The Committee on Unemployment are of opinion that serious unemployment must be anticipated throughout the coming winter and that it is essential that arrangements be made for the provision of assisted works on a scale at least as great as was the case last winter.

The following paragraphs give an estimate of the amount of such works which will be in progress under authority already obtained.

(1) Ministry of Transport.

Work on the roads on Unemployment Schemes will be provided in the course of the current financial year for an average number of nearly 27,000 men. An average number of 4,800 of these men will be employed in or near the black spot areas. Indirectly a sum of over £2,000,000 will it is estimated also be spent in wages but as this cannot be apportioned between skilled and unskilled labour the number of men employed cannot be stated.

The total cost of these works for the year will be approximately £7,500,000 of which £4,300,000 will be found by the Ministry of Transport.
(2) Unemployment Grants Committee.

It is estimated that of the schemes for which grants have already been promised works of a total value of £850,000 will be carried out in the coming winter and will afford 33,000 man months of direct employment apart from employment indirectly involved in the provision of materials. Approximately 12,000 of these man months will be provided in or near the black spot areas.

The cost to the State of completing these schemes will be under £400,000 spread over a period of 16 years.

(3) Acceleration of programmes of Government Departments.

Nil. The works undertaken last winter will all be completed before this winter is reached.

(4) Agricultural Schemes and (5) Forestry.

Nil. Last Winter's schemes have been completed.

(6) Trade Facilities.

According to the returns received the number of men at present employed is estimated at 30,000. This number it is estimated will increase generally (in the absence of special reasons such as trade disputes to the contrary) through the winter, the maximum number to be employed being possibly

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The total cost to the State of all the £30,000,000 worth of schemes hitherto approved is as follows:-

<table>
<thead>
<tr>
<th>Loans sanctioned.</th>
<th>1922</th>
<th>1923</th>
<th>1924 to 1927</th>
<th>1928 to 1932</th>
<th>1933 to 1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>30,000,000</td>
<td>400,000</td>
<td>950,000</td>
<td>1,250,000</td>
<td>1,070,000</td>
<td>380,000</td>
</tr>
</tbody>
</table>
as high as 50,000.

In fact, and allowing for indirect employment, it is estimated that the number of men actually employed through the scheme is double the number returned.

(7) **Export Credits**.

The amount of credits already given estimated to be in operation in the coming winter is £3,450,000 providing 144,000 man months of employment apart from transport, clerical labour, etc.

The following paragraphs summarise the further resources available under existing sanctions.

(2) The Unemployment Grants Committee has authority to expend a sum not exceeding £194,000 on grants on the basis of 60% of the wages paid for works financed by local authorities out of revenue.

(6) **Trade Facilities Act**.

The total value of the schemes guaranteed under the Trade Facilities Act is £26,000,000 leaving a marginal authority to guarantee further schemes amounting to £24,000,000.

The scheme expires in November, but the intention of the Government to extend it has already been announced.

(7) **Export Credits Scheme**.

The total value of advances, guarantees and credits sanctioned under this scheme is approximately £14,000,000 leaving a marginal authority to guarantee further schemes amounting to £12,000,000.

It is estimated that further credits to the value of £750,000 will be sanctioned to operate in the coming winter affording 28,000 man months of employment apart from transport, clerical workers, etc.

The question of a widening of the powers under this scheme is receiving consideration.
The following proposals for new or extended schemes for relief work have been under consideration.

1. Ministry of Transport.

The only scheme under active consideration for which no provision is made in the existing Road Fund programme is the Glasgow-Edinburgh road. Of this the portion nearest Glasgow might be put in hand this winter at a total cost of somewhere in the neighbourhood of a million for one half of which Government assistance would be required. If local authorities are, as is now proposed, stimulated to forward new schemes for black spot areas to provide employment in the winter months a considerable number may be submitted, especially if unemployment increases. It was estimated that Road Fund resources were fully pledged under the last programme and it is uncertain what margin will be available. Before therefore new commitments can be entered into it will be necessary to consider from what sources assistance will be available and for this purpose to review the extent to which the Road Fund can be further committed.

