied unemployed, who were neither receiving standard nor transitional benefit, but were existing on Poor Law Relief, were to come under the scheme from March 1st, 1935.

The Unemployment Assistance Board has separate machinery and separate finances from those of the Unemployment Insurance Fund. The Board consists of six persons, with Lord Rushcliffe as its Chairman. Throughout the country the administration is carried on by U.A.B. officers, appointed by the Board. Unemployed applicants under this scheme have to continue to sign on at the Labour Exchange, and, by arrangement with the Ministry of Labour, they draw their unemployment allowances in the same Exchange as those on statutory benefit. Full details of the scales and regulations coverning the operation of the U.A.B. were not made known until December, 1934. But enough was known about the main principles of the scheme for it to be realised that it constituted the most severe attack ever launched against the unemployed. By October, 1934, a big movement was sweeping the country, demanding the withdrawal of Part II of the Act and the granting of increased winter relief for all unemployed.

A section in the new regulations which aroused strong resentment, even before the new scales were made known, was the system of compulsory labour camps for applicants under the U.A.B. The danger of unemployed being compelled to work in exchange for their U.A.B. allowances was readily recognised as a serious menace to trade union conditions. Further, it was recognised that such a system would de-class the unemployed, to their own detriment and that of their families.

Towards the end of December, 1934, the Government published the new scales which would apply under the U.A.B. They were as follows:

	New Scale	Old Scale	Reduction
	5.	s. d.	s. d.
Man and wife	24	26 O	20
Single householder, male over 21	16	17 0	го
,, ,, female ,, ,,	14	15 0	IО
Adult living with family-male	10	17 0	70
,, ,, ,, ,, female	8	15 0	70
Second and subsequent male		-	
adults living with family	8	17 0	90
Second and subsequent female		-	-
adults living with family	7	15 0	8 o
Age 18 to 21 years-male	ġ.	14. 0	6 O
,, ,, ,, female	7	12 0	50
Age 17 to 18 years-boys	6	90	30
,, ,, ,, girls	6	76	ĭ 6
Age 16 to 17 years—boys	6	6 o	nil
,, ,, ,, girls	6	50	1s. increase

It will be seen from the above how serious were the reductions, especially in the case of single persons living at home with their parents. In the case of child dependents, the Government decided that the U.A.B. allowances should be:

											s.	d.
Between	14	and	16	years	••		•	•	•	••	6	0
,,	11	,,	14	,,	••		•	•	•	••	4	6
••				"			•	•	•	••	4	0
				,,	••	•	•	•	•	••	3	6
Under 5	yea	rs of	i ag	e	••	•	•	•	•	••	3	0

In the case of a man and wife with only one child, the allowance was to be 28s. a week, or more if the child was over 11 years of age. In the case of families of more than five members, the total amount was to be reduced by 1s. in respect of each member of the family in excess of five.

The scale under Unemployment Insurance benefit in respect of child dependents was 2s. per week, irrespective of age up to 16. It will therefore be seen that the new U.A.B. scale meant increases in respect of child dependents, but 2s. of that increase would be lost by the reduction in the scale to man and wife. No doubt the Government thought that it could drive a division into the ranks of the unemployed by the small increases granted where there were several children in the family, as against the heavy reductions that would be suffered by other unemployed. The heavy reductions in the scales of single persons over eighteen years of age meant terrible attacks upon the family standards of those families where there were several unemployed grown-up sons and daughters. For instance, if there were three sons and one daughter, all unemployed and living at home with their parents. the total reduction would amount to 32s. per week. Such cases were particularly common in the distressed areas. Practically the whole of the unemployed in those areas, because of their long term of unemployment, came under the U.A.B. In addition to these heavy cuts, the Means Test was to apply to all U.A.B. applicants.

Under the old Means Test, local public assistance committees had certain discretionary powers. It is true that the National Government had persistently brought pressure to bear upon them to apply a uniform system, but they had never succeeded in securing this. Under the new scheme, however, Means Test administration was laid down in rigid regulations to be operated by the U.A.B. local officers.

