P E P (POLITICAL AND ECONOMIC PLANNING)

REPORT

ON

THE BRITISH SOCIAL SERVICES

A survey of the existing Public Social Services in Great Britain with proposals for future development.

JUNE 1937

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REPORT ON THE
BRITISH SOCIAL SERVICES

P E P (Political and Economic Planning) is an independent non-party group, consisting of more than a hundred working members who are by vocation industrialists, distributors, officers of central and local government, university teachers, and so forth, and who give part of their spare time to the use of their special training in fact-finding and in suggesting principles and possible advances over a wide range of social and economic activities. By means of the fortnightly broadsheet *PLANNING*, P E P keeps in continuous touch with a large number of men and women interested in social and economic reconstruction. The group has issued more than a hundred broadsheets on a considerable variety of subjects, and has also published full-scale reports on the coal-mining, cotton and iron and steel industries, housing and building, electricity supply, international trade, retirement pensions and continued education from the age of fourteen. Details of these are given inside the back cover.

The present Report is intended to give a bird's-eye view of the scope and administration of the contemporary public social services in Great Britain, to show how they relate to one another and to initiate a review of their underlying principles. Evidently it has to deal with so many different services and aspects that it cannot pretend to be exhaustive upon any one of them, and must content itself with forming a fairly detailed factual summary of the whole subject and a discussion of the principles and problems which are of widest concern. Several of the aspects or activities treated have either already been dealt with in P E P Reports such as *The Entrance to Industry* and *The Exit from Industry*, or are being fully covered in forthcoming reports such as that on the Health Services.

P E P issues this Report not as a plan for the social services, but as a contribution towards the working out of a more balanced approach which cannot evolve until the practice is adopted of looking at the subject as a whole. The Report seeks to put down in an orderly and coherent manner the main facts about the social services and the consensus of informed opinion about the next stages in their development.

P E P welcomes constructive criticism, inquiries and suggestions, which should be addressed to:

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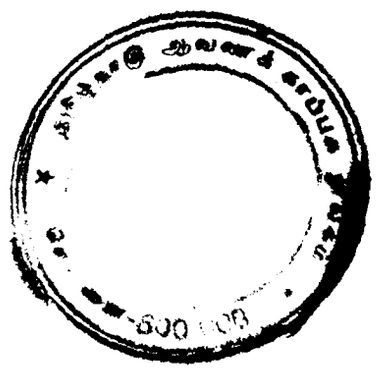

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CONTENTS

SUMMARY AND CONCLUSIONS

Introduction—What are the Public Social Services?—Social Service Expenditure—The Development of the Public Social Services—Trends in Development—Administrative Changes—The Growth of Social Service Expenditure—**The Constructive Community Services:** The Education Services; Deficiencies in the Present Arrangements; The Public Medical Services; The Deficiencies in the Existing Public Medical Services; The Welfare of the Blind; The Mental Health Services; The Employment Services—**The Social Insurance Services:** National Health Insurance; Weaknesses of the Health Insurance Scheme; Unemployment Insurance; The Limitations of the Existing Scheme; The Contributory Pensions Scheme; Some Difficulties; The Need for a Review of the Contributory Method; Workmen's Compensation—**The Social Assistance Services:** Non-Contributory Old Age Pensions; Unemployment Assistance; Public Assistance; The Future of the Social Assistance Services—**The Significance of the Public Social Services:** The Social Services and the Individual; Economic Repercussions of the Social Services; Needs and Capacity to Pay; The Problem of the Family; The Future of the Public Social Services; Relations with the Voluntary Social Services; The Personnel of Social Service Administration—**Immediate Needs:** The Case for a Permanent Statutory Committee.

Introduction

As long ago as 1933 the Civic Division of P E P was preoccupied with the confusion and lack of guiding principle in the British public social services. A statement of needs drawn up in February of that year pointed out that "unless a ground plan is made now the confusion will become impossible to handle. For thirty years there has been a haphazard piling up of measures, the form and precise objectives of which have been indicated by temporary circumstances, financial and political considerations and by passing fashions of administrative method." It proved, however, much easier to criticise the existing confusion than to show realistically what could be done about it. In order to give a firm factual basis for an eventual comprehensive survey P E P was compelled to set in hand a series of investigations into employment and unemployment policy, extended education, pensions, health and other aspects of the social services. Not until July 1935 was it felt that this exploratory work had gone far enough to enable a survey of the social services as a whole to be undertaken. It was hoped that the Report could be completed in a few months and that it might be kept down to a modest size, but as work went on it became apparent that the scale and complexity of the task had been underrated. The present Report is therefore larger, and very much later in its appearance than had originally been expected. Even so it has been drastically cut to bring the various parts into scale.

We realise that there are inherent weaknesses in attempting to cover in one volume so vast a range of activities, and we would like to emphasise that several of these will individually be the subject of fuller P E P Reports. For example our Report on the Health Services, now in an advanced stage of drafting, will be of the same order of size as this general Social Services Report and will be able to treat thoroughly many health aspects which have been omitted or very summarily treated. The object of the present Report is to give a bird's-eye view of the social services as a whole and to show how they relate to one another. We would not claim to have formulated anything

so ambitious as a unified plan for the social services. The aim of the group has been rather to analyse the problems which will have to be solved before the future development of these services upon socially and economically sound lines can be assured.

What are the Public Social Services?

There is, unfortunately, no generally accepted view as to what constitutes a public social service. There is no official definition and experts differ as to what services should be included under the general heading. For the purposes of this Report, however, the term Public Social Services will be restricted to those services, provided or financially assisted by the public authorities, which have as their object the enhancement of the personal welfare of individual citizens. Impersonal environmental services such as public sanitation, street lighting, housing and town planning will not be considered. War pensions will also be excluded as they are fundamentally different in character, in spite of superficial similarities, from the main body of public social provision.

The miscellaneous group of public services which are the subject of this Report fall into three broad groups. The first group, to be described as Constructive Community Services, includes education, public health and medical services, the mental health services, the welfare of the blind, and the work of the Ministry of Labour's employment exchanges, training centres and so on. The second group, to be described as Social Insurance Services, includes national health insurance, unemployment insurance and widows', orphans', and old age contributory pensions. Although the Workmen's Compensation Scheme is not a public service in the ordinary sense of the term, it was established by law and is supervised by a government department. It will be considered very briefly together with the three major social insurance schemes. The third group, to be described as Social Assistance Services, includes non-contributory old age pensions, the work of the Unemployment Assistance Board, and the manifold services of local public assistance committees.

Social Service Expenditure

The total expenditure on the public social services included in these three groups amounted to over £400 million, or nearly £9 per head of the population of Great Britain, in 1934. It was equal to about one-tenth of the aggregate national income in the same year. About 71 per cent of this expenditure—some £286 million—was financed out of rates and taxes. Expenditure by the State and the local authorities on these services was between a quarter and a third of the aggregate expenditure of all government authorities—central and local—in 1934. The expenditure on Workmen's Compensation claims, which is not included in the above figures, was about £11 million in 1935—the whole amount being borne by employers of labour.

The importance of these services may also be judged by the fact that some twenty to twenty-five million people benefit from them every year, and that they touch the lives of the great majority of the population at a dozen or more points during the course of a lifetime. Never before have the public services of the State been so continuously and intimately bound up with the family life of ordinary citizens as they have been in recent years.

The Development of the Public Social Services

Most of the public social services are of comparatively recent growth. The relief of the poor throughout Great Britain, and public education in Scotland, go back for more than three centuries, and there has been some public aid for education in England and Wales for over a hundred years. But the rest of the public social services are very largely the product of the last third of a century. Meals for necessitous schoolchildren, non-contributory old age pensions, many of the public medical services, the employment exchange system and unemployment and health insurance were established between 1906 and the outbreak of the war. The development of the maternity and child welfare service and the blind welfare service on a national scale has largely taken place since the war. Widows', orphans', and old age contributory pensions did not come until 1925, whilst the State unemployment assistance service is not yet three years old.

These developments reflect a fundamental change in public opinion concerning the part which should be played by the State in relation to social affairs. During the greater part of the nineteenth century the prevailing social philosophy was generally hostile to any activity of the State which might be held to undermine the independence, self-reliance and initiative of the individual. By the end of the century, however, it had come to be recognised that unless the State was prepared to undertake much wider responsibilities for the individual welfare of ordinary citizens, the poverty problem and the complex of social evils associated with it would never be dealt with effectively. The industrial depressions of the last quarter of the century, the writings of the Fabians, the revelations of social investigators such as Charles Booth, and the pressure of a newly-enfranchised and eager electorate all combined to effect a revolution in accepted habits of thought and prepared the way for the great advances of the early years of the present century.

Trends in Development

The actual development of the public social services has been marked by two important trends (i) the evolution of *public* social services out of *voluntary* social services; and (ii) the abandonment of the conception of a comprehensive poor relief service based on destitution in favour of a number of specialist services based either on common citizenship, or on a contract of social insurance. Practically every public social service has its origin in some form of voluntary provision. It is not long since voluntary organisations monopolised the whole field outside the Poor Law, but the tendency has been for them to be replaced or their work taken over by statutory authorities. Nevertheless, they still play an important part in the administration of some public social services to-day. The break-up of the comprehensive poor relief service has been partly due to changes in public opinion concerning the responsibilities of the State and partly to the spirit in which the nineteenth century Poor Law was administered. It is conceivable that most of the new social services of the last thirty years might have evolved within the comprehensive framework of the Poor Law if the spirit of the "workhouse test" and a narrow interpretation of "less eligibility" had not created an atmosphere which was wholly prejudicial to such a development. As it was, social reformers turned their attention

to building up an independent system of specialised services without a destitution test. These new services have proved remarkably successful, but they have grown up in a very piecemeal way, without much regard either for consistency of principle or for the effect of one service on another. Moreover, they have left wide gaps for the Poor Law to fill. Poor relief, or public assistance as it is now called, was given to over a million and a half people in 1934 at a net cost of nearly £46 million.

Administrative Changes

The rapid growth of the public social services has resulted in many changes in public administration. These changes cannot be considered in any detail in this Report, but attention must be drawn to two important developments: (i) the change-over from administration by local *ad hoc* boards dealing with particular services, to administration by "omnibus" local authorities; and (ii) the growth of the centralised services.

Fifty years ago the relief of the poor and the administration of elementary education in England and Wales were in the hands of *ad hoc* authorities, responsible to their own special electorates. As a result of the reforms of local government which took place in 1888 and 1894, the Education Act, 1902, and the Local Government Act, 1929, the county and county borough councils have now emerged as the major local authorities responsible for the administration of *all* the public social services which have not been centralised. Similar developments have taken place in Scotland. On the other hand, there has been the tendency in the direction of specialisation of administration—this time at the centre instead of locally. Up to 1908, all the public social services were administered locally, but the non-contributory old age pensions scheme, the employment exchanges, health and unemployment insurance, and the contributory pensions scheme were administered centrally from the beginning. In 1935 an unemployment assistance service, responsible for meeting the basic needs of several hundred thousand families, was established with centralised administration.

The Growth of Social Service Expenditure.*

The total expenditure on the public social services in Great Britain increased from £35.5 million (or 19s. 2d. per head of population) in 1900 to £201 million (or £4 14s. per head) in 1920, and to £400.8 million (or £8 16s. per head) in 1934. Thus total expenditure was multiplied by eleven and expenditure per head of population was multiplied by nine in the course of thirty-four years. Net *public* expenditure on these services did not increase quite so much as a great part of the income of the social insurance was derived from contributions, and there were other sources of income in the case of some of the constructive community services. In 1900 net public expenditure on the services was £34 million (or 18s. 5d. per head of population). By 1920 it had risen to £198 million (or £4 12s. per head). In 1934 it was £286 million (or £6 6s. per head). Thus the total burden borne by the taxpayer and ratepayer was over eight times as great in 1934 as it was in 1900, and the burden per head of population had increased sevenfold. The increased relative importance of social service expenditure in the budgets of central

* It should be remembered that expenditure on housing and war pensions is not being taken into account in this Report.

and local authorities is shown by the fact that in 1900 this form of expenditure accounted for less than one-seventh of their aggregate expenditure, whereas in 1933 it accounted for nearly one-third. Even when every allowance is made for the rise in prices the trends are obvious. All these great changes are bound to figure largely in, if not to dominate, the social history of our times.

THE CONSTRUCTIVE COMMUNITY SERVICES

The constructive community services are the basic social services. They play a vital part in maintaining and raising the general standard of individual and social welfare. They provide constructive services—not cash allowances—and they provide them on the basis of common citizenship, to all who need them, irrespective of occupational status or social class. Nevertheless, they accounted for less than a third of the total expenditure on the public social services in 1934.

The Education Services

The public education services of Great Britain were responsible for the expenditure of nearly £106 million, over a quarter of the total expenditure on the public social services, and about four-fifths of the expenditure on the constructive community services in 1934. This was over five times as much as was spent on education in 1900.

The public system of education includes the following types of provision:

(i) Special nursery schools for about 5,000 children, and nursery and infant classes in ordinary elementary schools for about 170,000 children between the ages of 2 and 5.

(ii) Elementary schools for over 6 million children between the ages of 5 and 14 plus (including a growing number of special senior schools, central schools, and advanced divisions of boys and girls between the ages of 11 and 14 plus).

(iii) Secondary schools, junior and senior technical, art and domestic science schools, and day continuation schools for nearly half a million selected pupils of various ages up to 18.

(iv) Evening classes and institutes for over a million persons over the age of 14.

(v) Universities, university colleges, training colleges, and other higher educational institutions for some 80,000 students aged 18 and over; and

(vi) Adult educational classes of various types (including full-time adult courses in residential institutions) for about 55,000 students.

(vii) Special schools for about 64,000 defective children: blind, partially blind deaf and dumb, crippled, epileptic and mentally defective.

(viii) "Approved schools" (formerly Industrial and Reformatory schools) for about 9,000 young offenders.

(ix) Junior instruction centres for over 20,000 unemployed boys and girls between the ages of 14 and 18.

(x) A school medical service, meals for necessitous schoolchildren, day nurseries and evening play centres and other services.

Between the ages of 5 and 14 education is compulsory and, in so far as it is provided within the elementary system it is free. Before the age of 5 and after the age of 14 education is voluntary and, largely as a result of scholarships and free place arrangements, it is free for about half of those taking advantage of it. In the remaining cases fees are paid, but they are frequently nominal and seldom cover more than a small proportion of the cost of the education which is provided. Maintenance allowances are paid to about a hundred thousand boys and girls mainly in attendance at secondary, technical and art schools, and to several thousands of young men and women attending universities, training colleges and other higher educational institutions.

The direct control of educational administration in Great Britain is largely in the hands of 351 local education authorities: the county and large burgh councils in Scotland, and the county and county borough councils and the councils of 146 non-county boroughs and 24 urban districts in England and Wales. In Scotland the county and county borough councils are responsible for both primary and advanced education. But the position is complicated in England and Wales by the part played in educational administration by the non-county boroughs and urban districts. These authorities—known as Part III authorities—are only responsible for elementary education within their areas. Thus, while the county boroughs councils and 14 county councils in England and Wales have control of both elementary and higher education in their areas, in 49 counties there is a patchwork division of authority between the county councils administering higher education and the Part III authorities administering elementary education. There are numerous examples of combinations between local education authorities for special purposes.

The Board of Education in England and Wales and the Department of Education in Scotland are the actual authorities for educational administration, but the Ministry of Agriculture and the Scottish Department of Agriculture are responsible for agricultural education, and the Home Office is responsible for the Approved Schools.

The universities and university colleges are self-governing institutions, except in so far as they provide courses for the training of teachers, for which the central departments are responsible.

An important feature of the public system of elementary education in England and Wales is the part played in it by voluntary bodies. More than half the elementary schools in England and Wales, with almost a third of the children on their rolls, are voluntary schools, provided and partly controlled by religious organisations. A large number of voluntary workers take part in the provision of certain auxiliary educational services such as the work of care committees of the London County Council and other local

education authorities, and the 77 local juveniles organisations committees in different parts of England and Wales. There are also a number of voluntary organisations—such as the societies attached to the Invalid Children's Aid Association—which use the school as the centre of their activities.

Deficiencies in the Present Arrangements

In spite of the wide range and important achievements of the public system of education in Great Britain, it cannot be claimed that it is free from gaps and shortcomings.

(i) The provision of nursery schools and classes is still very inadequate.

(ii) There are still over a thousand schools on the "black list" in England and Wales alone.

(iii) There are over four thousand classes with more than 50 children in England and Wales alone.

(iv) The reorganisation of elementary schools on the "Hadow" plan is still very far from complete, especially in the Home Counties and in rural areas. Many new school buildings are needed, not only to reduce the size of classes and replace out-of-date premises, but also for new and much more varied forms of post-primary education.

(v) For the great majority of boys and girls formal education ceases entirely at the age of 14 plus. The Education Act, 1936, raises the school leaving age to 15 in 1939, but its exemption provisions are very unsatisfactory, and will probably destroy its effectiveness. Moreover, it does nothing for the important 15 to 18 age group.

(vi) In spite of existing scholarship provisions and arrangements for maintenance grants, it cannot be said that every child is able to get the education for which he or she is fitted, even when the facilities exist. Improved scholarship and maintenance grant provisions, together with more selective tests on entrance to higher educational institutions are plainly needed.

(vii) The dual arrangement whereby most of the county education authorities in England and Wales are only responsible for elementary education over part of their areas has become peculiarly anomalous since the introduction of the "Hadow" scheme of reorganisation. In many areas some forms of post-primary education are administered by one authority and other forms by another authority, sometimes with considerable friction. The elimination of Part III authorities and the development of joint authorities for education on regional lines would probably lead to considerable easiness of administration, as well as to the improvement in the services provided.

The Public Medical Services

The public medical services of Great Britain may be summarised briefly as fo llows:

(i) The maternity and child welfare services usually include ante-natal clinics, maternity hospitals, a midwifery service, infant welfare centres, and a system of home visitation by health visitors. Most maternity and child welfare authorities provide institutional treatment for the diseases of young children, and many authorities provide convalescent homes. Some authorities provide day nurseries, toddlers' playgrounds and kindergartens, and a few authorities provide home nurses for maternity cases and sick children needing special care. Milk and other foods are also supplied by many authorities.

(ii) The school medical service provides medical inspection for all schoolchildren and the treatment of minor ailments and conditions in certain cases. All elementary schoolchildren in Great Britain undergo a routine medical examination three times in their school lives. In London and some other areas they are examined four times. In addition to these routine examinations, there are special examinations of defective children and children found suffering, or suspected of suffering from, particular ailments. Medical treatment is provided in school clinics (and, in many cases, in local hospitals) by most authorities, but there are wide variations in the practice and quality of service provided by different authorities.

(iii) Public institutional treatment is now provided for most infectious diseases. There exist for this purpose about a thousand isolation hospitals with nearly 50,000 beds. A large number of infectious cases are also treated in special wards of general hospitals. Vaccination is compulsory, subject to a conscience clause, and immunisation against diphtheria is provided by many local health authorities.

(iv) There is now a comprehensive tuberculosis service in practically every part of Great Britain. The scope and quality of the service varies considerably, but most schemes provide for an examination of suspected cases at a dispensary or clinic, or in the patients' own homes; following up suspected cases in their homes; domiciliary supervision where institutional treatment is not considered necessary; and institutional treatment in sanatoria or hospitals.

(v) The venereal diseases service normally includes the organisation of lectures and the publication of information, the examination of specimens, the distribution of free salvarsan or its substitutes to general practitioners, and the provision of centres for diagnosis and treatment.

(vi) The general hospital service of the local authorities dates from 1930 when the Local Government Acts, relative to England and Wales and to Scotland, respectively, provided for the appropriation of Poor Law hospitals for general hospital purposes. There are now a large number of hospitals of this type, but very few appropriations have yet been made in county areas.

(vii) The Highlands and Islands medical service is a regional service cutting across the ordinary local government system over a large area in North and West Scotland. It provides transport facilities, travelling allowances and supplementary fees to doctors in scattered districts; gives assistance to nursing associations, voluntary hospitals and local authorities; and supplements the remuneration of surgeons and others in outlying places.

(viii) The Factory Department of the Home Office employs medical inspectors, and the Mines Department and the Board of Trade a medical inspector of mines. Certifying factory surgeons, and "appointed" surgeons under the Factory Acts, must respectively examine young persons under 16 within seven days of their employment in any factory, and all employees in dangerous trades at regulated intervals.*

The only public medical service which is compulsory and free is the vaccination service, but more than half the parents of children born each year take advantage of the "conscience clause."

Certain other services are free: maternity and child welfare (except in certain residential institutions); the medical inspection (but not the treatment) of schoolchildren; the tuberculosis and venereal diseases services (except the treatment of certain cases in institutions) and the infectious disease service.

Free accommodation and treatment are available in general hospitals and some other residential institutions, but local authorities are obliged to make an attempt to recover some part of the cost. A nominal charge is usually made in the case of school medical treatment, but it is frequently omitted.

The administration of most of the public medical services is shared between the two central departments, the Ministry of Health and the Department of Health for Scotland, and a large number of local authorities with varying powers. The functions of the central departments are primarily supervisory, but their statutory powers and control over government grants and local borrowing enable them to control the policy of local public health authorities to a considerable extent. The principal local authorities administering the public medical services are the county and county borough councils in England and Wales and the county and large burgh councils in Scotland. But the position, particularly in England and Wales, is seriously complicated by the existence of minor public health authorities for different purposes. Thus, in England and Wales, there are 147 municipal boroughs and 96 district councils administering the maternity and child welfare service; and 146 municipal boroughs and 24 district councils administering the school medical service in elementary (but not secondary) schools. In England and Wales, the infectious disease service is controlled by a multitude of small local authorities. On the other hand, Scotland provides an excellent example of regional administration in the Aberdeen Regional Scheme, covering the public medical services of the counties of Aberdeen and Kincardine, and of the city of Aberdeen.

* A Factories Bill consolidating and amending existing legislation is now before Parliament.

The Deficiencies in the Existing Public Medical Services

The British public medical services are, in some respects, the best of their kind in the world, but there is room for much improvement, not only in the scope and quality of the provision which is made, but also in the administrative and financial arrangements on which the services depend. In view of the forthcoming P E P Report on the Health Services, these services are not dealt with fully in this Report, but some of the principal deficiencies of the existing arrangements are summarised below:

(i) The persistence of high rates of maternal mortality and morbidity suggests that the maternity services are still far from satisfactory. A comprehensive maternity service has yet to be created and there is a serious lack of trained midwives. The Midwives Act, 1936, should go far to improve the present arrangements, but the Maternity Services (Scotland) Act, 1937, goes a great deal further.

(ii) The infant welfare service has reached a high level of quality so far as children under a year old are concerned, but the supervision of children between the ages of 1 and 5 is both incomplete and unsatisfactory. It is also desirable that the practice of supplying milk and other foods to expectant and nursing mothers and to young children should be extended.

(iii) The school medical service varies enormously both in scope and quality. This indicates that there is much leeway to be made up by many local authorities. The number of routine medical examinations should be increased and the dental service, which is gravely inadequate, should be extended and improved.

(iv) The defects of the infectious diseases service are chiefly defects of age. Institutional accommodation is old-fashioned and uneconomical. Schemes for the concentration and improvement of isolation hospital accommodation are now being carried out, but much remains to be done before the service is completely modernised.

(v) The elimination of tuberculosis is bound up with the elimination of poverty, bad housing and overcrowding, but there is room for much improvement in the quality of the tuberculosis service, especially in rural areas. Large up-to-date institutions providing modern treatment are needed in some parts of the country, and there is an urgent need for a concerted attack by tuberculosis officers, general practitioners, industrial welfare workers and others to reduce the heavy toll of tuberculosis on young people between 15 and 25 years of age.

(vi) The general hospitals service is still young, but the progress of converting Poor Law hospitals into public hospitals is rather disappointing. The time has also come for a new hospitals policy defining the respective spheres of voluntary and public hospital development, and laying down the terms for fruitful co-operation between the two types of institutions.

(vii) There are so many variations and anomalies in the bases of provision of the different public medical services in different parts of the country that an official survey of the whole question of fees, payments, and cost of recovery is now due.

(viii) The existing arrangements for the local administration of the public medical services are very unsatisfactory. It is plainly desirable that the county and county borough councils in England and Wales and the county and large burgh councils in Scotland should eventually become "omnibus" authorities for the local public medical services. Meanwhile, it is very desirable that the authorities for school medical inspection and treatment (in all types of school) and the authorities for maternity and child welfare should be assimilated to each other. Further experiments along the lines of the Aberdeen Regional Scheme would probably result in considerable economies of administration as well as an improvement in the services provided. They might also make it possible to equalise rate-burdens over wide areas in which great disparities exist to-day.

The Welfare of the Blind

Schemes for the welfare of the blind are now provided by all county and county borough councils in England and Wales, and by all county and large burgh councils in Scotland. They usually include arrangements for the proper certification of blindness and for the training and employment of employable blind people in workshops or in their own homes; provision of a home treatment service; and the organisation of general welfare and recreational activities. But there is a wide range in the generosity of provision by different authorities, and home workers schemes, in particular, are insufficiently developed in some parts of the country. Less than half the blind welfare authorities in England and Wales grant domiciliary assistance to blind persons under the Blind Persons Act, 1920, rather than under the Poor Law. Since 1920 non-contributory old age pensions have been payable to blind persons at the age of 50, and the pension age is shortly to be reduced to 40. Voluntary organisations play an important part in blind welfare work, but there has been a tendency in recent years for many local authorities to increase their share in the direct administration of blind welfare schemes.

The Mental Health Services

The Mental Health services provide for two distinct types of person. The Mental Treatment Service (formerly the Lunacy Service) deals with persons suffering from mental disorders. The Mental Deficiency Service deals with persons suffering from arrested development of mind.

Persons suffering from mental disorders are treated in institutions maintained by county and county borough councils in England and Wales, and by county and large burgh councils in Scotland. Some mental patients are also looked after in Poor Law institutions, particularly in Scotland; some in voluntary institutions, and some in private asylums run for profit. Most patients are in an advanced stage of disease, but there has

been a welcome tendency in recent years for sufferers to come for treatment at an earlier stage. The Mental Treatment Act (England and Wales), 1930, provided for the admission of rate-aided patients on a voluntary basis without certification and also for the admission of temporary patients. Provision was also made for the establishment of a number of out-patients' treatment clinics. Great progress has been made during the last few years in carrying out the provisions of this Act, but institutional provision is still inadequate in many areas. In Scotland the service is much less advanced than in England and Wales. Little provision is made for voluntary patients and there are very few out-patients' clinics. A great deal more needs to be done in both countries to provide preventive services and early treatment facilities.

The Mental Deficiency Service has virtually grown up since 1913. There are now special schools for a considerable number of mentally deficient children, and training schools where many of them are prepared to enter the labour market. For some mental defectives over 16 there are special institutions and residential colonies. Supervision is arranged for mental defectives needing care but living in the community. Occupational classes, industrial centres, clubs and evening classes are also organised for them.

Unfortunately, the service is by no means complete. Owing to the cost of providing special schools, large numbers of mental defective children still attend ordinary elementary schools. Moreover, the present arrangements are such that these children cannot be dealt with by the local mental deficiency authorities except in special circumstances. It is urgently necessary that the gaps in the system should be closed as early as possible and that adequate provision should be made for those who are at present unknown to, or outside the reach of, the mental deficiency authorities.

The Employment Services

The employment services of the Ministry of Labour include the nation-wide system of employment exchanges, established under the Labour Exchanges Act, 1909, the juvenile employment services, and the provision of training and welfare schemes for unemployed men and women. These services are all centrally administered by the Ministry, with the exception of the juvenile employment service in certain parts of the country. In 108 out of 304 areas the juvenile employment service is provided by the local education authority under the general supervision of the Ministry. A grant is made to the National Council of Social Services for the purpose of organising welfare schemes for the unemployed.

The officials of the local exchanges are assisted by over three hundred local employment committees, with a total membership of about 10,000. There are also over three hundred juvenile advisory (or employment) committees attached to local juvenile exchanges (or bureaux), with a total membership of 4,500. Finally, there are several regional advisory committees and advisory committees on special problems, and two national advisory committees for juvenile employment.

The employment exchange system has proved to be one of our most successful public services. Nevertheless, it only deals with about a quarter of the jobs placed each

year, and it has not yet succeeded in establishing order in some sections of the labour market. The training and reconditioning schemes only attract a small proportion of those who could benefit by them, and the industrial transference scheme, in spite of its generous provisions, only deals with a small proportion of transferees. An improvement in these services, particularly in the arrangements for training and placing unemployed workers might well result in appreciable savings on unemployment assistance. There appears to be a strong case for the compulsory notification of certain types of vacancies.

THE SOCIAL INSURANCE SERVICES

The three great social insurance schemes—National Health Insurance, Unemployment Insurance, and the Widows', Orphans' and Old Age Contributory Pensions scheme—accounted for the expenditure of about £133 million in 1934, that is just a third of the total expenditure on the public social services. But as they were financed very largely by the weekly contributions of workers and employers, they only accounted for about one-ninth of the cost of the public social services paid by the taxpayer and ratepayer. They differ from the constructive community services in being confined to a particular section of the community, those engaged under a contract of service, and the benefits which they provide are based, not on any rights of citizenship or social need, but on a contract of insurance and the payment of premiums in the form of weekly contributions.

National Health Insurance

The National Health Insurance scheme was introduced in 1911 in the face of great opposition, but it has since had a comparatively uneventful history. It is now recognised even by those whose opposition was most violent, to be one of the most important achievements of British social policy.

Membership of the scheme is compulsory for all manual workers, with certain exemptions and exceptions, between the ages of 16 and 65, and for non-manual workers whose remuneration does not exceed £250 a year. Voluntary membership (with limited rights) is available in the case of insured workers whose incomes begin to exceed £250 a year. Legislation has been promised by the present government to lower the age of entry into National Health Insurance to 15 or the school leaving age.

Insured workers and their employers pay weekly premiums of equal amount into the insurance fund, which is also subsidised by the State. Benefits are paid out of this fund in certain contingencies—sickness, disablement, or the pregnancy of an insured woman or the wife of an insured man—under statutory rules. Benefits take the form of (i) cash payments, weekly in the case of "sickness or disablement benefit," or as a single lump sum in the case of "maternity benefit"; (ii) medical services in the case of "medical benefit." Cash benefits are paid for limited periods, relative to the number of weekly contributions paid. Medical benefit is now virtually unrestricted in duration.

The standard medical benefit provided under the scheme consists of ordinary medical treatment by a general practitioner, together with the necessary medicines and ap-

pliances. It does not include the cost of consultations with specialists, operations, rare drugs and expensive appliances, hospital treatment, or anything outside the scope of the work of an ordinary general practitioner.

When the scheme was launched it was decided to use the services of a large number of friendly societies, trade unions and commercial undertakings which had considerable experience of voluntary insurance. These organisations were given an important position in the administrative structure under the name "Approved Societies." Insured persons are encouraged to enrol themselves in Approved Societies of their own choice, and the societies are allowed to distribute to their own members any additional benefits, either in cash or services, or both, which their surpluses permit. Owing to the wide variations in the character and "riskiness" of the membership of different Approved Societies, there are very wide differences in the types and amounts of additional benefit which are provided.

The scheme is administered by the approved societies and a network of local insurance committees, under the general supervision of the Ministry of Health and the Department of Health for Scotland.

Weaknesses of the Health Insurance Scheme

In its present form the National Health Insurance scheme suffers from several grave defects:

(i) It is limited in scope and makes no provision for several categories of people who should be covered, e.g. small traders and other independent workers with low incomes, and employed workers earning between £250 and, say, £400 a year.

(ii) The cash benefits which it provides in case of sickness and disablement are far too low, and (unlike unemployment benefit) take no account of the family responsibilities of the insured worker.

(iii) The medical benefits only apply to insured persons themselves. The wives and children of insured persons are not covered by the panel doctor service.

(iv) The standard medical benefits now provided are very limited in scope. They should be widened to include, at least, consultant services and dental and ophthalmic treatment.

(v) The Approved Society system results in unjustifiable variations in the payment of additional benefit between one society and another.'

(vi) The administration of the scheme by the approved societies is unnecessarily complicated and, probably, uneconomic. There should be a careful re-examination of the advantages and disadvantages of the present arrangements, and of the case for either eliminating the approved societies or reorganising them on a regional basis.

(vii) The local insurance committees perform no functions which could not be more appropriately performed by the local public health authorities, which are usually responsible for all the other public medical services in their areas.

Unemployment Insurance

The Unemployment Insurance scheme started on an experimental basis in 1911, its scope being limited to a small group of industries. It was extended during the war and in 1920, since when it has covered about two-thirds of the working population insurable under the National Health Insurance scheme. It has had many vicissitudes since 1920, partly owing to the severe and prolonged unemployment of the post-war years, and partly to confused administration and the vagaries of politicians. In its present form the scheme is governed by the Unemployment Act, 1934 (Part I). A special scheme for agricultural workers was introduced in 1936.

Membership of the scheme is compulsory (with certain important exemptions and exceptions) on all manual workers and non-manual workers earning up to £250. Individual workers, employers and the State pay weekly premiums of equal amount into the insurance fund, out of which weekly cash benefits, on a fixed scale, are paid during unemployment. The possible duration of benefit is normally 26 weeks, but it may be a longer period up to 52 weeks, according to the number of weekly contributions paid. Both contributions and benefits are rather lower in the special scheme for agriculture than they are in the main scheme, on account of the low wages which are paid to agricultural workers. When unemployed workers have exhausted their right to unemployment benefit they must apply for further help, if they need it, to the Unemployment Assistance Board.

The scheme is administered centrally by the Ministry of Labour, but in a few industries the services of trade unions are used in local administration. An Unemployment Insurance Statutory Committee watches over the finances of the scheme, and makes recommendations to the Ministry of Labour concerning changes in rates of contributions and benefit, the use of surplus fund, and other problems.

The Limitations of the Existing Scheme

The Unemployment Act, 1934 (Part I), placed the unemployment insurance scheme on a sound financial basis and, by establishing the Unemployment Assistance Board as a second line of defence for those who exhaust their benefit rights, made doubly sure that it would not be overwhelmed by another severe depression. At the same time it provided for future changes and developments by setting up the Unemployment Insurance Statutory Committee to make recommendations to the Minister. There appears to be a strong *prima facie* case for the following developments:

(i) An extension of the compulsory scheme to employed workers earning between £250 and £400 a year. The Statutory Committee has already recommended this change.

(ii) A revision of the scale of benefit allowances in order to make them compare rather more favourably with the allowances of the Unemployment Assistance Board in family cases.

(iii) A revision of the rules governing the operation of the scheme which at present make it possible for particular groups of employers or workers, or both, to take unreasonable advantage of their tactical position in drawing on the insurance fund.

(iv) A re-examination of the financial position of the scheme with special reference to the debt of £105 million. Should the contributions of workers and employers continue to be burdened with this legacy of insolvency from the years before 1931?

The Contributory Pensions Scheme

The Widows', Orphans' and Old Age Contributory Pensions scheme was introduced in 1925 and became fully effective by January 1928. It was extended by an amending Act in 1929. The scheme now covers, with a few additions, roughly the same persons who are covered by the National Health Insurance scheme. It provides three kinds of pensions: (i) pensions for the widows of insured men, with temporary allowances for dependent children; (ii) allowances during childhood for the orphans of insured persons; and (iii) old age pensions for insured persons, and for the wives of insured men, between the ages of 65 and 70. At the age of 70 insured persons and the wives of insured men receive pensions under the Old Age Pensions Acts, 1908-24, but without any means test. The total number of beneficiaries at the end of 1935 was 1,844,000, of whom over 755,000 were widows (with over 300,000 children), about 17,000 were orphans, and over 770,000 were old age pensioners. The scheme is financed by contributions from employees and employers, with an annual grant from the Government which amounted to £14 million in 1936, but which is being increased by £1 million a year. A new scheme making it possible for small traders, professional, and other independent workers, earning up to £400 per annum (£250 per annum in the case of women), to insure voluntarily on very favourable terms, is being introduced by the present Government.

Some Difficulties

The contributory pensions scheme is one of the most popular of the British social services, but it is open to criticism at several points. While the pension of 10s. a week for a widow or an elderly person was never intended to cover all needs, a great many widows and elderly persons do, in fact, depend entirely upon it when they are not working. In these cases the pension is quite inadequate and a large number of pensioners have to apply for additional help from the public assistance authorities. The inadequacy of the old age pension is felt to be specially hard when an insured man reaches pensionable age, but his wife—a few years younger—has to wait until she is 65 before getting her pension. On the other hand, there are many widows and elderly persons in employment at good wages who have not the slightest need for a pension. There is a strong case for

increasing the amount of the old age pension by at least 5s. a week, conditional on the *retirement* of the recipient from any insurable occupation, and for allowing wives not more than five years younger than their husbands to draw their pension when their husbands reach the age of 65.

The Need for a Review of the Contributory Method

In view of the desirability of extending the social insurance schemes in various directions it is desirable that there should be a careful examination of the working of the contributory method of finance. This method is at present very popular and there is no reason to suppose that it cannot be made to yield considerably larger sums than it does to-day. But it is important not to press this method of finance to the point at which it becomes a real burden to industry and to low paid wage-earners. The possibility of modifying the existing flat-rate system of contributions should not be ignored, and the distribution of the total burden of social insurance contributions (including the employers' contributions to workmen's compensation insurance) between employers, employees and the State should be examined.

Workmen's Compensation

The Workmen's Compensation scheme is not a public social service, but it was established by law, and the State, through the Home Office, plays an important part in governing its operation. Compensation is now payable in respect of all persons, except non-manual workers earning more than £350 a year, working under a contract of service or apprenticeship in the event of death or personal injury by an accident arising out of and in the course of their employment. Compensation is also payable in the case of a long list of occupational diseases. The whole burden of compensation falls on the employers, who normally insure their risk either with a commercial insurance company or an employers' mutual indemnity association. Employers are not compelled to insure, except in the coal mining industry. Compensation for death takes the form of a lump sum, varying from £200 to £600, according to the worker's normal wages and responsibility for dependants. In the case of accidents weekly payments are made, varying with normal wages and family responsibility and also according to whether the incapacity is temporary or permanent. Under certain conditions weekly compensation payments may be commuted for a lump sum. Claims are settled by agreements between the parties or by judges of the county courts, acting as arbiters. Considerably reduced court fees are charged in workmen's compensation cases.

The present position of the workmen's compensation scheme in relation to the public social services is very anomalous, and the existing arrangements for settling claims are far from satisfactory. Moreover, the system of making lump sum payments frequently produces socially bad results. It is to be hoped that the Departmental Committee on the Workmen's Compensation Acts, which is now sitting, will make constructive suggestions for improving the present arrangements, and that it will also report on the possibility of making the workmen's compensation scheme part of the public social insurance system of the country.

THE SOCIAL ASSISTANCE SERVICES

The social assistance services are the residual social services. They provide for those whose resources are either exhausted or limited in amount. Unlike the social insurance services they are not restricted to the members of a contributory class, and the services which they render are conditioned by a test of needs or of available resources. Two of them—unemployment assistance and public assistance—may be described as basic relief services, discretionary in their application and intended between them to cover the needs of all destitute citizens irrespective of age or status. The non-contributory pensions scheme, on the other hand, is based upon a different conception, nearer to that of social insurance, which established a legal right to a fixed weekly payment on proof of status.

Non-Contributory Old Age Pensions

The non-contributory old age pensions scheme was introduced in 1908 and has since been extended by several Acts of Parliament, the last having been passed in 1924. It provides a full pension of 10s. 0d. a week to all persons over 70 (in the case of blind persons over 50*) who satisfy a test of nationality, residence and means. Reduced pensions are payable in the case of persons whose means are above the limit for a full pension but below a maximum limit. In 1926 there were over a million beneficiaries under this scheme, but the numbers had dropped to 662,500 by 1935-6 owing to the increasing number of unconditional old age pensions granted to persons over 70 who were provided with pensions under the contributory scheme. As more and more contributory pensioners reach the age of 70 the number of non-contributory old age pensioners will continue to decline. Eventually the scheme will in practice be limited to those who are outside the contributory insurance class, and will play a relatively small part in British social service provision. The cost of old age pensions paid under the contributory scheme, on the other hand, may be expected to account for a steadily increasing share of the total cost of the public social services.

The present scheme is administered by the Commissioners of Customs and Excise, who make the necessary investigations of the circumstances of applicants through their local pensions officers ; local pensions committees, appointed by the local authorities, which hear and determine applications ; and the Minister of Health, who hears appeals. The Post Office also takes part by making the actual payments.

The great majority of pensioners appear to get along on their pension, supplemented by earnings, private means of family help, but a significant minority find it necessary to appeal for extra help from the public assistance authorities. Separate figures are not available for the over 70 class, but over 200,000 old age pensioners of all kinds of 65 and over were receiving public assistance in England and Wales in January 1936.

Unemployment Assistance

The unemployment assistance service is the most recent public social service. The Unemployment Assistance Board, which was set up under the Unemployment Act, 1934, only began operations in January 1935. It was charged with the duty of providing for the

*Pensions for the blind are shortly to become payable at the age of 40.

household needs and general welfare of the able-bodied unemployed outside the insurance scheme. In January 1935, it took over the responsibility for the insured unemployed, who had previously been receiving transitional payments. Thus it replaced the temporary arrangements, which had been in operation since the Economy Act of October 1931, whereby insured persons who had exhausted their right to unemployment benefit were given assistance out of national funds, subject to a locally administered "Means Test." On April 1st, 1937, it became responsible for meeting the needs of over a hundred thousand able-bodied unemployed persons who were previously in receipt of local public assistance. Thus a centralised service, with a national scale of allowances, and a standardised household needs test, became responsible for practically the whole field of unemployment relief.

The new service encountered serious difficulties during the first few weeks of its work. As soon as the effects of the first determinations of need made under the new arrangements came to be known there was a public outcry and a parliamentary crisis. As a result a Standstill Order was passed, under which the assessment of need was to continue on the lines previously followed by the local public assistance committees under the transitional payments scheme, and the new scheme was only to be enforced where applicants would gain by it. This extraordinary dual arrangement is still partly in force, but the introduction, in November 1936, of a new and rather more generous scale of allowances and regulations has in practice limited its operations to a relatively small number of cases where the earlier determinations were exceptionally high. These cases are now being "liquidated" gradually, but it is not expected that the cuts necessary to bring them into line with the new standards of assistance will be completed until April 1938.

During the year 1935 the average number of applicants for assistance was about 750,000, but the number has now fallen to less than 600,000. More than half of unemployment assistance cases have been out of work for over 12 months, and a large proportion of them are concentrated in depressed industrial areas. In the rest of Great Britain all save a small proportion of the unemployed are carried by the unemployment insurance scheme.

The Unemployment Assistance Board itself consists of six members appointed for a term of years. It is independent of the Ministry of Labour and has its own headquarters and staff, but the receipt of new applications and the actual payment of allowances is undertaken by the Ministry of Labour's employment exchanges. Certain other services are also prepared by the Claims and Record Office of the Ministry at Kew. The actual determination of need is undertaken by Area Officers, under the general supervision of District Officers, in conformity with the scale of allowances issued by the Board and approved by Parliament, and with the Board's own views expressed in instructions and memoranda. But it is estimated that discretionary assessments to meet special circumstances are made in over a fifth of the cases dealt with at one time. A system of local advisory committees was established in 1936 in order to bring the Board into touch with local opinion and to advise the Board on such matters as local rent allowances and the gradual elimination of determinations made under the Standstill Order. There is also a system of Appeals Tribunals to which aggrieved applicants may have recourse, but the volume of appeals has so far been relatively small.

The Unemployment Assistance Board may be congratulated on having created a great national service for the assistance of the able-bodied unemployed. It has eliminated most of the wide variations in local treatment which were a serious weakness of the transitional payments scheme, and it has gone far towards establishing an acceptable standard of assistance for those who have been out of work for long periods. The service suffers, however, from several weaknesses :

(i) It is not comprehensive : an unemployed man normally in receipt of more than £250 a year would have to go to a public assistance committee if he needed help ;

(ii) The determination of the scope of the service by the condition that an applicant must be capable of and available for work is unsatisfactory and leads to administrative confusion ;

(iii) There is a good deal of overlapping of service between the Unemployment Assistance Board and the Local Public Assistance Authorities in particular cases ;

(iv) Although certain discretionary powers are expressly conferred on Area Officers, the use of discretion tends to be mechanised by an elaborate code of rules ;

(v) The scale of allowances for household with no child or one child compares favourably with the B M A minimum standards. For households with two or more children the comparison is unfavourable, though the application of the scale in particular cases is often modified by supplementary grants for special purposes.

(vi) The constitutional position of the Board in relation to the Minister of Labour and to Parliament is anomalous.

Public Assistance

The poor relief system is the oldest public social service and it remains one of the most important services in spite of the growth of other more specialised forms of social provision. It is essentially a "last resort" service to which few people have recourse until they have exhausted all reasonable means of meeting their needs in other ways. It is a "salvage" service in the sense that it provides for those who are not only unable to provide for their own needs but who cannot obtain all the help they need from the other public social services.

Poor relief is now administered by the public assistance committees of the county and county borough councils in England and Wales, and by the county and large burgh councils in Scotland. It is given in two principal forms: (i) indoor relief in an institution; and (ii) outdoor relief in the applicant's own home.

Institutional relief is provided in many different kinds of institutions ranging from the general workhouse or "Poor Law Institution," with its infirmary and casual wards, to hospitals, clinics, district asylums, children's homes, homes for aged people and homes

for the mentally disordered and defective. Many of these institutions have been transferred from the public assistance committees to other committees of the county and county borough councils under the Local Government Act, 1929, but even in such cases the public assistance committees continue to use them for destitute persons under their care. About 180,000 persons (including 11,000 casuals), or 13 per cent of the persons in receipt of poor relief in England and Wales were relieved in institutions of one kind or another in January 1936. About half of these persons were suffering from some physical or mental infirmity.

Outdoor or domiciliary relief usually takes the form of a cash allowance, based on an assessment of household need. It may, however, take the form of relief in "kind," as, for example, in cases of sudden or urgent necessity or where some special need, such as extra nourishment, medical or surgical aids, is present. Poor relief in the form of medical services is provided by the district medical officer of the public assistance authority. Of the 1,207,000 persons (including dependants) who were in receipt of domiciliary relief in January 1936, about 330,000 were relieved "on account of unemployment," and some 420,000 "on account of sickness, accident or bodily infirmity." The great majority of the remainder were widows and wives separated from husbands, old people needing to have their pensions supplemented, and dependent children. Since April 1, 1937, over a hundred thousand persons, relieved "on account of unemployment," together with their dependants, have been transferred from the public assistance authorities to the Unemployment Assistance Board.

The Future of the Social Assistance Services

There are at present three social assistance services, but it is very doubtful whether there is any justification for more than one. As the contributory class of old age pensioners increases the non-contributory class receiving pensions is diminishing. Nevertheless, many of these pensioners have to have their pensions supplemented by public assistance. Would they not be more conveniently served by a comprehensive public assistance service covering them all from the beginning, without necessarily changing the terms on which they receive their pensions? An extension of unemployment insurance would reduce the number of persons needing unemployment assistance. Would not this residual class also be more conveniently and satisfactorily served by a comprehensive public assistance service? These changes may not be immediately practicable, but we believe that they ought to be envisaged as part of a long-term plan of social service development. Meanwhile, it is important that a number of problems common to the existing unemployment assistance and public assistance services—such as the form of needs tests to be applied in different circumstances, scales of allowances, "less eligibility," and the treatment of difficult cases and the relation of the assistance services to the constructive services —should be carefully examined.

THE SIGNIFICANCE OF THE PUBLIC SOCIAL SERVICES

Four distinct elements are traceable in the British public social services: (i) the charitable urge to help out people in suffering or distress; (ii) the social motive of setting minimum standards of education, hygiene, medical treatment and so on in the interests of

the community; (iii) the democratic tendency towards reducing inequalities of status and opportunity; and (iv) the "self-help" philosophy of encouraging or compelling people, by schemes of organised thrift, to protect themselves against risks to which they are exposed. These four elements have been visible in some form at every stage in the development of the social services, although their relative importance has changed from time to time.

