SECRET

CABINET

UNEMPLOYMENT COMMITTEE.

RELIEF OF UNEMPLOYMENT.

PROGRESS OF SCHEMES AUTHORISED BY THE GOVERNMENT.

Notes for the use of Ministers in connection with the forthcoming Debate on Unemployment.

INTRODUCTION - UNEMPLOYMENT AND TRADE POSITION.

PART I. Schemes initiated by previous Governments which have been continued and extended by the present Government.

PART II. Schemes initiated by the present Government.
INTRODUCTION.

UNEMPLOYMENT AND TRADE POSITION.

On the 7th July, the latest date for which figures are available, the Live Register of unemployed persons was:

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>Juveniles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>774,900</td>
<td>191,500</td>
<td>58,000</td>
<td>1,024,400</td>
</tr>
</tbody>
</table>

On the 9th June the corresponding figures were:

|        | 764,321 | 200,705 | 62,496 | 1,027,515 |

On the 21st January 1924 the figures were:

|        | 917,702 | 252,721 | 81,839 | 1,251,822 |

On the 9th July 1923 the figures were:

|        | 926,254 | 227,589 | 69,929 | 1,223,822 |

These figures show a substantial improvement over the corresponding position last year when the usual seasonal decline set in remarkably early. It is probable that the present figures on the whole represent the best likely for some time, as normally the seasonal decline would be expected to set in shortly. The improvement represents a real improvement, i.e., the diminution in the Live Register does not represent any great increase of men taken on for improvised relief work.

The Board of Trade anticipate that there will be a continuation of the very slow general improvement in trade that has been developing intermittently for the last two or three years. While the smaller trades appear at the moment to be in a better position, the larger industries for a number of reasons are less promising. The Iron and Steel
trade is suffering from a certain amount of foreign competition. The Engineering and Shipbuilding trades find orders difficult to obtain. The prosperity of the coal trade largely produced by the Ruhr position is now waning owing in particular to German competition in Northern Europe, and the cotton trade is hampered by the high price of raw material.

The fluctuations in the Live Register which have been marked within recent weeks are mainly due to the instability of the cotton trade. Egyptian cotton spinners are still well employed, but the weaving section is patchy. There is no prospect however of full time working until cotton is obtainable at a much cheaper price. Prices of raw cotton have been high owing to weather reports, but the most recent American Bureau Report gave a higher figure for the cotton crop than had been anticipated with the result that there was an immediate fall in the price of cotton. The information on the conditions of growth has not been quite as favourable as the Report suggested and the price is reacting accordingly. It is too soon to report definitely how the crop is progressing and the prospects of employment in the trade will depend very largely on the price position.

The wool situation is variable but owing to the firmness of the raw material the position on the whole is sound, though there are not lacking one or two signs of a downward movement in the manufacturing section.
PART I.

Schemes initiated by previous Governments which have been continued and extended by the present Government.

I. MINISTRY OF AGRICULTURE.

The 1923/24 programme of land drainage and water supply schemes has now been completed. 387 drainage schemes and 72 water supply schemes having been carried out. Actually a larger number of schemes were approved, but some had to be abandoned owing to the consistently bad weather and water conditions. The total estimated cost of the schemes carried out 75% of which is wages is £369,000, of which the Government undertook to advance £296,000 in the first instance, a small portion of which (about £34,000) will ultimately be recoverable. The average number of men per week to whom employment has been given, primarily in rural areas, was 3,200 up to May 12th last, when the schemes were normally intended to end, and 2,900 from May 12th to June 30th, the final date for completion.

Most of the schemes referred to above were in progress on Feb. 7th, 1924 but since that date the total expenditure has been approximately £192,000, of which £150,000 was in wages. This figure is, of course, included in the totals given above.

The Government have made provision for the continuance of these schemes on a larger scale from October 1st, 1924, a date earlier than that fixed for last year. The variation of certain conditions will, it is hoped, lead to a rather larger type of scheme being carried out, but the main thing is that the Government have allowed next year's schemes to be prepared during the present summer so that it is expected that more schemes will be carried out in 1924/25, and that, in any case, a larger number of schemes should be ready to start on October 1st than has been the case in previous years, when the decision as to the next programme was not announced until early autumn.