Here are some examples of the way in which this

Means Test was to operate. The whole family was to undergo an assessment, based upon the amount that would be received if all the members of the family were unemployed and without any other means of subsistence and in receipt of an Unemployment Assistance Board allowance. The Board would then enquire into the items of family income. Of the earnings of wife, husband, father or mother, all over the first 5s. earned must be counted, or one-half, whichever was the less. This meant that only 5s. of each member's wage was recognised as belonging to him or her; the rest must go towards maintaining the unemployed members of the family. In the case of the wages of a son, daughter, brother or sister, two-thirds of the first 20s, was to be assessed and three-fourths of all over the first 20s. This meant that if a relative in this category earned  $f_2$  a week, only 6s, 8d, in the first  $f_1$ and 5s. in the second  $f_{1}$  would be recognised as belonging to him personally; all the rest would go to the family and become a determining factor in regard to the claim of the unemployed member of the family on unemployment allowance.

If the amount taken into consideration exceeded the amount of the scale allowance for the unemployed member of the family, then that member would receive no allowance whatever. Items of income other than wages-such as Unemployment Insurance, widows' pensions, old age pensions, superannuation pay, etc.received by other members of the family were to be assessed at the full amount, less one-third of the difference between this amount and the allowance which would be received if the person in question was himself or herself receiving an unemployment allowance. This meant that if an adult male member of the family had an income of, say, 20s. a week in respect to the items mentioned, 16s. 8d. of this f. I would be assessed. In the case of any relative in receipt of Poor Law relief, the whole amount would be assessed.

Then there was a tricky regulation known as the "basic rent allowance." Many unemployed had been led to believe that they were going to have their rent paid as well as receiving a cash allowance, but they found that the basic rent allowance was, in fact, part of the scale payment and not something in addition to it.

The way in which this worked was as follows: Where the assessment of the family was over 24s. and below 30s., an assumed basic rent allowance of 7s. 6d. was included in that scale. Where the actual rent paid was in excess of the assumed basic rent allowance, the scale could be increased by up to one-third of the basic rent allowance, but no more. Where the assessment was over 30s. a week the assumed basic rent allowance was 7s. 6d., plus a quarter of the excess over 30s. The following is an example: If a family was assessed at 40s. a week, the assumed basic rent allowance would then be 10s. If the family were actually paying  $f_{11}$  in rent, as many families in the London area are, they could then be granted up to 3s. 4d. on top of their allowance. If the rent was below 10s., as it is in the provinces in some cases, then the difference between the assumed basic rent allowance and the actual rent paid was deducted from the scale payment, which meant that if the rent they paid was 6s., 4s. would be deducted. The same principle applied if the assessment was below 30s. An example of the way this would work out is as follows: The total scale received by a man, wife, son twenty-one years of age, and one seventeen years of age, would be 40s, per week. If that family was paying a rent of 6s. a week, their scale would be reduced by 4s.

In the case of claimants assessed below 24s. a week, the assumed basic rent allowance would be 7s. 6d., less a quarter of the amount of the difference between the assessment and 24s. For example: If the assessment were 14s. (such as a female householder would receive) the

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difference is 10s. In that case the basic rent allowance would be only 5s. If more than 5s. was actually being paid in rent, no matter how high it was, no more than one-third of the 5s. could be granted on top of the scale allowance.

The reader will easily realise that this complicated computation was extremely confusing to many of the unemployed; they simply did not know what they were entitled to, and very little effort was made by the Government to explain the matter to them. They saw the U.A.B. officials working out tables of assessments which, with all the involved additions and subtractions. left them bewildered. There can be no doubt that the effect of this assumed basic rent allowance was to assist the landlords to obtain their rent. There was, in fact, a condition in the Act that, although the rent allowance was only an assumption, the U.A.B. could demand the production of the claimant's rent-book for examination, and if it was found that the rent was not being paid, the amount could be deducted from the allowance, and arrangements made with the landlord for its payment. Such was the Act which Mr. Hudson, the Parliamentary Secretary to the Ministry of Labour, had described as the "best Act of our generation."