2. Unemployment Grants Committee.

(a) With the sanction of the Government circular letters have been issued inviting local authorities to submit proposals for undertaking grant-aided relief works to be undertaken in the coming winter.

Full information is not at present available, but it is estimated that proposals for suitable works to a total value of at least £10,000,000 will be submitted. Works to this value would give some 365,000 man months of employment from October 1923 to April 1924. The cost to the State may be estimated at £4,375,000 payable by way of annual charges as under
Loans sanctioned | Annual Charges on Exchequer in respect of
<table>
<thead>
<tr>
<th>1924-5</th>
<th>1925-6</th>
<th>1926-7</th>
<th>1926-8-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>£5,000,000 N.R.</td>
<td>£150,000</td>
<td>£275,000</td>
<td>£240,000</td>
</tr>
<tr>
<td>£5,000,000 Rev.</td>
<td>£85,000</td>
<td>£155,000</td>
<td>£125,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£235,000</strong></td>
<td><strong>£410,000</strong></td>
<td><strong>£365,000</strong></td>
</tr>
</tbody>
</table>

For the purpose of this estimate it has been assumed that one half of the schemes will be non revenue producing and one half revenue producing. The Committee are, however, definitely of opinion that the latter class of scheme should be encouraged and assisted to the utmost. This course will have the incidental advantage of reducing the charge falling on the State.

(b) It is difficult to estimate the results of the decision that grants shall be made available to private companies undertaking the same duties as local authorities. The applications may be numerous or on the other hand may conceivably come to very little. For the present purpose it is assumed that the applications will cover schemes equal in amount to those anticipated from local authorities and a sum of £5,000,000 is therefore taken to be the amount of schemes the assistance of which the State should at the present stage contemplate.

The cost to the State is estimated at £2,020,000 made up as follows:

<table>
<thead>
<tr>
<th>Amount of Scheme</th>
<th>1924-5</th>
<th>1925-6</th>
<th>1926-7</th>
<th>1926-8-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>£25,000,000</td>
<td>£85,000</td>
<td>£135,000</td>
<td>£125,000</td>
<td>£60,000</td>
</tr>
</tbody>
</table>
Besides the sum of £194,000 already available it is estimated that a further £100,000 will be required to pay grants on the 60% of wages basis for works constructed out of revenue and not by loan. A total of nearly £1,000,000 worth of work should be attained by aid of these grants. No further money will be required before next year and indeed some of the existing £194,000 may be surrendered and require to be revoted.

(3) Acceleration of Government works.

(a) Office of Works

A very large amount of acceleration of maintenance work was undertaken last winter, and the work that could now be accelerated would mainly involve the employment of building trades operatives. In these circumstances no proposals are submitted.

(b) Post Office.

(i) Trunk telephone cable laying. Employment could be found for 25,000 men months, 80% of the work to be completed by 31st March, 1924. Estimated cost £588,000, which can be provided under the borrowing powers possessed by the Post Office under the Telegraph Money Acts.

(ii) Post Office (London) Railway Employment for 900 unskilled men for 12 months could be found by the completion of this railway, which would tend to reduce the congestion of street traffic. A large amount of skilled work and expenditure on materials would also be involved.

Estimated cost - say £500,000.

(c) War Office.

A Committee is considering possibilities.

(d) Admiralty.

The Admiralty if authorised could place orders in anticipation of requirements for 1924-25 to the extent of
approximately £500,000 nearly all of which would be spent in Barrow and other black spot areas.

(c) Air Ministry

Are proceeding as rapidly as possible with works already provided for but cannot give any particulars bearing on the reduction of unemployment.

(f) Colonial Office

The Colonial Office have submitted to us schemes for the development of Nyasaland and Tanganyika. These colonies are grant-aided and are at present at any rate unable to contribute to the cost of the works. All of them are in a position in which orders can be placed immediately.

A further memorandum is being prepared as to certain railway extensions, which it is hoped to circulate as an addendum to this report. Meanwhile the Committee proposes.