At the present moment all concerned are engaged on the preparation of the 1924/25 programme for which at present £170,000 has been voted up to March 31st, 1925 as a beginning, it being distinctly understood that more funds will be asked for as and when required.
During the year ended 30th June, 1924, some 757 Land Improvement and Drainage schemes were approved in Scotland. It was estimated that these schemes would give employment to 3,100 men. The total cost of the schemes amounts to £93,000, of which £71,000 represents wages.

During the period 7th February to 30th June, 1924, some 314 schemes have been approved, the total cost of which was £17,655. The area benefited by the schemes is 193,400 acres of hill land and 2,535 acres of arable. About 1,300 men have obtained employment. In addition to the above, a special grant of £4,875 has been made in aid of the Hebridean Road Works, one result of which has been that the Local Authority has been able to obtain assistance from the Ministry of Transport. On the average about 1,100 men have been employed on these roads.

The Board of Agriculture for Scotland propose an expenditure of £35,000 on the 1924-25 programme for Land Drainage, etc. Works. If unemployment remains acute and suitable applications for grants are received on the same scale as in the last two seasons, it may be necessary to ask for additional funds in order to ensure the provision of the full measure of relief which the Works are capable of affording.

Parliament has been asked to vote £300,000 for supplying at less than cost price, Seed Oats and Seed Potatoes to necessitous crofters, etc. in the Scottish crofting counties. This assistance has prevented widespread unemployment on the holdings during the Spring months, and the harvest resulting will provide employment in the Autumn and a chief means of subsistence for the population of the Highlands and Islands throughout the Winter.
III. POST OFFICE UNEMPLOYMENT SCHEMES.

THE 1923/24 PROGRAMME.

The Post Office schemes for 1923/24 covered:

(A) Duct laying for telephone cables, and
(B) Post Office London Railway (1) the construction work, and (2) the electrical equipment.

As regards (A) 465 miles of ducts have been laid at a cost of £585,000; 4,000 men being employed for 5 months on the work which is now completed.

As regards (B) (1), part of the laying of the permanent way platforms, etc., (about 5 months' work) remains to be done. So far £48,000 has been expended and £79,000 remains to be spent.

With regard to (B) (2) electrical equipment. All the contracts have been placed, the approximate cost of the work being £335,000.

The total estimated cost of all the undertakings referred to above is £1,042,000, of which £528,000 has so far been expended, leaving £414,000 to be expended.

THE 1924/25 PROGRAMME.

The Treasury have approved the Post Office construction engineering/programme for 1924/25 at a total of approximately £8,250,000. A supplementary programme is being prepared by the Post Office in case the Government desire that additional works not covered by the authorised programme should be accelerated.
IV. EXPORT CREDITS SCHEME.

The total amount sanctioned up to June 30th, 1924, under the Export Credits Scheme is £23,063,677. The total credits actually granted up to the same date amount to £20,602,853. The difference between the amount sanctioned and the amount advanced or guaranteed is partly accounted for by business for which a guarantee had been sanctioned not being financed by the Government or on Government guarantee and partly by sanctions which have not yet been, but will, in due course, be taken up. The guarantee scheme was approved in the spring of 1921 but little use was made of it by the commercial public until 1922. In the summer of that year the amount guaranteed reached its peak at about £250,000 a month. Since June 1923 there has been stagnation in new business, the reasons for which are believed to be general want of business combined with the nervousness resulting from the disastrous experiences of traders in so many markets during the slump period; the want of knowledge in the business world of the facilities offered by the Exports Credits Department and also to some extent to the increased capacity of traders to transact their own business without assistance. The question of giving greater publicity to the scheme is engaging the close attention of all concerned.

The scheme applies to export business throughout the world except British India, Ceylon, the Straits Settlements and Russia. With regard to the first three the Eastern Banks and the Manchester Chamber of Commerce are opposed
to their inclusion and there is also good reason to believe that the existing banking facilities are adequate.