The Social Services and the Individual

From the viewpoint of the individual there is an important distinction between the social insurance services which compel and assist him to make some provision against specific contingencies, such as unemployment, sickness, or old age, and the rest of the social services. In the former services the benefits are formalised and are administered on an impersonal routine basis. There are no inquiries into personal or family circumstances, and the way the benefits are used remains the responsibility of the individual.

In the case of the other social services, the community has not only to make the service available, but to take some responsibility for the manner of its use, whether in education, the welfare of the blind, or the assistance of persons who have been out of work for long periods. Unlike the social insurances, these services involve individual treatment, and when they are provided on "mass-production" lines (as in very large elementary school classes, and unemployment assistance in depressed areas) they cannot be wholly satisfactory.

The popularity of the contributory method is a remarkable feature of the public social services in their present phase. Wage-earners want the benefit of as many as possible of the comforts and specialised services enjoyed by the well-to-do, and they want them not as "charity," but as a right. Means tests and systems of cost recovery, on the other hand, are unpopular because they usually expose the beneficiary to some sort of enquiry into his personal circumstances. But the popularity or otherwise of particular forms of public social services at their present stage of development should not be allowed to obscure the fact that the needs which social services fill, or should fill, are constantly changing, and therefore new developments and adjustments are continually needed.

Economic Repercussions of the Social Services.

A detailed investigation of the economic repercussions of the public social services is outside the scope of this report, but it must not be forgotten that these repercussions are important. The public social services represent an elaborate mechanism for the redistribution of income, both as between different classes in society and as between one section and another of the beneficiaries themselves. They also make a significant contribution to the accumulation of public savings under the control of the Treasury.

On the other hand, the social services are so intimately bound up with the economic life of the community that every change in price and wage levels, or in habits of life, must have repercussions on them. This is particularly marked in the clash between low wages and rates of insurance benefit and social assistance, and in the difficulty of dealing with wide differences in the economic circumstances of different localities.

Needs and Capacity to Pay

The contribution of beneficiaries to the finances of the public social services raises many problems. The adjustment of service to need, and contribution to capacity to pay, is only possible within certain limits. Free services are expensive, and in some cases might result in abuses. Means tests and cost recovery schemes, unless they are carefully devised, tend to undermine personal responsibility at the same time as they affirm its importance. Flat rate contributions fall more heavily on lower paid workers than on those who are well paid. But we have not exhausted the possibilities of improving the present arrangements. The form of particular means test and cost recovery systems might be modified and insurance contributions might be broadly differentiated according to income.

The Problem of the Family

The failure of the wage-system to take any account of the disparities in family responsibilities is one of the greatest obstacles to further extensions of social provision. Poorly paid workers with large families cannot afford anything more than moderate contributions, fees, rents or other charges. On the other hand, they cannot be served adequately when they fall out of employment without making their position more favourable than it is when they are working. This difficulty might be overcome by an upward adjustment of wages in low paid occupations, but there are many difficulties in the way of the general application of such a policy. Another expedient would be to introduce the principle of family allowances into the general wage and salary system. The cost of paying adequate family allowances in respect of every child out of the proceeds of taxation would be very great, but a modified scheme involving the payment of 5s. a week in respect of each child after the third in each family would cost rather less than £7 million a year. In the meantime more might be done through the existing social service system to readjust the burden.

The Future of the Public Social Services

The wage-earning and small salary-earning classes as a whole have shown by the scale of their voluntary provision that they want and can afford more comprehensive schemes of social security. The questions arise, therefore, what are the limits of possible and desirable extensions and what are the priorities between them. Many of the most commonly demanded extensions and improvements have already been indicated, but we also attach great importance to the emergence of a broad strategy of social service development which can take the place of piecemeal improvisations.

While it would be premature to suggest any detailed order of priorities, we believe that the first consideration of social service policy should be the progressive reduction in size of the public assistance and unemployment assistance classes by developing the constructive community services and the social insurances. Such a policy must, however, be brought into co-ordination with national economic policy as a whole. The finances of

the social services—and of unemployment insurance and assistance in particular—are directly affected by government policy in relation to monetary questions, tariffs, public works and national development.

It is also necessary to re-examine the forms of democratic control and public accountability in the social services and to explore the possibility of reconstructing the existing units and areas of administration in a more satisfactory system.

Relations with the Voluntary Social Services

Some reference is made in every section of this Report to the part played by voluntary bodies in the administration of the public social services. These bodies cover an extraordinarily wide range from the great teaching hospitals and friendly societies to small local charities and welfare societies. Their relations with public authorities range from complete independence to forming an integral part of the administrative structure of particular services. It is not possible to examine these relationships closely in this Report or even to discuss the justification of different forms of voluntary action in particular spheres, but it may be said that voluntary action can usually play an invaluable part in social administration where the services concerned are of an experimental or controversial nature at the time, where they demand exceptional freedom of opinion and experiment, for teaching or research purposes, where there is a need for giving individual attention to intimate personal problems, and where there is no need to ask for financial support from public funds. We hope that the place of the voluntary social services in our system of public administration will receive very careful consideration when the public social services come to be authoritatively examined, as we hope they will, by a competent official body.

The Personnel of Social Service Administration

The administration of the public social services involves the employment of a vast army of public servants and others who serve in a professional capacity. In many cases the quality of this personnel is of the highest order, but it cannot be said that the existing arrangements for the recruitment and training of officers for some forms of social service work is entirely satisfactory. In particular, there is a real need for a comprehensive course of training in social work for those engaged in home visitation of all kinds under the constructive community services and the social assistance services. The importance of training has already been recognised by some public authorities and also by some voluntary organisations with a salaried personnel. It is to be hoped that the practice of insisting on an adequate preparation for social work will spread throughout the administration of all the social services, both statutory and voluntary.

IMMEDIATE NEEDS

After a period of intensive growth the social services are settling down into the life of the nation. They are at present popular, and each taken by itself runs fairly smoothly. But it is an illusion to suppose that schemes and provisions which are acceptable and even popular now will continue to be so unless they are adapted to meet changing

needs. This is primarily a responsibility of social service specialists and administrators. Our first and essential proposal, therefore, is that all those interested in the social services should now take stock of their assumptions and ideas on the subject, and endeavour to work out an approach adapted to present and future, rather than to past, conditions. Above all, those concerned with particular aspects or subjects should start thinking intensively about the place of their own specialisms in the whole field.

We have examined the case for a thoroughgoing official investigation by a Royal Commission on the Public Social Services. It is now nearly thirty years since the last comprehensive inquiry into public social provision in Great Britain. Meanwhile, the whole scale and character of this provision has been changed and a whole host of new problems have come into existence. It would seem, therefore, that a thorough examination of the principles on which the public social services are based and of their results and inter-relations, by an authoritative body is overdue. But we are by no means certain that the Royal Commission technique would be altogether satisfactory for dealing with the enormous range of subject matter which would have to be considered. It would be very difficult to frame terms of reference which were both adequate and practical. It would not be easy to find suitable Commissioners who would command the respect of those engaged in, or interested in, every branch of the public social services. Above all, investigation would necessarily take a very long time, during which important changes might have taken place in the services under review. It appears to us that some less cumbersome instrument is needed to clarify immediate issues and for the solution of urgently pressing problems.

The Case for a Permanent Statutory Committee

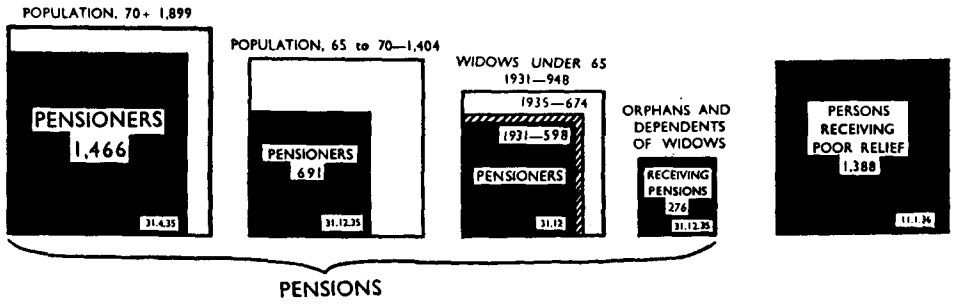
The need for some method of reviewing the public social services as a whole, and of recommending necessary changes in their structure or their method of operation, might be met by appointing a separate Minister or a separate Cabinet Committee for the public social services. But such appointments would add to, rather than relieve, the congestion at the centre which is largely responsible for the long-term aspects of the problem being neglected at present. A much more satisfactory method would be to establish a Social Services Statutory Committee, along the lines of the Unemployment Insurance Statutory Committee, established under the Unemployment Act, 1934. Such a body would not be responsible for administering any social service funds, but it would require to have authority to make thorough enquiries concerning their administration. It would have to be under obligation to report to the Ministers concerned, and the Ministers would have to be obliged to consider its recommendations. Its basic duties would be largely related to the finance of the social services, but it should be free to give its view on the general working, efficiency, and benefits or defects of the services. It should, in fact, act as an advisory General Headquarters Staff for planning and guiding social policy.

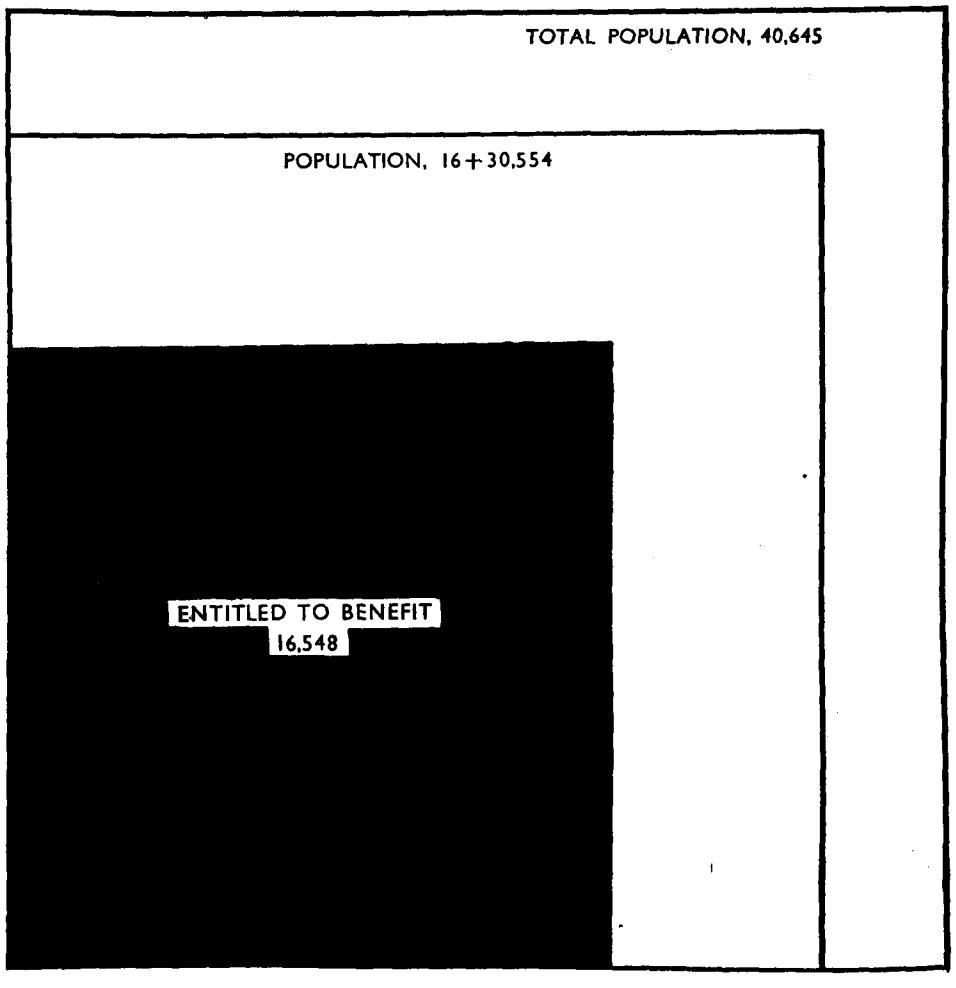
We are convinced that the establishment of such a body would greatly assist Parliament and public opinion in keeping intelligent and progressive control over a complex of vitally important services which are already so unwieldy that they are virtually uncontrollable without some such assistance.

EXTENT AND COVERAGE OF

ENGLAND AND WALES—1935

Numbers in





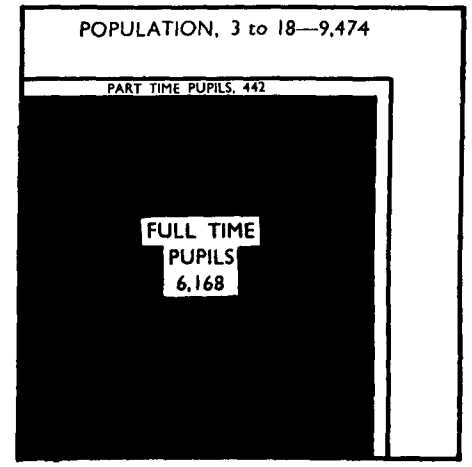
HEALTH INSURANCE

THE PUBLIC SOCIAL SERVICES

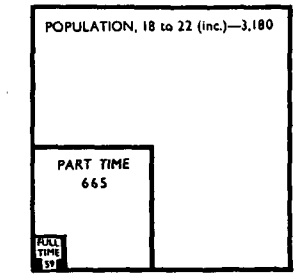
(unless otherwise stated)

thousands

EDUCATION

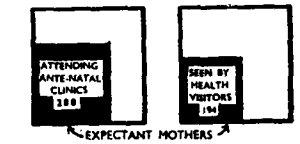


HIGHER EDUCATION

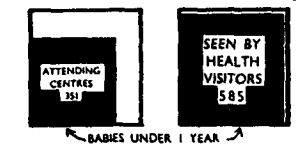


MATERNITY AND CHILD WELFARE

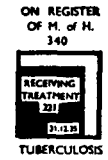
TOTAL BIRTHS-624-TOTAL BIRTHS



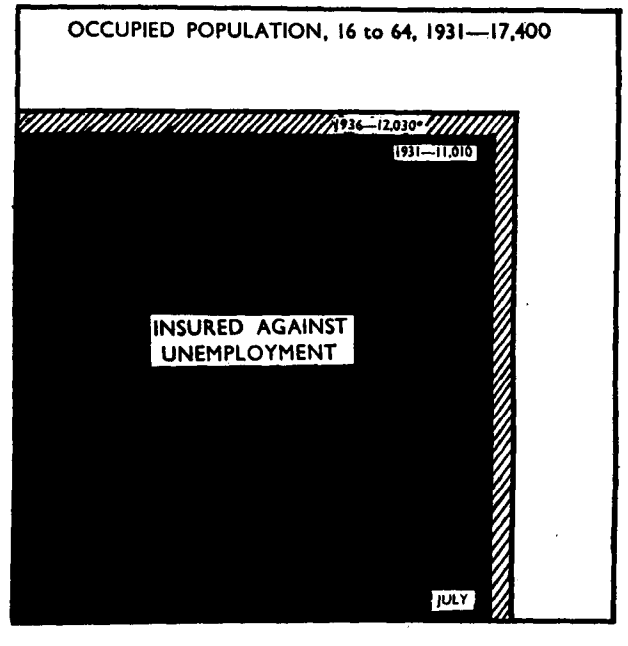
LIVE BIRTHS — 599 — LIVE BIRTHS



LUNACY AND MENTAL DEFICIENCY



TUBERCULOSIS



UNEMPLOYMENT INSURANCE

* Number of insured Agricultural Workers in England and Wales estimated at 510,000 (included above).

Tuberculosis White square = number of cases on registers of Medical Officers of Health.

I. WHAT ARE THE PUBLIC SOCIAL SERVICES?

Difficulties of Definition—Three Types of Public Social Services—Social Service Expenditure—The Importance of the Public Social Services.

Difficulties of Definition

The first difficulty in beginning a survey of the public social services is to define them. There is no official definition of what constitutes a public social service, and there is no general agreement among experts in this field as to which services should be included and which should be left out. On a wide view, all services provided or financed by public authorities for the purpose of enhancing the social welfare of the population might be regarded as public social services. But this would involve the inclusion of a number of services such as sanitation, sewage disposal, street lighting, water supply, and, probably, the provision of roads and public utilities, which are not generally thought of as social services because of their impersonal character. A narrower view of the public social services limits the use of the term to those services, provided or financed by public authorities, which have as their object the enhancement of the personal welfare of individual citizens in the community. This view excludes the impersonal environmental services provided by public authorities, but includes a wide range of personal services, affecting every stage in the life of the individual citizen, from the provision of ante-natal care to the payment of old age pensions. It is this view which we have decided to adopt in preparing the present survey.

In the absence of any official definition or classification of the public social services it is extremely difficult to obtain a satisfactory picture of what these services are, who they affect, and how much they cost. The nearest approach to a complete statistical picture is the annual Treasury White Paper showing the expenditure incurred both nationally and locally under certain Acts of Parliament on what was originally called "direct beneficiary assistance." This return, known as the "Drage" Return, has been issued since 1920.* It covers all the services maintained—wholly or in part—out of public funds provided under the Unemployment Insurance Acts, National Health Insurance Acts, Widows', Orphans' and Old Age Contributory Pensions Acts, Old Age Pensions Acts, War Pensions Acts and Ministry of Pensions Act, Education Acts, Acts relating to Approved Schools, Public Health Acts (so far as they relate to hospitals, the treatment of disease, and maternity and child welfare services), Housing Acts, Acts relating to the Relief of the Poor, Lunacy and Mental Treatment Acts, and Mental Deficiency Acts.

The War Pensions Acts and the Ministry of Pensions Act make provision for special circumstances arising out of the Great War, and as they are quite distinct from the main body of social service legislation in this country, will not be dealt with in this Report. The Housing Acts will also be excluded, save where the management of house

* The Public Social Services (Cmd. 5310, etc.)

property by public authorities and the granting of rent rebates are concerned, on the general grounds that slum clearance and the provision of new houses under these Acts are not, strictly speaking, personal services. On the other hand, consideration will be given to the services of the Ministry of Labour's employment exchanges and junior instruction centres, the welfare of the blind, the provision of State scholarships and a number of other public social services not included in the "Drage" return.

Three Types of Public Social Services

The miscellaneous group of services which we have decided, for the purposes of this Report, to include under the generic name Public Social Services are of three main types. There are, in the first place, what may be described as constructive community services. These services include education, public health and medical services, and the work of the Ministry of Labour in providing employment exchanges, training centres and schemes to facilitate industrial transference. They involve the provision by the State or by local government authorities of specialised institutions and professional skill for common use—schools and teachers; health visitors, doctors, sanatoria and hospitals; employment officers and employment exchanges. In every case the State or the local authority has entered a field formerly occupied exclusively by private business enterprise or voluntary effort in order to make some constructive service available for the community as a whole.

In the second place, there are the social insurance services. These services—which include unemployment and health insurance and the widows', orphans' and old age contributory pensions scheme—may be regarded as forms of compulsory self-help, organised by the State and subsidised by the State and by employers of labour. In each case wage-earners are compelled to make regular contributions to a fund to which their employers and the State contribute and out of which they receive specified benefits in certain contingencies. These schemes are probably the most popular features of our present system of social services. They combine the psychological advantages of individual thrift with the system and comprehensiveness made possible by State organisation. Moreover, they provide for the great majority of wage-earners and their families a considerable measure of social security without any question of an investigation of personal circumstances arising. Benefits are received as contractual rights in respect of contributions paid. Although it is not strictly a public social service, and does not impose any direct charge either upon the State or upon the worker, the British system of workmen's compensation should, perhaps, be associated with the social insurances in this survey. The workmen's compensation scheme, like the social insurances, is based on employment, and the employer, upon whom the financial burden is laid, normally insures (though he is not compelled to do so) against his contingent liability. Moreover, the State does in effect make a small contribution towards the cost of administration in the form of a reduction of County Court fees in workmen's compensation cases, and the Home Office is responsible for the administration of the Acts.

Lastly, there is a group of social assistance services. They include non-contributory old age pensions, the allowances of the Unemployment Assistance Board, and the

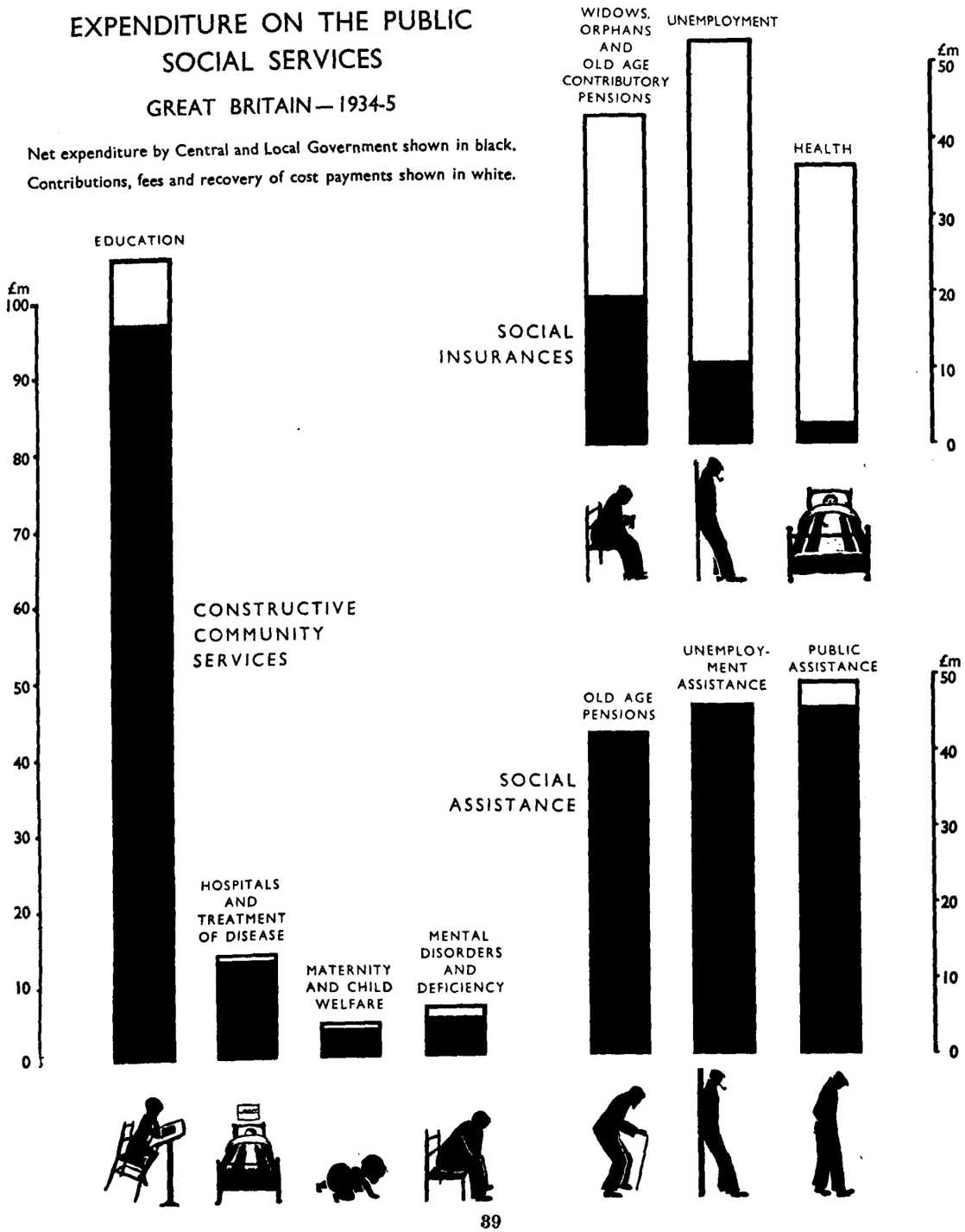
manifold services of the local public assistance authorities. In each case these services are financed wholly out of public funds (except for the comparatively small amounts recovered from applicants and relatives) and assistance is generally given only after there has been some kind of enquiry into the financial circumstances of the applicant.

To these three groups of social services two other groups might be added in order to complete the picture of public social provision, although, with one exception, they will not receive further consideration in this Report. In the first place, there are the collective environmental services—drainage, sewerage, slum clearance, town and country planning, water supply, and so on. In the second place, there are what may be described as subsidised consumption services. This group would include subsidised housing and the recent Milk in Schools Scheme. In these latter cases public authorities help to bridge, by means of subsidies, the gap between current economic prices and prices which the poorer sections of the community can afford to pay for certain necessities of life.

EXPENDITURE ON CERTAIN PUBLIC SOCIAL SERVICES IN GREAT BRITAIN
YEAR ENDING MARCH 31, 1935

	Total expenditure	Income from fees, charges, contributions, etc.	Net expenditure falling on public funds
	£ (000)	£ (000)	£ (000)
Constructive Community Services—			
Education*	105,687	8,650	97,037
Approved Schools	621	69	552
Public Medical Services, Hospitals and Treatment of Disease	13,831	809	13,022
Maternity and Child Welfare	3,419	473	2,946
Lunacy and Mental Deficiency Services	6,574	1,443	5,131
TOTAL	£130,132	£11,444	£118,688
Social Insurances—			
Unemployment Insurance	52,913	42,127	10,786
Health Insurance	36,693	33,840	2,853
Widows', Orphans' and Old Age Contributory Pensions	43,226	23,636	19,590
TOTAL	£132,832	£99,603	£33,229
Social Assistance—			
Old Age Pensions (non-contributory)	42,414	—	42,414
Unemployment Assistance†	46,209	—	46,209
Public Assistance	49,179	3,391	45,788
TOTAL	£137,802	£3,391	£134,411
GRAND TOTAL	£400,766	£114,438	£286,828

* Including school medical service, meals for necessitous school children, and maintenance allowances.
† Transitional payments from April 1, 1934 to January 7, 1935; unemployment allowances from January 7 to March 31, 1935.



Social Service Expenditure

As exact figures are not available, it is impossible to make a detailed analysis of the expenditure on each of the three main groups of public social services. Roughly speaking, however, it may be said that the social assistance services accounted for rather more than a third of the gross annual expenditure on the public social services in 1934, and that the social insurance services and the constructive community services each accounted for rather less than a third. But the social insurances account for less than one-eighth of the net public expenditure on the social services, owing to the large amount paid in contributions by members of the insurance schemes and their employers. The table on previous page shows the expenditure on the services included in the "Drage" return for the year ended March 31, 1935.

The total amount of expenditure on the three types of public social services which are included in the table amounted to £400,766,000, or £8 17s. per head of the population of Great Britain. This was equivalent to about one-tenth of the aggregate national income from all sources in 1934. Of the £400 millions, some £286 millions, or 71 per cent, was provided by the central government and the local authorities out of taxes and rates. This represented between a third and a quarter of the aggregate expenditure of all government authorities—central and local— in Great Britain during the same year. In addition, about one and a quarter millions were expended on the welfare of the blind, two millions on University grants, and over a million on the employment services (training, transference, industrial courts, etc.). The cost of War Pensions in 1934-35 was £41 millions, the whole of which was provided by the State. The cost of State-aided slum clearance and housing was £46 millions, but of this amount £27 millions was paid in rents and mortgage interest, leaving only £19 millions to be found by the ratepayer and taxpayer. The expenditure on workmen's compensation claims in 1935 amounted to about £11 millions, the whole of which sum was paid—directly or indirectly—by the employers concerned.

The Importance of the Public Social Services

As many people must have benefited in several different ways, it is difficult to make an estimate of the total number of persons affected during a year by one or other of the social services provided or assisted by public authorities. During 1935 about eight millions received public education; health insurance benefit was paid to about eight millions, and unemployment insurance benefit to about ten millions, including dependents. Nearly two and a half millions were receiving old age pensions, and widows and their dependants numbered just over a million. Over three million people, including dependants, received either unemployment allowances or public assistance. Making a generous allowance for duplication, it is probable that there are between twenty and twenty-five million beneficiaries during the course of a single year—a group equal to about half the total population.

The importance of the public social services may also be judged by a consideration of the impact of these services upon an ordinary working-class family. A young wage-earner and his wife starting off in a home of their own (possibly subsidised under one

of the Housing Acts) are likely to be touched at a score of points by different public social services in the course of their life together. Before their first child is born there will probably be visits by the wife to an ante-natal clinic at a child welfare centre or maternity hospital. The birth may well take place in a municipal maternity home or hospital, or the mother may be delivered at home by a municipal midwife. In any case the baby will certainly be visited by a health visitor employed by the local authority. There will also be visits to a child welfare centre to have the baby weighed and examined and to get milk and other foods at reduced prices. At the age of five the child will be old enough to attend an ordinary elementary school, where it will not only be educated, but also medically examined and treated for minor ailments by a school doctor. Meanwhile, the ill-health or unemployment of the father may involve claims for health and unemployment insurance benefits and, possibly, a claim for unemployment assistance or poor relief. An industrial accident or disease would give rise to a claim for workmen's compensation, and, in the case of the father's death, the widow would have a right to a pension for herself and an allowance for her young children. On the other hand, if both of them live, they may look forward to a public pension at the age of 65. This is not an abnormal example. It is typical of millions of working-class families in Great Britain to-day. It shows how continuously and intimately the public services of the State are nowadays bound up with the family life of ordinary citizens.

II. THE DEVELOPMENT OF THE PUBLIC SOCIAL SERVICES

The General Trend—The Public Social Services in the Nineteenth Century: The Poor Law; Education; Public Health; The Treatment of Lunacy; Workmen's Compensation—The Public Social Services, 1900-1914—The Effects of the War of 1914-18—The Post-War Period—Trends in Social Provision—Trends in Social Administration—The Growth of Social Service Expenditure: Expenditure before 1900; Aggregate Expenditure since 1900; Expenditure on Particular Services since 1900; Social Service Expenditure and Public Finance; The Transfer from "Rich" to "Poor."

THE GENERAL TREND

With two or three exceptions, the public social services are of comparatively recent growth. Fifty years ago elementary education, the Poor Law, and a limited amount of hospital provision for sufferers from infectious diseases and lunacy were the only forms of public provision for the personal needs of individual citizens. The rest of the public social services are largely the product of the last thirty years. Of the services considered in the last chapter, the provision of meals for necessitous school children, most of the medical services, the blind welfare services, non-contributory old age pensions, the three great social insurance schemes, and the unemployment assistance service have all been established since 1906.

During the greater part of the nineteenth century the prevailing social philosophy was hostile to the assumption by the State of any responsibility for the personal affairs of individual citizens who had not fallen into destitution. It is true that the State accepted some responsibility for the provision of elementary education as early as 1833 and that it recognised its responsibility for providing certain basic environmental and protective services in a long series of Public Health and Factory Acts passed during the course of the century. But it was still widely held less than forty years ago that for the State to make any direct provision for the welfare of its citizens, except through the Poor Law, was to undermine personal independence and to impair the mainspring of economic effort in the community. Apart from the provision of elementary schooling for his children and of hospital treatment in the case of an illness which was dangerous to the community at large, the ordinary citizen was expected to make every provision out of his earnings for the health and maintenance of himself and his family, through all the ups-and-downs of life. Charitable societies, of which there were many, could act as a buffer for some deserving cases, but the State could not itself provide for the poor except in the last emergency and under deterrent conditions.

The strict precepts of *laissez-faire* endured for many decades, but in the end they began to break down under the impact of new forces and new philosophies. The great industrial depressions of the 'eighties and 'nineties seriously disturbed the complacency

of those who believed that the social evils of the times would disappear with the inevitable march of economic progress. The recently enfranchised working class clamoured for a greater share of the attention of the legislature. The propaganda of the Fabians and the investigations of Charles Booth and others not only awakened a new social conscience, but created a new attitude of mind towards the study of the problems of contemporary society. Accepted social dogmas were critically examined, and the problems of old age, unemployment, ill-health and other similar questions were studied on the basis of a careful analysis of the available social data. It came to be recognised that unless the State was prepared to undertake much wider responsibilities for the individual welfare of its citizens, there was little hope of dealing with the poverty problem and the complex of social evils associated with it. It remained for the Parliaments of the new century, responding to the pressure of a wider and more vitally interested electorate, to embark on a revolutionary enlargement of the sphere of government activity.

THE PUBLIC SOCIAL SERVICES IN THE NINETEENTH CENTURY

The Poor Law

When the nineteenth century opened there was only one public social service in operation throughout Great Britain, but this service—the Poor Law—had already functioned for over two hundred years. Moreover, it was a service comprehending within its scope many forms of social provision which, in more recent times, have been made under specialised schemes. Poor relief was given to the sick, the halt and the blind; to widows and the elderly who had no family in a position to maintain them. Orphan children and the children of the destitute were provided with homes and employment; and the destitute but able-bodied unemployed were either given relief or set to work.

As a public social service the relief of the poor dates from the sixteenth century. In Scotland the first Poor Law Act was passed in 1579, and in England and Wales a series of Acts relating to the relief of the poor was consolidated in the great Poor Law Acts of 1601. These two Acts gave the Poor Laws of Scotland and England and Wales respectively a distinctive shape which endured for more than two centuries with very little change. Throughout the seventeenth and eighteenth centuries the Poor Law was administered, with varying efficiency and periodical changes of emphasis, from one form of provision to another, by the Justices of the Peace and overseers. But the Napoleonic Wars and their aftermath of poverty and unemployment imposed a very severe strain on the system, especially in certain parts of England and Wales where an indulgent administration of relief served important local interests. As a result of Parliamentary pressure, a Commission was set up in 1832 to investigate the administration of poor relief in England and Wales, and in the course of a few months it produced the famous Report on the basis of which the Poor Law Amendment Act, 1834, was framed. The Act dispensed with the services of the Justices of the Peace as the controllers of Poor Law administration. It created in their place Boards of Guardians, responsible for the administration of relief in groups or "Unions" of parishes, subject to the over-riding authority, on questions of

higher policy, of three Poor Law Commissioners in London. But the most important change introduced under the new regime was a change in relief policy, designed to re-establish the independence of the destitute labourer. Outdoor relief was restricted, and the principle was introduced that no relief should be granted to anyone except under conditions which were "less eligible" than those in which the lowest-paid working-class family in the district normally lived. In order to give practical application to this principle the "workhouse test" was introduced, and relief was withheld from all able-bodied persons who refused the "offer of the house." Similar changes were introduced in the Scottish system in 1845, when Parochial Boards were set up to administer the Poor Law in each parish, under the central control of a Board of Supervision.

The social consequences of these changes were far-reaching. The administration of the new Poor Law was sounder and much less wasteful than the old system, but it was unnecessarily harsh and repressive in its attempt to prevent malingering and abuse. It earned the bitter hatred of the working-class population and their sympathisers in other sections of society, and thus destroyed the possibility of its evolution into the great and comprehensive public social service which it might otherwise have become. The grimmer features of the reformed Poor Law were considerably modified during the course of the century, but the "stigma" remained, and social reformers sought other foundations upon which to build an adequate system of collective provision for social welfare.

Education

Statutory provision for education has been made in Scotland since the seventeenth century. As early as 1696 an Act was passed under which a system of parish schools, partly supported by an assessment upon freeholders, was established, and by the end of the eighteenth century burgh schools and academies had been provided by the municipal authorities in most of the larger towns. In England and Wales, on the other hand, the provision of education was entirely in the hands of private individuals and voluntary bodies until less than sixty years ago. The first State grant for education in England and Wales was made in 1833, when the sum of £20,000 was divided between the two great voluntary school societies* for the purpose of building new schools. This grant was renewed annually, and was followed six years later by the establishment of an Education Committee of the Privy Council to supervise its expenditure. In 1838 Parliamentary grants were first made towards the cost of Scottish schools. During the next forty years the grants increased very considerably in amount, and the supervisory powers of the Education Committee of the Privy Council (which became a Department of State in 1856) were greatly extended. Considerable progress was made under these arrangements, but the voluntary system fell very far short of providing a comprehensive system of elementary education. It was, therefore, a fundamental change when, in 1870, an Act was passed which provided for the establishment of rate-aided undenominational schools in every district of England and Wales where there was a deficiency of accommodation. These new rate-aided schools were administered by locally elected School

* The British & Foreign Schools Society (founded 1808) and the National Society for Promoting the Education of the Poor in the Principles of the Established Church (founded 1811).

Boards. The Education (Scotland) Act, 1872, provided for the establishment of School Boards to administer the parish and burgh schools of Scotland.

The Education Act, 1870, made provision for a universal system of public elementary education, but it did not make school attendance universally compulsory. Many of the new School Boards adopted by-laws making school attendance compulsory between certain ages in their own areas, and some of the School Attendance Committees, set up after 1876 in areas in which there were no School Boards, followed their example. In 1880, four years later, the adoption of school attendance by-laws was made compulsory throughout the country. In order to enforce attendance, some School Boards paid school fees out of the education rate after 1870, but it was not until 1890 that school fees were generally abolished.* Thus it may be said that sixty years elapsed between the first grant of State aid for school buildings and the establishment of a public system of elementary education which was universal, compulsory and free.

Whilst these developments in the system of public elementary education were taking place, a beginning was being made in building up a technical and secondary school system. Public grants for voluntary evening schools were made as early as 1851, and a special department of State—the Science and Art Department—was created in 1851 to supervise the provision of instruction in art, science and technical subjects. In 1889 the Technical Instruction Act broke new ground by empowering the boroughs and the newly created county councils "to supply or aid in supplying technical or manual instruction," and, in the following year, the Local Taxation (Customs and Excise) Act allotted a large sum out of the Customs and Excise Duties—popularly known as "whisky money," because it was originally intended for use as compensation for publicans—for the development of technical education. The provision of secondary education in the nineteenth century was chiefly made outside the public system, but, as children began to remain at ordinary elementary schools for longer periods, education of a secondary grade began to be provided in higher standards and, later, in special schools under the elementary code. In 1892 secondary education committees were established in every county and the five largest burghs in Scotland, to which the powers of the School Boards with respect to secondary education were entrusted. In 1894 the counties and county boroughs of Wales were given similar powers under the Welsh Intermediate Education Act. Similar powers were granted to local authorities in England in 1902.

Public Health

Education was by no means the only constructive community service to be developed in the nineteenth century. The period between 1830 and the end of the century was rich in social experiment of all kinds, and it was specially noteworthy for the development of many important public health services. The impulse behind the development of the public health services came from two sources—popular alarm over a succession of

* In places where school fees had exceeded 10s. a head they continued to be collected at a reduced rate, until the extension of rate-aid, even to voluntary schools, in 1902 made it possible for them to be abolished gradually. Actually public elementary education was not made absolutely free throughout the whole of England and Wales until 1918.

cholera and other epidemics, and the conclusions reached by the Poor Law Commissioners concerning the close association of public ill-health and pauperism. It was reinforced by the findings of two official Reports concerning the "Sanitary Conditions of the Labouring Classes" and the "Health of Towns" in the eighteen-forties, and led to the passing of the first Public Health Act in 1848. This Act, which was the forerunner of a long series, eventually consolidated in the great Public Health Act, 1875, established a central authority for public health and provided for the establishment of local health authorities in different parts of England and Wales. During the years which followed, the powers of these authorities were widened and strengthened, and they were exercised in such a way as to revolutionise the conditions of British urban life in the course of a generation.

Generally speaking, the services provided under the Public Health Acts and other social legislation of this period were basic environmental services—drainage, sanitation, sewerage, the clearance of unhealthy areas, the inspection of nuisances, and the provision of amenities, such as baths, washhouses, parks and open spaces—rather than the more personal social services with which we are concerned in this Report. The Poor Law had for long made some provision for the medical treatment of sick paupers; in 1867 the Metropolitan Asylums Board was created to look after London paupers suffering from infectious diseases and mental disorders, and the Poor Law Unions in London and elsewhere were required to establish infirmaries for paupers suffering from other diseases or from the infirmities of old age. In 1885 treatment in Poor Law infirmaries ceased to be a disqualification for the franchise. Meanwhile, the Public Health Act, 1868 and 1875, had provided for the establishment of public hospitals for non-pauper patients by the local sanitary authorities. But these hospital-building powers were used almost exclusively for providing isolation hospitals for sufferers from infectious diseases.

The Treatment of Lunacy

Lunacy was the subject of legislation in England and Wales as early as 1743, and in 1808 the Justices of the Peace were empowered to establish county asylums for the reception of persons suffering from mental disorders. In 1845 local lunacy authorities were created in England and Wales with the obligation to make provision for all persons certified as being of unsound mind and unable to pay for the care which they needed. Similar authorities were created in Scotland under the Lunacy (Scotland) Act, 1857. The English lunacy laws were consolidated and extended by the Lunacy Act, 1890, which made the county and county borough councils the responsible authorities.

Workmen's Compensation

The last social reform of the nineteenth century was the introduction of a system of Workmen's Compensation in 1897. Prior to this it was often impossible for a workman to obtain compensation even for injuries caused by negligence of his employer. The Workmen's Compensation Act, 1897, provided that employers could be held liable for the results of an industrial accident, even though no negligence could be proved either on their own part or on the part of any employee. Its application was limited to a small group of dangerous trades until 1906, when an amending Act extended the principle to practically every occupation, and to specified industrial diseases.

THE PUBLIC SOCIAL SERVICES 1900-1914

In spite of the wealth of social legislation during the latter half of the nineteenth century, there were still, at the end of Queen Victoria's reign, very few public social services available for citizens who did not happen to be destitute. During the years immediately following the Boer War demands for reform were pressed from many sides, and in 1905 a Royal Commission was set up to make a thorough investigation of Poor Law policy. The Royal Commissioners worked hard for four years, and produced two voluminous Reports, each making far-reaching proposals for the extension of social provision. But events moved more quickly. Before the Royal Commission reported, a beginning had been made with the building up of an important group of public social services entirely unconnected with the Poor Law. The revelations of the Inter-Departmental Committee on Physical Deterioration, appointed after the Boer War, led to the Education (Provision of Meals) Act, 1906, which permitted local education authorities (*not* Boards of Guardians) in England and Wales to provide meals for necessitous schoolchildren. In the following year the Education (Administrative Provisions) Act imposed the duty on all English and Welsh local education authorities of providing medical inspection for school children. In 1908 a forty-year-old agitation came to an end with the provision of non-contributory old age pensions at the age of 70, subject to a not very stringent test of personal means, and in the same year the Education (Scotland) Act provided for the feeding and clothing of necessitous school children and the medical inspection of all school children in Scotland. In 1910 a national system of employment exchanges was set up to introduce some order into an unregulated labour market, and in 1912 the national health and unemployment insurance schemes were introduced.

Under the National Health Insurance Act a sum of £1½ millions was made available for capital grants in aid of tuberculosis dispensaries, hospitals and sanatoria, and in 1912 the Government began to make grants to local authorities for the prevention and treatment of tuberculosis. In 1913 the Mental Deficiency Act provided for the ascertainment and care of mental defectives in England and Wales, and the Mental Deficiency and Lunacy (Scotland) Act, 1913, did the same for Scotland.* In 1914 grants were first made in England and Wales in aid of maternity and child welfare centres conducted by voluntary associations and local authorities.

Meanwhile, the system of public education was developing rapidly, particularly on the secondary and technical sides. The number of children on the rolls of secondary schools in England and Wales increased from 94,698 in 1904-5 to 187,207 in 1914, and full-time attendances at technical institutions rose from 2,441 to 13,958 in the same period. In Scotland similar developments took place in secondary and other forms of continued education, especially after the Education (Scotland) Act, 1908, which gave statutory recognition to local secondary education committees and extended the powers and obligations of Scottish School Boards to provide continued education.

* This Act also went some way to bringing the Scottish lunacy service into line with the service in England and Wales.

THE EFFECTS OF THE WAR OF 1914-18

The war held up the evolution of permanent social institutions in Great Britain, as in other countries, but it brought some social evils into strong relief and established a great extension of State control in economic and social affairs. It also prepared opinion for a generous social policy when peace should come. The creation of a venereal diseases service in 1916 was a direct consequence of exposures due to the war, while the "Fisher" Education Act, 1918, was perhaps the most important product of war-time idealism. This Act, which envisaged, among other notable advances, a system of part-time education up to 18, was followed in the same year by a comprehensive Maternity and Child Welfare Act and, in the following year, by the payment of out-of-work donation as a right to thousands of unemployed ex-service men, and by an improvement in the scale of old age pensions and of ordinary unemployment benefit.

THE POST-WAR PERIOD

In 1920 non-contributory old age pensions were made available for blind persons at the age of 50, and local authorities were required to prepare blind welfare schemes. In the same year the unemployment insurance scheme (which had been extended to several more industries during the war) was widened in scope to cover well over two-thirds of the occupied population, and in 1925 a third great social insurance scheme was introduced providing contributory pensions for widows, orphans and persons over 65 in the insured section of the population. Nevertheless, the Poor Law authorities, which still remained unreformed, had to deal with vast numbers of persons whose needs were not satisfied by any of the new public social services. The workhouse test for the able-bodied was almost universally abandoned, and scales of home relief were made more generous. Eventually the financial difficulties of Boards of Guardians in areas of severe unemployment soon became so acute that it was impossible to postpone the reform of the administration. In 1929 the Local Government Act abolished the Boards of Guardians and transferred their main functions to the Public Assistance Committees of the county and county borough councils. In Scotland the parish councils had been responsible for the administration of poor relief since 1894, but the Local Government (Scotland) Act, 1929, transferred their Poor Law functions to the county councils and large burghs. At the same time it was provided that the special functions of the Poor Law authorities in both countries relating to blind welfare, hospital provision, and the care of destitute children, and of aments and dements might be transferred to the appropriate special committees of the counties and county boroughs in England and Wales and of the counties and large burghs in Scotland, instead of being dealt with by public assistance committees. These powers have been used to a considerable extent and, in particular, a great public hospital system for general cases has begun to emerge in place of the old Poor Law infirmaries.

Towards the end of 1929 the Widows', Orphans' and Old Age Contributory Pensions scheme was extended in several directions, and the operation of the Unemployment Insurance scheme was eased in 1930. But the onset of the great industrial depression

interrupted the expansionist movement. Mounting unemployment imposed an unprecedented burden on the unemployment insurance scheme and on the local authorities in the worst areas. Although large additional sums were voted by Parliament to ease the position in both cases, drastic retrenchment was eventually called for. The Royal Commission appointed in 1930 to review the unemployment insurance tangle issued an interim report in 1931 recommending several measures of economy. It was followed closely by the even more drastic proposals of the May Committee on Public Expenditure. In July 1931 the regulations governing the payment of unemployment benefit to married women and seasonal workers were tightened up, and, a few weeks later, after the change in Government, the practice of making virtually unconditional payments to unemployed workers who had exhausted their standard benefit rights was terminated in favour of a system of transitional payments, given no longer as a right, but only after a test of needs and resources—the "Means Test." Meanwhile, a series of economy orders resulted in a reduction of many other forms of social service expenditure both by the central government and by the local authorities.

With the revival in trade in 1934 most of the economy measures began to be revised, and the Unemployment Act of that year broke new ground in social provision. Part I of the Unemployment Act, 1934, made a number of important amendments in the unemployment insurance scheme, particularly with regard to juveniles, who were now to be insured immediately on leaving school instead of at the age of 16. Part II created an entirely new service to deal with the relief of the large group of unemployed workers who had exhausted their insurance rights or who were outside the insurance scheme altogether. The administration of this service was vested in a new centralised authority—the Unemployment Assistance Board. The new Board began operations in January 1935 so far as insured persons who had exhausted their benefit rights were concerned, and on April 1, 1937 it took over responsibility for the able-bodied unemployed outside the insurance scheme. In the meantime the scope of unemployment insurance had been widened by the creation of a special scheme for agricultural workers.

TRENDS IN SOCIAL PROVISION

The two principal trends visible in the history of the British public social services are (i) the evolution of *public* social services out of *voluntary* social services, and (ii) the movement away from a comprehensive Poor Law service based on destitution and in the direction of a number of specialist services based either on common citizenship or on a contract of social insurance.

Practically every public social service in operation to-day has its roots in some form of voluntary provision. The Poor Law itself was created to take the place of the charitable services of the medieval Church and guild. Education has not yet outgrown its early association with voluntary organisations. The voluntary hospital and dispensary preceded and still co-exist with the modern public hospital and clinic. The work of voluntary undertakings, such as the St. Pancras School for Mothers and the St. Helen's Milk Depot, was the origin of the maternity and child welfare movement. The experience of the trade unions in administering contributory unemployment and pensions schemes for their own

members paved the way for national unemployment and pensions insurance. Similarly, the long experience of friendly societies in providing various forms of medical treatment and sickness benefits prepared the way for national health insurance. The historical association of the British public social services with voluntary organisations has not always been wholly advantageous. But it is impossible to overlook the importance, not only of the pioneer work performed by voluntary bodies in many different fields, but also of their contribution to social service administration to-day. It will be necessary to examine this contribution at a later stage in this Report and to form some conclusions as to the part which voluntary agencies may be expected to play in the future development of the public social services.