The publication of the U.A.B. scales and regulations provoked still bigger demonstrations by the unemployed, and protests from other bodies, including local authorities. The Glasgow Public Assistance Committee sent telegrams to the Government, declaring its opposition to the new scales. In Monmouthshire a conference of local authorities denounced the scales as "additional brutality." The Norwich City Council, at its meeting on December 19th, passed a resolution denouncing the new scales. Similar protests came from all parts of the country.

January 7th, 1935, the date for the operation of the new scales, was made a national day of demonstration

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by the unemployed. In sleet and rain, they marched in their tens of thousands to protest against this new, inhuman attack upon their standards. The agitation gathered momentum day by day. At the end of the week, when the unemployed received their allowances under the U.A.B., they were staggered at the severity of the cuts that had been imposed. Tory Members of Parliament, who had ventured into their constituencies to attempt to explain the cut, were howled down everywhere. The whole country was aflame against the Government. Hundreds of thousands were now marching.

On January 26th, 1935, 1,000 delegates gathered at the All-South Wales Conference in Cardiff, called by the South Wales Miners' Federation against the new Act. The anthracite miners came to the conference calling for a twenty-four hours' strike in South Wales. They found great support in the conference, but the platform urged that strike action should not be supported at that juncture, but that a council of action should be set up to develop the agitation further, and to send a deputation to the Ministry of Labour. Two days later, the Cambrian miners in the Rhondda raised the call for strike action to take place on February 25th, if the Government did not withdraw Part II.

In the House of Commons, on January 30th, Labour Members of Parliament quoted astounding cases of reductions in family incomes in their constituencies, and demanded that the Government should withdraw Part II of the Act. Although the Government had previously declared that the new scales and regulations were final and unalterable, the pressure of the mighty agitation which was now sweeping the country shook this selfassurance, and at the end of January the Government announced that it was issuing instructions to the local U.A.B. officers to ease the situation in the following way:

- (1) Related families living together to be relieved of the full rigour of the family Means Test.
- (2) Slightly increased assessments for large families.
- (3) Where the U.A.B. assessment was lower than the old P.A.C. scale by a small amount, the old allowance was to stand.

This niggardly concession, however, did not touch the fringe of the problem. The storm continued and became stronger. The *Manchester Guardian*, in its issue of February 4th, estimated that, on Sunday, February 3rd, no fewer than 300,000 employed and unemployed workers were marching in South Wales alone.

By February 5th the National Government was beaten on the question of the scales. On that day, in the House of Commons, Mr. Oliver Stanley, Minister of Labour, admitted that a blunder had been made, and announced that the new scales and regulations would be withdrawn, that the old scales would come back into operation, and that the cuts which had been taken from the unemployed would be repaid to them. The mass action of the workers on the streets of this country had conquered the forces of reaction, represented by the National Government. Mr. Oliver Stanley, in announcing the withdrawal of the scales and regulations, had, however, stated that it would not be possible to restore the cuts by the next pay-day, but that the change would be effected in approximately two weeks. The next day a great demonstration took place in Sheffield to demand the immediate restoration of the cuts. Severe fighting took place on the streets, lasting for two hours, and twenty-two workers were arrested. The trouble was caused through the City Council refusing to receive the unemployed deputation. But, after the trouble, a deputation of City Councillors, headed by the Mayor, was so alarmed by the events which had taken place that day, that they travelled to London by the night train, in order to meet the Minister of Labour next morning, and to urge that they should be

granted power to make up the cuts in Sheffield immediately by P.A.C. allowances.