As regards Russia, the Department have conferred with Arco but the only case submitted has been one relating to the purchase of herrings (about £50,000) and even in this case the applicants were not prepared apparently to comply with the conditions. The Arco Company have approached the Trades Facilities Committee but both in this as in the Export Credits case the principal difficulty appears to have been one regarding security.

There is no reason to suppose that any practicable changes in the regulations now governing the Export Credits Scheme would lead to its being utilised more freely.
On the 31st December, 1923, the total Exchequer contingent liability authorised by the Trade Facilities and Loans Guarantee Act, 1922, in respect of capital was £50,000,000, and the total amount in respect of which the Treasury had agreed to give guarantees was just over £38,200,000. By the recent Trade Facilities Act passed by the Government the amount of the Exchequer contingent liability has been increased from £50,000,000 to £65,000,000 and Treasury guarantees have risen approximately £10,000,000 from £38,200,000 to £48,200,000.

Since the 7th February, 1924, the Trade Facilities Committee have recommended guarantees to the extent of £8,859,000. Among the principal items are the following:

- £2,000,000. The North British Aluminium Co. Ltd. - Equipment of a Power Station and Aluminium Factory.
- £600,000. For construction of vessels on the Clyde.
- £400,000. Union Castle Steamship Co. - For construction of a ship at Govan.
- £1,300,000. The Anchor Line. - For construction of three ships at Govan.
- £600,000. Lloyd Sataudo, Genoa. - For construction of a ship at Dalmuir.
- £600,000. British and African Steam Navigation Co. - For purchase of plant, etc. in Great Britain for construction of vessels at Belfast.
- £850,000. Pacific Steam Navigation Co. - Ditto.
- £500,000. Company in Sudan under Sudan Government. - For the construction of a Railway.
Most of the guarantees in respect of shipbuilding represent commitments entered into by the Trade Facilities Act Committee prior to the House of Commons Debate in the Spring of 1924. In all other cases the circumstances are exceptional and ample justification for the individual guarantees exists.

The Trade Facilities Act Committee have before them at the present moment various applications totalling about £10,000,000. Among these may be mentioned electrical projects from Japan and Greece and railway proposals from Yugo-Slavia, Tasmania, New Zealand and Australia, but of course it would be premature to say whether any, and if so which, of these applications will materialise.

(Note: The latest figures relating to Trade Facilities will be circulated to Ministers prior to the Debate.)

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Apart from special schemes for the relief of unemployment undertaken by Departments, the Contracting Departments have been requested to accelerate their contract work so far as this can be done with due regard to economy and efficiency. There is no reason to believe that so far as the Contracting Departments are concerned the acceleration of contracts has not been carried out to the fullest practicable extent.

The following are instances of the acceleration of the Government contract work:

Since 7th February last the Air Ministry have accelerated contracts for the provision of aircraft, aerogenes, clothing, transport, furniture and works of the aggregate value of approximately £4,400,000; in the result 10,000 men will be continuously employed on aircraft construction; 5,000 men on engine construction and the works contracts will provide about 12,500 men-months employment.

The Secretary of State for Air has indicated that if the Government can state early that substantially over and above the provision in the current estimates will be made available for the relief of unemployment a programme can be worked out in the course of the next few months which will produce a substantial increase in the amount of employment in the aircraft and allied industries.

The provision for works in relief of unemployment was made in the Office of Works Estimate for 1923/24 and 1924/25 to the extent of £289,535 and £66,415 respectively. The whole of the programme, including this provision, has now been practically completed.
Conditions governing the inclusion of the Services in the various unemployment relief programmes were:

1. That the works were necessary.
2. That they could be put in hand without much delay.
3. That the estimated expenditure on labour bore a high proportion to that on material.

It may be of interest to note that among other important works carried out have been the renewal of the electric lighting installations throughout the whole of the Government buildings in Whitehall and the overtaking, to a very large extent, of the arrears of internal and external decorative work which had accumulated during and immediately after the war. Mention may also be made of the reconditioning of the bed of the lake in St. James's Park.