The retreat from the Poor Law and the creation of new forms of social provision without any destitution test was due partly to a fundamental change in public opinion concerning the social responsibilities of the State, and partly to the spirit in which the Poor Law had been administered for over eighty years after the reforms of 1834. During the greater part of the nineteenth century the principles of 1834 were in harmony with the prevailing social philosophy. By the end of the century, however, a great change had taken place in public opinion, and the need for the acceptance by the State of some responsibility for the welfare of its citizens, even though they might not be entirely destitute, was recognised. Nevertheless, it would not have been necessary to enlarge the sphere of State activity outside the Poor Law system to anything like the same extent if those who were responsible for its direction had been prepared to adopt a more constructive policy. It is not inconceivable that the evolution of most of the new social services which have grown up in the last thirty years might have taken place within the comprehensive framework of a reconstructed Poor Law if the spirit of the "workhouse test" and a narrow interpretation of the doctrine of less eligibility had not created an atmosphere of fear and hatred among the working-class population. As we have already noticed, many important modifications of Poor Law practice took place long before the end of the century, and the impetus behind several of our constructive community services—especially the constructive health services—originally came from within the Poor Law system. But these developments were very grudgingly accepted by the central authority and by many Boards of Guardians, who were never sufficiently imaginative to break down the popular prejudice with which the whole system was confronted. It is not surprising, therefore, that social reformers should have turned their attention to building up an independent system of specialised services based on common citizenship or on contributory insurance rather than on a test of destitution.

These new developments outside the Poor Law have been remarkably successful. Most of them have now established themselves as permanent features of our social life. But they have by no means been without their drawbacks. In spite of its grave deficiencies the Poor Law did provide a comprehensive service, and it did take into account the many closely related social needs of those who applied to it for help. The new services, on the other hand, are sectional. They have taken little account of the social background of their beneficiaries, and they have been built up piecemeal, as political opportunities have presented themselves, without much regard either for consistency of principle or for the effect of one service on another. Moreover, they have

left wide gaps which have had to be filled by the Poor Law after all. Under its new name—Public Assistance—poor relief is still given to over a million and a half persons in Great Britain, at a cost of nearly £46 millions a year.

TRENDS IN SOCIAL ADMINISTRATION

The rapid growth of the public social services has involved many changes in the structure of public administration in this country. The history of these changes is extremely complex, and cannot be dealt with here. But it may be useful to draw attention to one or two broad trends which have considerable importance.

In the first place, there has been a significant change-over from administration by local *ad hoc* boards, dealing with particular services, to administration by local authorities providing a whole group of related services. The two great public social services of the nineteenth century—the Poor Law and elementary education—were both administered by *ad hoc* authorities with their own special areas. The English Poor Law was administered by Boards of Guardians in Unions of parishes after 1834, but it was transferred to "omnibus" authorities—the county and county borough councils—in 1929. The Scottish Poor Law, which was administered by Parochial Boards after 1845, was transferred to the "omnibus" parish councils in 1894, and to the county councils and large burghs in 1929. Elementary education in England and Wales, in so far as it was rate-aided, was administered by local School Boards in special School Board areas after 1870. Primary education in Scotland was administered by similar bodies after 1872, and secondary education in Scotland was administered by separately elected secondary education committees in the counties and four cities after 1892. But elementary education was transferred to "omnibus" authorities in England and Wales in 1902 and in Scotland in 1929. The administration of secondary education in Scotland was also transferred to "omnibus" authorities in the latter year.

The use of the specially created *ad hoc* Boards was largely due to absence of any satisfactory "omnibus" authority at the time when the different services were originally established. When the "new" English Poor Law was introduced the boroughs were still unreformed, and there was no local government in the counties except the rule of the magistrates. It was necessary, therefore, to improvise an entirely new system of *ad hoc* authorities to administer relief under the new arrangements. The English boroughs were reformed in 1835, and many new charters were granted during the next forty years. But there was still no local government in the counties, other than the magistrates and the Boards of Guardians, when the Education Act was passed in 1870, and there was no disposition to trust many of the old boroughs with the administration of such a controversial service as elementary education. Once again, therefore, it was decided to create a special system of *ad hoc* authorities. By the end of the century the structure of English local government had been completed by the creation of county councils in 1888 and the district and parish councils in 1894, and each type of authority was given a wide range of administrative responsibilities arising out of the mass of social legislation passed during the previous twenty-five years. In Scotland the only "omnibus" authorities in existence during the greater part of the nineteenth century were the ancient

Royal burghs. But a number of Parliamentary burghs were created in 1883, county councils were created in 1889, and parish councils were created in 1894. During the present century the responsibilities of many of these "omnibus" authorities in both countries have been greatly extended, not only on account of the abolition of the *ad hoc* bodies, but also on account of the growth of new social services. Since 1929 a large number of the smaller "omnibus" authorities have either lost some of their powers or disappeared altogether, especially in Scotland. But every county council and the council of every independent urban authority of county status is now responsible for the administration of a large group of closely related social services.

Another significant development in the administration of the public social services has been the growth of a number of important centralised services during the last thirty years. Up to 1908 all the British public social services were administered locally, with some form of general supervision by the central government.* But when the non-contributory old age pensions scheme was introduced in 1908 it was decided to experiment with a form of direct central administration by the Customs and Excise Department. The local authorities were not entirely ignored, but their share in the administration of the scheme was limited to participation in the local pensions committees which were set up to examine claims. When the national system of employment exchanges was established in the following year central administration was again—this time inevitably—decided upon.† In 1911, when great social insurance schemes were introduced, central administration was adopted in both cases, though the local authorities were given a small share in the direction of the health insurance scheme through their association with the new system of local insurance committees. Again, when the third great social insurance scheme, providing contributory pensions for widows, orphans and old people over 65, was launched in 1925, the new tradition of centralised administration was naturally followed. But the creation, in 1935, of a centrally administered unemployment assistance service, responsible for meeting the basic needs of several hundred thousand families, raised very much more fundamental issues in public administration than had arisen from any of the earlier examples of centralisation. It will be necessary to consider these issues more fully at a later stage in this Report.

* Central organs evolved during the nineteenth century for the supervision of Poor Law, public health and educational administration. At the end of the century the Local Government Board was responsible for the supervision of public health and the Poor Law, and the Board of Education for education, in England and Wales. In 1919 the Ministry of Health replaced the Local Government Board, but it took on some additional functions—relating to national health insurance, the control of midwives, the protection of infant life and the medical inspection and treatment of school children—and shed others which the Local Government Board had exercised since its creation in 1871.

In Scotland the central authorities at the close of the nineteenth century were the Local Government Board for Scotland (established in 1872) and the Scottish Education Department.

In 1919 most of the functions of the Local Government Board for Scotland were transferred, with some new functions, to the newly created Scottish Board of Health. This authority, in turn, was superseded by the Department of Health for Scotland in 1921, after some rearrangement of functions.

The Ministry of Labour was created in 1916 to take over from the Board of Trade the work of the old Labour Department, and of the more recent employment exchanges and Unemployed Insurance Department.

† The administration of the new service was made the responsibility of the Board of Trade. In 1916, however, the functions of the Board of Trade relating to employment exchanges and unemployment insurance were transferred to a newly created Ministry of Labour.

THE GROWTH OF SOCIAL SERVICE EXPENDITURE

Expenditure before 1900

The development of the public social services resulted in an enormous increase in the expenditure of public authorities in the second half of the nineteenth century. In 1850 the total amount of public expenditure on education and poor relief—the two public social services then in existence—was approximately £5,116,000 in England and Wales, or 5s. 8d. per head of population. By 1900 the total expenditure had risen to £31,397,000 (excluding £410,000 under the Housing Acts), or 19s. 3d. per head; and several new services had come into being. This expenditure was distributed as follows:

	1850	1900
	£ (000)	£ (000)
Poor Relief	4,963	11,549
Education	153	16,969
Approved Schools	—	424
Treatment of Disease	—	1,330
Lunacy and Mental Treatment	—	1,025
TOTAL	5,116	31,297

This represented a sixfold increase on the amount expended in 1850, and an increase of about three and a half times in the amount expended per head of population.

Aggregate Expenditure since 1900

Since 1900 public social service expenditure has increased even more remarkably. The details are shown in the two following tables*:

TOTAL EXPENDITURE AND EXPENDITURE PER HEAD

Financial year beginning April 1	England and Wales		Scotland		Great Britain	
	Total	Per head	Total	Per head	Total	Per head
	£(000)	£ s. d.	£(000)	£ s. d.	£(000)	£ s. d.
1900	31,297	0 19 3	4,169	0 18 8	35,466	0 19 2
1910	54,204	1 10 1	7,725	1 12 5	61,929	1 10 4
1920	176,186	4 13 0	24,806	5 1 8	200,992	4 14 0
1930	333,321	8 7 6	45,806	9 10 0	379,127	8 10 0
1931	352,356	8 16 6	50,793	10 10 0	403,149	9 0 0
1932	353,201	8 16 0	50,108	10 5 0	403,309	8 19 0
1933	342,158	8 10 0	49,548	10 2 0	391,706	8 13 0
1934	349,612	8 13 0	51,154	10 7 0	400,766	8 16 6

* The expenditure shown in both these tables is based on the official "Drage" returns (Cmd. 5310, etc.) with the exclusion of expenditure on war pensions and housing.

PROPORTIONATE INCREASES SINCE 1900

	England and Wales		Scotland		Great Britain	
	Total Expenditure	Expenditure Per head	Total Expenditure	Expenditure Per head	Total Expenditure	Expenditure Per head
1900 . .	100	100	100	100	100	100
1910 . .	173	156	185	174	174	158
1920 . .	562	483	594	545	566	491
1930 . .	1,065	870	1,098	1,020	1,068	888
1931 . .	1,126	917	1,217	1,126	1,136	940
1932 . .	1,128	915	1,201	1,100	1,137	935
1933 . .	1,093	884	1,187	1,084	1,104	904
1934 . .	1,117	900	1,226	1,111	1,130	922

While total public social service expenditure was less than doubled between 1900 and 1910, it was more than trebled during the next ten years. Part of this extraordinary increase in expenditure is explained by the considerable rise in the price-level which occurred during and immediately after the war, but it was chiefly due to the introduction of new services, such as unemployment and health insurance, maternity and child welfare and the care of the mentally deficient, and to the expansion of existing services, particularly education and poor relief. During the next fourteen years, a period of falling prices, public social service expenditure doubled again. Between 1900 and 1934 total expenditure on the public social services increased nearly twelve times, and the expenditure per head of population increased over nine times.

Expenditure on Particular Services since 1900

As many of the public social services have come into existence comparatively recently, it is not possible to make a comparison with the position in 1900 in each case. However, the following table shows the total expenditure of four groups of social services which were already in existence in 1900, for the years 1900, 1910, 1920, 1930 and 1934.

(A) TOTAL EXPENDITURE: GREAT BRITAIN

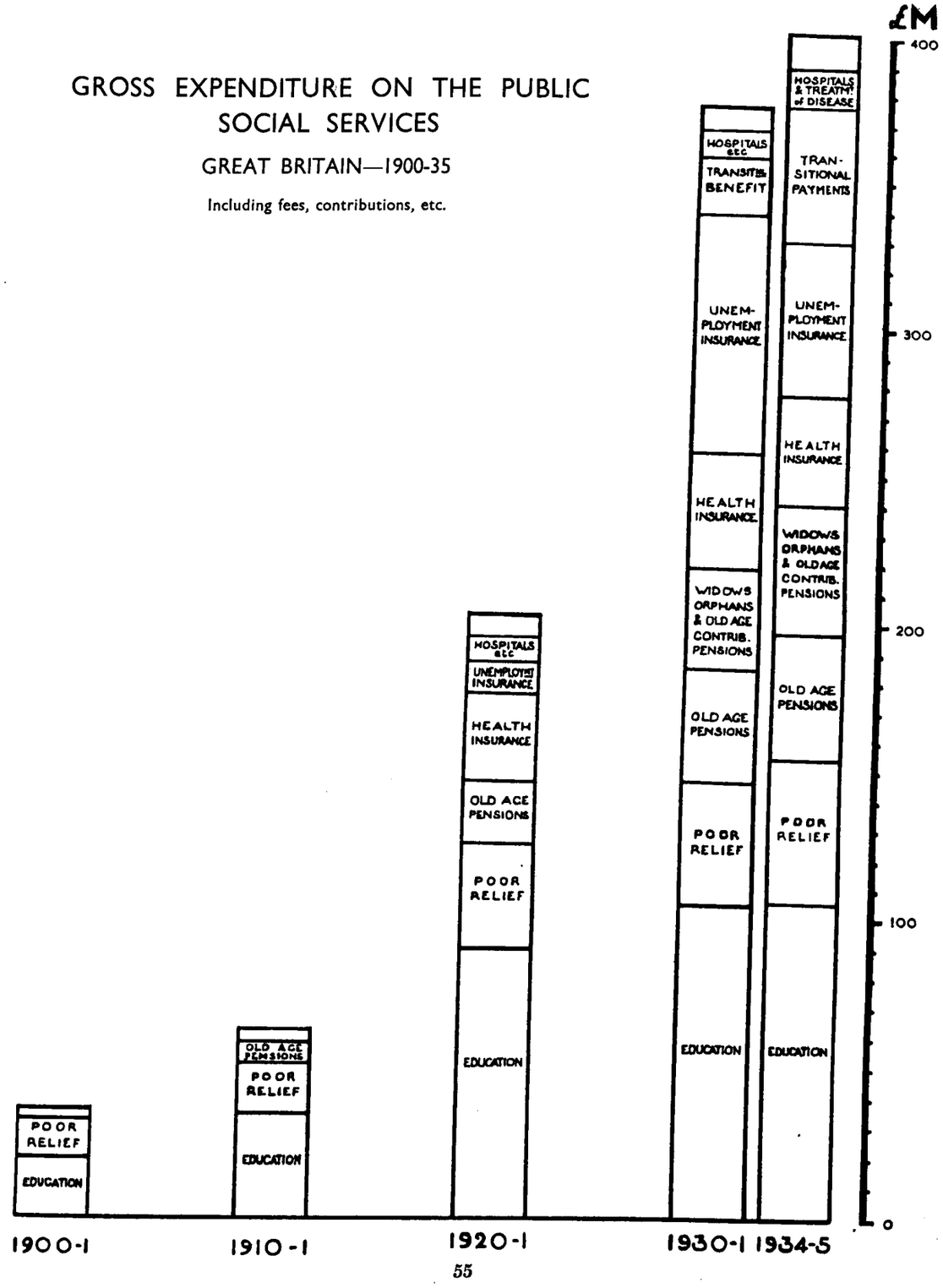
	1900	1910	1920	1930	1934
	£(000)	£(000)	£(000)	£(000)	£(000)
Education* . . .	20,051	34,071	90,274	104,831	105,687
Public Medical Services† .	1,571	2,231	10,654	13,713	17,250
Lunacy and Mental Deficiency Services . .	1,459	2,109	4,429	5,762	6,574
Total—Constructive Community Services . .	23,081	38,411	105,357	124,306	129,511
Poor Relief . . .	12,385	16,158	34,260	42,496	49,179

* Including school meals, the school medical service and the cost of the Approved Schools.
† Hospitals and treatment of disease, maternity and child welfare.

GROSS EXPENDITURE ON THE PUBLIC SOCIAL SERVICES

GREAT BRITAIN—1900-35

Including fees, contributions, etc.



(B) PROPORTIONATE INCREASES IN EXPENDITURE: GREAT BRITAIN

1900=100

	1900	1910	1920	1930	1934
Education*	100	170	450	522	526
Public Medical Services	100	142	678	871	1,096
Lunacy and Mental Deficiency Services	100	144	303	395	450
Total—Constructive Community Services	100	167	456	538	564
Poor Relief	100	130	276	343	397

* Including school meals, the school medical service, the cost of the Approved Schools, and grants to the Universities.

Thus, expenditure on the public medical services has been multiplied by ten, that on education by five, and that on lunacy and mental deficiency by four and a half. The principal cause of the increase in each case has been the expansion and development of the service, but it should be noted that public expenditure on mental deficiency, as distinct from lunacy, only began in 1913, and that public expenditure on maternity and child welfare only began in 1914. In the case of education a large part of the increase has been due to the new scale of teachers' salaries and the superannuation scheme, both of which were introduced immediately after the war. Expenditure on poor relief increased nearly four times, in spite of the growth of the other public social services. This was partly due to population increase, but the chief reasons were the relaxation of the rules governing the granting of relief, the higher scale of relief and the high level of post-war unemployment.

The remainder of the increase in public social service expenditure has been largely due to the introduction of non-contributory old age pensions in 1908, of unemployment and health insurance in 1912, and of widows', orphans' and old age contributory pensions in 1925, and to the evolution of an entirely new unemployment assistance service outside insurance. The expenditure on these services since their introduction is shown in the Appendix. It will be seen that there has been an enormous increase in each case. This has been due to several different reasons. Thus:

(i) The section of population affected by the services has increased. This has been particularly marked in the case of old age pensions (owing to the ageing of the population) and, to a smaller extent, in the case of widows' pensions. There has also been an appreciable increase in the working population covered by health and unemployment insurance.

(ii) The rules governing eligibility for the benefits provided by these services have been considerably relaxed. The qualifications for receipt of non-contributory old age pensions have been eased. The membership of the unemployment insurance scheme has been greatly extended, and various forms of uncovenanted benefit have been given under each social service, while unemployment assistance has grown out of unemployment insurance.

(iii) The scales of payment made have been greatly increased in several cases. The standard rate of old age non-contributory pensions has been doubled. The standard rate of health insurance is half as much again as it was originally, and that of unemployment insurance more than double, apart from the introduction of dependants' allowances.

(iv) Expenditure on unemployment benefit and transitional payments has risen as unemployment itself has increased. There has been a corresponding decrease during the last three years. But the movement in both directions has been partly offset by changes in scales of payment and in the rules governing eligibility.

Meanwhile, public expenditure on the employment services and on the welfare of the blind increased very considerably, chiefly as a result of the expansion of the service in both cases.

Social Service Expenditure and Public Finance

The burden of this greatly increased expenditure has not fallen entirely on the taxpayer and ratepayer. Substantial amounts have been received in fees and charges for certain services, as payments "in recovery of cost," and in the form of contributions from insured persons and employers under the social insurance schemes. The actual increase in net expenditure may be seen in the following table:

Financial year starting April 1	Net public expenditure	Proportionate increase in net public expenditure	Net public expenditure per head of population	Proportionate increase in net public expenditure per head of population
	£(000)		£ s. d.	
1900	34,000	100	18 5	100
1910	60,000	175	1 9 5	160
1921	197,901	584	4 12 1	500
1931	261,786	770	5 17 0	636
1932	296,491	870	6 11 6	715
1933	282,056	830	6 4 9	678
1934	286,328	840	6 6 0	685

Net public expenditure falling on the taxpayer and ratepayer has increased rather more than eight times since 1900, and net public expenditure per head of population has increased nearly seven times. On the other hand, the budgetary expenditure of both central and local government authorities devoted to other purposes, excluding the service of the National Debt, has been multiplied by four since 1900. But the increased relative importance of social service expenditure of central and local authorities is shown by the

fact that in 1900 public expenditure on the social services accounted for less than one-seventh of their total expenditure, whereas in 1934 it accounted for nearly one-third.

New levels of public expenditure have involved new levels of taxation. The standard rate of income tax has averaged 4s. 5d. in the £ during the last ten years, compared with 1s. 1d. in the £ during the ten years immediately preceding the war. Meanwhile, a steeply graded surtax has been imposed on large incomes and the scale of death duties, which were first introduced in 1894, has been raised. There has also been a marked increase in indirect taxation, particularly since the imposition of a general tariff in 1931, and the average rate levied by local authorities increased from 4s. 9d. in the £ in 1900 to 11s. 11½d. in the £ in 1935-6. As we have already seen, increased social service expenditure has been by no means entirely responsible for this increase in taxation. For instance, interest and management of the national debt now cost about nine times as much as in 1913-14. But, as expenditure on defence and on the service of the national debt is usually regarded as a first charge on the Budget, a significant tendency to single out social service expenditure for ruthless economy measures during periods of budgetary depression has begun to show itself. So far it has found its most marked expression in the "Geddes' axe" campaign of 1921-22 and the "economy crisis" measures ten years later. It is significant that a vigorous campaign against "wasteful social service expenditure" is once again being conducted by certain sections of the popular Press.

The Transfer from "Rich" to "Poor".

The enormous increase in public social service expenditure has undoubtedly had a considerable effect on the distribution of real income in the community. There has been a certain amount of redistribution of real incomes within the same social class—as, for example, between the employed and unemployed members of the unemployment insurance scheme and between the healthy and unhealthy members of the health insurance scheme. There has also been some redistribution between "rich" and "poor." Compared with the position in the early years of the century the rich now shoulder a much larger proportionate share of the total burden of public expenditure than the poor and the moderately well-off. On the other hand, most of the *direct* benefits of the expanding social services have been enjoyed by sections of the population in receipt of low incomes. It is possible, however, to exaggerate the extent to which redistribution between rich and poor has taken place since 1913.

Whilst there has been a considerable increase in direct taxation, which is chiefly borne by middle-class and well-to-do people, there has also been a large increase in indirect taxation, which is for the most part paid out of working-class pockets. Since 1913 budgetary expenditure on the public social services has increased by about £180 million, but indirect taxation has increased by about £245 million during the same period. On the assumption that three-quarters of the increase in indirect taxation has been paid by working-class people it may be said that social service expenditure out of the Budget and working-class taxation have more or less kept pace since 1913. It is impossible to make a similar comparison in the case of local government services and expenditure, but it is well known that there have been very considerable increases in the rates paid by the occupiers of working-class houses. The present position has been

examined by Mr. Colin Clark in a recent work.* According to Mr. Clark's estimates, some £338 million of national and local taxation was paid by the wage-earning and small salaried classes; £686 million by the rich; and £117 million by "all classes" in the financial year 1935-6. On the other hand, some £429 million of public expenditure was for the benefit of the working-classes, whilst nearly £263 million was for the benefit of the rich. Thus, "the net effect of taxation and local rates in 1935 can be described as a redistribution of £91 million from the rich to the poor in the form of services other than those provided for from working-class taxation." This amount represents rather less than 2 per cent of the national income.

It must also be remembered that it is not sufficient to consider only the *direct* benefits provided by the public social services. Well-to-do people enjoy many advantages as a result of the existence to-day of a healthier, better educated and—except in a few hard-hit areas—a more contented working-class population than existed thirty years ago. These advantages cannot always be measured in financial terms, but they are none the less very substantial.

* C. G. Clark 'National Income and Outlay' (1937) page 142 et seq.

III. THE CONSTRUCTIVE COMMUNITY SERVICES: DESCRIPTIVE AND ANALYTICAL

Order of Discussion—Public Education: Special Educational Services; Approved Schools; Junior Instruction Centres; The Basis of Provision; Maintenance Allowances; School Meals and Clothing; Central Administration; Local Administrative Areas; Provided and Non-Provided Schools; Co-operation with other Voluntary Bodies; Finance; Universities and University Colleges—**Public Medical Services:** Maternity and Child Welfare; The School Medical Service; Infectious Diseases; The Tuberculosis Service; The Venereal Diseases Service; The General Hospital Service; The Highlands and Islands Medical Service; Industrial Health Services; The Basis of Provision; Central Administration; Local Administrative Areas; Local Administration; Co-operation with Voluntary Bodies; Finance—**The Welfare of the Blind:** The Basis of Provision; Central Administration; Administrative Areas; Local Administration—**The Mental Health Services:** Basis of Provision; Central Administration; Local Administration—**Employment Services:** The Employment Exchanges; The Juvenile Employment Scheme; Training and Welfare Schemes; Administration; Co-operation with Voluntary Bodies.

ORDER OF DISCUSSION

Each of the public social services classified in Chapter I as constructive community services will now be briefly described, and particular consideration will be given to the following points in each case:

(*a*) The nature and extent of the provision made
(*b*) The basis of provision
(*c*) Central administration
(*d*) Local administrative areas
(*e*) Local administration
(*f*) Co-operation with voluntary organisations
(*g*) Finance

In Chapter IV the constructive community services will be reviewed as a group under the same general headings.

PUBLIC EDUCATION

Every boy and girl between the ages of 5 and 14 years must now receive some form of continuous elementary education, either in a school provided by a public authority, or in some other way. A few children are educated by their parents or by private tutors; a considerable number are educated in private schools of one sort or another, but the great majority of children of "school age" attend schools which are either provided or

maintained by public authorities. Thus, 6,070,000 out of 6,490,000 children—about 94 per cent—between the ages of 5 and 14 in Great Britain were on the rolls of public elementary schools or other schools maintained, wholly or in part, out of public funds during the year 1934-5. There were in addition some 170,000 children under 5 attending nursery schools, nursery classes and infants' schools provided or maintained by public authorities, and some 530,000 boys and girls between the ages of 13 and 18 were in full-time attendance at various types of educational institutions in receipt of public aid.* Moreover, 76,000 students aged 18 and over were attending full-time courses at universities, university colleges, training colleges and other higher educational institutions subsidised from public funds. Apart from full-time students there were, in the same year, more than a million young people over the age of 14 in attendance at various part-time courses, held for the most part in evening institutes and technical schools and colleges; and about a thousand adult students attending university extension classes, W.E.A. classes and other forms of adult education, the cost of which is met almost entirely by public authorities. Altogether over eight million people, mostly under the age of 18, received some form of State-provided or State-aided education in 1934-5.

Special Educational Services

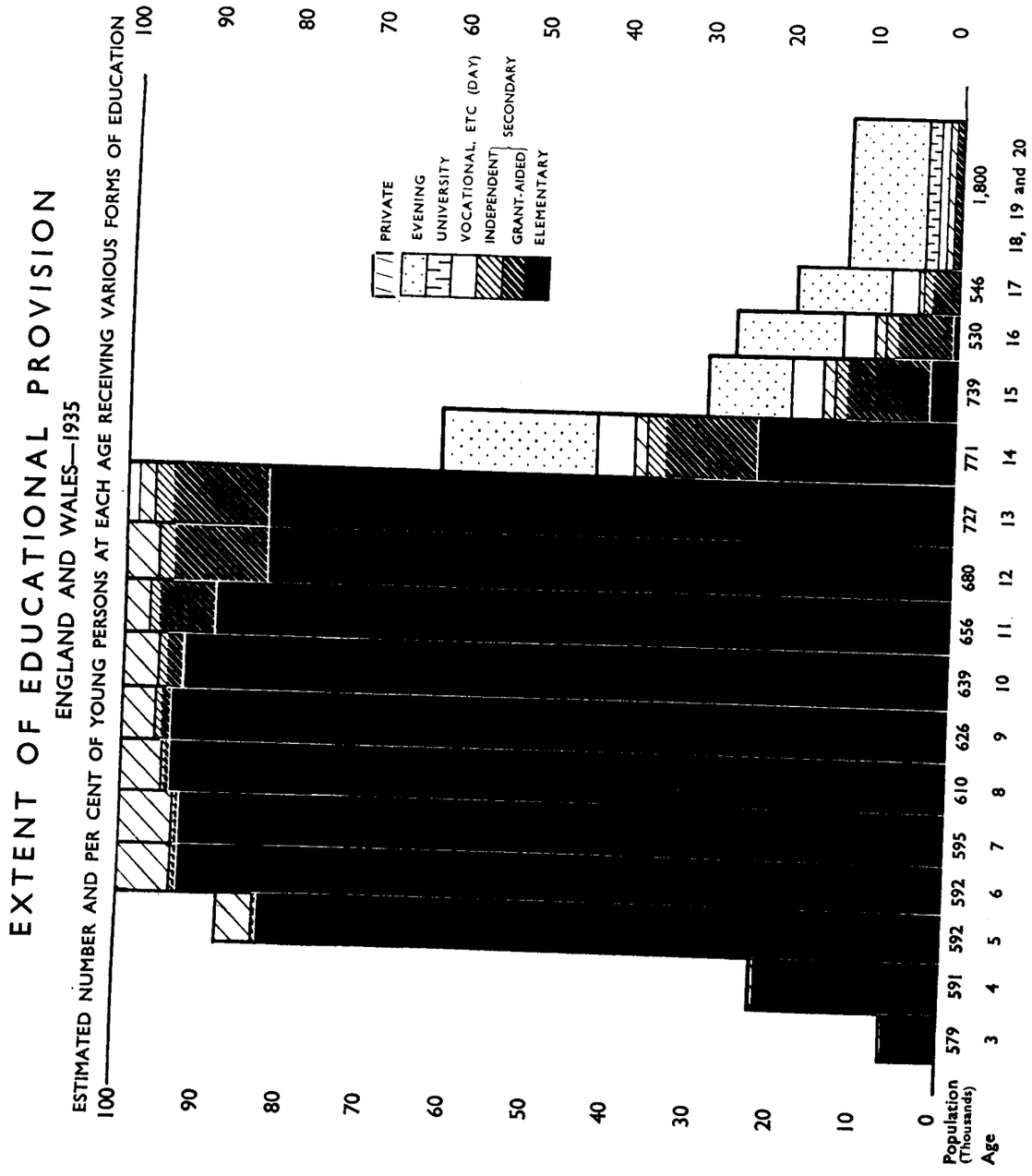
The public education system is not only concerned with the health of the mind, it also concerns itself with the health of the body. Every local education authority has its school medical service, and most local education authorities provide free meals or milk for necessitous schoolchildren. Some local education authorities also provide vacation schools and evening play centres for children living in congested areas. In order to meet the peculiar needs of defective children—blind, partially sighted, deaf, epileptic, crippled and mentally defective—a large number of special schools have been established. Attendance at a special school is now compulsory in England and Wales for blind children between the ages of 5 and 16, and for other defective children between the ages of 7 and 16 where facilities exist.† Provision is also made by some local education authorities for the full-time instruction of blind, deaf and other defective students over the age of 16, in preparation for a trade.

Approved Schools

Several schools for young offenders were established by voluntary agencies in the eighteenth century, and they grew in number during the first half of the last century. The State gave them official recognition under the Young Offenders Act, 1854, and a long series of Acts culminating in the Children and Young Persons Act, 1933, regulated their use. Until 1933 there were two types of school: (i) Reformatory schools for persistent young offenders, generally over the age of 13; and (ii) Industrial schools for less serious cases, including some children who might not have committed an offence but who were living in criminal surroundings, generally over the age of 11. But this distinction was

* These include central schools (for boys and girls up to 15), secondary schools, junior and senior technical, art and domestic science schools (see Appendix).

† The lower limit for deaf children is shortly to be reduced to 5 under the Deaf Children (School Attendance) Bill. In Scotland the ages for all defectives are slightly different.



abandoned under the Act of 1933 in favour of a classification of schools according to the needs and circumstances of the boys and girls committed to them. Approved schools are provided by local authorities and by religious bodies and other voluntary organisations. In England and Wales the Home Office is the supervisory authority, but in Scotland the Scottish Education Department is responsible. In 1935 there were 103 Approved Schools, with 7,500 boys and 1,460 girls in residence.

Junior Instruction Centres

The first official courses of instruction for unemployed boys and girls under 18 were started in 1918. They were opened in connection with the Out-of-work Donation Scheme immediately after the Armistice. Since then the junior instruction centres have had many ups-and-downs, but by the middle of 1936 well over a million boys and girls had passed through centres and classes. Until recently the only means of actually enforcing attendance was to make it a condition for the receipt of unemployment benefit. This only affected juveniles between the ages of 16½ and 18; but many younger persons attended voluntarily. The Unemployment Act, 1934, not only lowered the age of entry into unemployment insurance to the school-leaving age, but also enabled the Ministry of Labour to make attendance at a junior instruction centre (or some other educational course) compulsory in any area where juvenile unemployment was a serious problem. The effect of this provision, as the following table shows, was a considerable increase in attendances at junior instruction courses during the years 1934-6. The number of centres and aggregate attendances have fallen off during the last twelve months owing to the decline in juvenile unemployment, but the percentage of unemployed boys and girls in attendance has continued to increase.

Great Britain	Week or month ended		
	April 25, 1934	April 22, 1936	April 21, 1937
Number of Centres	123	196	179
Classes	14	26	20
Other institutions	179	101	42
Average attendances			
Boys	11,373	18,936	13,257
Girls	4,044	10,935	9,713
Total	15,417	29,871	22,970
Percentage of registered unemployed juveniles.	13.9	24.5	26.6

The Basis of Provision

Before the age of 5 years public education is voluntary, but (apart from the charges made in nursery schools and classes in respect of food provided during school hours) it is free for all who take advantage of it. From the age of 5 to the end of the term in which children reach the age of 14 education is compulsory, and, in so far as it is provided under the elementary code, it is free. Education after the age of 14 is voluntary, but it

still remains free if it is provided under the elementary code. Charges are now made at all grant-aided secondary schools in England and Wales and most other public educational institutions outside the elementary system, though they are waived or remitted in a large number of cases. In Scotland secondary education is provided free.

Up to April 1, 1933, tuition fees in grant-aided secondary schools were very varied, and in some schools (e.g. the municipal secondary schools in Bradford and Sheffield) no fees were charged. However, new regulations came into force on this date in England and Wales requiring all schools to charge fees. The fees now charged are by no means uniform, but they average between £10 and £12 a year, or roughly speaking, one-third of the gross cost of the education provided. Every school must offer a minimum number of entrance scholarships, known as "special places," to pupils from public elementary schools and may offer additional special places open to pupils from any school. Holders of these "special places" are entitled to total or partial remission of fees, according to their parents' financial circumstances. In 1936 it was made possible for local education authorities to offer up to 100 per cent "special places," but most authorities keep a certain proportion of places for fee-paying pupils who have not taken the entrance examination. The present position in England and Wales is that about 48 per cent of the pupils in grant-aided secondary schools pay full fees; about 5 per cent have "special places" and pay reduced fees; and the remainder—about 47 per cent—have "special places" and pay no fees at all.

Fees in junior technical and trade schools, junior art schools and junior housewifery schools usually vary from three to six guineas a year, and fees for full-time senior courses in technical institutions approximate to local secondary school fees. But in all cases arrangements are made for the provision of "special places," with total or partial remission of fees to meet the needs of poor students. The income scale, by reference to which these special places are awarded, usually follow the same lines as those for secondary schools.

Fees for part-time evening courses normally vary from 2s. 6d. to 10s. a session, though they sometimes exceed 10s. in the case of advanced courses. It is now the usual practice to charge a slightly higher fee each year of a course. But total or partial remissions of evening class fees are made on a considerable scale.

Fees in universities, university colleges, training colleges and other higher educational institutions vary according to the nature and length of the course followed and according to whether residence is included. But they seldom cover more than a relatively small proportion of the cost of tuition. It is not usual for them to be scaled down in accordance with the financial circumstances of students, but they are frequently covered, wholly or in part, by scholarships and other grants in aid from public authorities, as well as from private bodies. Nearly 96 per cent of students in training colleges were in receipt of some form of assistance from public authorities in 1934-5, and it is estimated that nearly 42 per cent of the full-time students in the universities and university colleges were in receipt of assistance from outside sources (i.e. other than personal and private sources) in the same year.*

* Report of the University Grants Committee (1934-5).

Maintenance Allowances

Local authorities have the power, subject to the approval of the Board of Education or the Department of Education for Scotland, to grant maintenance allowances to boys and girls in poor circumstances attending schools under their control.

The numbers receiving allowances, and the amounts paid in England and Wales in 1934-5 were as follows:

Type of School	Number receiving allowances		Total No. of pupils	Amounts paid	
	Junior	Intermediate		Junior	Intermediate
				£	£
Secondary Schools . .	71,452	9,106	456,783	422,873	119,757
Technical and Art Schools and Colleges . . .	8,525	967	31,640	72,569	17,475
TOTAL . .	79,977	10,073	488,423	495,442	137,232
Elementary Schools . .	5,747	—	5,475,000	65,543	—

The scale of allowances is decided by the local authority and submitted to the Board for approval. Rates vary from £5–£10 a year for junior and £10–£20 for intermediate awards (School Certificate to Higher Certificate standard). In some cases the maximum allowance is only given when the family income does not exceed £2 a week plus 10s. for each child after the first dependant. In one extreme case the limit is £1 for maximum allowance. In most areas the top income for receiving any grant is £4 a week plus 10s. or £1 for each child after the first.

The following table shows the current scale of maintenance allowances paid by the London County Council. It will be seen that they are relatively high. This is mainly in recognition of the high cost of living.

SCALE OF MAINTENANCE ALLOWANCES IN LONDON

Parents' income limit	To school-leaving age		School-leaving age to 17+			Advanced courses to 19+		
	Amount of Allowance							
£	£9	£6	£15*	£12*	£7 10s.	£27	£24	£15
	Number of dependent children in family							
150	1+	—	1+	—	—	1+	—	—
200	3+	1-2	2+	1	—	1+	—	—
250	4+	1-3	3+	1-2	—	1+	—	—
300	5+	2-4	4+	2-3	1	2+	1	—
350	6+	3-5	5+	3-4	2	3+	1-2	—
400	—	4+	6+	4-5	3	4+	2-3	1
450	—	5+	—	5+	4	5+	3-4	2
500	—	6+	—	6+	5	6+	4-5	3
550	—	—	—	—	6+	—	5+	4
600	—	—	—	—	—	—	6+	5
650	—	—	—	—	—	—	—	6+

* At Junior Technical and Junior Art Schools the rates are £17 and £12 12s.

There are also considerable variations in practice with regard to the determination of eligibility for allowances. In many places the whole family income, including the wages of subsidiary earners, is taken into account; in other places subsidiary earners are excluded. In some places rent and rates are taken into account, but in many places they are ignored. In most places the number of dependent children is a determining factor.

School Meals and Clothing

In order to prevent the education of children being impaired by underfeeding, statutory powers to provide meals for children in public elementary schools were conferred on the local education authorities of England and Wales by the Education (Provision of Meals) Act, 1906, and on the local education authorities of Scotland by the Education (Scotland) Act, 1908. The Scottish Act also conferred the power to provide clothing. These Acts were amended subsequently to enable local authorities to supply meals on holidays and other non-school days. The powers granted under these Acts of Parliament have not been taken advantage of by every local education authority, but the position at March 31, 1936, was that 235 out of 316 local education authorities in England and Wales and 24 out of 35 local authorities in Scotland were providing meals, and 29 out of 35 local education authorities in Scotland were providing clothing. There are, however, wide variations of practice as between the different authorities actually making some form of provision under these Acts. In some parts of the country three meals a day (breakfast, dinner and tea) are provided at week-ends and during the holidays as well as on school days. Some authorities confine themselves to making provision on school days. Others limit their provision to a midday meal. Others, again, only provide a "milk meal," consisting of a glass of milk (perhaps with a biscuit) during the course of morning school. On the other hand, many authorities vary the nature and extent of their provision according to the needs of different children.

In 1935-6 143,000 children received free solid meals in England and Wales, and they had an average of 161 meals each during the year. This is about 1 in 40 of all elementary school children. The numbers have been falling slightly in the last few years. Free milk was given to 406,300, or 1 in 13 children, who had an average of 157 milk "meals" each. The provision of free milk has been steadily increasing for some time.

In addition to the supply of free milk under the Education Act of 1921, there is a much more extensive system of subsidised consumption under the Milk in Schools Scheme, 1934. The Government has placed the sum of £500,000 annually for a period of years at the disposal of the Milk Marketing Board. The National Milk Publicity Council started in 1927 to organise the sale of milk in schools on a commercial basis, charging 1d. for a third of a pint, and by 1934 a large proportion of schools were covered. The Milk Board took over this organisation and subsidised the sale, charging ½d. for a third of a pint. At the same time the scheme was extended to all grant-aided schools and to junior instruction centres. The reduced price also became applicable to milk purchased by local education authorities.

When the price was halved the number of children who bought milk was immediately trebled, but the number began to fall off when the novelty had gone. There are now about three million children taking cheap milk in all types of schools—roughly half of the school population.

Central Administration

The central authority for the administration of the public system of education in England and Wales is the Board of Education, and in Scotland the Scottish Education Department. But neither of these authorities has any control over the universities and university colleges, except in so far as these provide courses for the training of teachers; over the education of the Army, Navy and Air Force; or over technical education for agriculture, which is a responsibility of the Ministry of Agriculture and the Department of Agriculture for Scotland. Moreover, neither of the central authorities directly controls any educational institution, nor employs or pays any teachers, except in the case of the Royal College of Art, which is a Government institution. Approved Schools in Scotland are under the Education Department, but in England and Wales the Home Office is responsible.

The functions of the two central authorities are best summed up in the word "superintendence." It is their duty to superintend the administration of education in their respective countries, to make sure that the duties laid upon local education authorities by Parliament are duly fulfilled, and to distribute grants voted by Parliament for educational purposes to the appropriate authorities. The two central authorities also play an important part in encouraging new developments in educational organisation and method, the training of teachers, and other matters, through the advisory work of their inspectors, the publication of pamphlets dealing with a variety of educational topics, the organisation of special courses for teachers, and the investigations and reports of their standing consultative committees.

Local Administrative Areas

The direct control of educational administration in Great Britain is largely in the hands of the local education authorities of which there were 351 in 1936, as follows:

England and Wales—
63 county councils,
83 county borough councils,
146 non-county borough councils (with a population of over 10,000 at the census of 1901),
24 urban district councils (with a population of over 20,000 at the census of 1901).

Scotland—
31 county councils,
24 councils of large burghs.

The county and county borough councils are authorities for both elementary and higher education; but the borough and urban district councils, which are known as

Part III authorities under the Education Act, 1902, are responsible for elementary education only, if they undertake any educational work. Elementary education, however, includes the provision of central schools in addition to junior and senior elementary schools. The responsibility for providing secondary schools and other forms of higher education in the areas of Part III authorities rests with the county—or Part II—authorities. Thus, the areas for elementary education in the case of county education authorities are not coterminous with their areas for higher education.* In 1935, there were only 14 county education authorities which had complete control of both elementary and higher education throughout their administrative area. There were 20 counties containing one autonomous area for elementary education; 9 counties containing two autonomous areas; 8 counties containing three autonomous areas; and the remaining 11 counties more than three autonomous areas. In one extreme case—that of the Lancashire County Council—the administrative area is an amazing patchwork, with 27 separate authorities—22 boroughs and 5 urban districts—for elementary education only. This confusion of authorities is a serious defect of educational administration in England and Wales. Many of the Part III authorities are very small and inefficient, and they make the administrative work of the Part II authorities within whose areas they exist very much more difficult. Many of them, especially in the depressed areas, are too poor to afford adequate services or even to attract a very high standard of official. On the other hand, in those cases where they are progressive, and not seriously hampered by financial difficulties, they often come into conflict with their Part II authorities in planning their post-primary systems.

In some cases there is actual competition in the provision of post-primary facilities between Part II authorities, responsible for secondary schools, and Part III authorities, responsible for up-to-date senior schools, central schools and junior technical institutions, in the same town.

On the other hand, a certain amount of co-operation has taken place for specialised purposes under the provisions of the Education Act, 1921.† Thus the county councils of Cumberland and Westmorland, of Brecon and Radnor, and of the three Ridings of Yorkshire have set up joint committees for agricultural education. The Yorkshire Council for Further Education was established by several large education authorities in the county.

The West Midlands Council for Technical Education is composed of several West Midland education authorities. A joint committee of five county councils administers the North Wales Training College. Chichester Municipal Borough Council and the West Sussex County Council have set up a joint education committee, and a number of borough and urban district councils have combined to form a single education committee for certain purposes. In Scotland there are 35 local authorities, each responsible within its

* It should be noted that the terms "elementary education" and "higher education" should not be confused with the terms "primary education" and "post-primary education." The former terms have a legal and historical significance. The latter serve only to distinguish all forms of education before the age of 11 from all forms of education after that age. Authorities dealing only with "elementary education" are thus concerned with some grades of "post-primary education" as well as "primary education."

† The Education Act, 1921, Sec. 6, provides that a local education authority may enter into such arrangements as it thinks proper for co-operation or combination with any other local education authority having powers under the Act.

own area for all forms of education, apart from university education and certain central institutions. These authorities include the four cities (Glasgow, Edinburgh, Aberdeen and Dundee) and 31 county education authorities. There is no administrative distinction between elementary and higher education in Scotland corresponding to the distinction between Part II and Part III authorities in England and Wales.

Provided and Non-Provided Schools

While the direct control of education (subject to the Education Acts and the supervision of the central departments) is in the hands of local education authorities, the actual provision of educational facilities is shared between them and a number of voluntary bodies. Thus there are two types of public elementary school in England and Wales:

(i) Provided schools or council schools, which are both provided and maintained by the local education authorities. These schools are the direct descendants of the old Board Schools.

(ii) Non-provided schools or voluntary schools, provided (that is, built and kept structurally in repair) by a voluntary body, but maintained (that is, provided with teaching staff and equipment, heating, lighting and cleaning) by the local education authority. These schools are the direct descendants of the old "National," "British" and other sectarian schools.

Although the voluntary schools in England and Wales account for more than half of the total number of schools, they account for less than a third of the children on the rolls.* There are relatively few schools in Scotland not under the management of education authorities. The position on March 31, 1935, is shown in the Appendix.

Council schools are under the direct control of the local education authority in England and Wales. In the case of voluntary schools, the care and maintenance of the school premises and the appointment of teachers is undertaken by committees of managers, appointed by the religious bodies concerned.† But the local authorities are responsible for the control of all instruction, except religious instruction, even in voluntary schools.

Co-operation with other Voluntary Bodies

In addition to the non-provided elementary schools, which receive public aid through the local education authorities, there are a number of secondary schools and higher educational institutions which obtain direct grants from the Board of Education and the Scottish Department. These schools, which include some of the well-known public schools, are inspected but not controlled by the central department concerned. They are usually under the control of a private governing body. The Board of Education and the Scottish Department also make grants to voluntary organisations such as the

* There were also a number of grant-aided secondary schools provided by religious bodies.

† The appointment of teachers in voluntary schools is subject to the approval of the local education authority, which may not, however, withhold approval of an appointment on any save educational grounds.

Workers' Educational Association and the extra-mural departments of the Universities towards the salaries of tutors of adult educational classes.

A large number of voluntary bodies take an active part in the provision of certain ancillary educational services. In London and some important provincial towns, School Care Committees are associated with almost all public elementary schools. The functions of these committees are varied. They make arrangements for the provision of school meals and for the assessment of payments for this service. They follow up medical inspection and treatment, and they act as links between the school and the home. They also take part in the work of advising boys and girls in the choice of employment and in supervising their welfare during the early years of their industrial life. In London there are 900 school care committees, with about 5,000 unpaid workers. They are co-ordinated under the Special Services Sub-Committee of the L.C.C., and they have the assistance of over a hundred salaried workers. There are also twelve voluntary committees which look after the moral welfare of children in London. A trained worker is attached to each committee, and is permitted to use care committee offices and to have access to official case papers. Work of the same kind is also being carried on in Manchester, Liverpool, Bristol, Brighton and Portsmouth, and also in the County of Cornwall. Many thousands of voluntary workers must be engaged on care committee and moral welfare work in different parts of the country, but there are many areas where no work of this kind is being undertaken.

Another form of voluntary activity is that carried on by local juvenile organisations committees. These bring together in each district representatives of juvenile organisations, social workers and others in order to increase the effectiveness of welfare work among boys and girls between the ages of 14 and 18. They had their origin in the Central Juvenile Organisations Committee, set up in 1918 by the Home Secretary in order to devise means of stemming the tide of juvenile delinquency which rose alarmingly during the war. Later, the Central Committee became an advisory committee to the Board of Education; at the same time local education authorities were encouraged to take local juvenile organisations committees into consultation, and to regard them as local advisory committees on juvenile work. There are now 77 local juvenile organisations committees in existence in England and Wales, and in some parts of the country they work in very close relations with the local education authority. In London the salary of the Secretary of the Joint Council of London Juvenile Organisations is paid by the L.C.C., and office room is provided in the Care Committee department.