In the House of Commons on February 8th the Government announced that this authority had been given. The unemployed movement followed up with telegrams to all its sections to demonstrate for the same treatment as had been granted to Sheffield. Within twenty-four hours, huge demonstrations were again taking place in all the principal towns of the country. Public Assistance Committees took the matter into their own hands and decided to make up the scales out of P.A.C. allowances, to be recovered from the Government later. On Sunday, February 10th, many Public Assistance Committee offices were open all day, making up the cuts to the unemployed. The Government was beaten again on the point of its reservation about the date for restoring the cuts. It was in a very shaky position. Its prestige had fallen to zero, and, had the official trade union and Labour movements followed up with action to demand the resignation of the Government, a complete defeat of the Government could have been achieved.

In the House of Commons, Mr. Oliver Stanley tried to argue that the new regulations were "sound in principle, but the grievances were due to the rigidity in administration and the mistakes inherent in a large and new measure." News leaked out that the Unemployment Assistance Board original scales had been rejected by the Government as "too liberal." When the Government had to answer this charge, it twisted and squirmed in an effort to avoid this responsibility. Scenes took place in the House of Commons when Liberal and Labour M.P.s demanded that the Government should publish the facts and say who was responsible. The attempt of the Government to fasten the blame upon local officials of the U.A.B. drew forth strong protests, and letters in the Press from civil servants' associations. These pointed out

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that the Unemployment Assistance Board had announced that the regulations should be strictly enforced, and that they (the civil servants) had to obey orders from those in higher authority.

The Government ultimately found a scapegoat, and Mr. Oliver Stanley later resigned his post as Minister of Labour and was replaced by Mr. Ernest Brown. The agitation then subsided, and months passed without the Government attempting to reintroduce the new scales and regulations. The Government took advantage of the calm to prepare for a General Election in November. On the eve of the General Election it threw a sop to the unemployed in the form of an extra 1s. allowance for child dependents, raising the scale from 2s. to 3s. a week.

It was afterwards discovered that this increase had actually been recommended by the Unemployment Insurance Statutory Committee on July 4th, 1935, but the Government had been mean enough to withhold this from the families of the unemployed for three months, and then to release the decision for vote-catching purposes in the General Election.

The National Government was returned in that election. But it was not until July 10th, 1936, that the Government published the revised U.A.B. scales and regulations. Whilst these were an improvement upon the original scales and regulations, they nevertheless involved severe cuts to certain sections of the unemployed and produced a new nation-wide agitation. The date fixed for their introduction was November 16th, 1936.

The N.U.W.M. immediately decided to organise another national hunger march on London. This proved to be the most successful march of any, from the standpoint of support from the general Labour and trade union movement. Although the national leadership of the T.U.C. and Labour Party did not declare official support to the march, the number of local Labour parties, trades councils and trade union branches which openly co-operated in the march campaign exceeded all previous experience. The South Wales Miners' Federation gave its official support, and took responsibility in the organising work of the South Wales contingent of marchers. The London Trades Council officially joined in the work of the London Reception Committee, and gave great help and encouragement.

Prominent Labour leaders associated themselves in a personal capacity with the march, including Mr. Clem. Attlee, the leader of the Parliamentary Labour Party, who spoke in Hyde Park at the great London demonstration on Sunday, November 8th, when a quarter of a million workers rallied to welcome the marchers.

During the weeks that the marchers were on the road, Mr. Stanley Baldwin, the Prime Minister, had urged them, in Press and wireless statements, to return home, saying that if they reached London no Minister of the Government would receive them. But the tremendous support which gathered around the marchers made Mr. Baldwin retract that statement, and four days after the marchers had entered London the Prime Minister made arrangements for the Minister of Labour and other Government officials to receive a deputation of fortynine marchers' representatives in a conference room in the House of Commons. The result of that interview was that the Minister of Labour stated that the new scales would again be suspended for a further two months, and that at the end of that time no attempt would be made to put the new scales into operation in full, but that any reductions would be introduced gradually over a period of eighteen months.