While the Office of Works are unable to give detailed particulars, it may be assumed that a programme amounting in the aggregate to approximately £300,000 could be put in hand and executed in the period October 1924 to March 1925. In addition there may be 'remanent' charges amounting to as much as say £50,000 to be met from provision in the 1925/6 Estimates. Among other matters which could be included in this programme are the raising of the standard of decoration of Employment Exchanges so far as possible, having regard to the tenure on which the buildings are held. It may further be possible to include special additional provision to raise the standard of roads on Government Housing Estates. In order to undertake this further programme it will be necessary for additional staff to be engaged and in all probability Parliament would have to make provision by means of Supplementary Estimates for practically the whole of the probable expenditure.
VII AFFORESTATION.

As part of their programme for relieving unemployment in rural areas the Government have decided to extend the activities of the Forestry Commission and to inaugurate a new policy combining the general policy of afforestation with the provision of forest holdings.

Approval has been given for the systematic establishment in future of forest holdings and the provision on reasonable terms of houses and land for the forest holders who will also be guaranteed not less than 150 days work in the forest each year.

The Government have also decided in principle to revert to the afforestation programme contemplated in the report of the Forestry Sub-Committee of the Reconstruction Committee and in the Forestry Act of 1919 and have authorised in pursuance of this policy the acquisition by the Forestry Commission during the current financial year of 50,000 acres of land suitable for the policy of afforestation in association with the provision of forest holdings.

The Forestry Commission have also been authorised to carry out during the current financial year road-making and other works of a permanent character in the various forests under the Commission's control and also forestry operations such as the planting and preparation of ground and the scrub-clearing of land. The Forestry Commission have also been authorised to continue to assist by means of grants the development of municipal and private woodlands in accordance with the approved arrangements under the Act of 1923.
The additional expenditure to be incurred by the forestry Commission in the financial year 1924-25 for the purposes indicated above is estimated at £875,000 which the House of Commons will be invited to vote on the supplementary estimate in due course.

The above proposals will enable the forestry Commission to employ 7,000 men in the winter and 2,300 in the summer as against 4,600 men in the winter and 1,300 in the summer under the arrangements now in operation.
Under Programmes authorised by previous Governments between 1920 and January 1924, a total expenditure of £37,250,000 was provided for. Towards this, the Government contribution is to be £22,500,000.

On the 1st February, which is the nearest date for which figures are available, there remained to be definitely promised to individual schemes under these programmes, a sum of about £4,000,000. Between 1st February and 30th June, £3,000,000 of this balance had been definitely promised to local authorities for specific schemes, leaving at the present time only a sum of £1,000,000 still to be allocated to particular projects. This sum of £2,000,000, which has been allocated in grants during the past five months, may be taken to represent work to the total value of about £2,000,000.

Out of the total value of these programmes of £37,250,000 there had been spent by 30th June an estimated total of £15,250,000, leaving yet to be disbursed a sum of £21,750,000.

The expenditure during the first quarter of 1924-25 (i.e., 1st April to 30th June) on these schemes has been approximately £1,250,000, and the anticipated future expenditure is somewhat as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924-25</td>
<td>£5,500,000</td>
</tr>
<tr>
<td>1925-26</td>
<td>£7,000,000</td>
</tr>
<tr>
<td>1st April, 1926 onwards</td>
<td>£3,250,000</td>
</tr>
<tr>
<td></td>
<td>£21,750,000</td>
</tr>
</tbody>
</table>

The present Government has itself authorised a further programme amounting in all to an expenditure of £12,500,000, towards which the Government will contribute nearly £10,400,000. This is earmarked for definite purposes as follows:

II. THE PROGRAMME OF THE PRESENT GOVERNMENT.
(a) Liverpool - Lancashire Road ... 3,000,000
(b) New Chertsey Road ... 1,500,000
(c) Various Road Schemes ... 3,000,000
(d) Bridges ... 1,000,000
(e) Reconstruction of sections of main
trunk roads (approved by Cabinet) 5,000,000

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Under this new programme there has not, of course, been
sufficient time for any work to be commenced, or indeed for any
definite grants to be made.