There are also a number of voluntary societies which use the school as a centre for their activities. For instance, sixty societies in different parts of Great Britian have as their object the care of delicate and invalid children. These societies are federated to the Invalid Children's Aid Association, which was started in London in 1888. It works in close association with the educational authorities in London. Two metropolitan boroughs provide office accommodation, and the L.C.C. submits annual lists of physically defective children under school age in order that they may be visited by voluntary workers. Children's country holiday funds exist in London and many other parts of the country. The London organisation has a staff of more than a thousand voluntary workers and uses the schools as a centre for the collection of weekly payments from the children.

Finance

Nearly all the expenditure on public education is made by local authorities, and it is mainly financed by local rates and exchequer grants. The central government also incurs a small amount of direct expenditure, which amounted to £14 million in 1985-6 and was divided as follows:

	England and Wales £000	Scotland £000
Administration	324	60
Inspection and examination	323	57
Direct grants for elementary education	10	..
Special schools, play centres, nursery schools, etc.	52	..
Direct grants to secondary schools	615	..
Technical schools, etc.	136	..
Training of teachers	663	..
Pensions, employers' contribution	6,808	936
Pensions, grants for employers' contribution	43	..
Aids to students	215	..
Royal College of Art	16	..
Museums, art galleries, etc.	579	43
Grants to universities and colleges	1,877	
Scientific investigation, etc.	245	
Agricultural education	367	65
Approved Schools	302	62

Many of these items take the form of grants to voluntary organisation. The item technical schools, etc., includes grants to tutorial and other classes, such as those conducted under the Workers' Educational Association and similar bodies. Grants for agricultural education are made by the Ministry of Agriculture and the Scottish Department, both to local education authorities and to agricultural colleges and institutes.

Local government expenditure accounts for 90 per cent of the total. In 1934-5 it was just on £100 million, and was made up as follows:

(i)

	England and Wales (elementary only) £000	Scotland (all forms) £000
Teachers' salaries	40,877	8,250
Maintenance of establishments	10,000	1,948
Administration and inspection	2,754	389
Loan charges	4,022	801
Special services	5,328	555
Aids to students and pupils	66	184
Other purposes	3,260	390
	66,307	12,517

(ii) *Higher Education, England and Wales*—	£000
Secondary schools	9,515
Training of teachers	438
Technical schools, etc.	5,084
Administration and inspection	816
Aids to students	1,570
Loan charges	1,725
Other purposes	1,894
	21,042

"Special services" include school medical services, school meals, special schools for defective children, organisation of physical training, play centres and nursery schools, and in Scotland, Approved Schools, county libraries, and technical education for the blind.

The capital expenditure incurred during 1934-5 on school building, extensions, etc., was:

England and Wales	£000
Elementary education	3,452
Higher education	1,352
Scotland	769
	5,573

The income to meet the current expenditure of local authorities on public education is derived from three sources: parliamentary votes, local rates, and income from fees and other charges. In 1934-5 the income from these three sources was as follows:

	England and Wales				Scotland	
	Elementary education		Higher education		All forms	
	£000	Per cent	£000	Per cent	£000	Per cent
Parliamentary votes	31,706	48	8,582	41	6,424	51
Local rates, etc.	33,160	50	9,254	44	5,812	46
Fees, charges, etc.	1,441	2	1,879	9	176	1
Other sources			1,327	6	106	1
	£66,307	100	£21,042	100	£12,517	100

The proportion of income derived from parliamentary votes and local rates is roughly the same in respect of both elementary and higher education in England and Wales, but a much greater proportion of total income is derived from fees and charges in the case of higher education.

Unfortunately, it is not possible to distinguish between the figures for elementary and secondary education in the case of Scotland, but the proportion of the income of Scottish educational authorities derived from parliamentary grants is higher, and the proportion derived from fees and "other sources" is rather lower, than the corresponding proportions in England and Wales. Grants to English and Welsh local authorities for elementary education are largely based on the expenditure of the authorities to which they are given, but the formulæ on which they are calculated, contain factors which weight them in favour of the poorer and more populous areas. Extra grants (which amounted to £413,000 in 1933-4) are paid to local education authorities in depressed areas. Grants for higher education in England and Wales are based entirely on reorganised expenditure, and are paid at the rate of 50 per cent of such expenditure.

Universities and University Colleges

The universities and university colleges are self-governing bodies over which the central authorities for education exercise no control, except in the case of training departments for intending teachers. But they receive substantial assistance from the State in the form of direct grants from the Treasury. These grants, which amounted to £1,800,000 in the year 1934-5, are fixed in advance for each quinquenium, on the advice of the University Grants Committee, composed of academic experts.* They also receive a small sum (£12,630 in 1934-5) from the Board of Education, and further grants, (£245,454 in 1934-5) from other Government departments. The total amount of parliamentary grants, £2,058,914, accounted for over a third of the total income of £6,072,651,† of the universities and university colleges of Great Britain in 1934-5. They received a further sum of £598,393—nearly 10 per cent of their total income—from local authorities. Thus 44 per cent of the total income of the universities and university colleges was derived from public funds in 1934-5.‡

PUBLIC MEDICAL SERVICES

The public health services of Great Britain fall into two groups: (*a*) environmental services, such as water supply, sanitation, housing and town planning; and (*b*) personal health services, such as maternity and child welfare, the school medical service, the tuberculosis and venereal diseases services and the institutional treatment of disease. It is with the second of these groups that we are concerned in this survey. The subject will be more fully dealt with in the forthcoming P E P Report on the National Health Services.

* The Parliamentary vote for the University Grants Committee has been raised to £2,100,000 a year for the quinquenium, 1936-41.

† This amount does not include college expenditure as distinct from university expenditure at Oxford and Cambridge.

‡ The remainder of their income was derived from endowments (13.9 per cent), donations and subscriptions (2.7 per cent), tuition fees (24.6 per cent), examination and graduation fees (7.9 per cent), and other sources (7.1 per cent).

Maternity and Child Welfare

For many years before the war voluntary bodies and a few local authorities had been conducting "Schools for Mothers," "Infant Consultations," and "Weighing Centres," and some local authorities had appointed health visitors to give advice to the mothers of young babies. Government grants became payable in 1914, and the Notification of Births (Extension) Act, 1915, provided the statutory basis for an extension of maternity and child welfare schemes throughout Great Britain. The powers granted under this Act were supplemented by the Maternity and Child Welfare Act, 1918.

The scope of maternity and welfare schemes varies considerably in different parts of the country, but schemes in general include the following services: (i) Ante-natal clinics, at which expectant mothers are examined and advised, and in some cases treated for minor ailments. (ii) Maternity hospitals or homes, or maternity beds in other institutions. (iii) Infant welfare centres, at which young babies and children up to the age of 5 years are examined, and their mothers advised concerning their welfare. At some centres treatment is also provided for minor ailments. (iv) A system of home visitation by trained health visitors. Also in England and Wales a public midwifery service is being set up under the Midwives Act, 1936, and in Scotland the machinery for a comprehensive maternity service is provided in the Maternity Services (Scotland) Act, 1937.

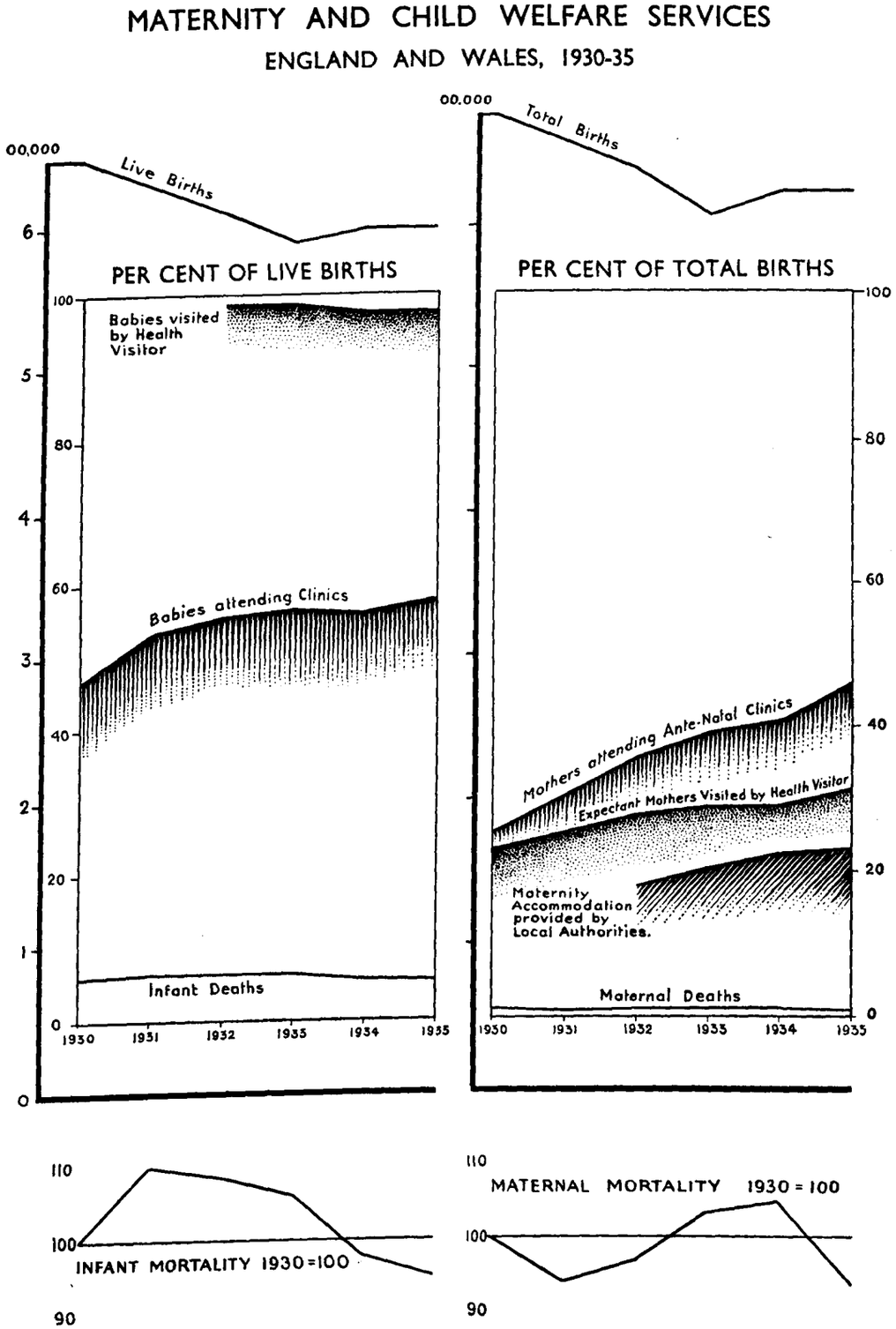
In addition to these services, most maternity and child welfare authorities provide institutional treatment for young children's diseases, such as ophthalmia neonatorum, pneumonia, whooping-cough and measles. Many authorities provide convalescent homes for nursing mothers and children under 5. Some authorities provide day nurseries, toddlers' playgrounds and kindergartens, and a few authorities provide home nurses for maternity cases and sick children needing special care. Milk and other foods are supplied to expectant and nursing mothers and to young children in many parts of the country, but this practice is by no means universal.

The School Medical Service

The school medical service was established in England and Wales under the Education (Administration Provisions) Act, 1907, and in Scotland under the Education (Scotland) Act, 1908. Education authorities in England and Wales are now required to provide for the medical inspection and treatment of children in public elementary schools and for the inspection of children in secondary schools and certain other higher educational institutions provided by them. They have the power, but are not obliged to provide treatment for secondary school children. In Scotland education authorities are required to provide for the medical inspection of all children attending schools under their supervision, and they may provide treatment in necessitous cases.

All elementary school children in Great Britain undergo a routine medical examination three times during their school lives—at the beginning, about the middle, and towards the end. In London and some other areas they are examined four times.* In addition to these routine examinations, there are special examinations of defective

* In Edinburgh an annual classroom survey of all children in the primary and intermediate schools has been introduced as an experimental measure.



children and of children referred to school medical officers by parents, nurses, teachers or attendance officers on account of special defects or suspected ailments. During the year 1935 over 60 per cent of the children attending elementary schools in England and Wales and about 50 per cent of the children attending elementary schools in Scotland were medically examined either at routine or special examinations. A large number of these children were re-examined at least once during the course of the year.

Medical treatment is provided by most local education authorities for minor ailments, dental defects and defective vision, and for adenoids and chronic tonsilitis. But a quarter of the authorities in England and Wales still make no provision for orthopædic treatment, over one-third (38 per cent) do not provide X-ray treatment for ringworm, and only 31 per cent at present provide artificial light treatment. The position in 1935 is shown in the Appendix.

Treatment was provided in 2,037 school clinics in England and Wales and 221 school clinics in Scotland, and many local authorities had also made arrangements with local hospitals—both statutory and voluntary—for the treatment of special defects.

Infectious Diseases

The general provision of hospitals for infectious diseases by local authorities other than Poor Law authorities began in England and Wales in 1866 and in Scotland in 1867. The Public Health Act, 1875, and the Public Health Act (Scotland), 1897, required local authorities to provide isolation hospitals for infectious diseases, and the Local Government Acts, 1929, reasserted and extended these requirements. Public institutional treatment is now provided for smallpox, diphtheria, enteric fever, scarlet fever, erysipelas, cerebro-spinal meningitis, pneumonia, measles, whooping-cough and other infectious diseases. There exist for this purpose about one thousand isolation hospitals with nearly fifty thousand beds, including over three hundred hospitals for smallpox only, but a large number of infectious cases are now treated in special wards of general hospitals.

Vaccination against smallpox has been compulsory (subject to a "conscience clause") throughout Great Britain since 1867, and immunisation against diphtheria is now available on a voluntary basis by a large number of local health authorities.

The Tuberculosis Service

Before 1911 the systematic provision of tuberculosis services was limited and scattered. Over eighty tuberculosis dispensaries had been established, and nearly 2,000 beds had been provided in sanatoria by local authorities and voluntary organisations, but in the greater part of the country no provision was made. In 1911 a sum of £1½ million for capital grants was given from public funds in aid of tuberculosis dispensaries, hospitals and sanatoria, and in 1912 the Government began to make an annual grant in aid of tuberculosis schemes established by local authorities. Since 1912 a comprehensive tuberculosis service has been developed in practically every part of Great Britain.

The scope and quality of the provision made by local authorities vary considerably, but most tuberculosis schemes include the following general features: (i) an examination of suspected cases (usually passed on by private practitioners) at a tuberculosis dispensary,

with a specialist staff, a laboratory and X-ray facilities. In areas where there is no dispensary this work is performed by a tuberculosis officer in private surgeries, cottage hospitals or the patients' own homes.* (ii) Following up the source of infection in cases where tuberculosis is diagnosed. Members of the patient's family are frequently asked to submit themselves to an examination, and preventive measures are often introduced. (iii) Domiciliary supervision of tuberculosis cases, where institutional treatment is not considered necessary. Patients continue to be treated by their own doctor, but they are also visited regularly by a trained health visitor who reports to the tuberculosis officer. Extra nourishment and special drugs are given if necessary, and also, in some cases, special housing accommodation. (iv) Institutional treatment, where this is considered necessary. Advanced cases are usually treated in special wards of infectious diseases and general hospitals. Less advanced cases are treated in sanatoria or colonies. Non-pulmonary cases—usually children—are treated in orthopædic hospitals and special sanatoria.

The Venereal Diseases Service

The venereal diseases service was established under the Public Health (Venereal Diseases) Regulations, 1916. These regulations continue to govern the service. It normally includes the following features: (i) The organisation of instructional lectures and the publication of information relating to venereal diseases. (ii) Arrangements whereby specimens submitted by general practitioners are examined and reported on by a skilled venereal diseases officer. (iii) The supplying of general practitioners with free salvarsan or its substitutes for the prevention and treatment of venereal diseases. (iv) The provision of centres for the diagnosis and treatment of venereal diseases.

When the service was inaugurated in 1916 the majority of treatment centres were established in voluntary hospitals. In recent years, particularly since the passing of the Local Government Act, 1929, many local authorities have established centres under their direct control, either in *ad hoc* premises or in general hospitals transferred from the Poor Law hospital service.

The General Hospital Service

Since the Public Health Act, 1875, urban health authorities in England and Wales have been empowered to provide hospital accommodation for non-Poor Law cases.† These powers are widely used for the provision of hospital accommodation for patients suffering from infectious diseases. But only three local authorities—those of Bradford, Willesden and Barry—run general hospitals under this Act, and even these were not originally established by the municipality. The Scottish local authorities had a similar power under the Public Health (Scotland) Act, 1867, but this was lost in the Act of 1897, and until recently there were no local authority general hospitals apart from those under the Poor Law in Scotland. In 1929, however, the Local Government Acts, for

* In 1935 100,546 new cases were examined for the first time in England and Wales, 39 per cent of which were found to be tuberculous.

† This power was not given to County Councils when they were set up in 1888. They did not receive it until 1930. (See Local Government Act, 1929, Sec. 14; and Public Health Act, 1936, Sec. 181.)

England and Wales and for Scotland, made possible the appropriation of Poor Law hospitals for general hospital purposes by local authorities, both north and south of the Border. During the last six years many local authorities, including the London County Council and a number of county boroughs in England and Wales, and larger burghs in Scotland, have appropriated Poor Law hospitals for general hospital purposes under these Acts. But very few appropriations have yet been made by county councils owing to the unsuitability of many Poor Law institutions for general hospital purposes and the difficulty of recovering expenses from out-county patients.

The Highlands and Islands Medical Service

The Highlands and Islands Medical Service is an interesting example of a regional service cutting across the traditional local government system of the area which it covers. It was established in 1913 on the recommendation of a departmental committee, which was appointed to consider the adequacy of medical attendance and kindred services in the Highlands and Islands of Scotland. The purpose of the scheme is to ensure that the inhabitants shall be brought into approximately the same position as the inhabitants of the rest of Scotland so far as medical and nursing services are concerned.* Grants are made out of a special Highlands and Islands (Medical Services) Fund: (i) To doctors, in order to supplement the fees received by them from patients, and to provide them with means of transport and travelling allowances; (ii) to nursing associations or other organisations; (iii) to voluntary hospitals, associations, local authorities, and qualified surgeons.

Grants are given to 178 doctors and six specialists, and to 31 nursing associations employing nearly 200 nurses. Four hospitals and three ambulance committees are given financial assistance. Grants are also made towards the provision of houses for doctors and nurses, and of specialised services and to assist in the treatment of tuberculosis in certain areas. It should be noted that maternity and child welfare, the school medical service and the provision made for persons suffering from tuberculosis and venereal diseases remain under the control of the local authorities in the areas covered by the service.

Industrial Health Services

The Factory Department of the Home Office employs medical inspectors who deal with the prevention of occupational diseases and of accidents. The Mines Department of the Board of Trade also employs a Medical Inspector of Factories who is concerned with miner's diseases and accidents.

A service, comparable to the public health services and carried out under statutory enactments, is provided by doctors appointed by the Home Office, but paid by the employers. These are the Certifying Factory Surgeons, and the appointed Surgeons under the Factory Acts. The former must medically examine any young person under

* The area covered by the service embraces the counties of Argyll, Caithness, Inverness (excluding the burgh of Inverness), Ross and Cromarty, Sutherland, Orkney and Zetland, and the Highland District of Perth.

16 within seven days of his taking up employment in a factory (and in some workshops). The latter must medically examine all employees in some dangerous trades at stated intervals laid down by regulation.* Under the Merchant Shipping Acts no person under 18 may be employed at sea without being medically examined.

The Basis of Provision

The only public medical service on a compulsory basis is the vaccination service, but parents declaring a conscientious objection on oath may have their children exempted. The service is free for all without any enquiry into means, but the proportion of exemptions is high. Less than half the children born each year are vaccinated.

The following services, which are on an optional basis so far as the beneficiaries are concerned, are also free for all, without any enquiry into means:

Maternity and child welfare service (except the treatment of maternity cases, invalid mothers and children and so on, in hospitals and other residential institutions, and the provision of milk and other foods).

The medical inspection (but not the treatment) of school children.

The tuberculosis service (except the treatment of some cases in hospitals, sanatoria and other residential institutions).

The venereal diseases service (except the in-patient treatment of some cases in hospitals).

Free accommodation and treatment are available for necessitous cases in all types of public hospitals and residential medical institutions, but local authorities in England and Wales are obliged to make an attempt to recover some part of the cost of hospital treatment and maintenance (except for patients in infectious disease hospitals) either from patients or their families, subject to an enquiry into their financial circumstances. In the case of school medical treatment a nominal charge is usually made, but this is remitted, either wholly or in part, where family circumstances warrant it.†

Milk and other forms of nourishment are supplied by many local authorities to expectant and nursing mothers, and to young children at maternity and child welfare centres, but charges are usually made (though they are sometimes nominal) to all save necessitous cases.

Central Administration

In Scotland the central authority for the administration of all the public medical services which have been described in the preceding paragraph, except the factory medical services, is the Department of Health for Scotland. In England and Wales the Ministry of Health is the central authority for maternity and child welfare, tuberculosis, venereal diseases and the hospital services, but the Board of Education is the central authority for the school medical service. A measure of co-ordination is secured by the appointment of one chief medical officer for the two departments. The functions of the

* The Factories Bill, introduced into the House of Commons by the Government in February 1937 is a comprehensive measure for the purpose of bringing up to date existing legislation. Under it these duties will be performed by the "examining surgeons."

† In London the charges are 1s. for minor treatment and 2s. for more serious ailments.

central departments with respect to the public medical services are primarily supervisory. It is their business to see that the requirements of Acts of Parliament are complied with by local health authorities and, by the use of their statutory powers and their control over Government grants and local borrowing, to make sure that local authorities maintain a reasonable standard of efficiency and progress. But the central departments also play an important part in collecting information and statistics, supplying expert advice and planning new developments.

Local Administrative Areas

Maternity and child welfare services and school medical services are organised by the following authorities in England and Wales and Scotland:

HEALTH AUTHORITIES ORGANISING MATERNITY AND CHILD WELFARE SERVICES—1937

	England and Wales	Scotland
Metropolitan boroughs	29	—
County boroughs or large burghs	83	24
County councils	62	31
Municipal boroughs	147	—
Urban district councils	86	—
Rural district councils	10	—
	417	55

AUTHORITIES ORGANISING SCHOOL MEDICAL SERVICES 1936

	England and Wales	Scotland
London County Council	1	—
County boroughs or large burghs	83	4
County councils	62	31
Municipal boroughs	146	—
Urban district councils	24	—
	316	35

The tuberculosis service is administered by the councils of each of the counties and county boroughs in England and of each of the counties and large burghs in Scotland. In Wales the service is carried out by a voluntary association—the King Edward VII Welsh National Memorial Association—which receives grants from county and county borough councils. In three English counties and four English county boroughs the functions of the separate councils are exercised through three tuberculosis joint committees. Several of the Scottish authorities are also combined. In London the tuberculosis

dispensary service is undertaken by the City of London and the 28 metropolitan boroughs under special arrangement with the London County Council which, however, supervises the tuberculosis service as a whole and provides treatment in sanatoria and other residential institutions.

Venereal diseases services are undertaken by each of the county boroughs and counties in England and Wales, and the large burghs and counties in Scotland, some of them in combination.

The London County Council provide 3 hospitals for smallpox and 11 for other infectious diseases. In the rest of England and Wales hospitals are provided either by joint hospital boards, by isolation hospital committees, by voluntary combinations of authorities, or by single authorities. The position in 1936 is shown below:

	Joint Hospital Boards	Isolation Hospital Committees	Voluntary* Combinations	Single Authorities
For smallpox Number of hospital authorities	10	8	43	177
Local authorities co-operating:				
County councils	—	—	—	11
County borough councils	7	1	—	48
Municipal boroughs	16	5	18	43
Urban districts	47	38	94	34
Rural districts	28	37	57	32
Port sanitary authorities	—	—	—	9
TOTAL	98	81	169	177
For other diseases Number of hospital authorities	88	75	40	387
Local authorities co-operating:				
County councils	—	—	—	5
County borough councils	1	—	—	81
Municipal boroughs	69	29	15	88
Urban districts	178	167	48	122
Rural districts	97	87	55	84
Port sanitary authorities	—	—	—	7
TOTAL	345	283	118	387

In Scotland the service is provided by the councils of the 31 counties and the 24 large burghs.

This service is still undertaken by many small authorities both in England and Wales and Scotland. But the Local Government Act, 1929, required every county council

* Authorities are not obliged to inform the Ministry of voluntary combinations. These figures are the total known to the Ministry.

in England and Wales to prepare and submit for the Minister's approval a scheme giving adequate accommodation for the treatment of infectious disease within its administrative area. The County Councils were thus recognised as the bodies responsible for the general co-ordination of the hospital services of the municipal boroughs and district councils within its borders. Schemes have now been approved by the Minister for about half the total number of administrative counties. The object of these schemes is to secure central hospitals of a convenient and economical size suitable for serving reasonably wide areas. This centralisation of accommodation has been achieved in several different ways. In some cases the county council has become the hospital authority for the whole or specified parts of the county. In other cases either joint hospital districts have been formed by grouping various district authorities, or district authorities have entered into arrangements for the reciprocal use of accommodation. Arrangements have also been made whereby accommodation necessary for some county areas may be secured in a hospital belonging to a county borough council. A similar policy of hospital concentration has also been adopted in Scotland.

The provision of general hospital accommodation for sick persons outside the Poor Law is a function of all county and county borough authorities in England and Wales, and all counties, cities and large burghs in Scotland. In practice, however, the service is still only given by the London County Council, 39 county boroughs, 10 county councils, one municipal borough and one urban district council in England and Wales, and by four authorities in Scotland.

It will be seen from this short survey that, although the counties and county boroughs in England and Wales are the principal authorities for administering all the public medical services, maternity and child welfare work is still undertaken by 147 municipal boroughs and 86 district councils; that the school medical service is still administered, so far as the elementary schools are concerned, by 146 municipal boroughs and 24 urban district councils (though the county councils are responsible for the medical service in secondary schools in these areas); and that the infectious diseases service is still provided by a multitude of small authorities, in spite of the new policy of hospital concentration. Meanwhile, the emergence of the county boroughs and county councils as general hospital authorities is proceeding very slowly. But there is no mistaking the trend in the direction of making these authorities public medical authorities in a comprehensive sense. At the same time, in a few cases wider areas of administration have been secured by the grouping of counties and county boroughs in joint authorities for tuberculosis and infectious diseases services. In one case—the regional scheme of public health administration in the Aberdeen area—all the medical services of two counties and an important city have been brought into a joint scheme.*

* The Aberdeen Regional Scheme serves the counties of Aberdeen and Kincardine and the City of Aberdeen, an area with a total population of 370,000. The public health services of the three authorities have been placed under the administrative control of one Chief Regional Medical Officer of Health. Under the Chief Regional M.O.H. there are four Divisional Medical Officers responsible for general health work, and a number of whole-time specialists in tuberculosis, infectious diseases, maternity and child welfare, venereal diseases and school medical inspection. The institutional resources of the area are pooled, and there is close co-operation between statutory and voluntary hospital authorities. But the public health committees of the three authorities remain responsible for the services in their own areas, and each authority bears its own share of the cost. Co-operation had begun earlier, but the scheme in its present form was made possible by the Local Government Act, 1929.

Local Administration

The administration of all the public medical services of a local health authority, with the exception of the school medical service, is controlled, in some cases, by a health committee, consisting of members of the elected council of the authority, with appropriate sub-committees, and in other cases by a series of special committees dealing with different aspects of public health. The elected committee or committees are advised by a special executive officer—the Medical Officer of Health for the area. He is the administrative head of the public health department of the authority, and it is his duty to supervise all its public health and medical services. There were, in 1936, 1,194 medical officers of health in England and Wales, of whom 452 were full-time officers and 742 were part-time officers who were also engaged in private practice. Most of the part-time medical officers are officials of urban and rural district councils, but as a matter of general policy arrangements are now being formulated whereby all medical officers appointed by these authorities in future shall be restricted from engaging in private practice.* It will inevitably take some time before a service of full-time M.O.H.s can be established throughout the country. Medical officers of health are usually assisted by one or more assistant medical officers, who sometimes specialise in a particular service, such as tuberculosis or maternity and child welfare. Medical officer's staff also includes a number of health visitors, who sometimes specialise in a particular service, but who usually carry out the work of home visitation for more than one service. Local arrangements vary according to local circumstances, which differ widely in urban and rural areas.

The local administration of the school medical service is usually controlled by a sub-committee of the Education Committee of the local authority. This sub-committee is advised by a special executive officer, the School Medical Officer for the area, who is responsible for the day-to-day administration of the service. Under the Birmingham City Council and several other large provincial authorities the work of the Medical Officer of Health's department is quite distinct from that of the School Medical Officer, and it is separately staffed, but under many other authorities school medical work is combined with the rest of the public medical services and is carried out in the same department under a single chief officer. Nevertheless, it is to the Education Committee and not to the Health Committee of the authority that a medical officer with combined duties is responsible for the school medical work of his department. The position in England and Wales in 1936 was as follows:

	Combined depts.	Separate depts.
Counties	63	—
County boroughs	75	8
Municipal boroughs	135	11
Urban districts	23	1
TOTAL	296	20

* Arrangements of this kind have already been formulated by 19 county councils, in consultation with district councils within their areas.

Co-operation with Voluntary Bodies

Voluntary effort continues to play an important part in the administration of some of the public medical services. In the maternity and child welfare service 1,122 out of 5,345 local centres in England and Wales are provided by voluntary organisations; part of their upkeep is financed from voluntary funds; and large numbers of voluntary workers take part in their activities. But the local health authority is responsible for their general supervision and the maintenance of an adequate standard.

The school medical service is under statutory authorities, but in London and some provincial towns a system of School Care Committees, employing a large number of voluntary workers, is associated with its administration. In London there is a School Care Committee attached to every public elementary school. Twelve organisers are paid by the London County Council, and there are about 5,000 voluntary workers, who receive a short preliminary training before they undertake any responsible duties. The Care Committee act as agents of the Special Services Sub-Committee of the County Council for the purpose of supervising the general welfare of school children, and they are entrusted with the responsible task of recommending necessitous children for free meals and assessing the capacity of parents to pay the nominal sums charged by the Council for medical treatment. They also perform a valuable service in "following-up" medical treatment and putting parents and children in touch with voluntary associations (such as the Invalid Children's Aid Association) which can give them special kinds of help.

Although the treatment of venereal diseases is a public service, about two-thirds of the treatment centres are conducted in voluntary hospitals with special officers and staff. In these cases the local authority makes an annual grant to the voluntary hospital for services rendered.

Finance

The total public expenditure on the medical services included in this section in the year ending March 31, 1934, was £22,461,000, distributed as follows:

	England and Wales	Scotland	Total
	£000	£000	£000
Maternity and child welfare	3,077	298	3,375
School medical service	2,129	170	2,299
Tuberculosis	3,699	653	4,352
Venereal diseases	436	86	522
General hospitals	4,660	90	4,750
Highlands and Islands Medical Service Fund	—	80	80
Infectious diseases*	4,061	1,227†	7,083
Salaries of M.O.H.'s, health visitors, etc., not allocated	1,795		
	£19,857	£2,604	£22,461

* Includes notification, disinfection, etc., and vaccination.
† Includes sanitary inspection, meat inspection, food and drugs and other minor items.

On the other hand, there were the following receipts from beneficiaries to set over against the expenditure on maternity and child welfare, the school medical service, tuberculosis, infectious diseases and general hospitals.

	England and Wales	Scotland	Total
	£(000)	£(000)	£(000)
Maternity and Child Welfare	456	16	472
School medical service	110	—	110
Tuberculosis	123	19	142
Infectious diseases	208	9	217
General hospitals	460	22	482
TOTAL	£1,357	£66	£1,423

It will be seen that the amounts received were a very small proportion of the total expenditure in each case. The net public expenditure on the medical services included in this section in the year ending March 31, 1934, was £21,038,000. In the case of the school medical service the central government makes an annual grant to local education authorities equal to 50 per cent of their rate expenditure on the service. The remaining services are financed out of local rates, but local authorities receive a General Exchequer grant, which in 1933-4 amounted to £45 million in England and Wales, and £6 million in Scotland, towards the cost of their local services. Unfortunately, no information is available as to the allocation of this grant to specific local government services.*

THE WELFARE OF THE BLIND

Before 1920 there was no systematic provision by public authorities for those who suffered from blindness. Education authorities had established special schools for blind children, Poor Law authorities had granted relief and provided institutional accommodation in many necessitous cases, and many charitable associations had supervised the welfare of thousands of blind people. But it was not until the Blind Persons Act was passed, in 1920, that non-contributory pensions became payable to blind persons over the age of 50† and local authorities were obliged to establish comprehensive schemes for the welfare of blind persons in their areas. A Government measure which is to be submitted to Parliament this year (1937) provides for the payment of non-contributory pensions to blind persons at the age of 40.

* Prior to 1929 government grants for most of these services were made on a percentage basis. Thus the grant for maternity and child welfare was 50 per cent of local expenditure; tuberculosis, 50 per cent, together with certain fixed grants; and venereal diseases, 75 per cent. A General Exchequer Grant is made under the Local Government Act, 1929, to compensate for the loss of rate income due to derating and to replace the percentage grants. It is weighted to allow for special need by means of a formula based on total population, infant population, rateable value per head of population, unemployment, and (in the counties) size of population per mile of road. The grant was revised in 1933 and 1937, and will be revised again every five years.

† Chapter V, page 118, footnote.

Blind welfare schemes usually include the following features:

(i) Arrangements for the proper certification of blindness.

(ii) Arrangements for the training and employment of employable blind persons in workshops for the blind or in their own homes (under home workers' scheme).

(iii) The provision of a home teaching service for the social welfare of blind persons in general, and in particular, for teaching them to read Braille and Moon type, and to occupy themselves with simple pastimes.

(iv) The organisation of general welfare and recreational activities for blind persons.

A growing number of local authorities also provide financial assistance for blind persons other than by way of poor relief.*

The Basis of Provision

The certification and registration of blind persons and the home teaching and social welfare services for the blind are carried out at the cost of the local authority or the voluntary societies. In the workshops and in Home Workers' schemes an "augmentation" is paid to blind persons as an addition to their wages, calculated to offset the lower wage which they can command as a result of their handicap of blindness. Many local authorities provide, as they have power to do, domiciliary assistance outside the Poor Law subject to a test of means which is usually less strict than the Poor Law test. But this practice is not universal and legislation is to be introduced to divorce everywhere all assistance to the blind from the Poor Law.

Central Administration

The central authority for the administration of the blind welfare service in England and Wales is the Ministry of Health. The central authority in Scotland is the Department of Health for Scotland. Since 1929 the responsibility for the welfare of the blind has been devolved almost entirely on to the local authorities, consequently the central departments only act in a supervisory and advisory capacity. Both the central departments are assisted in their work by an Advisory Committee on the Welfare of the Blind.

Administrative Areas

The blind welfare service is undertaken by all the county and county borough councils in England and Wales, and by all the county councils and the large burghs in Scotland.

Local Administration

The supervision of local blind welfare schemes is usually undertaken by a Blind Welfare Committee composed of members of the elected council of the authorities with,

* The Local Government Act, 1929, provided that local authorities may grant domiciliary assistance to blind persons *exclusively* under the Blind Persons Act, 1920. In 1935, 63 out of 143 blind welfare authorities in England and Wales had made arrangements for giving domiciliary assistance to blind persons exclusively under this Act.

in some cases, a few co-opted persons. The responsible administrative officer is usually the Medical Officer of Health for the area. But it is an interesting feature of most blind welfare schemes that the actual provision of the service—or parts of it—is delegated to a voluntary organisation. Thus in London up to March 31, 1935, voluntary organisations provided workshop employment, Home Workers' schemes, and homes and hostels for the blind, all with some measure of financial assistance from the London County Council. One of the voluntary societies concerned, the Metropolitan Society for the Blind, performed registration and home teaching and acted for the L.C.C. in the payment of domiciliary assistance. At the date mentioned, however, the L.C.C. decided to take over all the routine work of the Metropolitan Society which continues to exist, and that Society now provides only subsidiary services, e.g. occupational pastime centres and maintenance of wireless sets. This is in line with the tendency of some large local authorities to increase their share in the direct administration of their blind welfare schemes.

Where the provision of domiciliary assistance to necessitous blind persons, other than by way of poor relief, is not delegated to a voluntary organisation, the service is usually administered by a special sub-committee of the local authority's Blind Welfare Committee.

THE MENTAL HEALTH SERVICES

The mental health services provide for two quite distinct types of person (i) those suffering from mental disorders (formerly called "lunatics"), and (ii) those suffering from arrested development of mind, whether congenital or induced by injury or disease before development is complete. The services dealing with the former type of person may be described as mental *treatment* services, the presumption now being that mental disorders are curable, or at any rate, amenable to treatment. The services dealing with the latter type of person are usually described as mental deficiency services. There are, of course, a certain number of mentally defective persons who also suffer from mental disorders. These persons may be dealt with by either or both of the two mental health services.

Owing to the existence of obvious dangers to the community, the law has long made provision for dealing with persons of unsound mind and certain types of mental defectives.* The existing arrangements are still governed to some extent by protective considerations, but the interests of the sufferers themselves are now paramount. Elaborate arrangements, with the necessary safeguards against mistakes and abuses, exist whereby persons suffering from mental disorder may be certified and detained, and there are similar arrangements for mental defectives. Provision is also made for the protection of the interests and property of mental patients and of mental defectives, and, above all, for their treatment and welfare.

* An Act of 1808 gave Justices of the Peace power to provide asylums for lunatics. The Lunacy Commission was founded in 1845, in which year provision was also made for the establishment of county and borough asylums. The Lunacy Act, 1890, established the Board of Control. In Scotland there were a number of Royal Asylums, established under charter before the Lunacy Act of 1857. The Scottish Board of Control was established in 1890.

Persons suffering from mental disorders are cared for in about a hundred institutions maintained by county and county borough councils in England and Wales, and 21 district asylums maintained by county and large burgh councils in Scotland. Some patients are also looked after in Poor Law institutions, particularly in Scotland, some in institutions run by voluntary organisations and others in private asylums run for profit. Most of the patients admitted to these institutions until comparatively recently have been in an advanced stage of disease. During the last few years, however, there has been a welcome tendency for patients to come for treatment at an early stage when there is often considerable hope of recovery. The Mental Treatment Act (England and Wales), 1930, provided for the admission of rate-aided patients on a voluntary basis without certification, and for the admission of temporary patients needing treatment on the certificate of two medical practitioners without a magistrate's order. Another important development under this Act has been the establishment of a number of out-patients' treatment clinics often in collaboration with general hospitals.

Before the Mental Deficiency Act, 1913, there was no systematic provision for mentally defective persons, as distinguished from those suffering from mental disorders. Since 1913, however, an important new service has grown up.

A considerable number of mentally deficient children are looked after in special schools in which the pupils are trained until they are 16 but, owing to lack of accommodation in special schools, many of them remain in ordinary elementary schools. There are some residential and some day schools where these children can be taught so that they can enter the labour market. For mental defectives over 16 there is provision in institutions and in residential colonies. Supervision is also arranged for mental defectives needing care but living in the community. Occupational classes, industrial centres, clubs and evening classes are organised for them.

Basis of Provision

Criminal lunatics are treated without charge. All other patients, or their relatives for them, have to contribute towards their maintenance in the mental hospitals of public bodies.

No charge is made for attendance at special day schools for mental defectives. Destitute persons are also given free accommodation in residential schools and colonies. The cost of maintenance, however, of other persons, both in public institutions and in institutions supported by voluntary organisations, is partly met by the patients or their relations.

Central Administration

The Board of Control for England and Wales and the General Board of Control for Scotland, supervise and inspect all places whether public or private in which lunatics are detained. They must supervise the welfare of the patients and enquire into any accidents or deaths which may have occurred in these institutions. They are also supervisory authorities for institutions for adult mental defectives. The Boards of Control are responsible to the Minister of Health and to the Secretary of State for Scotland respectively. The supervisory authorities for special schools for mentally defective children are the Board of Education and the Scottish Education Department.

Other central departments administer two criminal lunatic asylums, and one naval and one military hospital for mental cases.

Local Administration

The Mental Deficiency Act, 1913, makes it possible for the Lunacy Acts and the Mental Deficiency Acts to be administered by a single local committee, but in the case of the great majority of local authorities, the two services are administered by separate committees.

Mental Treatment

Every county and county borough council in England and Wales and every county and large burgh council in Scotland must provide adequate mental hospital accommodation for rate-aided patients. They also have the power, which in England and Wales is almost always exercised, of providing for "paying patients." They may provide for the treatment of out-patients suffering from mental disorders, and they may contribute to the funds of any voluntary hospital undertaking this work. They may also make provision for the after-care of patients who have been treated for mental illness and contribute to the funds of voluntary after-care organisations. These powers and duties are exercised through a special Mental Hospital or Visiting Committee. If there is more than one hospital in the area, sub-committees are sometimes appointed to do the work of the Visiting Committee for each hospital. Some local authorities have combined for the purpose of running joint mental hospitals. Notable examples include the Lancashire Mental Hospitals Board, the West Riding Mental Hospitals Board, and the Staffordshire Mental Hospitals Board. Some authorities pay for the housing of the destitute mental patients in independent institutions such as the Royal Asylums in Scotland.

The work of voluntary organisations in this branch of the mental health service takes the form of maintaining private mental hospitals and nursing homes and of performing after-care work; of establishing out-patients' clinics for mental treatment at voluntary hospitals; and of providing research and consultant institutions, such as the Tavistock Clinic, and child guidance clinics for difficult and abnormal children.

Mental Deficiency

The administration of the public mental deficiency services is shared between two committees of local authorities:

(i) The Education Committee is responsible for the ascertainment and education of defective children (other than idiots and imbeciles) from the age of 7 to 16,

and for the notification to the Committee for the Care of Mental Defectives of certain classes of defectives.

(ii) The Committee for the Care of the Mentally Defective* is responsible for all defective persons notified by the local education committee, and for mental defectives found neglected, cruelly treated, or in any trouble with the police. The committee must provide supervision or guardianship, or must arrange for sufficient institutional accommodation of the appropriate kind for mentally defective persons for whom neither supervision nor guardianship affords adequate protection. Institutional care may be provided within their own institutions or in institutions provided by other local authorities or voluntary bodies. Thus many of the authorities in the Eastern Counties pay for the maintenance of defectives in the Royal Eastern Counties' Institution at Colchester, which is an independent voluntary body. In Lancashire the Lancashire Mental Hospital Board administers two institutions for mental defectives for the use of the constituent authorities.†

Voluntary associations for the care of the mentally defective play an important part in the administration of the mental deficiency service in some areas in Great Britain. For example they perform such functions for the local authorities as providing for the care of those under guardianship and supervision.

EMPLOYMENT SERVICES

The troubled history of British unemployment insurance and the vast efforts required to maintain the unemployed has diverted public attention from the fact that the Ministry of Labour has also been responsible for several constructive employment services which play an important part in our social life. These services include the national employment exchange system, which was established under the Labour Exchanges Act, 1909, the juvenile employment services, and the provision of training, instruction and welfare schemes for unemployed men and women.

The Employment Exchanges

For many years before 1909 experimental labour exchanges—for the purpose of bringing together employers who needed labour and unemployed persons who required work—had been started in many parts of the country. But it was not until that year that a national system of employment exchanges was established. This system has greatly developed during the last twenty-seven years, although its essential features remain unaltered. It consists of a network of local employment agencies and a clearing-

* In some areas this committee is called the Mental Health Committee.

† Public Assistance Committees have certain responsibilities towards destitute mental defectives, but in an increasing number of areas this responsibility is being transferred to the local Committee for the Care of Mental Defectives.

house system. Thus there are 1,188 local agencies of the Ministry of Labour (452 exchanges and 736 offices and branch offices) engaged in registering applicants for work and placing them in employment with firms notifying vacancies. There are also three specialised exchanges in London, the Building Trades Exchange and the Hotel and Catering Trades Exchange, dealing exclusively with the employers and workpeople in these trades, and Great Marlborough Street for educated women. Vacancies for which no suitable applicants are available at local offices are "cleared" by circulation to other offices, by telephone or printed lists. There are special clearing arrangements by divisional offices and for certain regions, all working under a National Clearing House in London. During the year 1935 over 2½ million engagements were effected through the agency of the national employment exchange system. The exchanges have always advanced fares to enable workpeople to take up jobs notified in distant areas. As an extension of this work, the Ministry of Labour has made special arrangements since 1928 for assisting unemployed workpeople in the depressed areas to move to other districts offering better prospects of work. Railway fares are paid for the worker and his family, lodging allowances are made pending the removal of the household, and financial aid is given towards the cost of removal and re-settlement. Over 140,000 workers have taken advantage of this scheme of industrial transference during the last eight years.

The Juvenile Employment Scheme

The Labour Exchanges Act, 1909, provided for the establishment of special departments of local employment exchanges to advise boys and girls leaving school on the choice of employment, to find suitable employment for them between the ages of 14 and 18, and to supervise their industrial welfare. The Education (Choice of Employment) Act, 1910, also empowered local education authorities to set up juvenile employment bureaux for the same purpose in their own areas. There are now 195 Ministry of Labour juvenile advisory committees; and juvenile employment bureaux are provided by 108 local education authorities. But the same functions are performed by both types of organisation, and both are now supervised by the Ministry of Labour.

Training and Welfare Schemes

The Ministry of Labour maintains several kinds of training institutions for unemployed men and women:

(i) Residential training centres for men who wish to enter new occupations requiring some degree of skill. The normal course is six months.

(ii) Residential and non-residential instructional centres and summer camps rehabilitating men who have got out of condition as a result of long-term unemployment. Twelve weeks is the normal duration of a course.

(iii) Non-residential physical training centres for unemployed men in certain areas.

(iv) Domestic training centres for girls and women (residential and non-residential).

The numbers of workers who have attended these training centres in recent years are set out in the Appendix.

Administration

The employment services included in this section are all under the central control of the Ministry of Labour and, with the exception of the juvenile employment bureaux, they are administered locally by the Ministry's officers. The juvenile employment bureaux (as distinct from the Ministry's own juvenile employment exchanges) are controlled by local education authorities, under the central administrative supervision of the Ministry of Labour.

For the adult service there are many local advisory committees established for the purpose of obtaining the advice and active co-operation of local people in the work of the exchanges. There were, at the end of 1936, 335 local employment committees, with a total membership of approximately 10,000, attached to local employment exchanges. There were also 195 juvenile advisory committees attached to juvenile employment exchanges and 145 similar juvenile employment committees attached to juvenile employment bureaux. The total membership of these committees was about 4,500. In addition there were a number of regional advisory committees and advisory committees for special problems (e.g. committees for advising pupils from public and secondary schools) and there were two national advisory committees for juvenile employment, for England and Wales and Scotland respectively.

Co-operation with Voluntary Bodies

The Ministry of Labour co-operates with voluntary organisations in a number of different ways. In some occupations the trade unions play an important part in placement and in the distribution of unemployment insurance benefit. Voluntary organisations also provide certain training facilities—such as the Headingham Scout Training Camp, which is recognised and assisted by the Ministry. The Ministry also contributes an annual grant to the National Council of Social Service for the purpose of organising occupational and welfare centres for the unemployed. At the end of 1936 there were over 1,500 occupational or welfare centres, the majority of which were serving areas where unemployment had been heavy and prolonged.