(a) to construct two steamers for use on Lakes Nyasa and Tanganyika at a cost of £35,000 a piece.

(b) to undertake the extension of the Lindi tramway at a cost of £50,000. The latter proposal is strongly supported by the Empire Cotton Growing Association.

The Committee understand that financial assistance to these Colonies should take the form of loans free of interest, or free of interest for a time, and that the details of the loans can be settled between the Treasury and the Colonial Office.

(g) Scottish Office

Scottish Departments can, if authorised, anticipate works as follows:
Prison Commission. Central heating at the new Edinburgh Prison including 2 boilers and iron piping ....£4,000

This heating would normally come on next year's estimate.

Central heating at Barlinnie prison to replace worn out apparatus. Additional boiler and piping ......£3,000.

(4) Agricultural Works.

(a) The Minister of Agriculture and Fisheries recommends the allocation to his department of a sum of £350,000 to be expended as follows: £300,000 in assisting land drainage and water supply works (similar to those assisted last winter) in England and Wales, and £50,000 in promoting the chalking and liming of land (land improvement). Of this sum £240,000 would be required in the current financial year. The estimated amount of employment to be provided, based on last year's figures, is estimated at 52,000 man months. It is estimated that £36,000 will be recovered from the drainage Boards.

The sum expended last winter on land drainage was about £300,000.

(b) The Secretary for Scotland recommends the allocation to the Board of Agriculture for Scotland of a sum of £62,000 to be expended in assisting works of land drainage and improvement on the same lines as last winter. It is estimated that employment for 5,000 men would be provided for an average period of 3 months. The amount is the same as was allocated for this purpose last winter.

(5) Forestry.

The Forestry Commissioners propose
(a) an increase of their normal programme of planting and preparation to the extent of 24,000 man weeks. Cost £38,500.

(b) A scheme for the clearance of scrub areas, 2,000 man weeks. These works should be self-supporting and arrangements could be made for the cutting and sale at depots in large towns of the firewood so cleared;

(c) additional work in Crown woods, 7,000 man weeks. Cost £11,000.

(d) Grant aided afforestation works of Corporations and private individuals on the lines adopted last winter. 50,000 man weeks. Cost £65,000.

The cost to the State of the special unemployment work undertaken by the Commissioners last winter was £100,000.

The preceding paragraphs may be summarised in tabular form as follows -
Works already authorised.

<table>
<thead>
<tr>
<th>Credits</th>
<th>Man Months: October to April 1924</th>
<th>Value of Scheme</th>
<th>Cost to State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>162,000*</td>
<td>£7,500,000</td>
<td>£4,300,000</td>
</tr>
<tr>
<td>£C.</td>
<td>33,000</td>
<td>850,000</td>
<td>400,000</td>
</tr>
<tr>
<td>de Facilities</td>
<td>240,000</td>
<td>3,000,000</td>
<td></td>
</tr>
<tr>
<td>Port Credits</td>
<td>144,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>479,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimate based on the average number of men to be employed throughout the year.

Works that may be authorised under existing sanctions.

<table>
<thead>
<tr>
<th>Credits</th>
<th>Man Months:</th>
<th>Value of Scheme</th>
<th>Cost to State</th>
</tr>
</thead>
<tbody>
<tr>
<td>£C.</td>
<td>26,000</td>
<td>£600,000</td>
<td>194,000</td>
</tr>
<tr>
<td>Port Credits</td>
<td>28,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

New Proposals.

