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FOOD CONTROL SECTION.

It has been arranged to increase the individual ration of sugar in Ireland from 6 ozs. to 8 ozs. per week, on, and from, the 3rd proximo.

In view of the widespread revival of illicit distilling in the North of Ireland, and the probability that sugar was being obtained irregularly, it was decided to have an examination made of the books of the Wholesale Sugar Dealers in Derry. As a result, several infringements were discovered, and the parties were prosecuted, and fined, in the aggregate, a sum of £471.

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CABINET.

OUT-OF-WORK DONATION.

Memorandum by the Minister of Labour.

1. It is necessary to obtain an immediate decision with regard to the position as regards Out-of-Work Donation that will arise on 24th November next. On that date the Out-of-Work Donation Scheme for civilian workers comes to an end. The scheme, so far as ex-members of H.M. Forces are concerned, covers the year following personal demobilisation of the individual (or the year following 25th November, 1918, in the case of persons discharged from the Forces before that date), which may be termed for convenience the "donation year" of ex-service men. It will therefore expire as regards a certain number of men on 24th November next; and as each week passes after that date the number of ex-service men who are no longer covered by the scheme will increase.

2. There is nothing at present to take the place of donation except (a) the unemployment benefit of 7/- a week under the Unemployment Insurance Acts covering some 3½ million workpeople altogether, and (b) trade union benefits, covering perhaps from one to two million workpeople outside those falling under the Unemployment Insurance Acts.

3. The proposals for extension of unemployment insurance which are now under consideration cannot at best come into effective operation for six months or more after 24th November, and therefore cannot be of assistance for dealing with the position at that date.

4. The total number of persons on donation or unemployment benefit just before the railway strike was about 400,000 (of whom 300,000 were ex-service men). This total had been falling pretty steadily week by week since the beginning of May when the high water mark of 1,110,000 on donation was reached. The railway strike greatly increased the number on donation, but this accretion was temporary and the numbers drawing donation or unemployment benefit are now at about the same level as they were before the strike.

5. The number of ex-service men whose "donation year" will have expired will range from something approaching one million at the end of November, 1919, to two or two and a half million at the end of March, 1920. On the average the weekly number of unemployed among these during the winter may, at a moderate estimate, be put at 100,000. As regards civilians, it may reasonably be assumed that the average number unemployed each week during the winter will not fall below that existing at present, viz. 100,000 (65,000 men and 35,000 women.)

6. The courses that present themselves are three, either
- (a) to make no extension at all in the donation scheme;
 - (b) to extend it for ex-members of H.M. Forces only;
 - (c) to extend it both for ex-members of H.M. Forces and for civilians.

7. There is much to be said for making no extension at all. Any extensions means an addition to existing commitments and the need for economy is imperative. There is a widespread and legitimate objection to the continuance of a system of "doles". There is no evidence of any abnormal volume of unemployment and the need for removing all incentives to idleness is specially great.

8. I was at first disposed to think that there would be a good case for granting some extension of donation during the coming winter in favour of ex-members of H.M. Forces but not in favour of civilian workers. The proposal which I had in mind was that the period to be covered should be the four months from November 25th to March 24th, and that during the period a maximum of 8 weeks' donation might be drawn at weekly rates of 20/- for ex-service men and 15/- for ex-service women, without supplementary allowance for dependants.

9. On further consideration, however, I am doubtful whether this would be politic. On social grounds there is some objection to the perpetuation of the distinction between ex-service men and others. The preferential treatment of ex-service men in their "donation year" was justified; but if this preference is extended for a further period, it might be regarded as establishing a claim to such a preference for all future time. As regards the financial aspect of the matter, the danger is that, apart from the prospect of perpetuating the preferential treatment of ex-service men, the extension, if given to ex-service men only, could not be confined to the coming winter; it might lead to a demand for a similar extension to all ex-service men whose "donation year" had expired and in effect to give them a donation policy covering (say) sixteen months from demobilisation instead of the present twelve months; the effect would then be to increase the ultimate cost beyond what it would be if an extension, confined to the coming winter, were granted both to ex-members of H.M. Forces and to civilians. For these reasons it is difficult to give preferential treatment to ex-service men after the end of their "donation year".

The choice, therefore, is between granting an extension to ex-service men and civilian workers alike or granting no extension at all. My view after much hesitation is that no extension should be granted, and that, so far as donation is no longer payable, we should rely on the unemployment benefit of 7s payable to workpeople insured under the Unemployment Insurance Acts, and on Trade Union benefits assisted by the subvention of one-sixth which is payable to the Trade Unions under Section 106 of the National Insurance Act 1911.

10. A different view is held by most of my advisers in the Ministry of Labour, who consider that an extension over the winter should be granted both to ex-service men and to civilians, on grounds which may be briefly summarised thus:-

- (a) The beginning of winter is an inopportune time for stopping donation even to civilians, who should therefore have the benefit of an extension over the four winter months.
- (b) There will be strong labour objection to the termination of the donation scheme at the end of November. This is plainly indicated in the Trade Union Memorandum presented to the Provisional Joint Committee of the National Industrial Conference, Section 5 of which, after making proposals for a permanent scheme, states in paragraph (ii):-