IV. THE CONSTRUCTIVE COMMUNITY SERVICES: GENERAL REVIEW

The Nature and Extent of Provision: Education—Public Medical Services—Blind Welfare Service—The Mental Health Services—The Employment Services—**The Basis of Provision:** Compulsion—Recovery of Cost—The Method of Fee Charging—The Need for a Review of the Basis of Provision—**Central Administration:** Central Control and Guidance—**Administrative Areas—Co-operation with Voluntary Bodies—Finance.**

THE NATURE AND EXTENT OF PROVISION

The survey which has been made in Chapter III demonstrates beyond any doubt the great importance of the constructive community services in the life of the nation. They play a vital part in maintaining and raising the general standard of both individual and social well-being among the great majority of the population. They are essentially *constructive* services in that they seek to improve individual fitness and the social adaptation of the persons with whom they deal. They provide an army of specialised professional workers—teachers, doctors, dentists, nurses, consultants, health visitors, home instructors, employment officers and others, and a large number of specialised institutions—schools, clinics, hospitals, sanatoria, blind workshops, special colonies and asylums, employment exchanges and training centres—for the use of those who need them. They are truly *community* services in the sense that they are not legally restricted to a particular social class. It is true that most well-to-do people and many who are only moderately well off normally prefer to use private facilities. But all the constructive community services are available for all who need them, irrespective of social class or income. Some of them, notably higher education, the specialised medical services and the employment exchange system, are used by others than the poor.* Nevertheless, it cannot be said that the constructive community services are by any means complete; there are still many gaps and shortcomings. The most important of these may now be mentioned, in the form of very brief and summary notes.

Education

Nursery Schools and Classes

Some advocates of nursery schools consider them to be indispensable for all children between 2 and 5, particularly in view of the diminution of large families. Others

* Many endowed schools and all the Universities and university colleges are now grant aided. An ordinary University student has 84 per cent of the cost of his education paid by the general tax-payer. Jobs at £1,500 a year are occasionally notified to the employment exchanges and filled by them.

maintain that they are only necessary in cases where the home conditions are manifestly unsuitable. At present only 5,000 children between 2 and 5, that is, less than 1 in 300, are in nursery schools, and less than one-tenth of the children of these ages are in the nursery or infant classes of ordinary elementary schools. Even on the latter view, therefore, the existing provision is still very inadequate.

Primary Education

In many respects, some of the best educational work to-day is done in infants' departments and junior schools. But it is seriously impeded in many parts of the country by the antiquated and, frequently, dilapidated character of school premises and the over-large size of classes. There were still, in September 1936, 1,054 schools on the "black list" in England and Wales alone, and a very large proportion of these include infants and junior departments. On March 31, 1935 there were 3,285 infants' and junior classes with more then 50 scholars.

Post-Primary Education

"Hadow" reorganisation is still very far from complete, especially in the rural areas. On March 31, 1936, about 40 per cent of the boys and girls in the senior schools and departments were still unaffected by reorganisation. In the countryside, where transport difficulties are an obstacle to concentration of pupils in senior schools, and in the Home Counties, where there has been an abnormally large increase in the school population as a result of the migration of industry and the creation of new housing estates, reorganisation has made even smaller progress. Many new school buildings are needed, not only to reduce the size of classes and to replace cramped and out-of-date premises, but also for a new and much more varied and realistic form of post-primary education.

Education from 14 to 18

For the great majority of boys and girls, formal education ceases entirely at the end of the term in which their fourteenth birthday occurs. Relatively few continue their education full time beyond this age in secondary and other post-primary schools, and although there is a wealth of provision of part-time day and evening classes, only about one boy in five and one girl in seven attend. The Education Act of 1936 raises the statutory school-leaving age to 15 in 1939, but it contains an unsatisfactory system of exemptions which will probably destroy its effectiveness, and it leaves the 15 to 18 age group untouched. Some measure of continued education up to the age of 18 is clearly needed for all. (The subject has been fully discussed in a previous P E P Report: The Entrance to Industry.)

University Education

All young men and women who would benefit from a university education do not go to a university. In spite of the existing scholarship facilities and maintenance allowances, it is impossible for many parents to enable their children to continue their education full time beyond the age of 18, and of those who do so, many are called upon to make crippling sacrifices. Without necessarily greatly increasing the existing number of university places, a more selective test on entrance together with improved scholarship

facilities would undoubtedly add greatly to the social value of the universities and university colleges.

Public Medical Services

Maternity and Child Welfare

The persistence of a high rate of maternal mortality and a large amount of illness and invalidism resulting from childbirth suggests that much remains to be done before we can be content with the maternity welfare services. The causes of the failure to reduce maternal mortality and morbidity are not altogether clear. Fundamental changes in social behaviour may well prove to be more important than any failure in professional skill or institutional care, but there can be no doubt that many lives now lost could be saved and much ill-health avoided by the provision of better public facilities. A comprehensive maternity service has not yet been created. There is still a serious lack of trained midwives, but the 1936 Midwives Act for England and Wales should result in important improvements in this service. Under it local authorities must provide midwifery service to meet the needs of their area. The Maternity Services (Scotland) Act, 1937, goes even further, and stipulates that a general practitioner and a specialist consultant should also be available. Only a small proportion of expectant mothers outside the large towns attend ante-natal clinics. Consultant obstetricians are not available in many parts of the country, and there is a serious shortage of ante-natal clinics, hospital accommodation and convalescent homes in many areas. More attention should also be paid to the nutrition of expectant mothers.*

The infant welfare service has reached a very advanced stage of development so far as children under the age of 12 months are concerned. Nearly all young babies are visited by health visitors, and well over half of them are brought to infant welfare centres. There is, however, still a good deal to be done to bring this service in the country areas up to the best standards of urban provision, and the supervision of children between the ages of 1 and 5 is very defective in most parts of the country. The first medical examination at school usually reveals a crop of minor ailments and not a few serious defects which would not have arisen if there had been effective medical supervision between 1 and 5.† There is also some evidence that many nursing mothers and young children suffer from the lack of milk and other nourishment in areas where these foods are not provided at maternity and child welfare centres.

School Medical Service

The extraordinary variations in the services rendered by the school medical service in different parts of the country (see Appendix) suggest that there is much leeway to be

* In 1934 the National Birthday Trust provided funds for the improvement of the maternity services in the Rhondda Valley, where the mortality rate had been exceptionally high for many years. The scheme started with increasing the provision for ante-natal care and introducing refresher courses for midwives, but in spite of these efforts the puerperal death rate continued to rise. In the next year food was distributed to all the undernourished mothers. The puerperal death rate fell from 11.3 to 4.8, and not a single death occurred among the mothers receiving food.

† The Ministry of Health has addressed a circular (Circular 1550 of May 29, 1936) to local authorities calling attention to the need for further measures of supervision of the health of all children of these ages.

made up by many authorities. There is a strong case for *at least* four medical examinations during school life (as in London) instead of the three examinations normally made, though some authorities advocate annual examinations (some of which might be held in the classroom, as in Edinburgh). But the gravest inadequacy is undoubtedly to be found in the dental service. Only two-thirds of the elementary school children in England and Wales in 1934 were dentally examined; of these nearly 70 per cent were found to require treatment. The Board of Education has estimated that an efficient service would require one dentist for every 5,000 children. Actually the ratio in England and Wales is 1 to 7,000 and in Scotland 1 to 14,000.

Infectious Diseases

The infectious diseases service is the oldest public medical service, and its defects are defects of age rather than of scope. There is no lack of hospital accommodation except in outlying areas, but much of this accommodation is uneconomical and old-fashioned. Under the Local Government Act of 1929 county councils in England and Wales were required to make surveys of infectious disease accommodation and to submit schemes for improvement. As a result the concentration of hospital accommodation in large modern units with up-to-date equipment is proceeding, but much still remains to be done before the service is completely modernised. Comparatively few local authorities provide artificial immunisation against infectious diseases.

Tuberculosis

Tuberculosis is for the most part a poverty disease. It is closely associated with bad housing, overcrowding, poor feeding and low standards of personal and domestic hygiene. A further reduction of the mortality and morbidity rate largely depends on an improvement in general social conditions rather than on any extension of the existing tuberculosis service, which is very highly developed in most parts of the country. Nevertheless there is considerable room for improvements in the quality of the tuberculosis service, especially in rural areas. In particular, there is a need for large up-to-date institutions providing modern treatment and for increased collaboration between the public tuberculosis officers and private practitioners, school doctors and industrial welfare workers in order to reduce the heavy incidence of tuberculosis on young people between the ages of 15 and 25.

Venereal Diseases

The venereal diseases service has been very successful in reducing the incidence of venereal disease during the last fifteen years. Its only serious shortcoming is its failure to hold a large proportion of patients sufficiently long to complete treatment. In 1934 some 24,000 persons in Great Britain ceased to attend clinics before their treatment was completed. The ratio of defaulters to persons cured was about two to three.

General Hospitals

The public hospitals service for general cases is still in its infancy. It has hardly come into existence in any part of the country outside London and a few large towns. Such

public hospitals as there are have usually started through the appropriation of former Poor Law hospitals, and are seldom housed in up-to-date premises. In view of the existence of hundreds of voluntary hospitals in different parts of the country, it is difficult to estimate the extent of the need for public hospital accommodation in particular areas. But it seems evident that many old-fashioned Poor Law hospitals ought to be converted into public institutions, with modern facilities and equipment, available for all who need treatment, irrespective of their economic circumstances. It is important that continuous co-operation between municipal and voluntary hospitals should be maintained.

Blind Welfare Service

The elements of a comprehensive structure of welfare service for the blind have now been completed in London and in most large provincial towns. But the service is still far from complete in many smaller towns and in rural areas. A few local authorities still assist the blind through the Poor Law, and there is a wide variation in the generosity of provision by different authorities. Home Workers' schemes are insufficiently developed in some parts of the country, and the home teaching service, though excellent in many ways, could be improved in others.

The Mental Health Services

Mental Disorder

Great progress has been made during the last few years in carrying out the provisions of the Mental Treatment Act, 1930, in England and Wales. But the institutional provision for mental patients is still very inadequate in some areas and some mental hospitals are overcrowded. In Scotland the mental health services are much less advanced than in England and Wales. Scottish local authorities make little provision for voluntary patients and have very few out-patients' clinics. In order to remedy this deficiency the provisions of Mental Treatment Act, 1930 (England and Wales), should be extended to Scotland. A great deal more needs to be done in both countries to provide preventive services and early treatment facilities.

Mental Deficiency

The principal weakness of the existing mental deficiency service is its failure to make any special provision for large numbers of mental defectives who are not ascertained by the local education authorities under the Mental Deficiency Act, 1913. It was intended that the local education authorities should, under this Act, provide special training for all ascertained mental defectives (except idiots and imbeciles) between the ages of 7 and 16. In practice this policy has broken down, chiefly on account of the cost of providing special schools for mental defectives, except in large centres of population. As a result large numbers of mental defectives attend ordinary elementary schools and remain unascertained. These children cannot be dealt with by the local Committee for the Care of the Mentally Defective unless there are special circumstances such as neglect, cruelty or crime which call the Committee's attention to the case. It is plain that the present gaps in the procedure of ascertainment should be closed as early as possible, and that adequate provision should be made for those who are at present either unknown to,

or outside the reach of, the mental deficiency authorities. It was estimated in 1929 that there were about 300,000 mental defectives in England and Wales. Yet in 1935 provision was made for less than 80,000, barely a quarter of this number.

The Employment Services

The Employment Exchange system has proved to be one of the most successful of the public social services. Nevertheless, it is open to improvement at several points. In spite of its success, it only deals with about a quarter of the total number of jobs placed every year, and it has not been able to establish order in many sections of the labour market. Moreover, the training schemes only attract a small proportion of those who need training. It is highly desirable that this service should be extended and popularised, and some measure of compulsion might even be suitable. The Ministry of Labour returns do not bring out the very heavy incidence of unemployment among unskilled workers, but an analysis of the 1931 Occupational Census shows that the rate of unemployment amongst unskilled manual workers was 30.5 per cent, as against 14.4 per cent for skilled and semi-skilled manual workers, and just over 5 per cent for office and professional workers. The cost of training along the right lines might well be more than repaid by saving in social assistance services. Even the revised industrial transference scheme, with its generous provisions, only deals with a small proportion of the total number of transferees. There is probably a strong case for introducing compulsory notification of vacancies in certain types of employment.

The gaps and deficiencies which have just been outlined clearly demonstrate the need for a policy directed towards the extension and improvement of the constructive community services. But before proceeding to make any practical recommendations, it is necessary not only to consider these services in their administrative and financial aspects, but to examine them in relation to the other two groups of public social services.

THE BASIS OF PROVISION

The various constructive community services are not provided on any common basis. Some of them are compulsory for certain classes of persons. Others are optional so far as the beneficiaries are concerned. Some of them are provided free of charge to all who take advantage of them. But in other cases some payment is required in principle, though the charge may be remitted on proof of need.

Compulsion

Besides the compulsory notification of certain infectious diseases, there is a strong element of compulsion in the following constructive community services:

Vaccination

Parents must have their children vaccinated either by the public vaccinator (in which case it will be performed free of charge) or by their own doctor within

four months of birth, unless they declare on oath a conscientious objection to its vaccination.

Elementary Education

Parents must send their children to public elementary schools or make some equivalent provision for their education between the ages of 5 and 14 (in the case of defective children, between the ages of 7 and 16, and in the case of blind children, between 5 and 16).

School Medical Service

Parents must allow their children to be medically examined by officers of the school medical service unless they make alternative provision for their periodical examination.

Factory Medical Service

Boys and girls under the age of 16 must be medically examined and certified as physically fit for factory employment by a certifying surgeon before commencing work in a factory.

Junior Instruction Centres

In certain areas insured unemployed boys and girls under the age of 18 are compelled to attend a junior instruction centre or class, provided that such a centre or class exists within reasonable distance. The compulsion is selective.

Infectious Diseases

Persons suffering from infectious diseases (including tuberculosis) may be compulsorily isolated and treated in appropriate institutions if, in the opinion of the local Medical Officer of Health, they are a danger to the community.

Mental Health

Certain persons suffering from mental disorders or mental defect may be compulsorily isolated and treated in appropriate institutions.

In the case of vaccination and the isolation and treatment of persons suffering from infectious diseases, mental disorders and mental deficiency, the principal motive behind the use of compulsion is the desire to protect society and only incidentally to benefit the individual. But in the other cases—in all of which, it will be observed, the beneficiaries are children or young people under 18—the principal reason for compulsion is to ensure that everyone receives a minimum standard of education and medical attention during his or her early years and to prevent deterioration due to unsuitable working conditions or unemployment. In the first five instances compulsion is general—although exemptions are allowed in certain cases—but the services are provided free of charge. In the last two cases compulsion is discretionary—and some payment by or on behalf of the beneficiary *may* be called for.

Compulsory measures have been discussed but have never been applied in connection with maternity and child welfare,* tuberculosis,† venereal diseases, training for the unemployed, and the use of employment exchanges for obtaining work.

The following services are provided free of charge to all who take advantage of them:

Elementary Education.

Maternity and Child Welfare (except treatment in residential institutions and the supply of milk and other forms of nourishment).

School Medical Inspections, but not *treatment* by the school medical service.

Factory Medical Examination.

Tuberculosis Service (except treatment in residential institutions).

The Blind Welfare Service.

The Mental Health Services (except treatment in residential institutions).

The Employment Exchange Service.

Industrial Training and Transference.

These services are provided free in order to encourage as many people as possible to use them voluntarily in cases where it is impossible to exercise compulsion. It is felt that no financial consideration, however slight, should stand in the way of the elementary education of any child, or in the way of anyone needing certain kinds of medical attention. The employment exchanges and the industrial training and transference services are provided free in order to prevent any avoidable unemployment.

It will be observed that the two principal exceptions to free provision in the group of services listed above are:

(i) Medical treatment by the school medical service.

(ii) Treatment or training in all forms of residential institutions.

In view of the provision of free treatment in the case of tuberculosis and venereal diseases and, to some extent, even in the case of maternity and child welfare, the case of school medical treatment is somewhat anomalous. But the exception of treatment and training in residential institutions of all kinds is plainly due to financial considerations. It is felt that all who can afford to do so should make some contribution to the cost of their maintenance whilst undergoing treatment or training.

Recovery of Cost

An attempt is usually made to recover some part of the cost of institutional medical treatment from the beneficiaries or their relatives. The Local Government Act, 1929, requires local authorities to devise schemes for assessing the capacity of patients in General Hospitals, appropriated from the Poor Law, to pay part of the cost of their treatment. The Public Health Act, 1936 (Sec. 184), coming into effect in October 1937, provides for the recovery of costs in the case of maternity hospitals, tuberculosis sanatoria, general hospitals and convalescent homes. Most local authorities at present make an attempt to get some payment for these services. Infectious diseases are in a different category, and treatment is usually free for all. In some areas the work of recovering the cost of treatment is undertaken by public assistance officers, but many local authorities have now appointed special officers or almoners for this purpose. There is a good deal of variation in the practice of different local authorities in the assessment of cost recovery charges. Capacity to pay is usually estimated on the basis of an investigation of family resources, but there are wide variations in the categories of relatives regarded as chargeable, the nature of the family income considered, and the amount of income disregarded.

* Except for the notification of births since 1907.

† Except for notification since 1912.

The Method of Fee Charging

An alternative method of obtaining some financial return for services rendered is by charging a fee, which may be remitted, wholly or in part, in case of need. This method is usually adopted in the case of higher education, school medical treatment, and in some hospitals and convalescent homes. Generally speaking, the fees charged seldom cover more than a small proportion of the cost of the service rendered, and frequently are purely nominal. In the special case of secondary school fees a scale varying with the income of the parent is used. In the case of treatment by the school medical service a standard scale of fees is scaled down (if necessary, to nothing) after a rough assessment of family circumstances. But here, again, there are very wide variations in the practice of different local authorities.

The Need for a Review of the Basis of Provision

In spite of the variations in the basis on which the different constructive community services are provided, certain broad principles appear to have been followed with occasional divergences. Compulsion has obviously been related to the safety of the community and to the need to protect the interests of boys and girls during a vital period of development. The provision of free services has clearly been based on the policy of encouraging the widest possible use of certain important services, and the attempt to recover cost in various ways has been restricted in the main to institutional treatment and training where *maintenance* has also been involved and to higher education.

But there are many anomalies, and it is by no means certain that the broad principles which have, more or less, been followed have any special validity. A comprehensive report by the Minister of Health on the whole basis of provision, bringing out the wide variations in practice between the different local authorities, would be in the public interest, and is long overdue.

CENTRAL ADMINISTRATION

The actual provision of the constructive community services (except the employment services of the Ministry of Labour and the Highlands and Islands Medical Service) is

primarily a function of local government in Great Britain. But central government departments play an important part in supervising their administration. Thus the Board of Education and the Scottish Education Department supervise the local education authorities. The Ministry of Health and the Department of Health for Scotland supervise the local administration of maternity and child welfare, the tuberculosis, venereal diseases, infectious diseases and general hospital services, blind welfare and the care of the mentally disordered and the mentally defective. The Home Office supervises the Approved Schools and it directly administers the factory medical service; and the Ministry of Labour (in consultation with the education departments) supervises the work of the juvenile employment bureaux and junior instruction centres provided by the local education authorities. In England and Wales the school medical service is supervised by the Board of Education (although co-operation with the Ministry of Health is to some extent ensured by having a joint Chief Medical Officer), but in Scotland the school medical service is a responsibility of the Department of Health for Scotland.

Central Control and Guidance

Central control and guidance is exercised through the power to sanction loans and to make grants in aid of both capital and current expenditure, by the issue of departmental circulars, and by an inspectorate. Inspectors with varying powers are used in all the educational, public health and public assistance services. Broadly speaking, their duty is to insist on the observance of the law, which in some cases closely defines the type of service which should be rendered. If drastic action is to be taken, the Minister must intervene and appeal to the courts. In practice the inspectors advise, assist and co-operate with the local authorities. The Ministry of Health conducts periodical surveys of the medical services in different areas, which enables it to determine in detail the standards of the service provided. The District Auditors also help to hold local authorities in check. What amounts to a further method of control on the part of the central departments is the drawing up of model rules and by-laws which many local authorities adopt. There are also a large number of Acts under which the central departments can give to or withhold from a local authority specific powers. A local enquiry is often held before exercising this jurisdiction. But, in spite of a certain amount of encroachment by the central government during the post-war years, the locally administered services are substantially free to exercise a large measure of self-determination. This freedom has been enlarged since the 1929 local government reforms. The substitution of block grants or lump sum payments for payments allocated to some particular services, the disappearance of some of the smaller and weaker authorities, the strengthening of others, and the policy of the Ministry of Health of giving as much autonomy as possible to the larger authorities have all been ways in which this has been brought about. But the central departments, the Ministry of Health and the Department of Health for Scotland, exercise a negative control over local authorities through their power to sanction or to refuse to sanction the raising of a loan by the authority concerned.

The function of the central departments is to give advice, to stir up laggard authorities, to insist on minimum standards in administration, to restrain the ardour of

local authorities bent on ill-considered or unreasonably costly enterprises, and to keep the programme of all local authorities in some sort of line with each other and with national policy. It would be unfair to suggest that the Board of Education and the Ministry of Health do not concern themselves with the wider aspects of planning and of directing the education and public health services. But it is very questionable whether either of these two authorities, as at present constituted, is in a position to undertake with speed and effectiveness the task of reorganising and developing the services with which they are concerned. It is not clear whether this is due to lack of will or to lack of legal powers or to local resistances.

The case of the Ministry of Labour is different. Here there are no local administrative authorities to contend with, and the central authority is in a position to shape the services for which it is responsible in any way which it considers effective, within the bounds of its statutory power. The problem of the demand and supply of labour is so clearly a national problem that no question arises concerning the most appropriate form of administration. A central authority with a network of local offices is obviously needed. But the absence of more or less autonomous local authorities is not an unmixed advantage even in this case. It hampered the growth of the employment services for many years after 1910. Other things being equal, local responsibility combined with local knowledge makes for efficient day-to-day administration, whereas administration by officials of a central department often fails to do justice to local needs. Centralised services tend to be disliked and misunderstood, even where the co-operation of local people is secured on advisory committees.

The direct administration of the Highlands and Islands Medical Service by the Department of Health for Scotland is justified partly by the geographical character and poverty of the areas which are served, and partly by the preference of the private practitioners working in the Highlands and Islands for direct relations with Edinburgh rather than with their own county authorities. But maternity and child welfare, the school medical service, and the tuberculosis, infectious diseases, blind welfare, lunacy and mental deficiency services remain the direct responsibilities of the local authorities in these areas, and it appears that there is some failure of co-ordination.*

ADMINISTRATIVE AREAS

The constructive community services are administered in areas differing widely in extent. In the case of the employment services of the Ministry of Labour and the Factory Medical Service, the area of administration is Great Britain as a whole, though the country is split up into a large number of smaller divisions for administrative convenience. The area of administration of the Highlands and Islands Medical Service is a group of counties in the North and West of Scotland. But the other constructive community services are provided by a multiplicity of local government authorities, either jointly or singly, within their own administrative boundaries. Nevertheless, the multiplicity is not as great as it was in the past. The Education Act, 1902, considerably reduced the number of local education authorities in England and Wales, and the Education (Scotland) Act, 1918, did the same for Scotland. The Local Government Act,

* Report of the Committee on the Scottish Health Services (1936).

1929, eliminated the Boards of Guardians and established the county boroughs and counties as the administrative areas for public assistance. The same Act also provided for a review of the county districts, with a view to eliminating small and redundant authorities, but, although nearly 300 authorities have been eliminated under these provisions, the problem of reconstructing local government areas in England and Wales in line with modern industrial changes, population trends and developments in communications and transport, has only been nibbled at up to the present. The Local Government Act (Scotland), 1929, went very much further. A vast number of small "omnibus" authorities and *ad hoc* boards were swept out of existence, and the administrative structure of Scottish local government was greatly simplified. The authorities which were eliminated included district committees, standing joint committees, commissioners of supply, parish councils, education authorities, district boards of control and distress committees. Before the passing of the Act there were 1,340 authorities in all. Now there are 429, of which 201 are district councils, that is, sub-committees of county councils. Details are shown in the Appendix.

As a result of these developments the county and county borough councils in England and Wales and the county and large burgh councils in Scotland have emerged as the principal local authorities for administering the constructive community services. They are directly responsible for higher education,* the tuberculosis service, the venereal diseases service, general hospitals, blind welfare, and the lunacy and mental deficiency services in all parts of the country. All the county borough councils in England and Wales and the four city county councils in Scotland are also responsible for elementary education, but most of the English and Welsh county councils are only responsible for elementary education over part of their areas. In 1936 there were 170 Part III authorities, —146 municipal borough councils and 24 urban district councils—in the areas in which higher education is administered by the county councils and elementary education by the local council: a dual arrangement which has become peculiarly anomalous since the introduction of the "Hadow" scheme of reorganisation. Thus in many areas to-day some forms of post-primary education are administered by one authority and other forms by another authority, often without co-ordination and sometimes with considerable friction.

In England and Wales the county boroughs, and in Scotland the large burghs and the counties are responsible for the provision of maternity and child welfare services, but the position in the English and Welsh counties varies considerably. In some cases the county councils make the necessary provision themselves, but in other cases the work is undertaken by the smaller authorities within the county areas. Thus there are 147 municipal boroughs, 86 urban districts, 10 rural districts providing these services. The existence of autonomous maternity and child welfare authorities within the areas of county administration is often very unsatisfactory. The minor authorities are frequently too small for effective administration, and their existence as administrative "islands" in the county area complicates the work of the county health authority. Moreover, as some of these minor authorities do not provide their own elementary school medical services, there is a serious administrative break where the closest co-ordination

* This only applies to the four cities (Edinburgh, Glasgow, Aberdeen and Dundee) in Scotland.

of effort should be found. The position with regard to infectious diseases is at present even less satisfactory. The creation of joint authorities is proceeding, but hospitals for infectious diseases are still provided by nearly 600 separate authorities, many of which are far too small for an efficient service on up-to-date lines.

The unsatisfactory character of the administration of some of the public health services in the counties of England and Wales has been officially recognised, and some measures have already been taken to improve matters. Thus the Local Government Act, 1929 provided for the transference of maternity and child welfare functions to local authorities which were also local education authorities (where they were not already exercising these functions) and many transfers have already been made.* The Local Government Act also recognised the county councils as the bodies responsible for the general co-ordination of the infectious diseases hospital services provided by minor authorities within their areas, and required them to submit schemes for the provision of adequate accommodation for patients suffering from any infectious disease. Other problems—such as the avoidance of duplication of effort in the provision of maternity beds by the county councils as general hospital authorities and by autonomous maternity and child welfare authorities—have been tackled by administrative action on the part of the Ministry of Health. It seems clear, however, that the continued existence of any autonomous health authority within the administrative county is an obstacle in the way of comprehensive planning and efficient administration. Apart from the county boroughs, with their concentrated urban populations, the counties are the smallest units for the administration of any of the constructive community services considered in this Report which are admissible under modern conditions. There is certainly nothing to be said for the continued division of elementary and higher education and different public medical services between different autonomous authorities.

The question also arises whether the county boroughs and counties themselves are adequate units of local administration. There is some evidence that they are too small for certain purposes. Many joint authorities composed of two or more counties and county boroughs have already come into existence for the provision of particular educational and health services, and in the Aberdeen Regional Public Health scheme we have an example of comprehensive public provision over a wide area including a city and two administrative counties. The appointment of two commissioners for the Special Areas in 1934 was another example of the growth of the regional idea. Taking the community services as a whole, there are many signs pointing to the creation of large regional units of administration to facilitate comprehensive planning and permit the maximum development of those specialised institutions and services.

CO-OPERATION WITH VOLUNTARY BODIES

It is a characteristic feature of all the locally administered community services described in the previous section that the responsible authorities co-operate with voluntary organisations. This co-operation takes several different forms. In the case of

* Since the Act was passed, maternity and child welfare services have been transferred under this section to the county councils from the councils of 5 municipal boroughs, 33 urban districts and 6 rural districts, and two transfers have been made from county to municipal borough councils.

education, certain voluntary bodies—the boards of managers of non-provided schools—have a unique relationship, defined by statute, with the local education authorities. Local voluntary associations provide maternity and child welfare services in a large number of areas, with financial assistance from the local authorities concerned. The voluntary associations work in close relation with the local authority under the supervision of the medical officer of health. Co-operation between statutory and voluntary authorities in the provision of hospitals has not proceeded very far. The Local Government Act, 1929, required county and county borough councils to consult representative bodies of voluntary hospitals in the interests of better co-operation. But very few satisfactory schemes of co-ordination between statutory and voluntary hospital authorities have so far been put into operation. The Blind Welfare service provides an example of very close co-operation between local authorities and voluntary organisations. In most county and county borough areas blind welfare schemes are devised so as to allow for the full use of local voluntary societies for the care of the blind. Grants are made to these societies by most county and county borough authorities and the County Councils Association and the Association of Municipal Corporations have lately issued a scheme for co-ordinating services for the blind, which requests the National Institute for the Blind to reconstitute its governing body so as to make it fully representative of voluntaryism and of the local authorities. The mental health services also provided examples of co-operation between statutory and voluntary agencies. Thus some local authorities use the services of voluntary associations for the care of the mentally defective to undertake part of their statutory responsibilities.

FINANCE

The normal method of financing the locally administered community services is by local rates and loans, assisted by grants-in-aid from the central government. In some cases, as we have seen, a certain amount of income is also derived from beneficiaries under particular services, in the form of "recovery of cost" payments and fees, but this income only covers a small proportion of the cost of the services. The centrally administered services are financed directly out of national taxation.

Owing to the great variation in economic conditions in different parts of the country and the peculiarly burdensome character of taxes levied on the annual value of fixed property, especially in areas which have been impoverished by trade depression, the finance of community services by means of local rates is far from satisfactory. The low rateable values of many local authorities also affect their borrowing capacity and their ability to meet the service of such loans as they are able to raise. Without a considerable amount of additional financial assistance from the central government during the recent depression the community services in a great many areas would have broken down altogether.

Grants in aid of the local community services are based on three different principles:

(i) A specific percentage of approved expenditure;

(ii) Specific grants related to approved expenditure but weighted by local factors such as the average attendance at elementary schools, population, and rateable value;

(iii) Block grants in aid of local government expenditure in general, re-calculated every five years on the basis of a formula designed to show the extent of local need.

Education is the only one of the services considered in this Report which receives any substantial sums from specific grants. Grants in aid of higher education and of the school medical service are based on a simple percentage of approved expenditure. Grants in aid of elementary education are partly based on percentages of different types of expenditure and partly on local factors. Additional grants are also made to ease the special difficulties of local education authorities in the depressed areas. In 1933-4 grants in the first two classes in England and Wales amounted to £74 million for all local authority services, of which £38 million were for education, and block grants totalled £45 million. The details are set out in the Appendix.

The proportion of local government expenditure on the social services covered by central government grants has increased very considerably during the last five years, chiefly as a result of the de-rating of industry under the Local Government Act, 1929, and the provision of special aid for the depressed areas. More than half the net rate fund expenditure of many local authorities is now covered by central government grants, and in some county areas (where agricultural land is entirely de-rated) the proportion is more than 70 per cent. The five urban and county areas respectively with the largest proportions of central government income in 1933-4 were as follows:

Boroughs		*Counties*	
South Shields	57.7	Huntingdon	77.0
St. Helens	55.5	Isle of Ely	73.6
Middlesbrough	53.9	Montgomery	72.7
Dudley	53.3	Rutland	71.9
West Bromwich	53.1	Cumberland	69.5

Nevertheless, the financial position of many local authorities in the depressed areas is so difficult that there is very little hope of further progress in the development of the constructive community services in these areas without still further assistance from the central government. This state of affairs gives rise to some doubt as to whether it is wise to increase the present proportion of local government expenditure borne by the central government before considering the possibility of achieving economies in administration and a broader basis of local finance by grouping existing local government areas into larger regional units. The creation of regional units of this kind would not only make it possible to provide the constructive community services in a much more economical way than the present arrangements permit: they would also make it possible to equalise rate burdens over wide areas within which great disparities exist to-day.

V. THE SOCIAL INSURANCES: A SURVEY

Health Insurance—Contributions and Benefits; Administration; The Approved Societies; Local Insurance Committees—**Unemployment Insurance**—Basic Principles—The 1920 Act—The Great Depression—The 1934 Act—Present-day Administration—**Widows', Orphan's and Old Age Contributory Pensions Scheme**—Income and Expenditure—Pensions and Conditions—Numbers Insured—**Workmen's Compensation.**

The three national social insurance schemes—health insurance, unemployment insurance and widows', orphans' and old age contributory pensions—have grown up during the last twenty-five years. They now occupy a central position among the public social services. In the present chapter the three schemes will be described in turn, and some account will be given of the numbers of persons directly affected by them. The workmen's compensation scheme is not a public social insurance scheme in a strict sense, but as it has certain features in common with the State insurance schemes it will be described briefly at the end of the chapter.

HEALTH INSURANCE

The history of the two social insurance schemes introduced by Mr. Lloyd George in the National Insurance Act, 1911, affords an interesting contrast. The unemployment insurance scheme found its way on to the Statute Book quietly and unobtrusively, but its subsequent history has been eventful and stormy. The health insurance scheme, on the other hand, was forced upon the country amid a great uproar of opposition, but it has since had a comparatively smooth and prosperous course.

Unlike unemployment insurance, health insurance was a national scheme from the first. It applied in general to the whole industrial population. Membership was compulsory for all manual workers, with certain exemptions and exceptions, between the ages of 16 and 70, as well as for non-manual workers whose remuneration did not exceed £160 a year.* Provision was also made for voluntary membership on the part of persons who worked on their own account and were below the income limit. The scheme was based on a contract of insurance under which insured persons paid regular weekly premiums in return for ordinary medical attention and cash payments in the event of illness. In order to prevent the scheme being over-weighted by bad risks, the State made the contract obligatory on all industrial workers under a certain income level, with very few exceptions. In recognition of the inequality between good and bad risks and as a justification for a large measure of State control, the State subsidised the scheme by

* The income limit is now £250 a year.

contributing to the insurance fund. Furthermore, in recognition of the responsibility of industry for the health of its workers, the State insisted on a contribution to the weekly premiums from the employers of insured persons. The scheme was to be actuarially sound over a period of years, and the receipt of benefit was to be conditional on the payment of a certain number of contributions. Finally, it was recognised that the contributors' title to benefit was not a matter of discretion but of right, subject only to the satisfaction of such conditions as the scheme might impose.

The floating of a vast new undertaking such as the national health insurance scheme would have been very much more difficult had there not been already in existence a large number of voluntary associations which had considerable experience in the administration of sickness insurance.

The Government decided to use the services of these bodies and gave them an important place in the administrative structure of the new scheme. Thus insured persons were encouraged to enrol themselves in "Approved" societies of their own choice. These societies were of many types, the chief being friendly societies, trade unions, societies formed by industrial assurance companies or collecting societies, and employers' provident funds. Each society was given control of the funds derived from the contributions of its members and their employers, and they were allowed to retain any surplus disclosed on the periodical valuation of their assets and liabilities for the purpose of providing additional benefits for their members. Special arrangements were made for persons who either did not wish to become members of an approved society or had been refused by an approved society; they were known as "deposit contributors," bore their own individual risks and lost their right to benefit as soon as their credited contributions were exhausted. Another feature peculiar to the health insurance scheme was the establishment of specially constituted bodies known as insurance committees to supervise the administration of medical benefits in each area.

The principal developments in the scheme during the last twenty-six years have been (*a*) the introduction of a few new classes of insured persons and the limitation of voluntary membership to persons who have once been compulsory members; (*b*) the lowering of the age limit of contributory insurance to 65 and the introduction of special privileges for elderly workers with a long insurance record; (*c*) the strengthening of the financial positions of some of the weaker approved societies by pooling arrangements and additional State aid; (*d*) the extension of all ordinary benefit privileges to "deposit contributors" and the authorisation of new forms of "additional benefit" granted by approved societies; and (*e*) the prolongation of the benefit rights, partly at the expense of the State and partly at the expense of the approved societies, of insured persons whose contributions record has suffered as a result of prolonged unemployment.

Contributions and Benefits

In its present form the national health insurance scheme covers over 18 million insured workers in Great Britain, of whom all save 260,000 deposit contributors are members of approved societies. It is financed partly by the weekly contributions of its members

and their employers and partly by interest on its own invested funds and by subsidies from the State.* The scheme provides the following kinds of benefit:

Medical Benefit

Medical benefit consists of ordinary medical treatment by a general practitioner, together with a supply of medicines and of medical and surgical appliances, as often and as long as necessary. Members of the scheme have the right to choose and, on giving notice, to change their doctor. The doctors receive a capitation payment of 9s. a year in respect of each insured person on their panel of patients for medical treatment.

Sickness Benefit

Sickness benefit consists of periodical payments during incapacity for work on account of illness. The ordinary rates of benefit are: after 26 contributions, 9s. per week for men and 7s. 6d. per week for women; after 104 contributions, 15s. per week for men and 12s. per week for single and 10s. per week for married women. Benefit is payable from the fourth day of incapacity and continues for a maximum period of 26 weeks.

Disablement Benefit

Disablement Benefit is the name given to the continuation of periodical payments at half the above rates in the case of both men and women after the title to sickness benefit has been exhausted.

Maternity Benefit

Maternity benefit takes the form of a cash payment of £2 on the confinement of an insured woman or the wife of an insured man. In the case of a wife who is, or who has within twelve months been an insured contributor in her own right, the sum of £4 is payable.

Additional Benefits

Additional benefits are benefits which may be provided by an approved society having a disposable surplus when its resources are assessed at the periodical valuation. Additional benefits may take the form either of an increase of the normal cash benefits, or of payments towards the cost of various forms of treatment, such as dental, ophthalmic, hospital or convalescent home treatment. There are, of course, considerable variations between the additional benefits provided by different approved societies. Some approved societies are not able to provide any additional benefits at all. Others, with a large disposable surplus on valuation, are in a position to be generous to their members. But there is no uniformity either in the selection of additional benefits nor in the content of the same additional benefit as provided by different approved societies. In order to be entitled to additional benefits an insured person must have been a member of the approved society providing them for four years in the case of additional cash benefits, or for two years in the case of additional treatment benefits.

The expenditure on different forms of benefit in Great Britain during 1935 was as follows:

	£000
Medical Benefit	10,387
Sickness Benefit	10,107
Disablement Benefit	6,448
Maternity Benefit	1,596
Additional Treatment Benefits	2,558
Total Expenditure	31,096

The amount allocated for additional treatment benefits in England and Wales in 1936 was £3,301,000, distributed in the following way:

	£000
Dental Benefit	2,161
Hospital Treatment Benefit	92
Convalescent Home Treatment Benefit	203
Medical and Surgical Appliances	193
Ophthalmic Benefit	522
Other Benefits	130
Total Expenditure	3,301

It will be seen that dental and ophthalmic benefits are the most popular. They accounted for about 68 per cent and 16 per cent respectively of the total expenditure in additional treatment benefits in England and Wales in 1935. Other additional treatment benefits include treatment in approved charitable institutions; nursing; and hospital benefit.

Administration

The administration of the scheme is supervised on behalf of the central government by the Ministry of Health in England, by the Welsh Board of Health in Wales, and by the Department of Health in Scotland.* These Departments have an outside staff of inspectors in different parts of the country, whose chief function is to supervise the administration of approved societies, to investigate complaints by members of societies as to the non-receipt of benefit, to deal with applications for widows', orphans' and contributory old age pensions, and to supervise the payment of contributions by employers.

* The National Health Insurance Joint Committee co-ordinates the work of these departments, and that of the Ministry of Labour for Northern Ireland, which is responsible there for the administration of National Health Insurance.

* National Health Insurance fund, Great Britain, 1935:

Income	£M	*Expenditure*	£M
Contributions of employers and insured	27	Benefits	31
From investments	6	Administration	6
State subsidy	7	Surplus	3
	40		40

The Approved Societies

All benefits, except ordinary medical treatment, are administered by approved societies, of which there are now 788 in England and Wales. This includes 25 branch societies with 5,490 branches which are independent financial units for National Health Insurance purposes, and which possess some measure of administrative independence within the structure of their parent organisation. About a quarter of the insured population are insured with industrial and collecting societies, which have created special non-profit making sections in order to satisfy the requirements of the National Health Insurance Act. Although these commercial organisations administer National Health Insurance on a non-profit making basis, they benefit considerably through being able to extend their profit-making business (for example, voluntary sickness and burial insurance) on the strength of their National Health Insurance connections

Approved societies are not usually organised on a geographical basis, though the membership of many of them is fairly localised. The wide distribution of membership of individual societies greatly complicates the work of administering the system. Many societies have to deal with a considerable number of members scattered in ones and twos in different towns throughout the country. Moreover, the fact that the working population of a single town may be insured with hundreds of separate societies makes it extremely difficult to use sickness insurance statistics for medical and public health investigations.* The societies vary enormously in size. The Royal Commission on National Health Insurance found that in England 65 per cent of the total number of societies comprised only 2 per cent of the total number of insured persons; while 76 per cent of insured persons were included in 2.5 per cent of the societies. At one end of the scale there were, at the time when the Royal Commission reported, 70 societies with less than a hundred members, and at the other end of the scale 24 societies with over fifty thousand, including two with over a million members; but since then continued pressure has been brought to bear on the smaller societies to amalgamate.

Some societies restrict their membership to persons engaged in particular occupations or belonging to particular religious denominations, trade unions or other voluntary associations, but many societies are open to all insured persons without qualification. The division of the insured population into separate and more or less self-supporting units of this kind is very unsatisfactory. It results in some extraordinary anomalies and disparities, particularly with regard to the distribution of additional benefits. But provision is now made for removing some of the wider disparities in the distribution of surplus funds by means of partial pooling arrangements and a central contingencies fund.

The present position is that about two-thirds of the insured population belong to societies which give additional cash benefits of up to 5s. per week. The number entitled to 5s. is about one-thirteenth of the total insured. Dental, ophthalmic and convalescent home treatment and medical and surgical appliances are given by societies covering about two-thirds of the insured. Over a fifth of the insured population is not entitled to any additional benefit, whether in the form of cash or treatment.

* The Report of the Royal Commission on National Health Insurance 1928 (p. 96), showed that there were 217 societies operating in Dundee, a town of 180,000 inhabitants. These societies, 52 of which had only one member in Dundee, had their head offices in London, Manchester, Glasgow, Aberdeen, Edinburgh, Leeds, Portsmouth, Newcastle, Tunbridge Wells and several other places.

Local Insurance Committees

The administration of ordinary medical benefit and certain matters relating to deposit contributors and some other classes of insured persons is entrusted to special Local Insurance Committees. There is a local insurance committee in every county and county borough in England and Wales and in every county and large burgh in Scotland. Three-fifths of the members of each committee represent the insured persons of the area, elected by the approved societies; one-fifth of the members are appointed by the local authority; and of the remaining fifth two are elected by the local medical profession, one is a doctor appointed by the local authority, and the rest (including two women) are appointed by the Ministry of Health or the Department of Health for Scotland.

It was originally intended that these committees should play an important part in making arrangements with local doctors as to the terms of medical practice. As things turned out, however, arrangements were negotiated with the medical profession on a national basis from the very beginning, and the responsibilities of the local bodies, apart from certain routine duties, have been very limited. They receive and publish lists of doctors and druggists who will undertake the necessary prescribing and dispensing, and they deal with disputes as to medical and pharmaceutical work. They keep registers of the insured population of their areas (classified by approved society and by doctor) and they furnish doctors with up-to-date lists of insured persons for whom they are responsible. They also price nearly 60 million prescriptions annually and distribute nearly £9 million a year in payment for the services of panel doctors and pharmacists. The cost of this work amounts to nearly 5 per cent of the cost of medical benefit.

Each local insurance committee must confer with three other local committees (1) a Local Medical Committee representing all the medical practitioners of the area; (2) a Panel Committee representing the doctors who are on the insurance panel (frequently identical with the Local Medical Committee); and (3) a Pharmaceutical Committee representing the chemists and druggists.

The accounts of the local insurance committees and also those of the approved societies are audited by the National Insurance Audit Department, which is a section of the Treasury.

UNEMPLOYMENT INSURANCE

National unemployment insurance was introduced in its original form under Part II of the National Insurance Act, passed by the Liberal Government in 1911. The scheme was avowedly experimental and, unlike the national health insurance scheme, it was limited to a particular group of "skilled" industries in which marked fluctuations in employment were known to occur. These industries, which included building, constructional work, shipbuilding, mechanical engineering, iron-founding, construction of

vehicles, and sawmilling, covered some 2,250,000 workers, of whom only 10,000 were women. Neither textiles nor coal-mining were included. During the War munition workers and others who were likely to be affected by unemployment when peace returned were brought into the scheme and, in 1920, the scheme was extended to include, with certain exceptions, all manual workers and non-manual workers earning not more than £250 a year. The chief exceptions were persons engaged in agriculture, private domestic service, and certain classes of workers permanently engaged in occupations with little or no unemployment.

Basic Principles

The principles on which the original scheme was based were:

(*a*) Unemployment insurance was recognised as a contract under which the workers in a group of industries were to pay regular weekly premiums in return for a guaranteed benefit during short spells of unemployment.

(*b*) In order to overcome the unwillingness of some workers who thought they were less exposed to the risk of unemployment to insure on equal terms with others, the State made the contract obligatory.

(*c*) In recognition of the inequality of risk and as a justification for a large measure of State control, the State subsidised the scheme.

(*d*) In recognition of the responsibility of industry for the maintenance of its reserve labour force the State insisted on a contribution from employers of insured workers.

(*e*) The joint contributions of the State, the employers and the workers, and the amount and duration of the benefits paid were, theoretically at least, so adjusted as to balance over a period of years, including years of good and bad trade.

(*f*) The receipt of benefits was conditional on the payment of a certain number of premiums by the beneficiary.

(*g*) The contributors' title to benefit on the proved occurrence of the contingency was a matter of right, subject only to the satisfaction of whatever conditions the scheme might impose.

(*h*) Benefit payments were regarded, not as maintenance allowances sufficient to cover minimum needs, but as "first line of defence" payments which, together with savings and other family resources, would enable insured workers to tide over short spells of unemployment without undue hardship.

Under the 1911 scheme the contributions rate was 5d., shared equally between employers and employees for every week of insured employment. The State paid one-third of the joint contribution. Benefit was paid to persons over 18 at the rate of 7s. a week, on the principle of one week of benefit for every five contributions, with a maximum of fifteen weeks' benefit in a year. There was a waiting period of six days before any benefit was payable. As a result of these modest financial arrangements and the low percentage of unemployment in the insured industries both before and during the War period the unemployment fund was able to accumulate a surplus of £22 million by 1920.

In 1919 benefits were increased without any increase in the rate of contributions, but the unemployment fund was relieved to some extent by the introduction of a separate "Out of Work Donation" scheme as an emergency measure to deal with the special difficulties of the immediate post-War situation.

The 1920 Act

In 1920 the original scheme was withdrawn and an entirely new Act was passed applying to over eleven million workers. Benefits were fixed at 15s. a week for a man and 12s. a week for a woman, and contributions were raised to 8d. a week, shared equally between employer and employed in the case of men. The State contribution was fixed at about one-quarter. The waiting period was, for a time, reduced to three days, but the maximum period of benefit in any insurance year remained at fifteen weeks, subject to the limitation of one week of benefit for every six contributions, known as the "ratio" rule. But, in spite of these apparently conservative financial arrangements, the extended scheme was subjected to such a heavy burden of claims in the first few months of operation that radical changes had to be made within a year of its introduction. Unemployment, which affected less than half a million persons when the scheme was introduced, rose to over two million by the end of June 1921, not including short-time workers. In face of these conditions the actuarial basis of the scheme was shown to be quite unsound, and the substantial surplus which had been accumulated in the unemployment fund was soon used up. Moreover, the community was faced with the problem of maintaining an unprecedented number of unemployed persons and their families for whom the insurance scheme made either inadequate provision or no provision at all, because they had too few contributions to their credit.

Thus it came about that several of the principles on which the original insurance scheme was based were abandoned within a year of its extension throughout industry. The trouble was that there was no acceptable secondary scheme standing behind the insurance scheme. Rather than force hundreds of thousands of able-bodied unemployed workers and their families on to the unpopular Poor Law, the Government decided to allow insured persons to continue to draw benefit from the unemployment insurance fund, even though they had exhausted their statutory rights. Further, the principle of need was recognised in the payment of dependent's allowances. No attempt was made to balance contributions and outgoings. Instead, the Government resorted to heavy borrowing to maintain the solvency of the unemployment fund. During the next ten years, eighteen Acts of Parliament were passed to amend the "parent" Act of 1920.* Every Government, whatever party was in power, continued the same hand-to-mouth policy.† By the year 1931 the original carefully constructed scheme was hardly recognisable through the tangled maze of opportunist legislation; the debt on the unemployment fund had reached the huge total of £115 million; and the payment of "transitional benefit" to insured workers, who had exhausted their ordinary benefit rights, was costing the Treasury over £1 million a week.