<table>
<thead>
<tr>
<th>Credits</th>
<th>Man Months:</th>
<th>Value of Scheme</th>
<th>Cost to State</th>
<th>Charge 1923-4</th>
<th>Charge 1924-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>£C.</td>
<td>355,000</td>
<td>10,000,000</td>
<td>4,375,000</td>
<td>-</td>
<td>255,000</td>
</tr>
<tr>
<td>(undertakings)</td>
<td>120,000</td>
<td>5,000,000</td>
<td>2,020,000</td>
<td>-</td>
<td>85,000</td>
</tr>
<tr>
<td>(60 grant)</td>
<td>17,000</td>
<td>300,000</td>
<td>100,000</td>
<td>-</td>
<td>100,000</td>
</tr>
<tr>
<td>Transport £Office</td>
<td>20,000</td>
<td>868,000</td>
<td>868,000</td>
<td>Loan charges</td>
<td></td>
</tr>
<tr>
<td>£C.</td>
<td>20,000</td>
<td>500,000</td>
<td>500,000</td>
<td>Loan charges</td>
<td></td>
</tr>
<tr>
<td>£C.</td>
<td>7,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>Medical Office</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>55,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Postal Office</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>52,000</td>
<td>415,000</td>
<td>350,000</td>
<td>340,000</td>
<td>74,000</td>
</tr>
<tr>
<td>Scotland</td>
<td>15,000</td>
<td>124,000</td>
<td>62,000</td>
<td>8,000</td>
<td>54,000</td>
</tr>
<tr>
<td>Dry</td>
<td>20,750</td>
<td>182,500</td>
<td>114,500</td>
<td>50,000</td>
<td>64,500</td>
</tr>
<tr>
<td>Total</td>
<td>17,718,500</td>
<td>8,718,800</td>
<td>860,000</td>
<td>687,500</td>
<td></td>
</tr>
</tbody>
</table>

* Only employment to be directly secured is included in this column, a considerable amount of indirect employment will also be obtained.

£ Treasury cover to an advance not exceeding £750,000 for the Road Fund may also be required.

£ Plus Post Office loan charges.
The Committee recommend, that subject to money being available the whole of these new proposals be adopted by the Cabinet.

In the event of the cost so entailed being greater than can be admitted the Committee recommend that the proposals should be considered in the following order of priority.

Unemployment Grants Committee.
Admiralty.
Colonial Office.
Post Office.
Agricultural Works.
Forestry.
Scottish Office (Advancement of works).

The Committee further recommend that in view of the possibility of an extension of unemployment in the coming winter, even more serious than has up to the present been contemplated, the Departments should be instructed to prepare schemes for the provision of further assisted employment. If further action should become necessary it will be essential that the time occupied in the consideration and actual initiation of such schemes should be minimized.

(1) The Committee have considered certain other proposals for the acceleration of works in this country in connection especially with a letter received by the Prime Minister from the Industrial Group of members of the House of Commons.
They observe that in spite of the pressure brought to bear during the past two years but little is being done by the Railway Companies in the electrification and reconditioning of the Railways. The necessary statutory powers for extension works of electrification are already in the possession of the Companies.

In view of the financial position of the Companies, and of the fact that electrification works should — as stated by the Industrial Group — be "extremely remunerative" the Committee are not at the present stage prepared to recommend that any financial inducement to proceed should be offered by the State to the Companies but they recommend that the Prime Minister should confer with the Companies' representatives and endeavour to induce them to proceed.

(2) The Committee are impressed with the importance from every point of view of rapid and substantial extension of the Indian railway system. They recommend that the Secretary of State should be requested to supplement the telegram addressed to India, as to the Dominions on the question of Colonial Development by a private telegram to the Viceroy pointing out the urgency of the placing as early as possible of large orders in this country.

(3) The Committee understand that the placing of contracts for the Port of London Extension is being delayed by a difficulty as to labour conditions. Although the Authority has already pledged itself to accept the conditions usually attached to works assisted by the Unemployment Grants Committee (employment of ex-service men, employment of labour locally etc.) some questions are apparently being raised by possible contractors and the Committee have reason
to suppose that in some quarters the importation of gangs of Irish labour for this work is in contemplation.

The Committee attach great importance to the engagement of local (London) labour for this work. They recommend that conditions securing the employment of a proper proportion of this labour be insisted upon, and that if the need should arise, it should be definitely stated to the Authority that the promise of assistance made by the Government must be withdrawn if there is any importation to London of Irish labour.

Philip Lloyd Cream.  
Chairman. 

27th July, 1923.

H.W.S. Francis  ) Joint  