CABINET.

Memorandum by the Minister of Labour.

UNEMPLOYMENT INSURANCE.

1. My colleagues will have observed the agitation for an inquiry into unemployment insurance which is being worked up in the Press in connection with the Budget proposals. It would, I feel sure, be unwise to take precipitate action of this kind. There are certain things, including the setting up of an inquiry later in the year, on which we have been working for some little time and which I hope to be able to put in detail to the Cabinet in a memorandum next week. Meanwhile I give an outline of them, so that my colleagues may know generally how the matter stands.

2. My proposals include:

   (a) A Bill to extend after 1st October next the power of waiving the requirement of 30 contributions paid in the past 2 or 3 years, which would otherwise become as from that date a condition precedent to the payment of benefit. Such a Bill is necessary if something in the neighbourhood of 200,000 or 250,000 persons are not to be suddenly cut off benefit on October 1st. I am considering how far this continued relaxation of the conditions for benefit should be combined with other provisions designed to make a corresponding saving in benefit;
(b) Certain further administrative restrictions (to come into operation simultaneously with the introduction of the Bill) on the exercise of the power of waiving the 30 contributions requirement;

(c) an enquiry into Unemployment Insurance, to take place in the autumn.

3. The need for an enquiry arises quite independently of the present agitation. Under last year's Act all benefit comes to an end in June 1923 and before we can deal with the situation thus arising we must be advised by a Committee representative of employers and employed and others interested as to the general principles on which we should proceed. If such a Committee were appointed now it would be pressed to report in a hurry and its conclusions, hastily arrived at perhaps in the light of rather temporary consideration, would not be a reliable foundation on which to build. The right time at which to set up such a Committee is in the autumn and this is what I intend to propose.

(Intd.) A.S. - M.

Ministry of Labour.
4th May, 1923.