* All except six of these Acts related entirely to borrowing powers.

† The Labour Government of 1929-31 made one advance, in placing the whole cost of transitional benefit on the Exchequer. The increase in debt after 1929 was due to the cost of standard benefit only.

The Great Depression

The great depression which overwhelmed the country during 1929-31 revealed the hopelessly unsatisfactory state of the unemployment insurance scheme and its extensions. In June 1931 the Royal Commission on Unemployment Insurance published its Interim Report, in which the majority of the Commissioners recommended the reduction of benefit rates and of the period of benefit. For those outside the benefit field a test of means and of need was to be the basis of assistance. In July the May Committee on National Expenditure, published a report which went very much further. It recommended the reduction of benefit by 20 per cent, limitation of benefit to twenty-six weeks, and the imposition of a "means test" on *all* claimants for transitional benefit. Then followed the financial and political crisis, during which the deadlock over the proposed cuts in unemployment insurance played a considerable part in the fall of the Labour Government.

One of the first actions of the National Government, which replaced the Labour Government in August 1931, was to issue a number of National Economy Orders, under which contributions were increased and rates of benefit reduced. A limit of twenty-six weeks in a year was set to the period of benefit and a "means test" to be administered by the local public assistance committees was imposed on all claimants to transitional benefit who had exhausted or not yet acquired their statutory rights. Meanwhile, all borrowing for the unemployment fund was stopped and the Treasury accepted full responsibility for the cost of the new transitional payments.

The new system, which was introduced in November 1931, as a result of the "economy crisis," was not intended to be a permanent arrangement, but it lasted for rather more than three years. The Royal Commission issued its Final Report in 1932. It suggested very few changes in the reformed unemployment insurance scheme as it had been operated since 1931, but it made a number of recommendations of a fundamental character concerning the administration of transitional payments. However, it was not until the summer of 1934 that the new Unemployment Act, on which the present arrangements are based, passed into law. Part I of this Act, which related to unemployment insurance, did not come into full operation until September 1934. Part II, which set up a new system of unemployment assistance instead of the old system of transitional payments, only operated from January 1935.

The 1934 Act

In effect, the first part of the Unemployment Act, 1934, re-affirmed, if not the principles, the practice of 1911. It was, of course, impossible after the grim experience of the post-War years to return to the unduly simple philosophy of the pre-War scheme. As it stands at present, membership of the scheme is compulsory for all persons between the ages of 14 and 65 who are employed under a contract of service or apprenticeship, with the exception of private domestic servants, persons in employment of a permanent character under a public or local authority, a railway company or a public utility company, and in some other occupations; and non-manual workers whose rate of earnings exceeds £250 a year. Agricultural workers have a separate scheme of their own.* In March 1937,

* Benefit became payable on November 5, 1936, under the provision of the Unemployment Insurance (Agriculture) Act, 1936.

it was estimated that the total number of persons insured under this scheme and the special scheme for agriculture was about 14 millions. This number accounts for over four-fifths of the workers in Great Britain earning £250 a year or less.

The weekly contributions are based on the "equal thirds" principle: the workers, the employers and the State contributing an equal amount. The present rate of contributions for adult males is 9d. a week for each party, and there are other rates on a lower scale for women and young workers.

Benefits are paid when certain statutory conditions are fulfilled and when the claimant is free from certain statutory disqualifications.* But it is not paid in respect of the first six days of any "continuous" period of unemployment. The maximum period during which benefit is granted is normally twenty-six weeks in an insurance year, but unemployed persons with an exceptionally good insurance record may be granted benefit up to fifty-two weeks in an insurance year. Unlike the systems favoured in most foreign countries the principle of the flat rate is still preserved in the British scheme, both for contributions and benefits. A realistic concession to the "needs" principle is, however, made in the provision of allowances to the dependants of insured persons, without any corresponding adjustment of weekly contributions. The rate of benefit for an adult man is 17s. a week, with additional allowances of 9s. in the case of a wife or any other adult dependant and 3s. for each dependant child. The rates of benefit for women and young workers are on a lower scale corresponding to the lower scale of contributions.

Present-day Administration

The scheme is administered by the Ministry of Labour through the officers of its four hundred local employment exchanges, assisted by some three hundred courts of referees, in the complicated business of applying the statutory rules of benefit.† An umpire sits in London and acts as a final court of appeal. A highly important innovation of the 1934 Act was the establishment of a Statutory Committee on Unemployment Insurance to watch over the finances of the insurance fund and to make recommendations to the Minister concerning changes in rates of contributions and benefit, the use of surplus funds, and problems relating to particular classes of workers and to the scope of the insurance scheme.

As the insurance scheme only provides benefits for a limited period of unemployment it does not affect a large section of the insured population who have been out of work for long periods. In April 1937, about 43 per cent of those who were on the unemployment

* The chief statutory conditions are that (1) thirty contributions must have been paid within the two years previous to the date of claim; (2) the claimant must be unemployed and capable of and available for work. Special conditions apply in the case of claims by certain classes of workers, notably married women and seasonal workers.

Disqualification for benefit arises in cases where employment was lost through a trade dispute; and benefit is refused for a period not exceeding six weeks in cases where employment was lost through misconduct or was left voluntarily without just cause, or where an offer of suitable employment was refused without good cause. Failure to attend a training course as required may also result in disqualification.

Insured persons who have exhausted their rights to benefit are not entitled to benefit in a subsequent year until they have paid at least ten further contributions.

† In certain trades, notably the boot and shoe trade, the trade union organisation is used in the administration of unemployment insurance to trade union members.

register were in receipt of insurance benefit. On the other hand, the turnover of the unemployed population "on benefit" is very much more rapid than that of the unemployed population which has exhausted its benefit rights. Thus, insurance affects the lives of a much larger number of people than an examination of the figures relating to one particular time would suggest. It is estimated that in the twelve months ended March 31, 1936, the number of separate claims for unemployment insurance benefit exceeded four millions, though there were never more than 700,000 persons in receipt of benefit at any one time.

WIDOWS', ORPHANS' AND OLD AGE CONTRIBUTORY PENSIONS SCHEME

The Widows', Orphans' and Old Age Contributory Pensions Scheme was introduced in 1925. It began to operate in January 1926 and became fully effective by January 1928. The scheme is interlocked with the National Health Insurance Scheme and covers, with a few additions, roughly the same persons. It is a compulsory and contributory scheme providing:

(*a*) Pensions to the widows of insured men until re-marriage, or age 70, when they receive old age pensions; and temporary allowances for their dependent children;

(*b*) Temporary allowances to the orphans of insured persons;

(*c*) Old age pensions to insured men at 65, and to their wives, also at the age of 65, until they become eligible for old age pensions at 70, which they then receive without a means test.*

The original scheme also provided pensions both to the widows of men who were insured under the National Health Insurance Acts, but who died before January 1926, and to insured men and their wives who reached pensionable age before the scheme was introduced. These provisions were considerably extended by the amending Act of 1929.

The scheme is financed by a joint contribution from the insured person and his or her employer, and by a subsidy from the State. The present scale of contributions is as follows:

	Employer d.	Employee d.	Total d.
Man	5½	5½	11
Woman	2½	3	5½

The State, in principle, pays the difference between expenditure and contribution income and, in particular, the whole cost of pensions granted in respect of risks which matured before the scheme started.

* A curious anomaly under this provision is that blind persons now receive non-contributory old age pensions of 10s. per week at the age of 50. If they are insured they are entitled to a contributory pension at 65, giving them £1 a week from the State, but at 70 these pensions disappear and are replaced by the Old Age pensions at the rate of 10s. a week only.

Income and Expenditure

The income and expenditure of the pensions fund in Great Britain for the year ended March 31, 1936, is shown in the following table:

Income	£000	*Expenditure*	£000
Contributions of employers and insured	25,695	Widows' and Orphans' Pensions	23,858
State Subsidy	14,000	Old Age Pensions, 65/70 .	19,491
Revenue from investments .	799	Cost of administration . .	1,279
Balance drawn from accumulated funds	4,385	Payment to National Health Insurance Central Fund .	251
	£44,879		£44,879

The accumulated funds of the contributory pensions scheme on March 31, 1935, amounted to nearly £30 millions. It should also be noted that the entire cost of pensions from the age of 70 upwards paid by virtue of the Contributory Pensions Act (£23 millions) is charged to funds voted annually by Parliament under the non-contributory Old Age Pensions Acts, 1908-24.

Pensions and Conditions

As in the case of the unemployment and health insurance schemes, the receipt of benefit under the Contributory Pensions Acts is conditional on the payment of a certain number of contributions. The exceptions relate in the main to the widows of insured men who died before January 1, 1926, insured persons who attained the age of 70 before the scheme came into operation, and to the wives of insured persons on attaining the age of 65.

But even in these cases the payment of a pension is conditional on the existence of some record of contributions under the national health insurance scheme. As in the case of benefits paid under the other two social insurance schemes, payments under the contributory pensions scheme are made without any test of means, residence or nationality. They are based on a contract of insurance and they are paid as of right, subject only to such administrative conditions as the scheme may impose.

The present scale of pensions is as follows:

Widow's Pension: 10s. a week, with an allowance of 5s. a week for the first child and 3s. a week for each subsequent child.

Orphan's Pension: 7s. 6d. a week (up to the age of 14, or 16 if at school).

Old Age Pension: 10s. a week for the insured person, and 10s. for the wife of an insured person, on reaching the age of 65.

If a widow is in receipt of a widow's pension on attaining the age of 70, her pension is replaced by an old age pension of 10s. a week for life, the whole cost of which is borne by the State.

Numbers Insured

The scheme is centrally administered by the Ministry of Health in England and Wales and by the Department of Health in Scotland. As a result of the use of a single stamp for both national health and pensions contributions, the latter are collected by the approved societies to which the insured persons belong under the national health insurance scheme. The total number of insured persons at the end of 1935 was 18,920,000, and the numbers of beneficiaries at that time were as follows:

		Total
Widows		755,485
Dependent children		301,716
Orphans		17,387
Old Age Pensioners, 65/70: Men	475,806	
Women	85,955	561,761
Wives of Old Age Pensioners, 65/70		207,259
TOTAL		1,843,608

There were, in addition, 505,000 insured men and 516,000 insured women, and wives of insured men in receipt of old age pensions after the age of 70, paid through the non-contributory Old Age Pensions Scheme but without any tests of means, residence and nationality.

WORKMEN'S COMPENSATION

The first Act relating to workmen's compensation was introduced in 1897. It established a new principle in English law—to the effect that financial responsibility for the results of an industrial accident exists even though no fault has been committed by the employer or by anyone acting under his orders. But its application was limited to a small group of dangerous trades. In 1906, however, an amending Act was passed which extended the principle to cover (i) practically every occupation and (ii) specified industrial diseases. Further amendments were made in 1923 and in 1931.

The present position of the law is that compensation is payable in respect of all persons working under a contract of service or appenticeship in the event of death or personal injury by an accident arising out of and in the course of their employment, except non-manual workers earning more than £350 a year and a few other classes of workers. Compensation is also payable in the case of a long list of occupational diseases. The whole burden of compensation falls on the employers of those who suffer industrial accidents or illness. There is no official insurance scheme, and employers are not compelled to insure against their own liability to pay compensation, except in the coal-mining industry. But most employers do, in fact, insure either with a commercial insurance company or an employers' mutual indemnity association.

Compensation consists of cash benefits only. In the case of death it takes the form of a lump sum varying from £200 to £600, according to the wages of the worker and

the degree to which his survivors were dependent on him. If the worker leaves no dependants, compensation consists of reasonable medical expenses and the cost of burial up to a maximum of £15. In the case of incapacity, compensation takes the form of a weekly payment, which begins on the fourth day, and which varies according to the normal earnings and the family responsibilities of the worker. No distinction is made between temporary and permanent incapacity, but there is a different scale of payments for partial and total incapacity. Under certain conditions, the weekly compensation payments may be commuted for a lump sum, and in practice an enormous amount of commutation takes place, especially in cases where the incapacity is likely to be permanent.

Compensation claims are settled by agreement between the parties or by judges of the county courts, acting as arbiters. Agreements between employers and workers have to be registered by the registrar of a county court, when they become enforceable as county court judgments. In cases where an agreement is made for a payment of a lump sum down instead of weekly payments, the agreement will not relieve the employer of his liability to make weekly payments unless it has been registered. To prevent agreements being made for lump sums which are unfair to the workers, the county court may refuse to register an agreement which it considers unsatisfactory either as to amount or in any other way, and may make such another order as it thinks just. In order to remove any hindrance in the way of a worker's access to the county court considerably reduced court fees are charged in workmen's compensation cases.

VI. THE SOCIAL INSURANCES: A GENERAL REVIEW

Scope of Social Insurances—Contributions; Workers' Contributions; Employers' Contributions; The State Contribution; Benefits.

The three great social insurance schemes taken together form a remarkable State-organised and subsidised addition to the wage system. They are based on the common conception of a contract of insurance tied to employment, and incidentally involving the payment of premiums. Thus, in return for employment, a worker earns not only his wages, but also a right to a limited payment from a public fund during sickness, unemployment, old age, and at death. But the three schemes exhibit a number of important differences in their scope, contributions, benefits, form of organisation, and financial basis. In the present chapter the three public social insurance schemes, together with the workmen's compensation scheme, will be examined rather more closely under each of these heads.

SCOPE OF THE SOCIAL INSURANCES

Each of the three social insurance schemes is limited in scope. Membership is not open to everyone. It is restricted in three ways—by age, occupation and rate of remuneration.

Age:

Membership of the national health insurance scheme and the pensions scheme is restricted to persons between the ages of 16 and 65. Since the passing of the Unemployment Act, 1934, the age of entrance into unemployment insurance has been reduced to the statutory school-leaving age, at present 14 plus. Thus there is a large number of boys and girls who are insured under the unemployment insurance scheme but not under the other schemes. There are no age restrictions of any kind in connection with workmen's compensation.

Occupation and Remuneration:

Membership of each of the schemes is based on employment. But the forms of employment included within the scope of the health and pensions schemes are more numerous than those within the scope of the unemployment scheme.

Membership of the health and pensions schemes is open to all persons (including married women) engaged in any employment *under a contract of service* whose rate of remuneration does not exceed £250 a year, and where the employment is manual labour

no limit of remuneration is imposed. Both schemes also include a great variety of other occupations such as contractors and sub-contractors engaged in manual labour, agricultural workers engaged on special terms, and share-fishermen. But they exclude non-manual workers earning more than £250 a year and all persons working on their own account. They also exclude teachers in public elementary and secondary schools, who have a separate scheme of their own, and certain classes of persons who are specially excepted because their employment secures to them benefits equivalent to those they would have enjoyed under the scheme.* On the other hand, provision is made for certain forms of voluntary membership.† As there are differences in the rules for "excepted" persons and voluntary membership under the two schemes, the scope of the pensions scheme is rather wider than that of the health scheme.

Membership of the unemployment insurance scheme is compulsory for all persons employed under a contract of service or apprenticeship, with the following exceptions:

(*a*) *Persons not covered by Unemployment Insurance, but insured under the National Health Insurance and Pensions Schemes.*

	Approx. Nos. concerned
Persons over 65 years of age (insured for medical benefit only)	400,000
Persons aged 14 to 64 inclusive:	
Private domestic service	1,350,000
Female professional nurses	100,000
H.M. Forces	295,000
Outworkers	100,000
Share-fishermen	12,000
Sub-contractors	20,000
Unestablished civil servants	11,000
Railway employees (conciliation grades)	382,000
Public utility employees	12,000
Persons insured under special schemes:	
Insurance	100,000
Banking	41,000

(*b*) *Persons not covered by Unemployment Insurance and "excepted" under the National Health Insurance and Pensions Schemes.*

Established Civil Servants	180,000
Local government employees	123,000
Police	60,000
Teachers	115,000
Independent workers	1,300,000
Employers, and persons with salaries above £250 a year	1,625,000

* The other workers to be affected in this way are police officers, pensionable clerks or other salaried officials of railway companies, and officials of local and central government.

† The chief class is that of employed persons who have ceased to be insurably employed (e.g. non-manual workers whose earnings have risen above £250).

Since June 1, 1936, workers engaged in agriculture, forestry and horticulture have been included under a special unemployment insurance scheme of their own. In this case the national insurance scheme was not acceptable, as both wages and unemployment are much below the general average. Yet some insurance was desired, in order, amongst other reasons, to attract labour to agriculture. This is a notable departure from the principle of spreading unemployment risks over the whole of industry.

Unemployment insurance at present covers about four-fifths of the health insurance class, and about two-thirds of the occupied population. Many of the categories which are excluded experience a very low rate of unemployment. The group which suffers the most hardship from exclusion are probably those engaged in trade or work on their own account, who are at present outside the scope of all the social insurances. The present Government has introduced legislation to enable small traders and workers on their own account to take advantage of the pensions scheme as voluntary contributors, if their income does not exceed £400 a year. But these workers will still be outside the scope of health insurance, and also of unemployment insurance, for which last they form an inherently unsuitable group.

The workmen's compensation scheme applies to the widest group of workers. It covers practically all persons under a contract of service or apprenticeship, except non-manual workers earning more than £350 a year.

Contributions

Each of the three social insurance schemes is financed by means of contributions from the insured workers themselves, from their employers and from the State. But the proportion contributed by each of these parties is not the same in the different schemes. In the case of unemployment insurance, the three parties pay a weekly contribution of equal amount into the unemployment fund, out of which all benefits, debt charges and administrative expenses are paid. In the case of health insurance, insured persons and their employers pay a joint contribution every week, and the State makes a grant equal to one-seventh of the cost of the benefits paid to men and to one-fifth of the cost of those paid to women,* together with the expenses of central administration. The joint contributions of the insured persons and their employers to the pensions fund are paid on the same principle and in the same way as those paid to the health insurance fund, but in this case the State makes an annual grant, in principle, covering the difference between expenditure and contributions income and, in particular, the whole cost of pensions granted in respect of risks which matured before the operation of the scheme. The workmen's compensation scheme is, of course, financed entirely by the employers concerned.

The present scale of weekly contributions to the three insurance schemes may be seen in the table on next page.

* Including all additional benefits.

WEEKLY CONTRIBUTIONS

Class of Person	Insured Person U.	Insured Person H.	Insured Person P.	Insured Person Total	Employer U.	Employer H.	Employer P.	Employer Total	State U.	Total ex. State
	d.	d.	d.	s. d.	d.	d.	d.	s. d.	d.	s. d.
Men:										
21/65 .	9	4½	5½	1 7	9	4½	5½	1 7	9	3 2
18/20 .	8	4½	5½	1 6	8	4½	5½	1 6	8	3 0
Boys:										
16/17 .	5	4½	5½	1 3	5	4½	5½	1 3	5	2 6
14/15 .	2	—	—	2	2	—	—	2	2	4
Women: .										
21/65 .	8	4	3	1 3	8	4½	2½	1 3	8	2 6
18/20 .	7	4	3	1 2	7	4½	2½	1 2	7	2 4
Girls:										
16/17 .	4½	4	3	11½	4½	4½	2½	11½	4½	1 11
14/15 .	2	—	—	2	2	—	—	2	2	4

It will be seen that the employer's contribution is the same as that of male employees in every case, but the proportions paid by employers and female employees respectively in the case of health and pensions are different. The total cost to all three parties ranges from 2s. 3½d. per week for young girls to 3s. 11d. for adult males, that is, from £7 to £12 5s. a year. Juveniles of 14 and 15 are insured for unemployment only, at a total cost of 6d. per week, or £1 6s. a year.

Workmen's Contributions

The question is sometimes raised whether the weekly contributions of the majority of workers are too heavy? Is it reasonable, for example, to deduct 1s. 7d. from the weekly earnings of an adult wage-earner? Contributions do not vary with earnings as they do in the social insurance schemes of some Continental countries. Thus they are a much heavier burden on workers with low weekly earnings than on those who receive relatively high wages. The percentage of earnings paid in insurance contributions by adult men at several different wage-levels is shown below:

Weekly Earnings s.	Percentage paid in insurance contributions of all kinds by adult males Per cent
35	4.5
40	4.0
45	3.5
50	3.2
55	2.9
60	2.6
65	2.4
70	2.3
75	2.1
80	2.0

These percentages are very low compared with the corresponding percentages in some continental countries. Thus, in Germany, Italy, Austria and Poland, all of which countries have compulsory social insurance schemes, the average workers' contributions range between 10 and 20 per cent of average weekly earnings considerably below the present British level. Moreover, many foreign workers at present pay very large sums to voluntary insurances. Nevertheless, the burden of compulsory insurance contributions on the low-paid British worker with a dependent family is by no means insignificant. Any increase would certainly inflict some hardship on the poorest families. It should not, however, be impossible to modify the flat rate principle by introducing three zones of contributions and benefits: (1) for those earning up to 50s. a week; (2) for those earning between 50s. and 70s. a week; and (3) for those earning more than 70s. a week.

Employers' Contributions

Employers of insured workers are compelled to contribute to each of the three insurance funds in recognition of the need for maintaining a reserve labour force during periods of slack trade, and for maintaining the health and physical fitness of their employees at all times. In the case of unemployment and health insurance, and in that of old age pensions, the justification in principle of a compulsory contribution from the employer seems clear. Employers plainly have a responsibility for their "laid off" or temporarily incapacitated workers, and they should help to look after them, just as they do in fact look after any capital equipment which is not in use or which has broken down. They have also some responsibility for the welfare of their employees at the end of their working lives, and some progressive firms have long made provision for this on their own account. But it is not so clear why employers should have to shoulder any substantial part of the responsibility for maintaining the widows and dependent children or the orphans of their employees, except in cases where death arises directly out of the conditions of their employment.

Unfortunately, the compulsory contributions levied on employers have the effect of a poll tax on employment. It is probable that in many cases the burden is passed on to the workers (who may be getting rather lower wages than they otherwise would) or on to the consumer (who may be paying rather higher prices than he otherwise would). But, in general, insurance contributions are costs of production which vary directly with the number of workers employed. Thus firms with relatively few manual workers may be paying an insignificant fraction of their total costs on social insurance contributions, whilst other firms with a relatively large number of workers may be fairly heavily burdened. It should be noted in this connection that the cost of workmen's compensation insurance, which also varies in proportion to the number of workers employed, falls entirely on the employers. The total annual cost of social insurance, including workmen's compensation premiums,* is now about £4 14s. per adult male employee in an average firm. But it is well to note that the cost of social insurance (including the cost of workmen's compensation) cuts a small figure compared with the total costs of production. Thus, even in the British coal-mining industry, which has an exceptionally high ratio

* Approximate annual average premiums in the principal factory industries are 12s. per head.

of labour costs, social insurance accounts for less than 5 per cent of total costs. Compared with the position in some Continental countries, the direct burden of the social insurances on British industry is fairly light. Unless there is a substantial increase in this burden, no change in the present system of contributions seems to be worth attempting, either in the interests of abstract justice or as an inducement to the firms to employ more workers.

The State Contribution

It is possible to argue that there is nothing in principle to justify any State contribution to the cost of the social insurances. Why should small shopkeepers and other excluded persons be taxed to subsidise services they are debarred by statute from enjoying? But there can be few who would not admit that State aid was necessary to launch these great services and that it is in fact necessary for their continuance and development.

Nevertheless, granted the need for State aid, there does not seem to be any special justification for any particular proportion of the cost which should be borne by the State. "Equal thirds" is at first sight a satisfactory principle, but there is no real reason why the State should contribute exactly the same amount as the worker and the employer to the cost of unemployment insurance. In the case of the health and pensions schemes the share contributed by the State is considerably less and it is sometimes partly related to specific charges, such as the cost of the central administration of health insurance and the cost of pensions granted in respect of matured risks. State funds are also being used to maintain the health insurance and pensions rights of certain classes of workers whose contributions have fallen badly into arrears as a result of unemployment. Finally, it should be remembered that the State at present bears the whole cost of unemployment assistance and of old age pensions paid to insured persons and the wives of insured persons on reaching the age of 70.

The justification of any increase in the contribution of the State to the cost of the social insurances is not to be found by referring to any general principles. It is entirely a matter of social expediency. Further discussion of this subject must, therefore, be deferred until Chapter IX.

Benefits

We have seen that the social insurance schemes provide two entirely different kinds of benefit—benefit in cash and benefit in the form of services rendered. Cash benefits are provided by each of the three State insurance schemes and under the workmen's compensation scheme. Service benefits are provided under the health insurance scheme.

Cash Benefits

Cash benefits are provided by the unemployment and health insurance schemes chiefly in order to tide over unavoidable interruptions of wage-earning, whether due to industrial causes or to ill-health. They are provided on a fixed scale, without any test of nationality, residence or means. The only qualification is a certain contribution record. Unemployment and sickness benefit are only paid for a limited period, but the latter is carried on

at a reduced rate under the name of disablement benefit as long as incapacity lasts. In the case of maternity benefit a lump sum is paid in cash to help to meet a particular contingency. But the pensions scheme provides regular cash allowances from a given age until death, and workmen's compensation in the event of incapacity is normally paid in the same way.

None of the cash benefits paid under the State insurance schemes were originally intended to cover even the minimum *needs* of the beneficiaries. Rather they were intended to provide a platform upon which it would be possible to build a sufficient income, with the help of savings and other personal or family resources. However, in the case of unemployment benefit and widows' pensions the principle of *need* has been recognised to some extent in so far as some provision is made for dependants without any addition to premiums, whilst in the case of workmen's compensation both the wages of the worker and his family responsibilities are taken into account. The present scale of benefits under its three State insurance schemes is as follows:

SCALES OF INSURANCE BENEFIT IN FORCE DECEMBER 31, 1936

Health Insurance	*Normally payable:*	Weekly benefits:
Sickness benefit	For 26 weeks: After 26 contributions . 104 „ .	*Male* *Female* 9/- 7/6 15/-
		Single 12/- Married 10/-
Disablement benefit	After 26 weeks of sick benefit . . .	Half the above rates
Unemployment Insurance	For 26 weeks, after 30 contributions within the last two years . . .	*Age* *Male* *Female* 21-65 17/- 15/- 18-21 14/- 12/- 17-18 9/- 7/6 16-17 6/- 5/-
		Dependants: Adult 9/- Child 3/-
Widows' Pensions	Till age 70 to widow of insured man after 104 contributions . . .	Widow 10/- Dependent Children: First 5/- Others 3/-
Orphans' Pensions	Till age 14 (16 if at school) to orphan of insured person after 104 contributions . . .	7/6
Old Age Pensions	From age 65 after five years' continuous insurance immediately before 65th birthday and at least 117 contributions in last three years	Insured Person 10/- Wife aged 65 10/-

Even though the benefits set out in this table are not intended to cover minimum needs there is at least one anomaly which has considerable practical importance. If 17s. a week, with dependants' allowances, is considered to be an appropriate income "platform" for tiding over short spells of unemployment, why should 15s. a week, without dependants' allowances, be thought appropriate for tiding over periods of ill-health? Earnings usually cease in both cases, whilst additional expense is normally incurred in the case of illness. This anomaly frequently causes serious embarrassment to panel practitioners who are often requested to certify unemployed men as being fit for work long before they are really well in order that they may draw the higher rate of unemployment benefit with dependants' allowances instead of the lower rate of sickness benefit without allowances. For a family consisting of man, wife and two children it means the difference between 15s. and 32s. a week. Another difficulty arises out of the fact that the wives of contributory old age pensioners do not qualify for a pension until they reach the age of 65. Thus, a pensioner whose wife is five years younger than himself has to be content with a pension of 10s. a week until he is 70, when it will be raised to £1 a week if his wife is still living.

Workmen's Compensation

The present position of the workmen's compensation scheme in relation to the public social services is very anomalous. It is not easy to justify its continued separation from the public social insurances. We hope, therefore, that the Departmental Committee on the Workmen's Compensation Acts, which is now sitting, will not only make constructive suggestions for improving the present arrangements for settling claims and making payments, but will also report on the possibility of making the scheme part of the public social insurance system of the country.

VII. THE SOCIAL ASSISTANCE SERVICES

Non-Contributory Old Age Pensions—Numbers of Pensioners—Cost of Pensions—**Unemployment Assistance**—The Crisis of January, 1935—Administrative Arrangements—Persons Affected—The Second Appointed Day—**Public Assistance**—Indoor Relief—Domiciliary Relief—Poor Law Medical Service—Function of the Poor Law.

There are three public social services which may be described as social assistance services—non-contributory old age pensions, unemployment assistance, and public assistance or poor law relief. These services will be described briefly in turn below.

NON-CONTRIBUTORY OLD AGE PENSIONS

The original non-contributory old age pensions scheme was introduced under the Old Age Pensions Act, 1908. It provided a full pension of 5s. a week to persons over 70 years of age whose means did not exceed 8s. a week, and a smaller pension, varying from 4s. to 1s. a week to persons whose means fell between 8s. and 12s. a week. But applicants had also to satisfy a test of British nationality and of residence in the United Kingdom for over twenty years.

As a result of a series of amending Acts, the last of which was passed in 1924, a number of changes have taken place in the scale of pensions and in the qualifying tests, but the main features of the original scheme remain unaltered. The present position is that a full pension of 10s. a week is payable to persons over 70 (in the case of blind persons, over 50) who satisfy the following tests:

(*a*) They must have been British subjects for at least the past ten years;

(*b*) They must have resided in the United Kingdom for an aggregate period of at least twelve years since attaining the age of 50;*

(*c*) Their means must not exceed £26 5s. 0d. a year (10s. a week), after allowing for an income of £39 a year (15s. a week) not derived from earnings.

Thus a person over 70 with earnings and resources amounting to £65 5s. 0d. per annum can obtain another £26 a year by way of free pension. A smaller pension, varying from 8s. a week to 1s. a week, is payable to persons whose means fall between £26 5s. 0d. a year (10s. a week) and £49 17s. 6d. a year (19s. a week), after allowing for an income of £39 a year (15s. a week) not derived from earnings. In the case of an applicant who is one of a married couple living together in the same house, his or her means are deemed to be one-half of their combined means. In the case of two married applicants living in the same house the means limits and unearned income allowance are doubled. Thus it is possible for a married couple, both over 70, to obtain a joint pension of £1 a week, provided that their joint earnings do not exceed £52 10s. 0d. a year (about £1 a week), after allowing for £78 a year (30s. a week) unearned income. In such a case the total annual income of two persons over 70 with pension would be £182 10s. 0d. It will be seen from the table below that for some years past only three or four per cent of applicants had their pension reduced on account of the test of means. The number totally disallowed is not known, but all these tests are waived in the case of persons over 70 who have been pensioners since the age of 65, having qualified under the contributory old age pensions scheme, or in the case of widows who are pensioners under the widows' pensions scheme.

A surprising number of different authorities have a hand in the administration of old age pensions. The Commissioners of Customs and Excise make the necessary investigations of the circumstances of applicants through their local pensions officers. The claims of applicants are heard and determined by local pensions committees (or their sub-committees), appointed by the local authorities.* Appeals made either by applicants or pensions officers against decisions of local pension committees are heard by the Minister of Health. Finally, the pensions, when granted, are paid through the Post Office.

Numbers of Pensioners

The number of persons who were granted pensions under the Old Age Pensions Acts, 1908-24, rose from 647,000 in 1909 to 1,071,093 in 1926, but has since declined to 662,508 in 1935-6 owing to the increasing number of unconditional old age pensions granted to persons over 70 who were previously pensioners under the contributory scheme. But the total number of pensions granted to persons over 70 under the two schemes rose to 1,683,226 in 1935-6. Of this number 693,353 were men and 989,873 were women. The proportions of men and women over 70 in receipt of a pension in 1935-6 were both about 77 per cent.

The following table shows the number of persons over 70 in receipt of pensions under the Acts of 1908-24 and the Acts of 1925-29 respectively since 1925 distinguishing between full and reduced pensions paid under the former Acts:

Year ended March 31	Old Age Pensions Acts, 1908-24			Contrib. Pensions Acts, 1925-29	Total
	Full	Reduced	Total	Full	
Great Britain					
1925 .	986,843	23,841	1,010,684	—	1,010,684
1926 .	1,041,100	29,993	1,071,093	—	1,071,093
1927 .	1,009,127	22,448	1,031,575	166,132	1,197,707
1928 .	972,621	23,357	995,978	289,681	1,285,695
1929 .	926,287	24,508	950,795	366,786	1,317,581
1930 .	901,263	25,472	926,735	446,596	1,373,331
1931 .	855,204	25,097	880,301	551,851	1,432,152
1932 .	804,831	24,827	829,658	647,795	1,477,453
1933 .	753,357	24,248	777,605	748,532	1,526,137
1934 .	716,101	24,433	740,534	843,254	1,583,788
1935 .	715,746	24,476	740,222	937,466	1,677,688
1936 .	637,834	24,674	662,508	1,020,718	1,683,226

Naturalised British subjects must have resided in the United Kingdom for twenty years.

* The councils of counties, county boroughs, large municipal boroughs and urban districts in England and Wales, and counties and 195 burghs in Scotland.

It will be seen that the proportion of pensioners receiving their pension unconditionally has increased every year since 1928 when the new provision came into effect. This increase is likely to continue for some years as more and more insured persons reach the pensionable age. It will also be seen that the number of pensioners receiving a reduced pension under the Acts of 1908-24 was very small throughout the whole of the period.

The number of old age pensioners of all kinds of 65 and over who were receiving poor relief was 202,434 in England and Wales on January 1, 1936.

Cost of Pensions

The entire cost of non-contributory pensions is borne by the national exchequer. This is also true at present in the case of the unconditional pensions granted at the age of 70 under the contributory pensions Acts. But it is estimated by the Government Actuary that the contributory pensions fund will be in a position to relieve the Treasury of part of the cost of the pensions paid to insured persons by the year 1962. The following table shows the cost of both types of pension during the last ten years.

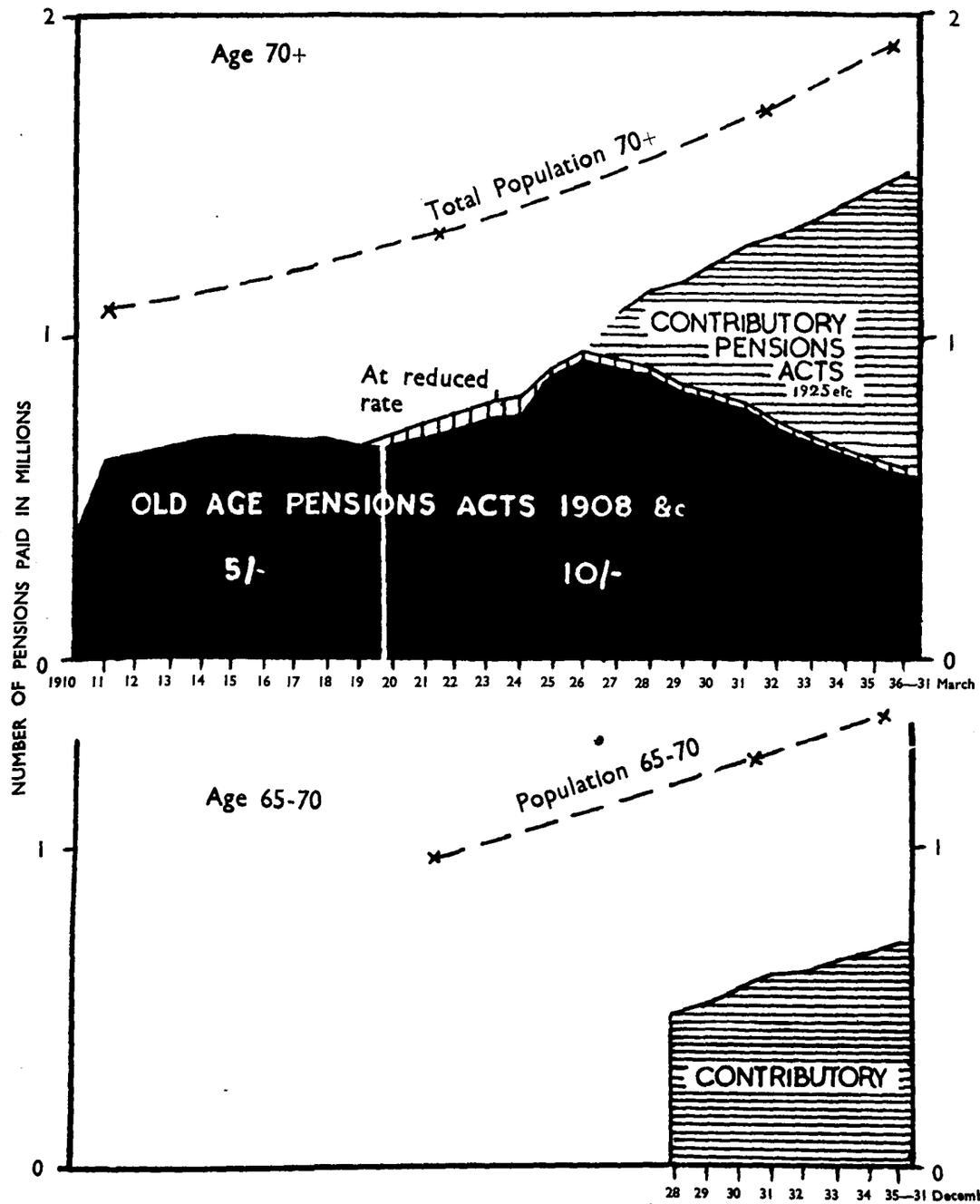
Year ended March 31	Old Age Pensions Acts, 1908-24 £(000)	Contributory Pensions Acts, 1925-29 £(000)	Total £(000)
Great Britain			
1925 . . .	24,906	—	24,906
1926 . . .	27,017	—	27,017
1927 . . .	27,390	2,594	29,984
1928 . . .	26,808	6,022	32,830
1929 . . .	25,474	8,578	34,052
1930 . . .	24,377	10,541	34,918
1931 . . .	23,632	13,044	36,676
1932 . . .	22,197	15,631	37,828
1933 . . .	21,122	18,556	39,678
1934 . . .	19,643	20,705	40,348
1935 . . .	18,596	23,139	41,735
1936 . . .	17,616	25,501	43,117

The total cost of old age pensions payable at 70 has risen steadily, especially since 1928 when the payment of unconditional pensions began. This increase may be expected to continue for the next thirty or forty years (apart from any modification which may take place in the scheme) owing to the increase in size of the elderly age groups in the population. The Government Actuary estimated in his report* on the 1925 Bill that the cost of old age pensions would have risen to £58,000,000 in 1950, and to £63,000,000 in 1960. But his figure for 1935-6 (£40,600,000) was 5.8 per cent below the actual cost in that year, owing mainly to the changes introduced by the 1929 Act. There have

* Report of the Government Actuary on the Financial Provisions of the Widows', Orphans and Old Age Contributory Pensions Bill. Cmd. 2406.

OLD AGE PENSIONS—1910-1936

ENGLAND AND WALES



also been various later estimates of future population, one of which* puts the age group 70 + as much as 5 and 12 per cent above the numbers used in the Government Actuary's calculations for 1950 and 1960 respectively. It is evident that we must expect a very formidable increase in expenditure on this service, quite apart from any increase which may be made in the scale of pensions provided.

UNEMPLOYMENT ASSISTANCE

The unemployment assistance service is the most recent of our public social services. It was created under Part II of the Unemployment Act, 1934, and the Unemployment Assistance Board, which was made responsible for the administration of the new service, began operations in January 1935.

The Unemployment Assistance Board was charged with the duty of providing for the material needs and general welfare of the able-bodied unemployed who were normally wage-earners. On the First Appointed Day (January 7, 1935) the Board took over the responsibility for the insured unemployed who had previously been on transitional payment. On the Second Appointed Day (originally March 1, 1935, but postponed to April 1, 1937) it became responsible for meeting the needs of nearly 100,000 able-bodied unemployed persons who were previously on the Poor Law.†

The new service was created to replace the temporary arrangements which had been in operation since the crisis and the Economy Act of October 1931. Under these arrangements insured persons who had exhausted their right to unemployment benefit were given transitional payments, according to their needs, up to the maximum which would have been payable in each case under the current benefit scale. The cost of transitional payments and their administration was borne entirely by the national exchequer, but the actual assessment of need and determination of claims was undertaken by the local public assistance committees, which could also give supplementary aid if they thought fit. The co-operation of the local authorities in administering transitional payments was undoubtedly responsible for the relative ease with which the new system and the new means test were introduced throughout the country in the face of a great deal of hostility. Practice varied according to local economic circumstances and the temper of the local electorate. The system was certainly open to serious objections. It was difficult to defend an arrangement whereby locally-elected authorities controlled the disbursement of some £50 millions of Government money for the raising of which they had no responsibility. It was even more difficult to justify anomalies which resulted from diverse practices of different local authorities, a few of which deliberately evaded the regulations determining need. Nevertheless, in two areas only—County Durham and Rotherham—did the Minister of Labour exercise his power to override local authorities and to introduce commissioners. In general, the Minister preferred to postpone action until a more satisfactory permanent scheme had been devised which could be introduced throughout the country. It was as such a scheme that the unemployment assistance service was introduced in 1935.

* London and Cambridge Economic Service. Special Memorandum No. 40. Enid Charles.

† The actual numbers transferred (including dependants) in England and Wales were:

Men	44,350
Women	31,606
Children under 16	51,974
	127,630

(*Times*, May 12, 1937).

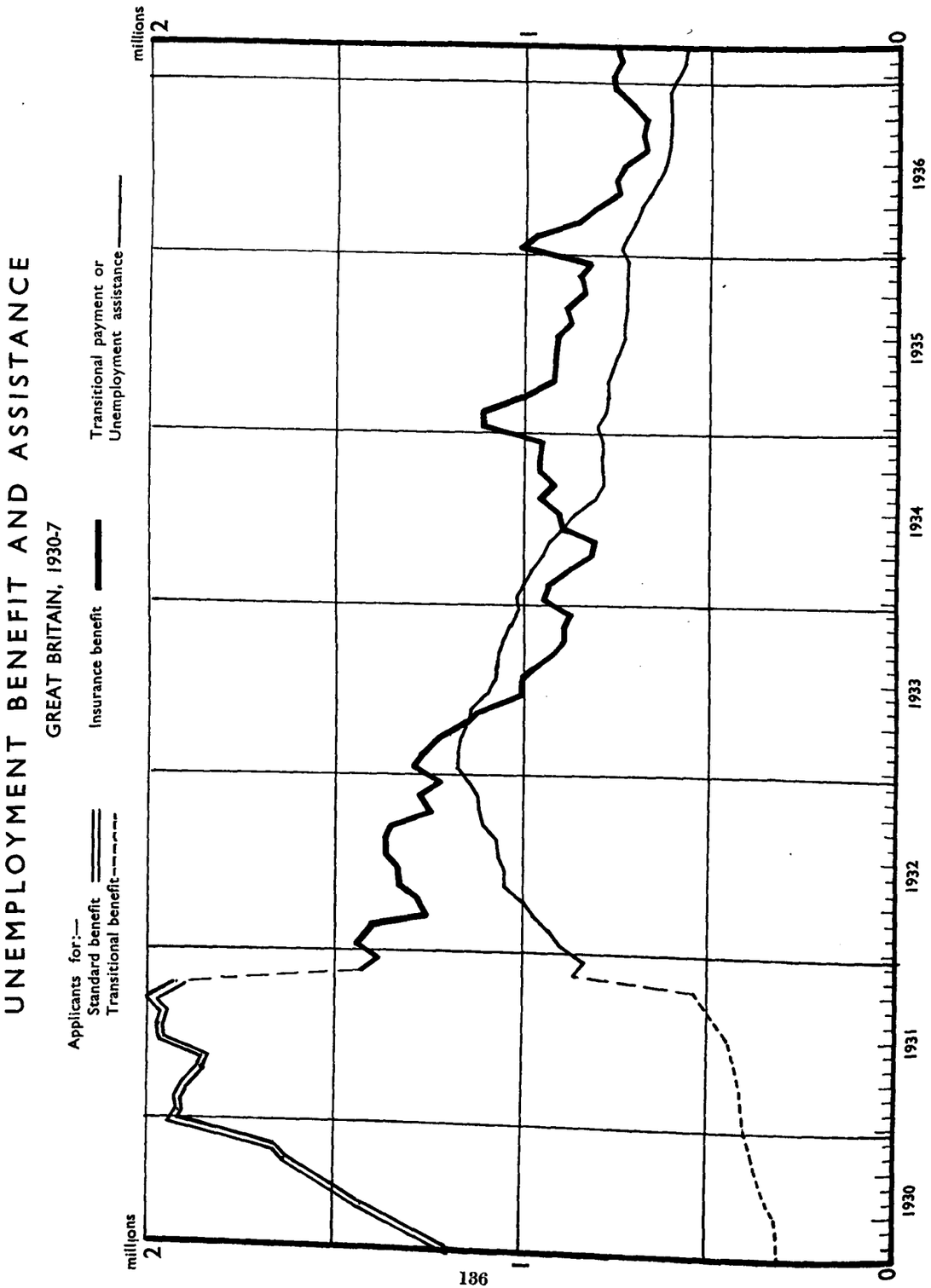
In Scotland the numbers per 1,000 of population were probably considerably higher.

The new service was specially designed to avoid the evils of the old system. The relief of the able-bodied unemployed (with relatively few exceptions) was to be taken out of the hands of the local authorities altogether. Diverse local standards of unemployment relief were to be replaced by a common scale of allowances and administrative regulations for the whole country. The able-bodied poor were to be taken out of the local Poor Law system, and the separation was to be complete. No supplementing by local public assistance committees was to be allowed. At the same time, an attempt was made to "take the dole out of politics" by making the Unemployment Assistance Board independent of Parliament in its day-to-day work and its handling of individual cases. Parliament would, however, have to approve the official rules and regulations which the Board would submit through the Minister of Labour. In practice, the Minister of Labour has to answer for the Board in Parliament, but has no control over its day-to-day administration.

The Crisis of January 1935

Unhappily, the new scheme encountered heavy weather from the first. The Unemployment Assistance Board submitted its draft regulations containing the proposed national scale of unemployment assistance to the Minister of Labour, who laid them before Parliament in December 1934. The first determinations of need were made during the second week in January, and after a short period of calm, a storm of protest broke, before which the Government capitulated. It appeared that in thousands of cases in all parts of the country the effect of the new determinations had been to make unexpectedly large reductions in the allowances paid compared with the old transitional payments. Instead of spending at the rate of £3,000,000 a year more as had been estimated, an actual saving was being made. This was against the declared intention of the Government and, in face of protests from Members of Parliament of all parties, the attempt to enforce uniform scales everywhere was suspended. A curious measure, known as the Standstill Order, was quickly passed in order to modify the effects of this too sudden centralisation of relief of the off-insurance class. In effect, assessment was to continue on the lines previously followed by the various local authorities under the transitional payment scheme, and the new national scale would only be enforced in those cases where applicants would gain by it. Thus the Board had a dual system to administer and the 800,000 applicants got the best of both worlds.

This "standstill" arrangement was operated for nearly two years—from January 1935 to November 1936. In July 1936 Parliament approved a revised scale and new regulations for the determination of need. These were on the whole more generous than the first edition, especially towards family cases. On November 16, 1936, the new scale and regulations came into force. It is claimed for them that they meet practically all the objections raised against the original arrangements. The Board estimated that when they were fully in force, the allowances of about two-sevenths of the applicants would be larger than under the dual arrangements; some of the others will eventually receive



less than under the dual arrangements, but it is as yet too early to attempt an estimate of the numbers concerned. The necessary cuts are to be completed during the eighteen months ending April 1938. There would doubtless be some grounds for reduction in areas of previous lax administration of transitional payments by public assistance committees.

Administrative Arrangements

The Unemployment Assistance Board itself consists of six members, appointed for a term of years. It is independent of the Ministry of Labour, and has its own headquarters, branch offices and staff. The form of organisation adopted consists of a relatively small headquarters in London and a network of district and area offices. The headquarters staff deal with the general administrative direction of unemployment assistance in all its aspects, including the collection and interpretation of statistics. The field staff—organised in 28 district offices, 15 sub-district offices, 240 area offices and 44 out-stations—are concerned with the actual investigation in detail of claims for assistance, decisions concerning the eligibility of claimants for assistance, and the determination of need. This system is supplemented, in rural areas where the number of persons coming within the scope of the Board is negligible, by special arrangements with local authorities, providing for the part-time use of the services of the local public assistance staff on an agency basis. Arrangements are also made with the Ministry of Labour providing for the employment exchanges to undertake the receipt of new applications and the actual payment of the allowances made. Certain other services are performed by the Claims and Record Office of the Ministry of Labour at Kew.