As regards item (a), (the Liverpool - Lancashire Road)
no further progress can be reported in the negotiations with
the local authorities concerned, but the course of these
negotiations will be assisted by the action which has been
taken in appointing Sir Richard Redmayne to report upon the
merits of alternative routes in the light of probable future
mining subsidence.

As regards item (b), (the New Chertsey Road), owing to
the magnitude of the programmes already in course of execution
in Middlesex and Surrey, it does not appear likely that the
construction of this new road will be commenced within the next
six months.

As regards items (c) and (d) a large number of road and
bridge schemes submitted by local authorities are now under
examination by the staff of the Ministry of Transport, and
grants will be indicated as soon as possible.

As regards item (e) - the proposed expenditure of £5,000,000
on the reconstruction of main trunk roads - the Director General
of Roads has had several preliminary conferences with representa-
tives of the County Councils concerned. Reports have been
called for from all the Minister's Divisional Road Engineers,
outlining the work that could most usefully be undertaken on
the selected routes, and these reports should be available by
the end of this week. After this it will be possible to
determine the exact scope of the operations, and the additions which it will be necessary to make to the staff of the Department.

It should be added, however, that the opinion of the Law Officers of the Crown on certain doubts which have been expressed as to the Minister's powers in the matter, is being taken.

III. GENERAL OBSERVATIONS.

The following notes may be added on the earlier schemes:

1. Glasgow - Edinburgh Road.

A contract has been let for the section of this road lying nearest to Glasgow, and work will be begun within the next few days.

2. Contracts have been let for sections of the new arterial roads in Kent, Middlesex and Hertfordshire, which are being carried out for the benefit of London unemployed.

As regards possible future schemes:

Lower Thames Tunnel.

Instructions have been given to Sir Maurice Fitzmaurice to extend the scope of his investigations and to report as to the advantages and disadvantages of alternative sites for the Lower Thames Tunnel.

* Note. This opinion will be circulated as soon as received.
IX. UNEMPLOYMENT GRANTS COMMITTEE.

With the approval of the Government the Unemployment Grants Committee have continued to follow the policy and procedure accepted by previous administrations save only in two minor, but not unimportant respects. Hitherto it has been an inseparable condition of grant that the Ministry of Labour should certify that the district was one in which "Unemployment not otherwise provided for exists". Under the new arrangements the volume of unemployment in a particular area is to be regarded by the Committee as one factor among others in considering whether or not a grant should be made in respect of that area.

The second point relates to the rate of wages to be paid by the Local Authority to unskilled men. Hitherto this rate has not exceeded 75 per cent (or in certain cases 87½ per cent) of the Local Authority's lowest rate during the probationary period of six months. It has now been decided that in cases where the Local Authority undertakes the work by day-labour the rate of wages paid must not exceed the Local Authority's rate for its own workmen on similar classes of work or the recognised district rate (whichever exists) if that is lower.

It will be remembered that the Unemployment Grants Committee assists relief works in the following ways:-

1. Works financed otherwise than by loan.
   60 per cent of the wages paid to unemployed men taken on for the job.

2. Works financed by loan.
   (a) Non-revenue producing works - 65 per cent of the interest and sinking fund charges on loans raised for the work for half the period of the loan, subject to the maximum of 15 years.
   (b) Revenue producing works - 50 per cent of the interest on loans raised for the work for 15 years or the full period of the loan, whichever is the lowest.
Grants to public utility companies.
50 per cent of interest at a rate fixed by the Committee on the cost of the accelerated works carried out which relieve unemployment. The grants are payable for a period of years determined by the length of time by which the work is accelerated and also the period at which the work is likely to become reasonably remunerative and are subject to certain safeguarding provisions as to the limitation of dividends, etc.

RESULTS OF THE COMMITTEE'S ACTIVITIES TO DATE.

From 20th December, 1920, when the Committee commenced operations, to 23rd June, 1924, the cost to the Exchequer in respect of works based on the 60 per cent of the wages Bill amounts approximately to £3,500,000. In addition, the Exchequer liability in respect of all works approved by the Committee grants on the basis of interest or interest and sinking fund charges for the same period is estimated to amount to £22,000,000. The capital cost of the works in question amounting to approximately £50,000,000.