The revised scales for U.A.B. applicants are now:

For the	househ	older a	and th	e hou	seholde	r's wif	e or	<i>s</i> .	d.
husbanc	ł	••	••	••	••	••	••	24	0
For a hous		•						-	
					••				
Female	••	••	••	••	••	••	••	15	0

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For members of the household to whom the above rates					
do not apply:					
If aged 21 years or over-					
Male	••	10	0		
Female	••	9	0		
If aged 16 years or over but less than 21 years	••	8	0		
If aged 14 years or over but less than 16 years	••	6	0		
If aged 11 years or over but less than 14 years	••	4	6		
If aged 8 years or over but less than 11 years	••	4	0		
If aged 5 years or over but less than 8 years	••	3	6		
If under the age of 5 years	••	3	0		
Where the household consists of only one cl.ild	in				
addition to not more than two adults, the amount	unt				
allowed in respect of that child shall be not less than	1	4	0		

It will be seen that only minor modifications have been made in the amounts of the cuts to single persons, as compared with the original scales which had been withdrawn in February, 1935. It must also be remembered that this scale, inadequate as it is to provide a decent existence, is subject to reduction, or can be stopped altogether under the Means Test.

The fall in the number of unemployed during the first eight months of 1937 and the process of gradually reducing the scales, instead of applying them at once in full, have enabled the Government this time to escape mass resistance, but the fight on this question of scales and Means Test is bound to rise again as unemployment increases and the lives of more workers and their families are entrusted to the bureaucratic machine of the Unemployment Assistance Board.

Now a word about the latest Acts of Unemployment Insurance. At the beginning of 1936, a new Act, known as the Unemployment Insurance (Agriculture) Act, was passed, which brought another 750,000 workers in agriculture, horticulture and forestry into the Unemployment Insurance Scheme. Contributions on the same tripartite basis commenced to be paid on May 4th, 1936, and were as follows:

		M	lales.	Females.
			d.	<i>d</i> .
Aged 21 and under 65	••	••	4 <del>1</del>	4
Aged 18 and under 21	••	•••	4	31
Aged 16 and under 18	••	•••	2	1
Under 16	••		I	I

Benefits under this Act became payable from November 5th, 1936. The scale of benefits for these workers, which is lower than that paid to the industrial unemployed workers, is as follows:

	Males.			Females.
		5.	d.	s. d.
Aged 21 and under 65	••	14	0	12 6
Aged 18 and under 21	••	10	6	96
Aged 17 and under 18	••	6	0	50
Under 17	••	4	0	36

Dependent's benefit is 7s. for an adult, and 3s. for each child. The total benefits, however, which can be paid to this section of unemployed workers are limited to 3os. a week, or 5s. a day. Unemployment Insurance has also been extended from April 4th, 1938, to certain domestic employees, mainly engaged on outdoor work on private estates, and in horticultural and educational establishments.

The total number of workers now covered by Unemployment Insurance is approximately 15 millions. If we include their families, we can estimate that well over 30 million people in Great Britain to-day are intimately concerned with the scales and regulations operating under Unemployment Insurance and unemployment assistance schemes. We see, therefore, what an important part these play in the lives of the working class of Britain to-day, and how vital it is to continue the struggle to defend and improve the standards of the unemployed. As WILL BE SEEN from the foregoing pages, Unemployment Insurance has had a stormy career. Since the first Act was placed on the Statute Book in 1911 no fewer than forty Acts have been passed on the subject.

As the previous chapters show, the passing of those Acts has been closely related to the tempo of the struggle which the unemployed have waged around the principle of their right to live. Not a single improvement has been granted to the unemployed by the ruling class out of humane consideration of their needs. Every concession has had to be fought for. That is because the ruling class in a capitalist society disputes the right of the workers to a decent existence when unemployed—even although this unemployment is forced upon them by the economic conditions of capitalism.

Therefore, not only is every improvement given grudgingly under the pressure of working-class agitation, but each lull in the agitation is seized upon as an opportunity for snatching back something from the unemployed.