The actual determination of need is undertaken by the area officers and their staffs, in conformity with the scale of allowances and regulations issued by the Board and approved by Parliament, and with the Board's own views on special topics, expressed in instructions and memoranda. The Board's regulations and instructions are voluminous and detailed, but "discretionary powers" have been expressly given to district officers for use in all special cases. It is estimated by the Board that discretionary increases in assessments of need to meet special circumstances are made in a large proportion of cases. During the summer of 1936 a system of local advisory committees was established in order to bring the Board into touch with local opinion and to introduce a measure of elasticity into the interpretation of the Board's instructions on certain aspects of the assessment of need. The committees have already been asked to advise on such matters as the rent allowances and the gradual removal of the dual scales which were in force during the standstill period.

Provision was also made in the Unemployment Act, 1934, for the creation of appeals tribunals to which applicants for unemployment allowances could have recourse if they were aggrieved at any decision of the Board's officers or by the determination of allowances made for them.

Some 138 appeals tribunals were established in 1935, each consisting of a chairman and two other members—a representative of the workers and a representative of the Board. The volume of appeals has, however, been relatively small.*

* Only 19,900 appeals were lodged between January 7, 1935, and December 31, 1935—a period covering over a million assessments.

Persons Affected

Up to April 1937 the Unemployment Assistance Board was only concerned with insured persons over the age of 18 who had exhausted their right to unemployment insurance benefit.

During the calendar year 1935 the average number of applicants for unemployment allowances was 749,105. The Board has been principally concerned with persons who have had so little employment that they have not been able to make 30 contributions in two years.* Many of them had been out of work for very long periods as the following table, setting out the position on May 27, 1935, shows:

Wholly unemployed† applicants who have been out of work for:	Nos.	Per cent
5 years or more	25,709	3.6
2 years and under 5 years	194,512	27.0
1 year and under 2 years	124,926	17.4
6 months and under 1 year	146,789	20.4
Under 6 months	198,132	27.5
	690,068	95.9
Persons temporarily stopped	9,300	1.3
Casuals	20,379	2.8
	719,747	100.0

The geographical distribution of applicants for unemployment assistance is very uneven. Over four-fifths of all the applicants in Great Britain are to be found in Wales, Scotland and the North of England. Less than a fifth are to be found in London, the South and Midlands, which contain the same total number of insured workers. In London and South-eastern England only one in five insured persons who were unemployed on April 19, 1937, received unemployment allowances, but two out of every five received allowances in North-eastern and North-western England; over half in Scotland; and nearly 60 per cent in Northern England and Wales. It is evident that the work of the Unemployment Assistance Board is very largely concentrated on the severely depressed areas of Great Britain, suffering from long-term unemployment. In the rest of Great Britain the unemployment insurance system is adequate to deal with all save a small proportion of the unemployed.

As the average duration of unemployment among women is much shorter than among men, the Unemployment Assistance Board deals with comparatively few women. Of the 611,790 persons receiving unemployment allowances on April 19, 1937, only 40,908, under 7 per cent, were women and girls, and two-thirds of these were in the

* Representing a maximum of 30 weeks full work, or a minimum of 30 days work, one day in 30 separate weeks.

† "Wholly unemployed" applicants may have had one or more short spells of employment lasting not more than three days each.

North-western division and Scotland. A sample enquiry made in April 1935, when the number of applicants receiving allowances was about 725,000, showed that about 523,000, or just under three-quarters of the total, were married, and that 370,000, or rather more than half, were in households of three or more, with at least one child under 14 years of age.

This short survey of the available statistical evidence points to the general conclusion that the major task of the Unemployment Assistance Board is to assist, and to promote the welfare of, the households of married men suffering from long-term unemployment, principally in the depressed industrial areas of South Wales, Scotland and the North of England. Single men and women call for a comparatively small share of the attention of the Board, and in so far as they do so it is principally in the depressed industrial areas. In the rest of Great Britain the Unemployment Assistance Board deals with only a small fraction of the unemployed, mainly but not exclusively consisting of men whose personal characteristics are somewhat below the average standard and whose suitability for regular employment may be in some doubt. The proportion of elderly and partially disabled men is high. The Board's work does not, however, extend to the sick or to people over 65 years of age.

The Second Appointed Day

On April 1, 1937, the scope of the Board was widened to include all unemployed persons and their families whose normal occupation had brought them under the Contributory Pensions Acts (our widest social insurance) and who were "capable of and available for work." This meant the transfer from the public assistance authorities of nearly 100,000 destitute persons of a very mixed character. Some of these persons had been maintained in local authorities' institutions. Another new function that has fallen to the U.A.B. since April 1, 1937, is that of supplementing unemployment benefit wherever an applicant can prove that the Board's unemployment allowances would be more favourable to him than his benefit rate. Such supplementary payments have always been possible under the Poor Law, but they are likely to become far more general under the U.A.B. It is estimated that under the new regulations most families with more than two children or more than one adult dependant and small resources will be eligible for a supplement.

PUBLIC ASSISTANCE

In spite of the growth of many new forms of public social provision, poor relief—or public assistance, as it is now called—remains one of our major public social services. It accounted for over 12 per cent of the total amount expended on the public social services, and for 16 per cent of the net public expenditure on these services, in 1934-5. The public assistance service is essentially a "last resort" service. Although it has lost most of its harsh and deterrent features it is a service to which few people have recourse until they have exhausted all reasonable means of meeting their needs in other ways. Nevertheless, over 1,600,000 persons were actually in receipt of poor relief in Great Britain on January 1, 1936 (1,400,000 in England and Wales). This figure includes dependants.

The administration of poor relief is governed for the most part by the Poor Law Act, 1930. This Act consolidated a large number of earlier Acts, ranging from the Poor Relief Act, 1601, to the Poor Law Act, 1927. It has since been amended by the Poor Law Act, 1934. The Act of 1930 requires every public assistance authority to relieve destitution, no matter in what form it may arise. But the Unemployment Act, 1934, provides that a public assistance authority may not grant outdoor relief (other than medical relief) to any person for whom the Unemployment Assistance Board is responsible. This limitation of scope was at first confined to the households of unemployed persons who have exhausted their right to unemployment benefit, but since April 1, 1937, it has been extended to the other classes of able-bodied unemployed for whom the Unemployment Assistance Board has become responsible.*

Within the limits of statutory regulations issued by the central departments,† public assistance authorities exercise a wide discretion in determining whether an applicant for relief is or is not destitute, and in deciding the form and amount of relief to be given. By destitution is meant the absence of material resources necessary for satisfying basic physical needs. But a person may be regarded as destitute who is in need of some particular necessity of life without being destitute in all respects. Thus, for example, a person who is not entirely lacking in the means of subsistence, may yet be destitute in that he is unable to provide for himself the particular form of medical attention or treatment of which he, or some member of his household, is in urgent need. Except in certain cases in which there is a special statutory provision,‡ public assistance authorities are under obligation to take into consideration all means of income available for the support of the applicant and his dependants, when determining whether destitution exists and what form and amount of relief, if any, should be given.

There are two principal ways in which poor relief is given:

(*a*) Indoor relief in an institution, including the relief of the casual poor.

(*b*) Outdoor relief in the applicant's home.

Indoor Relief

Indoor relief is usually provided in special institutions, of which the workhouse, or "Institution," is the representative type. There are, however, other special institutions—infirmaries, hospitals, clinics, casual wards, district asylums, training centres, schools, children's homes, aged people's homes, and institutions for the mentally defective and insane—which have come into existence as offshoots of the original workhouses. Many of these institutions—particularly hospitals and institutions for the mentally defective and insane—have been transferred from the public assistance committees to other committees of the county and county borough councils in England and Wales and of the county and large burgh councils in Scotland under the provisions of the Local Government Acts, 1929, but, even where this has been the case, public assistance committees often continue to use them for the purpose of providing institutional relief.

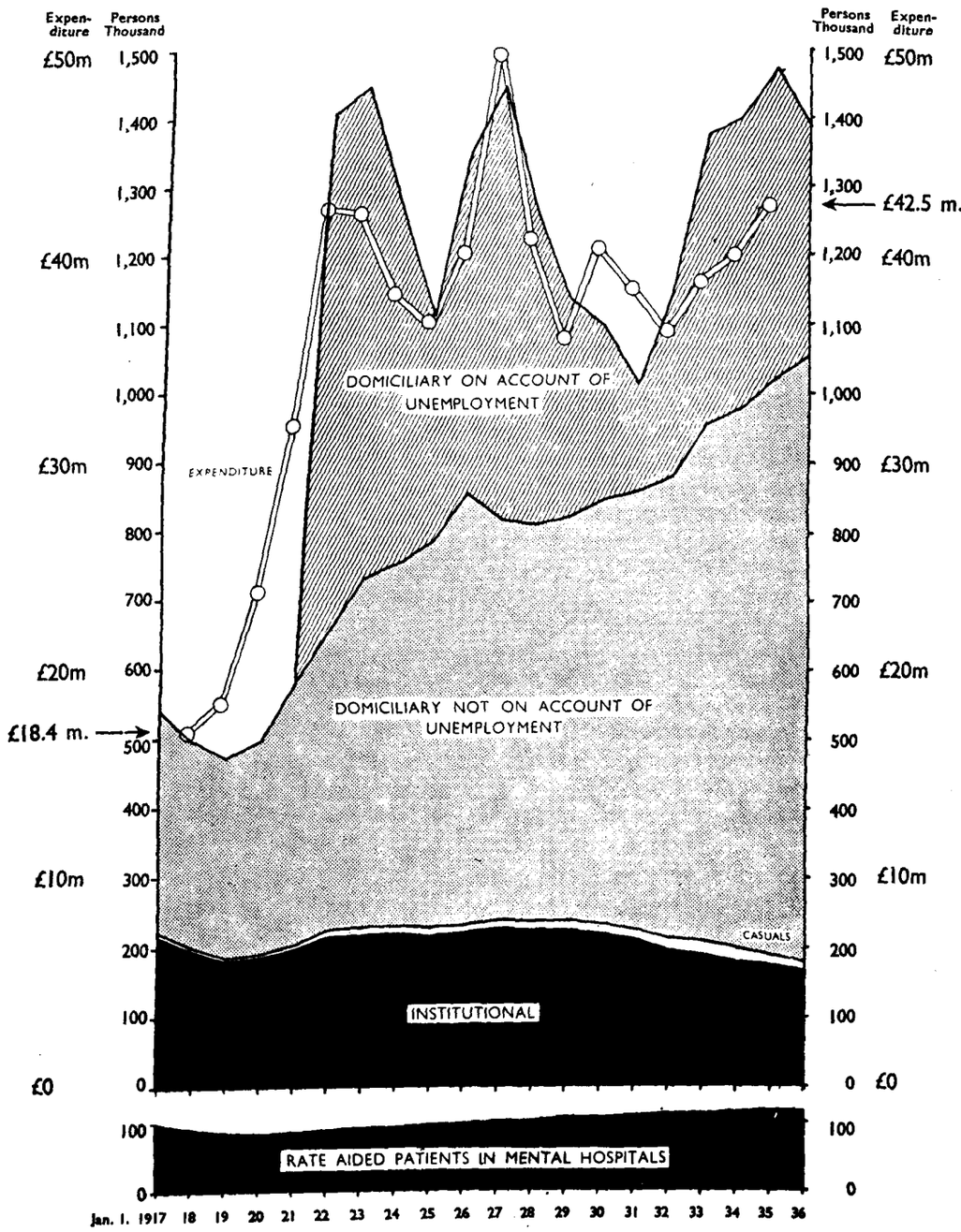
* The public assistance authorities remain responsible in all cases of sudden emergency, but the U.A.B. has to reimburse them for any relief which is granted.

† The Ministry of Health and the Department of Health for Scotland.

‡ Sec. 48 of the Poor Law Act, 1930 (and subsequent amendments).

PERSONS RELIEVED AND EXPENDITURE ON PUBLIC ASSISTANCE

ENGLAND AND WALES—1917-36



The principal types of persons relieved in these institutions are poor persons in need of hospital treatment; the constitutionally infirm and the physically afflicted (including blind and aged people) who have no suitable homes or require more attention than relatives are able or willing to give; mental defectives and lunatics; fatherless children (including deserted and illegitimate children); deserted wives and other members of broken homes; women with illegitimate children and women who have lived by immoral means; families living without means in furnished rooms or common lodging houses, or amid insanitary or immoral surroundings, and who show no prospect of bettering themselves; professional mendicants; and vagrants. A number of able-bodied persons are also relieved in training centres (residential) and in ordinary workhouses, in certain circumstances.

Out of a total of 1,387,720 persons in receipt of poor relief in England and Wales on January 1, 1936, 180,295 or 13 per cent were in receipt of institutional relief. Those who were relieved in institutions included:

61,400 persons suffering from sickness, accident or bodily infirmity;
26,515 persons suffering from mental infirmity;
27,007 children in special children's homes; and
11,247 casuals.*

Destitute wayfarers and wanderers seeking relief are received in casual wards, bathed, issued with clean night attire, provided with supper, breakfast and dinner, detained for two nights and required to perform a task of work on the intervening day.

Domiciliary Relief

The great majority—some 87 per cent—of the applicants for poor relief are relieved in their own homes. Domiciliary relief may take several forms. Usually it takes the form of a cash allowance, based on an assessment of household need made by a relief committee. It may, however, take the form of relief in "kind" or services. Relief in "kind" can only be given by a relieving officer, upon whom is laid, by statute, the duty of affording "such relief otherwise than in money as may be necessary" in cases of sudden or urgent necessity. This is the ultimate safeguard provided by law to ensure that no one dies of starvation. It is also given when some special need is present—such as extra nourishment, medical or surgical aids, or children's boots or clothes in certain circumstances, and also if there is any serious doubt as to the capacity of an applicant to make good use of his cash allowance. Poor relief in the form of services is usually medical relief provided by the district medical officer of the public assistance authority.

The principal categories of persons in receipt of relief in their own homes are as follows:

(*a*) Persons relieved "on account of unemployment." Out of the 1,200,000 persons in receipt of domiciliary relief on January 1, 1936, about 330,000 were relieved "on account of unemployment." Of these about one-third were actually "unemployed" persons. The rest were dependent wives and children. Those actually "unemployed" included:

(i) Persons in the category which was transferred to the Unemployment Assistance Board on the Second Appointed Day,* including insured persons who applied for relief during the "waiting period" for unemployment benefit, insured persons who had been disqualified from benefit, insured persons who sought to have their benefits supplemented, unemployed persons insured under the widows', orphans' and old age contributory scheme, but not under the unemployment insurance scheme;

(ii) Persons in categories *not* transferred to the Unemployment Assistance Board, such as persons working on their own account, small traders and hawkers, and black-coated workers normally earning more than £250 a year.

(*b*) Persons relieved "on account of sickness, accident or bodily infirmity."

Some 420,540 persons, or 35 per cent of those relieved on January 1, 1936, were relieved on account of "sickness, accident or bodily infirmity." But of this number 219,589, or more than half, were elderly persons over 65, suffering from the infirmities of their years.

(*c*) Persons relieved "on account of mental infirmity."

Some 6,524 persons were relieved in their own homes on account of mental infirmity.

(*d*) "Other persons."

Some 450,456 persons, or 37 per cent of those relieved in their homes on January 1, 1936, were "*not* suffering from sickness, accident, or bodily or mental infirmity." Of this number the great majority were widows, and wives separated from their husbands, and dependent children.

Poor Law Medical Service

It is the duty of every public assistance authority to provide medical attention for those who apply to it for relief, even if they are not destitute in the ordinary sense of the term. For this purpose a special domiciliary medical service has been created by appointing a medical officer in each district whose duty it is to attend and supply medicines to all poor persons requiring medical attendance within the district, at the order of a relieving officer. These district medical officers are usually private practitioners who devote only a part, often a small part, of their time to medical relief work, but there is a growing tendency to appoint full-time officers for this work and to bring them into closer association with the institutional medical services. In some parts of the country, notably in London, the Poor Law medical service includes a system of public dispensaries, where district medical officers see patients who do not need treatment in their own homes. At many of these dispensaries medicines and surgical aids are also supplied. The most recent development of the Poor Law medical service has been an experiment whereby a

* Further details are shown in the Appendix.

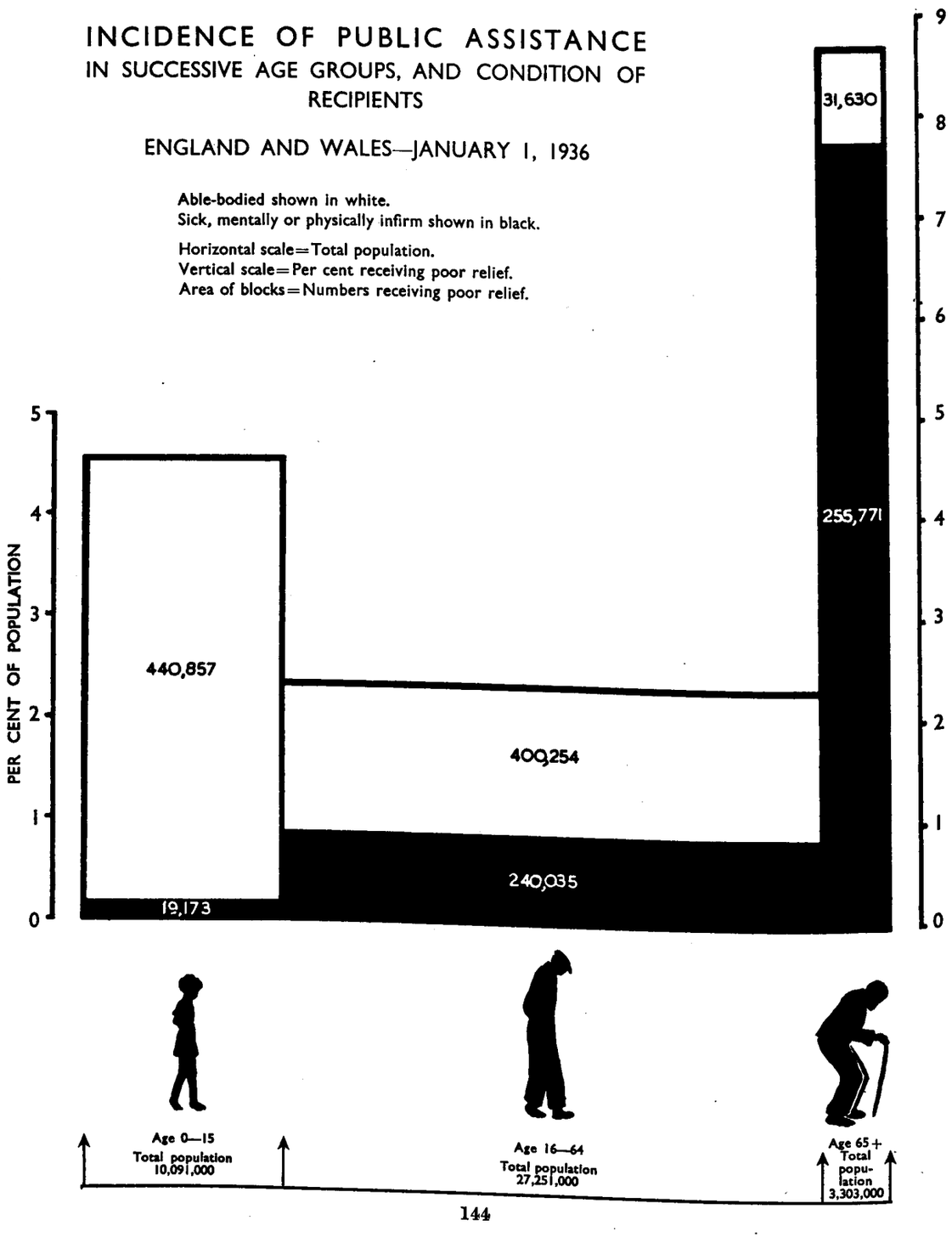
* See note on page 134.

INCIDENCE OF PUBLIC ASSISTANCE
IN SUCCESSIVE AGE GROUPS, AND CONDITION OF RECIPIENTS

ENGLAND AND WALES—JANUARY 1, 1936

Able-bodied shown in white.
Sick, mentally or physically infirm shown in black.

Horizontal scale=Total population.
Vertical scale=Per cent receiving poor relief.
Area of blocks=Numbers receiving poor relief.



panel system, giving each person in need of medical relief a choice of doctor, is substituted for the usual district officer system. Under this arrangement domiciliary medical relief in an area in which such a scheme is adopted is provided by a panel of qualified doctors, with whom the local authority concerned has contracted for the purpose. Schemes of this kind have been sanctioned in certain parts of the counties of Kent, Wiltshire and Glamorgan, and in the county boroughs of East Ham and Newcastle-upon-Tyne.* They may be a significant indication of future developments.

Function of the Poor Law

The Poor Law service is still, as it always has been, a comprehensive "last resort" service, dealing with a wide range of human needs. As other more specialised social services have grown up, the Poor Law service has been apparently shorn of this function and that, and its "break-up" and ultimate disappearance have been looked forward to with hope. But as the other public social services have grown up and have relieved the Poor Law authorities of some part of their burden, the Poor Law itself has mellowed and become more expansive. Instead of the grim Poor Law of the nineteenth century with its rigorous insistence on the principle of "less eligibility" and the workhouse test, we have a liberal and constructive service, supplementing the other social services, filling in gaps and dealing with human need in the round in a way in which no specialist service could ever be expected to do.

* The sanction of the Ministry of Health is required for all schemes of this kind.

VIII. THE SOCIAL ASSISTANCE SERVICES: A GENERAL REVIEW

Order of Discussion—The Scope of the Social Assistance Services—Basis of Provision—The Household Needs Test—Treatment of Personal Income—Scale of Allowances—"Less Eligibility" To-day—Form of Administration—Co-operation with Voluntary Bodies and Voluntary Workers—Finance.

Order of Discussion

The foregoing description of the social assistance services shows that they differ from the constructive community services in that they provide relief for the most part in the form of maintenance and only for those whose resources are either exhausted or insufficient. They differ from the social insurances in that they are not restricted to the members of a contributory class and that the services which they render are conditioned by a test of needs or of available resources: i.e. a means test. The tests, however, vary considerably between the different services. Two of them, unemployment assistance and the Poor Law, can be described as basic relief services, discretionary in their application and intended between them to cover the needs of all destitute citizens irrespective of age or status. On the other hand, non-contributory pensions at 70 are based upon a different conception, more closely resembling a free social insurance, which establishes a legal right to a fixed weekly payment on proof of status. The present chapter will be devoted to an examination of these three services under the following headings:

Scope
Basis of provision
Administration
Co-operation with voluntary bodies and workers
Finance

The Scope of the Social Assistance Services

The non-contributory old age pensions scheme is open to all citizens over 70, whereas the Unemployment Assistance Board covers normal wage-earners between 16 and 65, and the Poor Law has no restrictions of age or status.

The boundaries of the old age pensions scheme are very clearly drawn, and serious problems of eligibility are comparatively infrequent. Difficulties appear to arise most frequently where no reliable evidence of age is forthcoming and where British subjects have spent long periods abroad. Moreover, as the scheme is limited to persons over 70, it does not impinge *directly* on the payment of unemployment allowances and no special difficulties arise where old age pensioners apply for supplementary help from public assistance authorities.

The common boundary of unemployment assistance and public assistance are much less satisfactory, and they call for closer examination. Both the unemployment assistance and public assistance services are poverty or needs services, but the former is restricted in scope to supplying the needs of an arbitrarily defined section of the community, whereas the scope of the latter is unrestricted, except by the boundaries of the unemployment assistance scheme. The purpose of the two services is practically identical, but the territory is partitioned between them. Thus the Unemployment Assistance Board is only concerned with the household needs and welfare of able-bodied unemployed wage-earners, whereas the public assistance committees are responsible for the maintenance and welfare of all other destitute persons and their families. The public assistance committees also remain responsible for relief in cases of the "sudden or urgent necessity" of *any* person, including those within the scope of Unemployment Assistance Board, though they can recover from the Board the cost of the service rendered.

At first sight the division of territory between the Unemployment Assistance Board and the local public assistance authorities appears to be fairly clear-cut. In practice, however, many difficulties have already arisen, especially since the change-over of clientele after the Second Appointed Day. In the first place there are some cases of genuinely unemployed persons who cannot be dealt with by the Unemployment Assistance Board because they were formerly earning at the rate of more than £250 a year, and were, therefore, excluded from the contributory insurance schemes. An unemployed chief clerk formerly earning £6 a week has to apply to the local public assistance committee in case of need, though his juniors would be provided for by the Board. In the second place, there is a good deal of doubt as to the interpretation of the condition "capable of and available for work." The Unemployment Assistance Board's service, being based on *bona fide* industrial unemployment, should have no concern with anyone who is never likely to be employed again for wages. But there has been, up to the present, great reluctance to disqualify anyone from receiving unemployment allowances on this ground. Appeals tribunals often hear appeals from sub-employable persons, yet the question of "scope" is seldom raised. This question has, however, become a matter of great importance since the Second Appointed Day, when large numbers of so-called able-bodied recipients of public assistance were handed over to the Board. Unless the Board is prepared to accept a very low standard of employability, it is not improbable that the public assistance committees may find themselves saddled once more with a large number of the cases to which they have only just said good-bye.

A third difficulty arises when illness occurs. If a man falls sick before he is unemployed, his poverty is a matter for the local public assistance committee; if he falls sick while on the Unemployment Assistance Board's pay roll, he may be carried on for a spell of two or three weeks. The payment of unemployment assistance is, strictly speaking, out of order if the unemployed man is sick and not available for work, but he is carried on for a short period in order to avoid unnecessary transference and administrative complication. Even so, thousands of normal able-bodied persons who are temporarily sick are passed over to the public assistance committees after this short interval and then passed back when they are well. Further, any sickness in the applicant's family is a potential source of overlapping or confusion, wherever the local authority has to deal

with the case. Clearly there was much to be said for the pre-1935 system, which minimised the dualism between the central and local authority in dealing with different kinds of need in the same family.

An even more serious difficulty presents itself when special needs arise for dealing with which the Board is much less well equipped than the local public assistance authority. The Board has no institutions for the care of children, for the sick, for the prematurely decrepit, nor, as yet, for the training, occupation, or recuperative treatment of the able-bodied applicants themselves. All of these are indispensable aids to a well-equipped service of out-relief. All, or most of them, are, in fact, maintained by the best public assistance authorities for use in connection with the relief of unemployed persons and other kinds of poor families who fall to their care.

For example, a woman, the mother of several children, is admitted to hospital. The father, in receipt of unemployment assistance from the Board, is unable to provide proper care and attention for the children and he is obliged to ask for their admission to appropriate homes or schools. This has to be done through the local public assistance committee. Medical relief, as we have seen, is available for insured workers under the national health insurance scheme, but not for their dependants. As the Board does not provide medical relief itself, the sick and dependent children of a claimant for unemployment assistance have to apply to the local public assistance committee for medical attention from the District Medical Officer. Dentures, artificial limbs, spectacles and convalescent treatment cannot be provided by the Unemployment Assistance Board, and, where they cannot be provided from private sources, they must come through poor relief. Thus, in the case of the wife of a claimant for unemployment assistance who needs convalescent treatment, an application has to be made for poor relief. In practice, of course, a large proportion of the Board's applicants go without these things.

There is also a good deal of overlapping between the work of the Board and the public assistance authorities in dealing with the total needs of a single family. The public assistance authority deals with poverty as such, but the Unemployment Assistance Board is concerned only with the needs of the unemployed and their dependants. Thus, in the case of a family consisting of an unemployed man whose unemployment insurance benefit is exhausted, wife and children, including an adult son (a hawker) and an adult tuberculous daughter, the father will receive unemployment assistance allowances in respect of himself, his wife and small children. The son, if out of work, can only get public assistance, and the daughter will be in the same position.

It is plain that the line of demarcation between the work of the Unemployment Assistance Board and the public assistance authorities is very arbitrary, and that there is a good deal of overlapping of function. It gives rise to the question whether there is any case for the continued existence of two separate poverty services operating side by side with such an artificial division of territory.

The local Poor Law must still provide, not only for the non-able-bodied, but also for a margin of "able-bodied" poverty, e.g. hawkers and others who have never been insured, and those applicants who may be rejected by the Board on personal grounds. In fact,

the local authority will have the greater part of the burden of the out-relief of the country still on its hands, not to mention the institutional relief of adults and children. On a rough estimate, the total cost of Poor Law services to the L.C.C. will be four times larger than the cost of the specialised Unemployment Assistance Board service in the same area, and the proportionate burden may be of the same order all over the country, save in half-a-dozen depressed regions. In the latter the case remains strong for a separate and centralised needs service for the unemployed, if only because local finances would be quite unequal to the strain.

Basis of Provision

The only common basis of provision in each of the social assistance services is the test of income or resources. In each case an investigation of the financial circumstances of the applicant is undertaken before any allowance is made. Applicants who have resources of their own in excess of a certain limit are not given any assistance at all; the rest are helped according to their means or need.

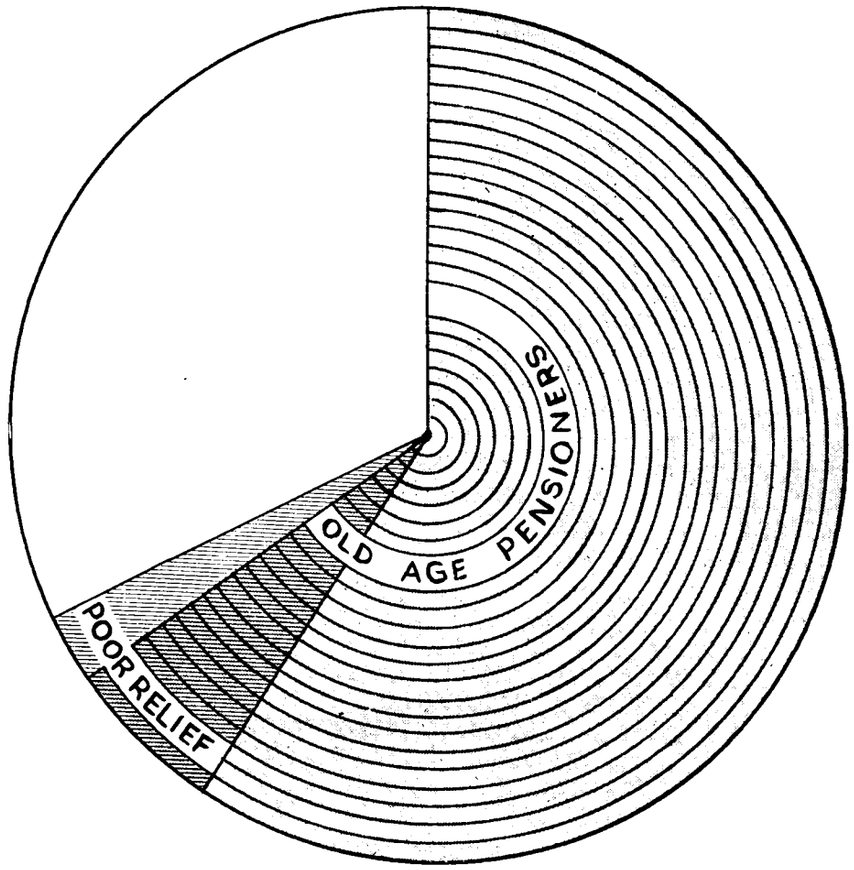
But the non-contributory old age pensions scheme differs widely from the two major social assistance services in having a very simple basis of provision. A standard flat rate of pension—10s. a week—is paid to all applicants who satisfy the conditions of age, nationality and residence, provided that their *personal* income from all sources does not exceed £65 5s. for a single pensioner and £130 10s. for a married couple over 70. Couples with more than £177 14s. coming in from earnings and savings can obtain no pension, and there is a graded scale of pensions in between these incomes. This is not a test of need in any ordinary sense of the word. It is simply a way of drawing a fairly generous line round a class of citizen whose old age the State wishes to comfort. At the same time, there are many with no resources except their pensions. In such cases needs are not satisfied, and though many old people, especially old couples, do manage to live on their pension alone, there is no presumption that it is adequate for this purpose. Public assistance authorities are therefore permitted to supplement it, and do so in about one-tenth of the cases of those in receipt of old age pensions. By contrast both the unemployment assistance service and the Poor Law are charged with the responsibility of providing for all the manifold needs of those who apply to them for help, and their families. In both cases an elaborate investigation of household needs and resources is required in order to assess the nature and amount of assistance which is needed. In neither case is there any question of the amount of assistance given being supplemented in any way by another public authority.

The old age pensions means test makes no attempt to assess the balance of needs over resources; it simply establishes a "ceiling" of income in order to safeguard the use of public funds. No discretion is involved in its administration. The only difficulties are those arising out of questions of fact. The needs test of the Unemployment Assistance Board is based on an elaborate scale of allowances and a voluminous body of regulations and instructions laid down for Great Britain as a whole. Discretionary power is, however,

EXTENT OF STATE PROVISION FOR OLD AGE

ENGLAND AND WALES—1935

TOTAL POPULATION 65+ 3,303,000



Old Age Pensioners
2,157,000
65-70, 31.12.35 691,000
70+, 31.3.35 1,466,000

Persons over 65 receiving

Poor relief and Old Age pensions	202,000
Poor relief only	85,000
	287,000

expressly conferred on the Board's officers and the 138 appeals tribunals. This discretion is used to expand the scale allowances but not to decrease them. The needs test applied by local public assistance authorities varies a good deal in different parts of the country, but is based on certain common principles laid down in Poor Law Statutes and Orders. Except in a few areas where overwhelming numbers of applicants have led to mechanical administration, it is usually administered with a considerable element of discretion in individual cases. Discretion may be used in a restrictive sense.

The Household Needs Test

The Unemployment Assistance Board and the local public assistance authorities are concerned with needs and resources of the applicants' entire household, and they apply a *household* needs test. In the case of unemployment assistance the term "household" is not defined by statute, but is taken to mean "two or more persons who live together under the same roof and share a common table," a conception which is wider than that of the family unit and may include more or less distant relatives and lodgers, or two families living together. This conception of the household is essentially the same as that held by the administrators of the Poor Law, although there is nothing in the Poor Law Acts or in the Ministry of Health's regulations or circulars giving any definition, constructive or otherwise, of what is to be regarded as a household. It is often argued in public discussions of the "Means Test" that it is objectionable to apply a *household* test when administering an *unemployment* assistance service. Unemployment is a personal misfortune over which the sufferer in the great majority of cases has no control. It is argued that the relief of an unemployed person should not be affected by the earnings or other income of other members of his household, especially if they are not members of his immediate family. This is the Family Means Test, and the fundamental question about it is whether any needs service which is true to its name can operate with anything less than the household as the unit of relief.

The answer to this question is hardly open to doubt. The primary needs of an applicant for unemployment assistance or poor relief are food and shelter, and they must be measured with regard to the family unit to which he belongs. A household assessment which takes into account the needs of all members must obviously pay regard also to their resources as a group. Rent is obviously a shared burden, as also may be the support of dependants and of semi-dependants. Any more restricted basis would be an economic fiction and would lead to the nominal transference of resources and other forms of evasion. Nevertheless, it would be wrong to assume that *all* the resources of *all* the members of a household are available for common use. Sons and daughters feel justified in keeping a considerable part of their earnings for their private use, even when their fathers are ill or unemployed. Sometimes there is justification for not requiring any contribution at all. Everything depends upon the particular case.

The original regulations of the Unemployment Assistance Board assumed that a much larger proportion of the income of subsidiary members of an applicant's household would be available for common use than the amounts assumed in the new regulations of November 1936. The unrealistic assumptions of the original regulations were an

important factor in producing the public revulsion of feeling against the new service in January 1935. It is wise of the Unemployment Assistance Board and the public assistance authorities now to disregard a larger proportion of incomes of subsidiary earners and other members of the household in assessing the household resources. The amounts which are regarded as being available towards the support of an applicant for unemployment assistance, and for public assistance are rather different. Thus the Unemployment Assistance Board has a much more complicated scale of excepted incomes than the public assistance committee of the London County Council, and it makes greater distinction between the degree of consanguinity of members of the household to the applicant as an element in determining the amount which it is reasonable to regard them as contributing to the common pool. It is too early to judge the effect of the new regulations upon the liability of other members of the applicant's household. If they prove acceptable, however, it is probable that they will result in a modification of Poor Law practice in the same connection. It is certain, however, that in these complex matters no code of rules devised in Whitehall can ever cover the infinite varieties of human circumstance and family relationships. The best system is that which leaves the largest freedom to the local officers or committees who know the cases at first hand. Fortunately, the number of households where unemployment allowances are reduced on account of family earnings probably does not now exceed 100,000 in Great Britain.

Treatment of Personal Income

Even if the incomes of members of a household other than the applicant for assistance were totally disregarded, as they are in the case of non-contributory old age pensions, the treatment of any subsidiary income possessed by the applicant himself would call for attention. In theory, all such income should be taken into account in assessing need. In practice a great deal of it is disregarded.

The principal justification for disregarding a certain amount of subsidiary income in assessing "need" is the desire not to discourage thrift and self-help. Thus the non-contributory old age pensions scheme disregards the first £39 a year of unearned income (presumably derived from past savings) and a certain amount of earned income. The Unemployment Assistance Board disregards a modest amount of subsidiary earnings; the first £25 of savings treated as capital; the capital value of any interest in a house in which the applicant lives; and the first 5s. a week of sick pay from a friendly society. Public assistance administrators are prevented by law from taking into consideration the first 5s. of any sum received in sick pay from a friendly society or trade union, and they are permitted by law* to disregard the capital value of an occupied house and the first £25 of the capital value of savings. Another justification is the desire to preserve the advantages of contributing to a social insurance scheme. Thus the first 7s. 6d. a week of National Health Insurance benefit and the whole amount of standard maternity benefit must be disregarded both by the Unemployment Assistance Board and the public assistance authorities. A compassionate sentiment lies behind Parliament's logically unjustifiable exclusion from the reckoning of half of the receipts from workmen's compensation and the first £1 a week of "wounds or disability pension."

* Transitional Payments (Determination of Needs) Act, 1932.

In the case of non-contributory old age pensions, the exclusion from the account of a certain amount of income in order not to discourage thrift and a modest amount of self-help is plainly justified. As we have already seen, no question of "need" arises. But in the case of the two "needs" services, the cumulative effect of disregarding so much of the personal income of the applicant in assessing his "need" may be to undermine the "needs" principle itself. Under the modern Poor Law a man may be in receipt of an income of thirty shillings a week or more and yet be "absolutely destitute" and eligible for the maximum scale of relief.

Scale of Allowances

We have already seen that the scale of allowances paid under the non-contributory old age pensions scheme is a simple flat rate scale ranging from 10s. to 1s. a week, according to the means of the applicant. But as the two major social assistance services are concerned with "need" there is an infinite variation in the amounts which they pay, according to the circumstances of particular cases. The Unemployment Assistance Board has a standard scale of allowances, which has been approved by Parliament, but it is possible for the Board's officers to depart from it in special circumstances. These circumstances and the use of "discretion" are themselves the subject of elaborate central instructions. There is no comparable scale in the case of public assistance. The forms and amounts of poor relief, reflecting the variety of human conditions, "achieve practical justice not on any systematic principles or rules of equity, but according to the individual circumstances of each case."* Nevertheless, the majority of public assistance authorities adopt scales of relief for the general guidance of their officers and local committees.

The purpose of both unemployment assistance and poor relief is to ensure that all who fall within their scope obtain at least a sufficient income (in terms of food, shelter, fuel and conventional necessaries) to cover their "minimum requirements" according to contemporary standards. The publication by the B.M.A. of a series of minimum standard diets for families of different size and age composition and the existence of certain other minimum standards—fuel, clothing, household accessories, etc.—used by local social survey workers has given us a useful means of forming a rough estimate of the adequacy of existing standards of relief. In present practice both the Unemployment Assistance Board and the public assistance committee allowances compare not unfavourably with the B.M.A. standards in households with no children or only one child, but much less favourably in households with two or more children. It must be remembered, however, that both the Unemployment Assistance Board and the L.C.C. supplement their scales in special circumstances and that neither authority pays much regard, in assessing need, to school meals or food supplied by a maternity or child welfare centre to any member of the applicant's household.

"Less Eligibility" To-day

The reformed Poor Law of the nineteenth century was based on the principle that the position of the person relieved by the Guardians should be "less eligible" than that

* "The Administration of Relief." L.C.C. Publication (P.A. 5), p. 17.

of the lowest class of regular wage-earners in the district. Until the early years of the present century it was believed that if this principle was not respected the incentive to honest work would be undermined, and pauperism would inevitably increase. So long as standards of poor relief were low, its administration fairly rigorous, and its beneficiaries "tainted" in popular regard with the stigma of pauperism, the "less eligibility" of those who were in receipt of poor relief was hardly in doubt. However, as a result of liberalising tendencies during the post-war period, and especially since the establishment of the Unemployment Assistance Board, the position has been reached when the circumstances of thousands of wage-earners in work are less favourable than they would have been if they were in receipt of unemployment allowances or public assistance. The Unemployment Assistance Board has found that "there are already disquieting signs in individual cases that the close correspondence between wages and allowances is influencing some of its applicants." The "wage-stop" provided under the Board's regulations has so far only been sparingly used.* Most public assistance authorities follow a similar practice with respect to their own applicants. Thus where there are large families or special troubles, a conflict frequently arises between the conception of satisfying minimum needs, the *raison d'être* of a *needs* service, and necessity to maintain normal work incentives in the community. It is intolerable in these days that a household should have less than a minimum standard of maintenance. It is hardly less intolerable that the economic position of those who are employed should be less advantageous than those who are not working, although this condition is bound to exist in some degree so long as needs are considered on a household basis and wages are not. The solution of this dilemma is one of the major problems confronting social administrators to-day.

Form of Administration

The administration of both the non-contributory old age pensions scheme and the unemployment assistance service is centralised. The public assistance service, on the other hand, is administered by a large number of local authorities. The central administration of the old age pensions scheme is in the hands of the Commissioners of Customs and Excise, who make the necessary enquiries into the applicant's circumstances through their local Pensions Officers. Unemployment assistance is administered by a semi-independent central authority—the Unemployment Assistance Board, operating by means of a network of local offices. Public assistance is supervised by the Ministry of Health, but the actual administration of relief is in the hands of local elected bodies—the councils of counties and county boroughs in England and Wales and of the counties and cities in Scotland.

As the administration of non-contributory old age pensions is based on a simple national scale and straightforward regulations, involving the exercise of very little discretion on the part of local officials, a centralised system is plainly the most appropriate. There is no question of investigating the whole range of family circumstances or of attempting to relieve household need. Such local knowledge and discretion as are needed in the administration of the service are adequately provided by the system of local pensions

* In general the U.A.B. considers that the allowance granted to an applicant should be at least 2s. below what would be available to him if he were in employment.

committees, who consider and determine all applications. An appeals system is provided by the Minister of Health, who decides any appeal made to him by the applicant, or by the local pensions officer, against a decision of the pensions committee.

It is open to doubt whether a centralised service is appropriate in the case of unemployment assistance, or, indeed, necessary, save in the depressed areas. The Unemployment Assistance Board sets out to provide a genuine *needs* service. But is it possible to satisfy the manifold varieties of human need by the fixed scales and voluminous regulations inevitably associated with a centralised service? Can such a service possess the necessary elasticity to make allowances for local conditions, special kinds of need, and exceptional circumstances? Can it allow to its local officers anything like the same discretionary scope which is allowed as a matter of course to relieving officers, who are responsible to local public opinion? Moreover, is it possible for a centralised service, divorced from the local social services, to make the same all-round provision for need that a locally administered service, organically related to the other local social services, can provide? It is true that the Unemployment Assistance Board has instructed its officers to make the best use of the local social services in relieving need. Moreover, a system of local advisory committees has been established to advise the Board and its local officers on general questions relating to rents and the adjustment of allowances, to provide information and advice on other matters which have a bearing on the administration of the regulations in the area, and to make recommendations concerning the best method of treating certain special types of cases. Nevertheless, the inherent weakness of a centralised system of relief remains. It dare not relax control over its local officials, but must insist upon the rigid observance of central instructions. Even the use of "discretion" has to be largely mechanised by a code of rules, yet it is utterly impracticable to codify the individual and family needs of the poor.

Nor has the political setting of the semi-independent Board proved satisfactory. Inevitably the attempt to "take the dole out of politics" has failed. Two years experience has amply proved that if the care of the able-bodied unemployed is centralised, then Parliament will insist upon more direct control of the service than is consistent with the full devolution of authority contemplated in the 1934 Act. It follows that the Minister of Labour is on the horns of a dilemma: he must in practice answer for the administration of the Board, and accept responsibilities which, under the Statute, he has no power to discharge. Obviously the Government cannot divest itself of responsibility, and the hoped-for analogy between the U.A.B. and other statutory corporations (e.g. the B.B.C.) proves to be a fiction.

The conclusion which emerges is that when Parliament, in 1934, set up this new centralised service of unemployment assistance, it failed to distinguish between two different objectives. Was it establishing a more or less mechanised relief service for the genuine unemployed, which would approximate in methods to the unemployment insurance scheme? Such a policy might have been admirable, but it would have involved a restriction of allowances, both in scope and amount, as under the transitional payments scheme. Or was it deliberately embarking upon a course of centralising the relief of poverty, in other words, nationalising the local Poor Law system? This would have

meant a centralised all-in needs service, freed from restrictions as to age, sickness, etc Indeed, this may yet be the ultimate result of the 1934 Act. Local authorities are already vocal in their demands that the central government should now complete the business and take over the whole care of poverty as such. Logically there is a strong case for unifying the administration of all three social assistance services, without necessarily changing the terms on which the diminishing number of non-contributory pensioners receive their old age pensions. The creation of a single comprehensive social assistance service covering all forms of residual need may not be practical politics at the moment, but it should certainly be envisaged as part of a long-term programme of social service development.

Hitherto for 330 years the British people have accepted as an article of faith and common sense that a needs service for the poor should be locally administered. That has not necessarily meant a narrow parochial system. The abolition of the old Boards of Guardians and the unions of parishes was a desirable reform. It eliminated a vast number of small and unsuitable units of administration and brought poor relief into much more effective relationship with the other local social services organised on a county or county borough basis. It also went some way towards equalising indefensible local variations in the financial burden of poor relief. The question arises whether it would not be possible to extend the areas of public assistance administration still further without losing the peculiar advantages of local administration and local responsibility. Many public assistance authorities are very small, and some of them are much less efficient than they would be if they operated over a wider area and could employ superior personnel. It is significant that one of the most reasonably generous and best administered public assistance authorities in Great Britain is also the largest. The London County Council administers poor relief over an area containing a population of $4\frac{1}{2}$ millions with conspicuous success. It has succeeded in combining a high degree of administrative efficiency with a humane spirit and a jealous consideration of the special needs of the poor of the metropolis. Judging from the success of the London arrangements, it is not unreasonable to suppose that many areas of administration of poor relief in other parts of the country could with advantage be extended. It is important, however, that public assistance areas should conform to the administrative areas for education, public health, blind welfare, mental deficiency and the other local social services.

Co-operation with Voluntary Bodies and Voluntary Workers

Reference has already been made to the work of the local pensions committees in determining applications for old age pensions, and to the local advisory committees set up by the Unemployment Assistance Board. Both types of committee are, of course, official, but they are both manned by voluntary members. The former exercise minor executive functions, the latter are purely advisory. But the *raison d'être* in both cases is to temper the keen wind of a centralised bureaucracy to the shorn lamb applying for assistance. The public assistance service proceeds somewhat differently. It appoints co-opted members (i.e. voluntary workers) to its committees and sub-committees. Most public assistance authorities also co-operate with voluntary bodies of different kinds. In some cases large subscriptions are made to voluntary agencies, such as the Discharged

Prisoners' Aid Societies, which perform services difficult for an official body to undertake, and save the authority considerable time and expense. In other cases, public assistance authorities use the institutions of voluntary agencies—homes for cripples, border-line mental defectives, the blind and the deaf, tuberculosis sanatoria, and so on—for their own cases, in return for payment. In most places there is close co-operation between public assistance committees and local personal service organisations, councils of social service, clothing guilds and the like, and in a few places a scheme of mutual registration of cases has been adopted. It is very desirable that these forms of co-operation should be extended, but it is important that the use of voluntary agencies should only be made with a clear understanding of the respective functions of the official and the non-official body.