For the period from 29th June, 1923, to 31st March, 1924, works to the value of nearly £19,000,000 on the loan basis were approved for grant and schemes to an estimated total value of over £22,100,000, were approved for grant on the wages basis. In other words, no fewer than 3,560 schemes of a total value of over £30,000,000 have been considered in the 12 months ending 23rd June 1924, and it should be noted that the whole of the schemes submitted are undoubtedly of greater public utility than was the case in the preceding years. Since the Committee started operations no fewer than 8,350 schemes of a capital value of over £50,000,000 have been approved for grant. These schemes involve 2,250,000 men-months of direct local employment and at least as much again in indirect employment in the manufacture of materials for the schemes.
During the period from 7th February, 1924, to 23rd June, 1924, the Unemployment Grants Committee have approved altogether 750 schemes to a total value of about £23,500,000 which will give direct employment for about 175,000 man-months.

The Committee have at present under consideration schemes of a total value of nearly £3,400,000, representing works to be started in the coming autumn and winter. In addition a large number of the schemes approved during the present year will undoubtedly continue throughout the winter and steps have been taken to invite Local Authorities to submit further proposals. While it is as yet too early to be able to form any close estimate of the volume of fresh proposals to be put forward in response to the Committee's invitation, there is good reason to believe that the number and value of the schemes which, eventually, the Committee will assist the grant will at least equal, for the winter of 1924/25, the satisfactory figures of the winter 1923/24.
PART II.

Schemes initiated by the present Government.

I. MINISTRY OF AGRICULTURE.

As a result of repeated appeals which have been made the Government have accepted the principle of a certain measure of financial assistance towards putting in order the main trunk of the River Ouse from the mouth to Brownshill Stauch, including training the river into deep water. The whole question is now the subject of discussion between the Ministry of Agriculture and the Ouse Board and a preliminary meeting has already been held.

It is hoped that this action on the part of the Government will not only result in putting this great river in a proper state, thereby protecting one of the most valuable areas in England against flooding, but will also result in a permanent settlement of the disputes which have been going on for generations between the Uplands and Fen interests.

As has already been announced the Government have decided to reclaim a small area of Crown foreshore on the shores of the Wash, about 7 miles from King's Lynn, so as to arrive at some definite conclusion as to the cost of reclamation work generally. The question of the tender to be accepted for this work is still under consideration.
The Government have accepted in principle proposals for the grant of State financial assistance to the Sugar Beet industry for the purpose of extending and developing that industry and assisting in the relief of rural unemployment.

If these proposals are put into operation there is reason to expect that at least 6 new sugar beet factories will be put in hand at once. Each new factory would cost at least £200,000, of which £150,000 would represent the cost of plant and machinery. A considerable amount of work would be provided, therefore, for the engineering industry, and it is understood that the whole of the machinery required could be supplied by British manufacturers.

Each factory would employ 500-600 men during the manufacturing season from October to January. In addition, each factory would employ 50-60 men all the year round. The growing of beet for six new factories would require an additional area of 24,000 acres in the first year, and, as it is generally agreed that each 10 acres of beet requires an additional man, employment would be provided for 2,400 more men on the land. Moreover, additional labour would be required to satisfy the increased demand for transport facilities which would arise with the development of the industry.

An extension of the sugar beet industry will, therefore, have a material result in providing additional employment on the land, in the factories and in some of the trades which are most hardly hit - e.g. the engineering trade.

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NOTE: Cabinet 40 (24) Conclusion 9. It will be remembered that while the Government have approved the principle of a State grant, the question of the precise form in which State assistance should be given is still under consideration.
The Fishery Board for Scotland are carrying out a scheme of loans for fishermen, for the purchase of herring drift nets.

Parliament has voted a sum of £150,100 for the purpose. Normally the amount of the loan is 50% of the cost of the nets to be provided, with special terms for ex-Service men. If advantage is taken of the scheme it will enable fishermen to obtain for their industry additional capital up to £150,000, on moderate terms, and will result in improved employment, not only in the herring fishing industry itself, but also in those branches of the trade engaged in the handling and curing of fish and in the net making industry.
III. BOARD OF EDUCATION.