Whilst the struggle of the unemployed for better conditions is the concern of the entire working-class movement, we have to recognise the fact that, up to the moment, the brunt of that struggle has had to be borne by the unemployed themselves, under the leadership of the National Unemployed Workers' Movement. The official trade union and Labour movement has very infrequently associated itself with mass agitations of the unemployed. It has confined itself chiefly to the formal procedure of Parliamentary debates and resolutions to the Government from trade union and Labour conferences. It has abstained from attempting to develop mass agitation amongst the unemployed or linking up the struggles of employed and unemployed workers. Even in the powerful agitations of the hunger marchers, the attitude of the official leadership, in the main, has been one of either disdainful aloofness or open discouragement.

In the big struggle of 1935 against the U.A.B., the T.U.C. General Council and Labour Party Executive left their district and local officers to find their own place in the agitation. I do not write this simply for the sake of criticism, but because I wish to see the trade union and Labour movement strengthened in all phases of its work, and, in no small measure, in respect to the unemployed. The struggle of the unemployed has been one of the outstanding features of post-war history. How much more effective that struggle would have been had it been conducted with the full strength of a united working-class movement !

The problem of unemployment will persist as long as capitalism lasts, and the tendency will be in the direction of a deepening of the problem, rather than its elimination. As to the outcome of the struggle between the forces of progress and the forces of reaction, much will depend upon the future attitude of the official trade union and Labour movement towards the unemployed.

If unemployment reaches the same dimensions in this country as it did in Germany in 1931-32, then the unemployed will be a decisive factor in determining whether democracy and progress prevail, or reaction, in the form of fascism, conquers. Failure on the part of the Labour and trade union movement to give leadership and inspiration to the masses of poverty-stricken unemployed will provide scope for the deceptive demagogy of the fascists. If the unemployed are left to feel that the powerful Labour movement regards them and their fate as of minor importance, then that will be the surest way of leaving them to take the wrong road in this country, as many of them did in Germany.

This problem of organising the unemployed under working-class leadership must be tackled. The N.U.W.M. has been doing the job with all the handicaps of being declared " unofficial," whilst, at the same time, no serious effort has yet been made by those who declare it so. The unemployed have been left to fend for themselves, and when, by their own resources, they create their own organisation, it is banned and treated as an outcast, instead of being welcomed into the counsels of the great trade union and Labour movement.

It is true that in 1930 the T.U.C. General Council took a decision to set up local unemployed associations attached to the Trades Councils, but it was clear from the nature of the constitution that these were not intended to become organs of leadership and struggle for the unemployed. There can be no doubt that the main purpose of this move was to counteract the growing influence of the N.U.W.M. and was part of the main drive of the T.U.C. General Council against a militant policy. Not only did the formation of these T.U.C. unemployed associations aim at dividing the ranks of the unemployed by forbidding membership to Communists and known militants, but the purely local character of such associations, which did not permit of interconnection on either a district or national basis, meant isolating the unemployed of one locality from another and rendered it impossible for them to initiate any co-ordinated activity. Even in the most intense periods of unemployed agitations under the leadership of the N.U.W.M., these associations have been isolated and even forbidden by the T.U.C. leadership to co-operate in the agitation. The T.U.C. has never treated the building of their own unemployed associations seriously with the idea of advancing the fight of the unemployed, hence it is not surprising that the attempt to form these local associations

has been a dismal failure and even those which were created have never had a chance of playing any important role in the struggle of the unemployed.

It is time that this unsatisfactory position was ended, and the unemployed given their rightful position within the general Labour and Trade Union movement. One united national unemployed movement occupying that position and embracing all existing unemployed organisations, including the N.U.W.M., could become a powerful adjunct to the trade union and Labour movement. Unity would have a tremendous stimulating effect amongst the unemployed, not only bringing into organised activity large masses of those who are to-day passive, discouraged, and unorganised, but recruiting new forces into the trade unions as well.

Such a united movement could carry the struggle of the unemployed against physical deterioration and acute domestic poverty to a higher plane, where the system which creates unemployment can be challenged and conquered.

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