Apart from works relating to school buildings which have been assisted by the Unemployment Grants Committee, the Board of Education have reverted to their old practice of considering on their merits all proposals in respect of Elementary Schools, Secondary Schools, Technical Schools and Nursery Schools, and for the development of the School Medical Service. If Local Education Authorities respond to the Board's invitation a considerable amount of work will be provided in the building and other allied trades. The Board are working in close consultation with the Ministry of Health so as to avoid any difficulty which may arise through competition of building labour as between the provision of houses and educational buildings.

The Board, on 18th June last, issued a circular to Local Education Authorities stating that they are prepared to consider proposals from those Authorities to make byelaws under Section 46 of the Education Act, 1921, requiring children to attend school till the end of the school term in which they attain the age of fifteen. The Board have also invited the members of the Juvenile Organisations Committee to undertake as soon as possible, in conjunction with the local Juvenile Organisations Committees, a full review of the problem of unemployment amongst school leavers, and it is hoped that they will be able to devise means for mitigating the moral and mental deterioration which must follow in their case upon a prolonged period of unemployment.

The Local Education Authorities have power, under Section 86 of the Education Act, to aid schemes of this general character, and the Board have already informed the Authorities that they are prepared to consider on their merits proposals for this purpose. If the proposals are approved the expenditure would rank for a 50 per cent grant from the Board.
IV. ELECTRICAL DEVELOPMENT.

The Government are convinced that no solution of the unemployment problem is possible without a great revival of British trade and industry. The lowering of British costs of production is a condition precedent to any such revival, and extensive development of electrical undertakings will tend to a marked degree to reduce the cost of production and will also relieve unemployment by providing a very large volume of work for skilled men in certain industries.

The Government are advised that the best and most practicable methods of stimulating electrical development are:

1. The attainment of one standard frequency throughout the country; and

2. The laying of main transmission lines coupled in certain cases with distribution systems in areas where such lines do not exist and would not be laid in the ordinary way in the near future.

To secure standardisation throughout the country it will be necessary to alter the present frequencies on the north-east coast, on the Clyde, in Birmingham and the South-west Midlands District, in parts of London and in South Wales. The change over in these non-standard areas will entail considerable orders for new electrical machinery, giving work to skilled men. The electrical advantages of the proposal are two-fold:

1. Standardisation will enable electrical manufacturers to reduce the numbers of their stocks and patterns, thus cheapening products and assisting manufacturers to compete with other countries;

2. Inter-connections of the capital generating stations throughout the country will be greatly facilitated. Such a national policy of interconnection means increased efficiency and economy and greater security of supply.
Frequency standardisation throughout the country would probably take from three to five years to carry out. As the change over will confer no immediate direct benefit on those interested in the production and consumption of electricity it will probably be necessary to effect the reform on the basis of a substantial proportion, if not the whole of the cost, being borne by the Exchequer.

With a view to the earliest possible decision being taken, the Government have arranged for an expert report on the whole matter to be furnished forthwith. It is expected that this report will be ready in October next. If the report is favourable, the Government will then be prepared to consider whether a substantial proportion, if not the whole, of the direct cost of the provision and installation of new machinery, etc., which will be required should be borne by public funds, and to take immediate steps to secure the practical good-will and co-operation of the parties concerned.

To produce electricity cheaply it is necessary to concentrate its generation in large stations and distribute it at high tension to sub-stations. Furthermore the main stations should be inter-connected. The high cost of transmission lines is a great obstacle to such development and tends to cause the provision of such lines to be delayed until they are immediately profitable. Accelerated electrical development pre-supposes the laying of transmission lines well in advance of immediate requirements. It will be understood, however, that main transmission lines connecting different districts cannot be usefully laid until, under the scheme mentioned above, the frequency of the two districts has been made the same. A certain number of transmission lines, however, within districts where the frequency is already standard
and lines for the purpose of distribution in areas where electricity is not available can be undertaken apart from the standardisation of frequency mentioned in the first paragraph.

The Government have decided to authorise the Electricity Commissioners to confer with the Municipal and Industrial Electrical Associations with a view to securing the maximum development of the main transmission system on the following terms:

(a) Work to be assisted to be main transmission lines as defined in Section 36 of the Electricity (Supply) Act, 1912, and subject, as mentioned in (b) below, to substantial schemes of distribution in areas where electricity is not available.

(b) The work must be of a kind which the undertakers have no intention in the near future of carrying out with their own resources and must not be accelerated work in the ordinary sense or mere additions to or extensions of schemes already in operation.

(c) The financial assistance to be given to consist of a grant to local authorities or companies undertaking approved works individually or jointly sufficient in amount to make up the net revenue (after allowing for depreciation or sinking funds) attributable to the particular work to a rate of interest (approved by the Treasury) on the expenditure incurred until such time as the net revenue is sufficient to meet this charge, or for ten years whichever is less.

The Government have given most careful and anxious consideration to the very important question of railway electrification. The problem is being explored to the fullest extent and every effort has been made to press on the Railway Companies the desirability of undertaking any proposed electrification at the present time with a view to relieving unemployment.
The Water Power Resources Committee in their Third Interim Report on Tidal Power dated 1st December 1980 drew attention to the desirability of investigating the possibility from the commercial standpoint of utilising the tides for motive power purposes, with particular reference to the Severn. The Committee on the information before them were not in a position definitely to recommend a scheme but considered there was ample justification for a further and more detailed enquiry into a number of difficult technical and economic problems.

During the economy campaign consideration of the Committee's proposal was postponed. The Government have however revived the matter. It is clear that a scheme of a barrage across the Severn, if practicable, could not be used to alleviate unemployment existing at present or in the near future, but the matter is one of the greatest importance from the point of view of coal conservation and the development of natural resources. The immense reservoir of power that would be provided if the scheme were practicable would add definitely to the industrial capacity of the country and it is accordingly entirely in keeping with the attitude of the Government towards the problem of unemployment in the future that a careful examination should be made of the project.

At the request of the President of the Board of Trade a small informal Committee were asked to advise as to the nature and scope of the enquiries which should be undertaken and their probable cost. The Committee have reported that exhaustive survey and investigation are necessary to enable the Government to arrive at a conclusion as to

(a) the practicability of a barrage; and
(b) its possible effects on other interests in the river especially navigation but including also land drainage and fisheries.
Including the investigation which will be necessary into the crucial question of foundations and the survey and the preparation of a preliminary power scheme based on the data obtained should they be favourable, the enquiry would take a minimum period of three years and cost between £75,000 and £95,000.

In view of the great advantages to be derived if the scheme were found practicable and the necessity of taking all steps possible to improve the industrial efficiency of the country with a view to meeting foreign competition, the Government have decided to authorise the enquiry.

The enquiry can be conveniently divided into stages which will reveal the practicability of the scheme and the extent to which further expenditure may be necessary.

The first stage would be an immediate geological survey of the formation of the neighbourhood of the alternative sites which have been proposed for the barrage and a report before the end of this year as to the possibility of constructing a barrage on one or more of the three sites proposed on the assumption that safe foundations exist. It must be mentioned that the building of a barrage on the Severn would be one of the most difficult engineering feats ever attempted.

The next step would be to ascertain whether it is possible to find safe foundations for a barrage at a point suitable for the purpose in view. Until necessary borings have been made it is impossible to answer this question and the experience already gained with the Severn Tunnel as well as the geological formation in the lower valley of the Severn indicate that the selection of a possible site may not be easy and that the necessary borings will be difficult to make.
While the geological survey and the consideration of the engineering problems were proceeding, arrangements would be made for boring operations for the spring of 1925, but the work would not be actually begun unless the consulting engineers report favourably by the end of the year. If the report as to the engineering practicability was unfavourable it would obviously be waste of money and effort to proceed with the boring. The cost of the geological survey and the consideration of the consulting engineers report would be between £2,000 and £2,500 and the boring from £10,000 to £15,000. The total experimental expenditure therefore on the first stages being from £12,000 to £17,500.
VI. THE HOUSING PROPOSALS.

Note to be supplied by the Ministry of Health.

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