Finance

Non-contributory old age pensions and almost all the costs of unemployment allowances are financed directly by the Treasury out of national taxation.* The cost of poor relief is borne by the local rates eked out by a share of the block grant paid annually by the Ministry of Health to all local government units. Thus the burden of old age pensions and unemployment allowances is distributed throughout the community in rough measure according to the tax-payer's capacity to pay, whereas the burden of poor relief falls most heavily on those communities which are most seriously depressed. The cost per head of population of non-contributory old age pensions was 18s. 8d., and that of unemployment allowances was £1 throughout Great Britain in the year 1935. The cost per head of population of poor relief in the same year ranged from 8s. 0d. in Coventry and Blackpool to 44s. 5d. in Merthyr Tydfil and 49s. 4d. in Liverpool. De-rating and the payment of special grants to authorities in depressed areas have gone some way to equalising the burden actually falling on the local ratepayer, but flagrant anomalies still exist. Theoretically, the simplest solution of the problem would seem to be to "nationalise the Poor Law" as unemployment assistance has been nationalised. But this could only be carried out at the expense of all the advantages of local elasticity and responsibility which were discussed in the last section. It remains to discover a more acceptable system of Poor Law finance which is not incompatible with a large measure of local control over the administration of relief.

* The local authorities are charged with 60 per cent of the average cost of poor relief in respect of the persons transferred on the Second Appointed Day. These persons are, of course, only a small minority of the clients of the U.A.B.

IX. THE SIGNIFICANCE OF PUBLIC SOCIAL SERVICES

What are Social Services for?—Social Services and the Individual—Popularity of the Contributory Method—New Administrative Mechanisms—Economic Repercussions of the Social Services—Impact of Social Services on Wages—Regional and Local Variations—Needs and Capacity to Pay—Problem of the Family—Limits of Public Social Services—Priorities for Future Development of Social Services—Need for Co-ordination with Economic Policy—Problem of Control—Areas and Units of Operation—Relations with the Volutary Social Services—The Personnel of Social Service Administration—The Voluntary Social Worker

What are Social Services For?

An attempt has been made in the foregoing chapters to describe as briefly as possible the existing public social services of Great Britain and to indicate the voluntary social services which are most closely linked with them. We have grouped all these under the three broad headings of constructive community services, social insurances, and social assistance services, with the object of bringing out their underlying principles, instead of keeping within the well-worn grooves made for each service by the accidents of historical development. In the present chapter we must attempt to assess the significance and function of the social services, present and future, in the life of the individual and of the community.

What are public social services for? From one standpoint they may be regarded as a set of devices for providing people whose incomes are low or precarious, or both, with as many as possible of the more essential facilities and resources which well-to-do families would naturally obtain in case of emergency. Obviously, a man who can still live comfortably on private resources in the event of losing his job has no need of unemployment insurance. A family which can meet any possible doctors' bills and nursing home expenses has no need to worry on its own account about special provision against ill-health. Where there is enough money the question of an old age pension, or of provision for taking care of a crippled or lunatic member of the family, is considerably simplified. But the number of contemporary risks is so great, the determination to cope with them so widespread, and the level of incomes generally so low, that only a small minority can adequately meet out of their private fortunes the financial burdens involved in, for instance, sickness, unemployment and old age.

The feeling that it was intolerable that so many people should be crushed by these burdens has been the great driving force behind the growth of the public social services, whose chief object is to minimise the number and scale of the impacts of common types of misfortune upon the life of the individual, the family and society. Four distinct elements are traceable in these services: the charitable urge to help out people in suffering or distress by personal or voluntary effort; the social motive of setting minimum standards of, for example, hygiene and education in the interests of the community; the democratic tendency towards reducing inequalities of status and opportunity; and the "self-help" philosophy of encouraging or compelling people, by schemes of organised thrift, to acquire protection against risks to which they are exposed. These four elements have been visible in some form at every stage in the development of the British social services, although their blending has varied from time to time. The great recent advances in the technique of financing and administering mass social services, the incentive (reinforced by education, broadcasting, press and cinema), towards a higher and more secure standard of life, the partial disintegration of social or class barriers, and the emergence of a very large group of wage-earners and salary-earners having a margin of income over and above their basic needs, have helped to determine the present pattern.

Social Services and the Individual

In what circumstances does a man, woman or child require the help of public social services? Broadly speaking, such contingencies fall into two groups. In the first place, a person having a small, often insecure income, needs help and encouragement in obtaining a minimum of provision against universal or common risks, such as unemployment, ill-health and destitution in old age. The State in these cases limits itself to seeing that adequate provision is, in fact, made, on an impersonal routine basis involving the payment of cash or rendering of services as a right in certain clearly specified contingencies. How the facilities are used remains the responsibility of the individual.

In the second set of circumstances, the community has not only to make a service available, but to take definite responsibility for guiding a person who, on account of extreme poverty or misfortune, serious or dangerous ill-health, old age or youth, is not considered capable of looking after himself. Examples of this second group are the chronically unemployed man who may require transfer or training for some new occupation, the child who needs education, and the blind person without sufficient means. Whether or not it is desirable in principle that the community should paternally direct the lives of its individual members it is evidently only possible in practice to carry out this complex and exacting task at all well on condition that the number of cases to be dealt with is kept within bounds. Effective education involves giving a certain amount of attention to individual pupils, but this is quite out of the question when classes are very large. Sound social assistance involves the careful examination of all the relevant circumstances in individual cases, but when numbers are large in relation to the available staff "mass-production" methods have to be employed, and it is frequently impossible to give to every case the patient and sympathetic treatment which is called for. On the other hand, it makes very little difference to the administrator how many people are contributing to, or drawing insurance benefit, or pensions. In the case of the administration of the social insurances the question of individual treatment and discretion hardly arises.

The small salary-earner or wage-earner, and the free-lance worker of small means need and are able, up to a point, to pay for impersonal routine social security services for themselves and their dependants. They do not need, and would in many cases resent,

any sort of personal supervision or guidance. In their case the State simply happens to be a more efficient and convenient agency for risk-spreading of a type which in other income groups is satisfactorily carried out by private enterprise. It would, of course, be impossible to draw any hard and fast line. If Workmen's Compensation had been made compulsory in, say, 1917, instead of twenty years earlier, it would no doubt have been established as a public social service linked to health insurance, instead of as a liability against which each employer insures privately as he chooses.

Popularity of the Contributory Method

Some types of social service, especially those which entail the provision of cash payments in certain contingencies, lend themselves readily to finance on the contributory method: others are more conveniently paid for out of taxation. While the compulsory contributory method was originally adopted for reasons of financial and administrative convenience, it has proved surprisingly and increasingly acceptable. The population is becoming insurance-minded. Wage-earners naturally want the benefit of as many as possible of the comforts and specialised services which are available to the well-to-do. They want these services as a right, not as a charity, and are prepared to pay substantial sums to get them, even where provision is entirely voluntary. For instance, although compulsory health insurance covers no less than 18 million persons, there are at least 5 million voluntary contributors paying an aggregate of some £2½ millions a year, over and above any compulsory contributions due from them, to the various hospital contributory schemes, and this in spite of the fact that the same hospital treatment could be obtained by a number of them free, or at nominal rates, on a means test or recovery of costs basis. An even more striking example of the popularity of contributory insurance was the demand for a special unemployment insurance scheme for agricultural workers, in spite of the fact that unemployed families would often get more under the Unemployment Assistance Board scale, without having contributed a penny, than they would receive in benefit after contributing for years. Recovery of cost is unpopular, both because it exposes the non-contributor to some sort of inquiry into his means, instead of allowing him to claim treatment as a right for which he has paid, and also because it is liable to involve a relatively large unforeseen item of expenditure at a time which is, in any case, likely to be one of acute financial stringency.

The popularity of the contributory method of financing the public social services suggests that it is an exaggeration to point to these services as steadily undermining self-reliance and creating a huge class of people who habitually use their voting power to sponge upon the general taxpayer and ratepayer. There is no evident reluctance on the part of the wage-earners of this country to pay their share of the cost of the public social services, either in the form of weekly contributions or in national or local taxation. Moreover, there is no clear evidence to show that the finance of the public social services involves any *large scale* transfer of income from "rich" to "poor."

New Administrative Mechanisms

Whatever may be thought about these points it is unquestionable that a great part of the recent expansion of the social services has only been made possible by the development of social and administrative invention. New services often involve new institutions, such as the maternity and child welfare clinic, the nursery school and the employment exchange; new administrative machinery, such as the Unemployment Assistance Board, with its local advisory committees; and new forms of finance, such as the "recovery of cost" system and the contributory method. Thus an immense and highly organised mechanism has gradually come into existence, dealing with a considerable range of human needs. The standard of human life in this country has been substantially raised in consequence. But much still remains to be done before we achieve the social and administrative institutions and technique appropriate to the services which have to be rendered.

There is, in fact, a danger, which increases as the various large routine social services grow older, that they may through their very size and administrative elaboration drift out of contact with human needs. Once erected to a certain design, and imbued with a certain spirit and philosophy, a great organisation is liable to cling to these after they have served their purpose. This danger has not yet become acute because the chief social services started twenty to thirty years ago were well ahead of their time, and are still probably at the height of their popularity. Such popularity, however, must not be allowed to obscure the fact that the needs which social services fill or should fill are constantly changing, and therefore demanding continuous and fundamental study with a view to carrying out the necessary adjustments in good time. For instance, so far as the individual is concerned, the absolute and the relative importance of the various risks are constantly altering. Unemployment during the past twenty years has dominated the scene, but it has been a much smaller risk in the past and may well be a smaller risk again in the '40's and '50's of this century. Even now it is a many times more serious risk in some industries and in some areas than in others, and there are millions of British workers who have not experienced it in any serious form. On the other hand, the risk of an old age uncovered by adequate pensions provision faces a far larger number of people in a far more acute form now than at any previous period. Apart from such changes in risk, there are developments in the type of assistance which can be made available by technique and organisation, and in the extent of the services and facilities demanded by public opinion.

Economic Repercussions of the Social Services

It is outside the scope of this Report to investigate in detail the economic repercussions of the public social services, but it seems desirable to indicate very briefly the importance of these repercussions and to call attention to the need for studying them. Economically, the social services are important in at least two distinct ways. In the first place, they represent an elaborate mechanism for the redistribution of income, which is collected from certain groups of taxpayers, ratepayers, insurance contributors, beneficiaries and others, and is paid out or made available in kind to those affected by specific contingencies, such as sickness, unemployment, destitution and old age. The nature of the transfer and its economic results are highly complex. There is reason to believe that on the whole the beneficiaries themselves, or the income groups to which almost all of them belong, contribute through central and local taxation and weekly

insurance contributions a sum equivalent to the greater part of the total cost of these services. But the transfers, if any, between different groups come out at various figures according to the different assumptions adopted regarding, for instance, the incidence of direct taxation, or the payment to be credited to various classes of taxpayer towards general national expenditure such as defence charges.*

A more neglected and probably more important aspect is the transfer of income, already mentioned, as between one section and another of the groups chiefly benefiting —for instance, how much the transport worker or printer in steady employment is taxed for the benefit of the casually employed docker or tinplate worker. A further aspect is the extent to which the social services deduct from a worker's earnings in the prime of life in order to spread part of his income over periods of sickness, unemployment or old age. In a year of recovery for instance, such as 1935, the Unemployment Insurance Fund accumulated a net surplus of as much as £1 million a month, whereas in the slump of 1931 it was paying out nearly a million a week more than it received. This balancing of wage-earning income as between slump and boom years is credited with having contributed substantially to the relative stability of the British home market through the depression years, and the subject deserves fuller examination by economists.

The second economically important aspect of the social services is their indirect effect in contributing to the accumulation of an enormous capital sum under Treasury control. By the end of 1935 the Treasury had amassed in various ways approximately £1,000 million. This huge sum was chiefly made up of the balances of the Post Office and Trustee Savings Banks (£390 million and £109 million respectively), and "other Government Securities" in the Issue Department of the Bank of England (£246 million). But the National Health Insurance Fund (including the "Central Fund"—£119 million; the Unemployment Insurance Fund—£23 million; and the Treasury Pensions Account —£20½ million) made a joint contribution of £163 million†.

The management of this great mass of funds gives to the Commissioners of the National Debt (that is, in practice, the Treasury, acting with or without the approval of the Bank of England) very great powers and responsibilities. These are not lessened by the fact that, as far as a large part of these funds is concerned, there is scope for the exercise of choice in the manner of their investment, since there is no obligation on the Commissioners to obtain the highest possible yield which is compatible with long-run security of capital.

Moreover, the mere existence of these funds, representing as they do both compulsory and voluntary savings by the community, not to speak of the policy with regard to their investment, may be of the highest importance. It is plainly desirable that their variations from year to year should be carefully watched and that more information should be made available concerning the manner of their disposal.

Impact of Social Services on Wages

The social services are, moreover, so intimately bound up with the economic condition of the community that every change in price and wage levels, or in habits of life,

* See Chapter II, page 58.

† The balance of the £1,000 million was made up of a number of miscellaneous funds, including the Indian and Palestine Currency Reserves, the balances held by the Public Trustee and the Treasury Chest Fund.

must have repercussions upon them. This is particularly conspicuous in the clash between rates of earnings in the lower paid occupations, rates of insurance benefit, and rates of unemployment assistance or public assistance. The same family may draw its income from each of these three sources in turn, and it not infrequently happens that the wage income determined by external factors, such as export prices, may actually be lower than the Unemployment Assistance Board's scale, at any rate, if rent happens to be rather more than the average. A South Wales miner with five children, paying a rent of 10s. a week, might well receive as

Unemployment insurance benefit .	41s. 0d.
Wages (in an average working week)	45s. 0d.
Unemployment assistance . .	46s. 0d.

In many other even more poorly paid occupations the average weekly wage might well be several shillings below unemployment assistance in the case of a family with more than three children. But a mere comparison of weekly wages and rates of benefit and assistance does not tell the whole story. Benefit and assistance are certain and more or less fixed in amount, and there are no deductions. Wages, on the other hand, are by no means certain or fixed in amount, and there are substantial deductions. Employment is often irregular, short-time is frequently worked, bank holidays mean short money, statutory insurance contributions are deducted from wages and trade union and other subscriptions often have to be paid. On the other hand, the needs of employed men are normally greater than their needs during unemployment. The wear and tear of clothing and foot-wear is a considerable item in some occupations. Transport to and from work is sometimes a very heavy charge. And it is usually found that the food bill in homes with members of the family working is much greater than when they are unemployed. Thus there may be a considerable net advantage in being out of work even though wage rates are a few shillings higher than benefit or assistance rates.

The impact of social services on wages is met in a rather different form in the elderly age groups, where owing to the failure of the community to arrange for adequate retirement pensions, large numbers of old age pensioners hang on in the labour market, often undercutting the wages of other workers. Yet another cause of friction is the abuse of unemployment insurance by groups of employers and workers who deliberately arrange to draw as much out in benefits and to pay as little in contributions as the scheme permits. The South Wales tinplate industry, the Lancashire cotton industry and docking at the great ports have earned a very bad name in this respect; in fact, it has been estimated that on an average each docker draws 4s. a week from the Unemployment Fund and only pays 9d. a week into it. In certain areas, notably the Outer Hebrides and Highlands, amazingly high percentages of unemployment are recorded, ranging up to 60 per cent or more of the insured population, owing to the systematic acquisition of titles to benefit and their exploitation to the utmost permissible limit by persons many of whom are not and never have been genuine industrial or distributive workers. If the State compels the spreading of risks it can hardly shirk the responsibility for ensuring that payments are only made in *bona fide* cases. Groups which deliberately exploit the insurance schemes to extract a concealed subsidy from employers and workers in other areas or

in other industries, can hardly be regarded as a fair risk, and it is surprising that their costly depredations should be regarded with so little concern by the State and by other contributors.* They are a real challenge to the high standard and efficiency of our administration. The suppression of these practices and the enforcement of a more responsible labour policy in the offending industries would set free very large sums for more proper purposes. A similar situation exists in health insurance. Certain factories and offices are so unsatisfactorily arranged or operated that they give rise to excessive numbers of sickness claims. Under the National Health Insurance Act of 1911, powers were taken to survey the health of local communities and to penalise employers responsible for high sickness rates, but these powers have never been used. There is at present no mechanism for ascertaining reliably what the sickness absence rate of particular establishments is. Even private enterprise insurance companies, notably the Metropolitan Life in the United States, have been led to take a very broad view of their functions in helping to reduce disease and accidents, and it is regrettable that those in charge of the great public social insurances of the United Kingdom, with their enormous annual burden of avoidable interruptions of income, and with their great opportunities of analysing and bringing their influence to bear on the causes, should have been so little alive to this aspect.

Regional and Local Variations

Among other repercussions of the social services on the general social and economic life of the community, mention must be made of the very wide differences in rents, as between rural and urban areas and as between different regions, which contributed to the initial breakdown of the Unemployment Assistance Board. While there is a rapidly growing tendency to national uniform scale and standards of administration, the role of the social services, however they may be standardised, varies according to the particular environment in which they are at work. For instance, in many parts of South-East England the Unemployment Assistance Board has, in practice, only to deal with a small residue of workers who are, for one reason or another, verging on the unemployable; whereas in South Wales or Durham the Board's clients are workers often of a high standard who are chronically unemployed in large numbers owing to loss of markets and other causes over which they have no control. Again, health insurance, which does not cover dependants, is a different matter in, say, Nottingham or Oldham, where the number of insured workers per family is high, owing to female workers, from what it is in a mining or iron and steel area, where fewer members of the family are likely to be covered. Financially, again a depressed area may have to levy a rate of nearly 10s. in the £ in order to give its children an education inferior to that which a more prosperous area can provide for 1s. 6d. in the £.

Needs and Capacity to Pay

Ideally, the charges or scales of contributions and the benefits or services should be adjusted to capacity to pay on the one hand, and to standards of living on the other. This principle cannot, however, be adopted in practice except within very wide limits.

* They may, of course, have a case for State aid of some other sort.

For instance, in the case of hospital treatment a system of recovery of costs is liable to favour the patient in proportion to his recklessness rather than in proportion to his capacity to pay measured over a substantial period; while, on the other hand, a contributory system at a flat rate represents a much heavier proportionate tax on earnings at the lower end of the range than at the higher end. Adult males at present pay in compulsory State insurances of all kinds nearly 5 per cent of their incomes if they are earning under 35s. a week, and less than 2 per cent if they are earning over 80s.

In considering whether there is any potential or effective demand and capacity to pay for further extensions of the social services, it is important to observe the extent to which British workers are, in fact, voluntarily contributing for pensions, hospital and health benefits, life insurance and similar objects over and above their present compulsory contributions. In a sample at Stockton-on-Tees, 46 families with net incomes of 25s.-35s. a week were found to be paying out an average of 7¾d. a week, or over 2 per cent of their income, in doctors' payments, and at higher levels the payments ranged as high as 1s. 7d. Dr. M'Gonigle, who gives these figures in "Poverty & Public Health," shows that an additional 5 per cent of incomes in the group between 25s.-35s. a week is accounted for by voluntary insurance premiums. In 1935 alone, industrial assurance companies and societies collected, from working-class and lower middle-class families in the British Isles the huge sum of £64 million or nearly £1¼ million a week, and paid out in claims and surrenders some £32 million; their management expenses totalling £22 million, or about 3s. per policy in force at the end of the year. This sum alone, which is being voluntarily saved almost entirely by people with small incomes, represents an average of well over £5 per family per year, greatly exceeds the entire cost of the National Health Insurance Scheme and almost equals Unemployment Insurance, the comparison being:

(Millions 1935)

	Income Excluding Interest	Benefits or Payments to Contributors	Management Expenses
Industrial Assurance . .	64	32	22
Unemployment Insurance .	66	41	5
National Health Insurance .	34	31	6

These figures will sufficiently indicate the very large sums which working-class families find it worth while to pay and, in fact, are paying voluntarily for social insurances which could undoubtedly be provided at much lower cost by the State,

It may, of course, be found that while a large proportion of wage-earners could and would pay increased contributions in order to obtain enhanced security or improved services, there are many others who, however much they want such things, cannot afford a penny a week more, if, indeed, they can afford their existing contribution. It is, of course, misleading to consider the whole wage-earning class as being on the same level in this respect, or to assume that capacity to pay contributions remains the same throughout the working life of a man whose wages are more or less invariable in amount. But two obvious devices which would go some way towards meeting these considerations are either to adopt a sliding scale of contributions based on income, or to subsidise social

insurances to such an extent as to cover the difference between what the lowest income contributors can afford to pay and the level of benefits or services considered desirable. There is, of course, a further issue which has considerable theoretical, if not practical, importance. On whom does the incidence of social insurance contributions ultimately lie? To what extent is the employer's contribution actually paid by the employees, or the employee's contribution by the employer, in the long run? And how much of the joint charge is eventually passed on to the consumer? There are, obviously, no simple answers to these questions. What they may be in particular cases will depend very largely upon the bargaining strength of the respective parties in wage-negotiations, and on the elasticity of the demand for the products of the industry concerned. But it is hardly practicable for social insurance administrators to enter this highly controversial territory.

Problem of the Family

To a very large extent families falling below the poverty line do so on account of the number of dependants, especially children, and it is the failure of the wage system to take any account of disparities in family responsibilities which forms one of the greatest obstacles to further extensions of social provision. The obstacle is double. First, there is the difficulty of asking even a penny a week more, for whatever purpose, from families whose income per head in full employment is not enough to enable them to buy a satisfactory diet and to rent satisfactory accommodation. In this way the low-paid worker with several children, by his limited capacity to pay, may hold up the provision of extra services which other wage-earners can well afford and which no one needs more than himself. Even if this obstacle could be overcome by subsidy or some other device, the barrier of "less eligibility" would still remain. We have reached a position in which no political party attempts to defend the payment as relief on a strict needs basis of incomes per head as low as those which many unskilled workers with large families are, in fact, earning in full employment. Theoretically, the most obvious way of surmounting this difficulty would be an upward readjustment of wage-rates in the lower-paid occupations to such a point that earnings would adequately cover the needs of any normal number of dependants, but such a step would be quite impracticable, because it would dislocate the whole structure of differential rewards for labour according to skill, lay an impossible tax on many industries exposed to international competition, and would, moreover, increase rather than diminish the contrasts in standards of living between workers in the same occupations with and without wives and children to maintain. Another theoretically attractive expedient would be to introduce into the general wage and salary system of the country the principle of family allowances, which would involve pooling of a part of the normal payroll and redistributing it according to numbers of dependants, so that each man's earnings would depend on a combination of his economic bargaining strength and his family responsibilities, instead of as at present on the first alone.

The principle has been widely adopted on the Continent and is used in a few cases in Great Britain, notably for Wesleyan ministers, who have been paid in this way for more than a hundred years. The growing recognition that the nation is faced with a steep decline of population is bound to bring this issue into prominence, and some direct

method of adjusting earnings to size of family may well gain acceptance as the problem becomes better understood. This would amount to a new social service which would not only have a direct value in itself, but would enormously facilitate the development of other social services by partially removing one of the greatest drags which is pulling families below the poverty line, and therefore making them a more serious liability, not only to public assistance, but to education and many other social services. The cost of paying adequate family allowances in respect of every child out of the proceeds of general taxation would, of course, be overwhelming.* But there is no need to proceed to such lengths in the immediate future. Mr. Seebohm Rowntree has suggested that a limited scheme involving the payment of 5s. a week in respect of each child after the third in every family should be tried as an experiment.† Such a scheme would cost rather less than £7 million a year if it were adopted throughout the United Kingdom.

In the meantime, something might be done through the existing social service mechanism to readjust the burden. In many countries, for instance, contributions to social insurances are graduated according to income and such a system, combined with the existing British unemployment scheme practice of paying dependants' allowances, provides a large measure of adjustment to capacity to pay on the one hand, and to family needs on the other. It does not, however, avert the collision between low earnings in employment and high rates of relief for unemployment in the case of large families, and in the absence of increased earnings or of family allowances the only other obvious alternative would be a system of large-scale taxation relief or of subsidies for families containing more than two or three children. Housing is outside the scope of this report, but here again the dilemma arises of the large family needing more accommodation and not being reasonably able to pay more rent, if, indeed, it can pay as much as the smaller family with the same total income. The modern growth in the poundage of local rates, the derating of industry and the increase of indirect taxation are proving disturbingly regressive elements in our fiscal system, and here again the advantage lies with earners who have few or no children and can live in flats or small houses, consuming smaller quantities of dutiable tea, sugar and other articles, than larger families have to buy. To sum up this part of the argument public social services must either consciously be used as an agency for adjusting burdens as between large and small families, or else they will tend more and more to reinforce those commercial and other agencies which are steadily making it less attractive for the average citizen to rear a family. The State cannot indefinitely shirk the responsibility for using the public social services as well as taxation and other instruments, in the effort to check population decline before it results in a serious modification of the age-structure—too many elderly people, too few young people—and begins to assume alarming proportions.

Limits of Public Social Services

If the State is compelled by anxiety about future population to reduce the burdens on parents, any financial obstacle which may at present stand in the way of a considerable

* The cost of providing allowances for *every* working-class child at the rate of 5/- a week would be about £100 millions a year in England and Wales, and £13 millions a year in Scotland, assuming that the allowance were accepted in every case. In practice, the cost would probably be rather smaller.

† B. Seebohm Rowntree, 'The Human Needs of Labour' (revised edition, 1937).

extension of public social services will be removed. Whether such extension is financed by the contributory method or otherwise, the wage-earning and small salary-earning classes as a whole have shown by the scale of their voluntary provision that they want and can afford more comprehensive schemes of social security. The question therefore arises what are the limits of possible and desirable extensions, as regards both classes of beneficiaries and the nature of the services provided?

In view of the popularity of the social insurances their initial restriction to persons working under a contract of service at remuneration below about £5 a week has been felt as a hardship by many who are excluded from their benefits. For instance, the small shopkeeper or farmer whose income may be of the same order as a shop assistant's or farm worker's, has been denied the right to take part even in health insurance. The Government's new Widows', Orphans' and Old Age Contributory Pensions (Voluntary Contributors) Bill, permitting independent workers and workers earning between £250 and £400 a year, to enter the pensions scheme, will start to remove this anomaly and to throw the vital social insurances open to all citizens except the comparatively well-to-do. It is, for obvious reasons, impossible to admit workers on their own account and small employers to unemployment insurance, but the Government is considering including in it employed persons earning £250 to £400 a year, in order to avoid the anomaly of the unemployed junior clerk going on to unemployment benefit while the unemployed senior clerk who has earned £6 a week may find himself compelled to choose between public assistance or nothing. The greatest single gap in the coverage of public social services is, however, the failure to extend the insurance medical services to the dependants of the existing insured persons and others of the same income group.

While Unemployment Insurance and Unemployment Assistance apply to entire families of insured persons, the present health insurance scheme covers only the actual contributors. It is, therefore, the rule rather than the exception to find that the wage-earners of a family are entitled to valuable cash and medical benefits, while their dependants must rely on voluntary provision. There are, moreover, wide and arbitrary variations between the benefit afforded, according to the position of the particular approved society in question. Out of three "insured persons" taken at random, all paying exactly the same contribution, one may be entitled only to cash and ordinary medical benefit and medicines in case of illness, while a second, belonging to a more flourishing society, can get a large range of extra benefits, such as dental and ophthalmic treatment; and a third who is still more fortunate is covered in addition for hospital treatment, nursing and convalescent home allowances.

Even professional social service workers find it difficult at times to master the complexities and anomalies of the present health insurance scheme, and a good deal of hardship and discontent arises from the differences of treatment between one society and another. If these differences represented decisions of policy democratically arrived at by the membership there might be some justification for them, but in the case of the larger societies, at any rate, control by the members is practically non-existent. It is estimated that the cost of extending medical benefit to dependants would be between £7 million and £10 million, and might be met by an increase of 2d. or 8d. in the contributions divided between the worker and the State. This is not the place to go into a

detailed scheme, but P E P has worked out the figures and will be publishing them shortly in a Report on the Health Services. Here we must be content to point out that

(*a*) the present health insurance scheme creates wide and irrational divergences between the advantages offered to contributors of different approved societies;

(*b*) these divergences could be removed and a greater uniformity attained at a moderate cost;

(*c*) owing to the failure to cover their dependants, the scheme deals with barely half of the ill-health risk of those contributing to it;

(*d*) the scheme fails to provide any cover to large numbers of persons in equal need, such as small shopkeepers;

(*e*) those concerned are voluntarily paying out very large annual sums to make good, at a higher cost, these gaps in public provision.

Similar needs for extended coverage arise in other social services. A notable instance is the absence of sufficient accommodation for children up to the age of five in nursery schools or otherwise. The social cost of permitting this deficiency in the child welfare services is to be seen in the returns of the School Medical Service, showing the high percentage of preventable physical defects and ailments found in young children at the first school medical examination.

Priorities for Future Development of Social Services

If we accept the view that there is a large range of gaps in the constructive community services and in social insurance which could with advantage be filled, and that the financial resources to fill them can only be made available by degrees, the question of listing needed improvements and of determining priorities between them at once arises. We have indicated in the course of this Report many of the most commonly accepted requirements, and we attach great importance to the emergence of a mature philosophy and a broad strategy of the social services which can take the place of piecemeal political and administrative improvisations.

While less is heard now of the old reproach that extensions of social services represent simply the attempts of rival political parties to bribe the electorate, it is true that the order and occasions chosen for the adoption of new measures are often unduly influenced by purely vote-catching considerations, or alternatively, by the accidents of vigour among the permanent officials in one department and apathy in another. Governments tend not to be interested in long-range considerations reaching beyond their own terms of office, and some civil servants are prepared to sacrifice much-needed innovations to their desire for a quiet life. Such factors tend to distort the balance and structure of the public social services, and they point to the virtual absence of even a small enlightened and informed minority who are constantly alive to the need of a comprehensive social service policy, and able to demonstrate its advantages.

It would be premature to attempt to suggest any order of priorities, but we may perhaps indicate here one or two of the principles which might help to guide a more rational choice. The first consideration of social service policy should, we believe, be the progressive reduction in size of the public assistance and unemployment assistance class, by concerted measures to prevent people from being forced down into, or kept in, that class. Such measures would include the extension of social insurances to larger groups of the population, to a wider range of risks and to more adequate provision for risks already covered, so that, for example, no person need ordinarily come on to social assistance on account of lack of a sufficient old age pension, or lack of resources during illness. They would also include the analysis of experience of unemployment, ill-health, accidents and so forth, with a view to securing adjustment of economic or labour policies leading to heavy rates of unemployment, and adjustment of working or other conditions leading to a high sickness incidence. Carrying the task further still away from the salvage end, much greater attention should be devoted to equipping the whole population mentally and physically in such a manner as to help everyone to avoid falling into the "misfortunes" of unemployment, destitution or ill-health. Such a principle would in itself suggest a broad strategy applicable to the social services as a whole, which would have the same end as the early Victorian poor law—to minimise the number of people in the community who cannot stand on their own feet—but would use exactly the opposite means of attaining that end, because instead of trying to "cure" the social assistance class by harsh repressive measures, the policy would be to "prevent" people from subsiding into this class by equipping them with adequate protection at earlier stages. This, after all, is simply to formulate as a conscious purpose what is at present a fairly strong, but largely unconscious, tendency, and its financial implications are also in line with current trends, because they involve a development of social services away from the stage of representing mainly a compulsory redistribution of wealth from rich to poor, and towards the stage of representing a carefully worked out system of group provision chiefly paid for on easy terms by the beneficiaries themselves, with a State subsidy in recognition of the general public interest in improving standards of health, education and social security.

Need for Co-ordination with Economic Policy

If such a policy is to succeed, however, it must be brought into co-ordination with the entire national economic policy. Such large sums are now involved in the financing of the social services that they cannot be considered independently of the general economic position of the nation and the policy which is being followed in relation to it. On the other hand, it may be necessary to modify national economic policy in order to permit certain desirable developments in the public social services. It was the failure to realise the inter-dependance of national economic policy and social service policy with regard to the relief of unemployment that led to the crisis of 1931. The finances of unemployment insurance and assistance are affected not only by the generosity of the scales of benefit and relief and the conditions under which benefit or relief is given, but also by the numbers of the unemployed, which are considerably influenced by Government policy in relation to monetary questions, tariffs, public works and national development. The same considerations apply to National Health Insurance which is also based on

employment. The lapsing of the benefit rights of contributors who had been unemployed for a long time produced a minor crisis in 1932 and illustrated once again the dangers of making provision against one contingency such as sickness, dependent on another contingency such as employment which is not under public control.

These difficulties and dangers can only be faced with confidence provided that other steps are taken to prevent mass long-term unemployment from reaching a scale which not only threatens the foundations of the social insurances, but also overwhelms and distorts the administration of the social assistance services.

Problem of Control

At one point after another it appears that the greatest need of the social services is for more effective co-ordination with one another and with the rest of national policy. Next in importance is the need to re-examine the forms of democratic control and public accountability in the social services. In some cases, at least, democratic control over administrative policy as well as over detail has, to a large extent, been lost, and the bureaucracy finds itself in practice accountable to no one save in exceptional circumstances. The abuses of the old locally elected Boards of Guardians on the one hand, and the difficulties caused by the attempt to take unemployment out of politics through the device of the Unemployment Assistance Board on the other, illustrated the dilemma which constantly arises in the social services between excessive political influence or, as an alternative, a bureaucracy out of touch with public opinion. The fact that it has been found necessary to introduce experiments such as the recent innovation in the County of London of transferring to salaried officers under remote control discretionary functions formerly exercised by elected committees, shows that social inventiveness is still needing to be exercised in combining professional and elected elements in administration to the best advantage. The fictitious democracy of the approved societies, and the lack of control of members over the vitally important allocations of additional benefit have already been mentioned.

Areas and Units of Operation

Both control and administration of the social services raise in an acute form the problem, discussed in earlier chapters, of areas and units of operation. To a large extent these have been determined by accident. Unemployment insurance had to be national; health insurance was entrusted to approved societies only partly national in character; unemployment assistance has recently been transferred from local to central control; while the tendency with many social services has been to attach them to the omnibus local authorities, and especially in recent years to the counties and county boroughs. In some cases local authorities have exercised their powers to form joint authorities for specific purposes, but with few exceptions there is no choice between operating on the basis of counties or county boroughs, which may be too small for the needs, or on the basis of England and Wales, if not Great Britain as a whole, which may well be too large a unit. The problem has recently been boldly treated by the Royal Commission on Local Government in the Tyneside Area, the Majority Report of which finds that over a wide range of social services even the largest units of present-day government are too small

for full efficiency to be attained. We cannot enter here into the question of reconstruction on a regional basis, on which we hope to issue a Report at a later date, but we are convinced that this aspect will need to be thoroughly examined if the most satisfactory units and areas of administration are to be found.

Relations with the Voluntary Social Services

Next we come to the relationship between public social services and those not publicly administered, which may for convenience be termed the voluntary social services. The voluntary social services cover an extraordinarily wide range, from the great teaching hospitals and friendly societies to small local charities and welfare committees. They enlist the services of thousands of paid workers and many more who give their services voluntarily. They are responsible for the expenditure of many millions of pounds every year. Broadly speaking, they may be classified in much the same way as the public social services considered in this Report. Thus, there are constructive community services, such as voluntary and endowed schools of many different kinds, voluntary maternity and child welfare organisations, the teaching hospitals and a large number of other voluntary hospitals, clinics, sanatoria and convalescent institutions, and societies and institutions for the welfare of the blind and defective. Secondly, there are the voluntary social insurances provided by the Friendly Societies and organisations such as the Hospital Savings Association. And lastly there are the voluntary social assistance services provided by bodies such as the Personal Service League and a multitude of charitable societies. It is, however, useful for the purposes of this Report to classify the voluntary social services according to their different relationships to public authorities. The following types are to be distinguished:

(i) Voluntary organisations which have no financial or administrative relations with any public authority (such as the Charity Organisation Society and the majority of small local charities).

(ii) Voluntary organisations which perform specific services for public authorities in return for payment (such as voluntary hospitals which carry out the statutory duties of local authorities, and children's homes and orphanages which receive Poor Law children).

(iii) Voluntary organisations which receive sums of money from public authorities in consideration of the general character of the services which they perform. Thus local Discharged Prisoners' Aid Societies often receive financial aid from local public assistance committees in recognition of the fact that their constructive after-care work frequently relieves the Poor Law authority of the necessity to grant assistance.

(iv) Voluntary organisations to which important tasks, closely related to the administration of the public social services, are delegated with financial assistance. Thus the National Council of Social Service undertakes certain responsibilities with regard to the welfare of the unemployed and receives a large annual grant; and in some areas voluntary societies act as the agents of the local authority in carrying out duties in respect of mental deficiency, blind welfare, child welfare, etc.

(v) Voluntary organisations such as the Land Settlement Association, created to undertake certain tasks which it is felt are not appropriate subjects for administration by public authorities. The work of the Land Settlement Association receives a £ for £ grant from the Development Commission for certain work and a hundred per cent grant from the Commission for Special Areas for other work.

(vi) Voluntary organisations which are an integral part of the administrative structure in the case of particular social services (such as the governing bodies of voluntary schools and voluntary child welfare organisations).

This classification is tentative but it does bring out some of the major variations in the relationships which exist between voluntary social service organisations and public authorities. There are, of course, wide local differences. Thus, in such a case as the mental deficiency service, the degree of voluntaryism varies enormously in different areas. Some local authorities undertake all the work themselves; but others, such as Liverpool, delegate a considerable part of it to a voluntary organisation. While there has been a natural tendency for the public social services to take the place of voluntary social services over a wide range of activities during the last thirty years, this period has been marked by the development of many new forms of voluntary effort and by a growing disposition of public authorities and voluntary bodies to enter into some form of partnership. Meanwhile, certain activities on the borderline of the social services, such as the prevention of cruelty to children and to animals, and the national lifeboat service, remain entirely on a voluntary footing, no doubt largely because their humanitarian appeal is ample to insure their financial independence where less spectacular causes have to seek support from public funds. Similarly industrial assurance, hospital contributory schemes and private schools (including those known as the Public Schools) are able to survive as voluntary charities, or as commercial enterprises owing to their superior ability to raise the necessary income by private appeal or by selling their services.

Such questions as the justification of the retention of the voluntary principle in particular circumstances, and the most satisfactory relationship between public authorities and voluntary organisations where they exist in the same field, are extremely complex and it is not possible to consider them adequately in this Report.* It may be said, however, that there are certain general conditions under which the provision of social services by voluntary bodies seems appropriate. While it is probably impossible to frame a hard and fast definition of the sphere of voluntary organisations, it appears that the essentially *voluntary* social services are those which

(i) are of an experimental or controversial nature at the time, and therefore probably also doing a pioneer job with an element of risk;

(ii) demand exceptional freedom of opinion and experiment, for teaching or research purposes;

(iii) involve giving individual attention to intimate personal problems;

(iv) cater for a demand which can be and is met by private enterprise, and do not need to ask for support from public funds.

* For a discussion of these questions see T. S. Simey, 'Principles of Social Administration,' 1937. Oxford University Press.

These general conditions are stated tentatively, for the question is one of *relative convenience*, and of the state of opinion at a given time, rather than of an absolute and permanent division of territory. Moreover, the advantages and disadvantages of voluntary social provision cannot be rightly assessed without taking account of certain imponderable factors: elasticity, goodwill, self-sacrifice, enthusiastic service on the one hand; untidiness and some measure of hypocrisy and "humbug" on the other hand, which frequently weigh down the scales on one side or the other whatever the theoretical merits of the case. Incidentally it is of considerable interest to observe that while the public services tend more openly to borrow from voluntary experience and personnel, an opposite tendency is visible in the growth of a salaried bureaucracy of the voluntary services. According to the 1931 census, persons employed by "social welfare societies" in England and Wales had almost reached 10,000, and the category in which they were included showed an increase of no less than 84 per cent since 1921. These voluntary societies by 1931 could offer paid employment to as many persons as the blast furnaces, or as the manufacture of linoleum, of butter and cheese and condensed milk, or of explosives. Evidently, the salaried staff of the voluntary social services is still growing, and its influence is increasing in spite of the expansion in the personnel of the public social services which is also taking place. We must, therefore, anticipate some convergence in points of view, as the need for special training and the conditions of service and pay bring the fields of recruitment of the public and voluntary social services closer together, and as the working of various partnership arrangements leads to increased interchange of experience and of personnel. The voluntary social services would offer scope for a report as large as the present one, and we must be content here to have indicated very briefly the nature of their contact with the public services which are our present subject. The relations between the two appear to be settling themselves not unsatisfactorily by trial and error, but when the public social services come to be authoritatively examined, as we hope they will, the future of the voluntary services must be taken into account.

The Personnel of Social Service Administration

The administration of the public social services considered in this Report involves the employment of a vast army of public servants and others who serve in a professional capacity. In many cases the quality of this personnel is of the highest order, but it cannot be said that the existing arrangements for the recruitment and training of officers for some forms of social service work is entirely satisfactory. The recruitment and training of local government officers in general has recently been reviewed by a Departmental Committee,* and it is unnecessary to repeat the pertinent criticisms made by that body. It is sufficient to note that little or nothing has been done to implement its recommendations since its Report was issued in 1935. But the need for improved recruitment and training is not confined to the local government service. It is to be doubted, for example, whether the investigating officers of the Unemployment Assistance Board are, as a body, sufficiently well chosen and trained to carry out their very difficult and important social work in the homes of unemployed people. But as the Unemployment Assistance Board is still a very new institution, charged with the responsibility for a vast number of cases, it is perhaps unfair to make much of this point at this stage. In some other cases, where formal training requirements are made, it is a serious weakness that these requirements are very narrow and rather overweighted by technical questions arising out of statutes, regulations and codes of instructions. In view of the importance of home contacts in some of the constructive community services and of the home visitation involved in the administration of the social assistance services, there is plainly a real need for a comprehensive course of training in social case work, to be taken by all who wish to engage in this career. The health visitors' training course and the recently adopted training course for probation officers are good examples well worthy of attention in this connection. Some of the voluntary social services which have become so large scale in character as to have a considerable professional personnel also provide examples of excellent qualifying courses and examinations. Thus the supply of women house-property managers and hospital almoners (serving with voluntary and public authorities) is maintained at a very high professional standard as a result of examination requirements which now obtain and the qualifying courses which prepare for them.

* Departmental Committee on the Recruitment and Training of Local Government Officers, under the Chairmanship of Sir Henry Hadow.

The Voluntary Social Worker

It is not always appreciated that in addition to the many thousands of paid workers engaged in the administration of the public and voluntary social services, there are also vast numbers of voluntary workers performing a multitude of useful tasks in connection with public as well as voluntary bodies. The public education service finds employment for thousands of voluntary workers as co-opted members of education committees and sub-committees, members of juvenile advisory committees, and after-care committees, school managers, and governors of secondary schools. Maternity and child welfare organisations, even when operated exclusively by public authorities, frequently use the services of voluntary welfare committees, who take a personal interest in particular centres or clinics, and in the mothers and children who attend them. Similarly, there are large numbers of voluntary workers associated with the administration of the blind welfare and mental deficiency services. In Liverpool alone investigation showed that apart from all elected members of committees (another form of voluntaryism) there were recently some 3,000 co-opted workers voluntarily participating in and helping to shape the local public education service. It is believed that a similar investigation in London would show that there were about 7,000 voluntary workers associated with the public education service of the London County Council. There are about 10,000 members of the local employment committees of the Ministry of Labour, and about 3,000 members of the Ministry's juvenile advisory committees. The membership of the local advisory committees of the Unemployment Assistance Board numbered about 2,600 in May 1937. This voluntary element, whether it is employed on executive or advisory committees, or in performing small tasks in day to day administration, forms a buffer between the professional staff and local opinion, and is of the highest importance in maintaining the acceptability of the social services on terms consistent with administrative needs.

X. IMMEDIATE NEEDS

Eliminating Sectionalism—The Case for a Royal Commission on the Public Social Services—
The Case for a Permanent Statutory Committee

Eliminating Sectionalism

It remains to discuss what immediate steps might be taken towards improved co-ordination of the public social services. Our first and most essential proposal, which we have ourselves begun to implement in issuing this Report, is that all those interested should now take stock of their assumptions and ideas on the subject, and endeavour to work out an approach adapted to present and future rather than to past conditions. After a period of intensive growth the social services are settling down into the life of the nation. They are at present popular, and each taken by itself runs fairly smoothly, but they are creations of compromise and of improvisation, and every year that passes carries away more of the conditions on which they were based. A dangerous divergence therefore arises between the social and economic background (which corresponds less and less closely to that which the older social services were framed to meet) and the outlook and methods of administration which naturally tend to become less flexible as the service settles down to its routine. As everyone can observe, conditions and terms of treatment which are thought reasonable or inevitable at one period may come to be regarded as inhuman or intolerable a few years later. What is regarded as the minimum standard of provision, how far individuals should be assisted to provide against certain contingencies, and how far claims for assistance should be made against members of the family; how long people are prepared to wait for attention; what financial arrangements are thought reasonable and so forth, alter from time to time.

It is an illusion, therefore, to suppose that schemes and provisions which are acceptable and even popular now will necessarily continue so, unless those responsible are constantly on the watch to see where the rub is felt and to adapt them accordingly. This is a responsibility of social service specialists and administrators, who alone can keep public opinion abreast of changing needs. The responsibility is especially heavy because in relation to the enormous number of persons affected the number of expert authorities on the social services is relatively minute, and, even among these, few, if any, can claim to know at all thoroughly more than a restricted part of the whole field. In preparing this Report, we have been seriously impressed by the compartmental outlook and experience characteristic of those engaged in the administration of the public social services at this stage. There are many men and women who are extremely well informed about particular branches or aspects, but it is rare to find anyone who has given much thought to the inter-relations of the social services with one another, to their repercussions on social or economic life, and to their lines of development. This sectionalism is natural and probably unavoidable in view of the recent rapid growth, but the time has come when it

needs to be remedied. Our first and most urgent proposal is, therefore, that those concerned with particular aspects or subjects should start thinking intensively about the place of their own specialism in the whole scheme of the social services. We have tried to suggest some such lines of thought in Chapter IX. Only when more people have paid attention to this aspect of the problem will any advance become effective.

The Case for a Royal Commission on the Public Social Services

In view of the vast range of problems concerning the public social services which still await solution, the most urgent need seems at first sight to be a comprehensive and thoroughgoing official investigation by a Royal Commission, which would hear evidence from all interested parties and arrive at a considered view. It is now nearly 30 years since the last comprehensive inquiry into public social provision in Great Britain. The Royal Commission on the Poor Law was appointed in 1905 and, after sitting for four years, reported in 1909. It was an exhaustive inquest, not only on Poor Law administration, but on the handling of a wide range of social problems, from the care of orphan children and the growth of blind alley occupations in the juvenile labour market, to the protection of old age. It proceeded by hearing evidence and examining witnesses, but it was characterised by its use of the technique of special inquiry (under the influence of the Webbs). Social workers, trade unionists and others throughout the country were mobilised to supply information, to conduct investigations, and to prepare reports. The result was an invaluable collection of social data, including several studies (notably Mr. Cyril Jackson's Report on Boy Labour) which were of first-rate importance.

Since the Poor Law Commission reported, the whole face of British social service provision has been changed: social expenditure has quadrupled; the social insurances have been created; local government and the Poor Law have been considerably changed; the "special areas" have become a problem, and the Unemployment Assistance Board has come into existence. A whole host of new problems never contemplated by the Poor Law Commissioners has been created. But there has been no attempt to make a comprehensive review of the results of the disordered growth of services and expenditure during the last few years. There have been numerous official inquiries into special problems, notably the Royal Commission on Local Government; the Hadow Reports on Education; the Royal Commission on National Health Insurance; the Royal Commission on Unemployment Insurance, and the recent Committee on the Scottish Health Services. But there has been no examination of the principles on which the public social services are based, or of their results, or their inter-relations.

In spite of these considerations it is by no means certain that the Royal Commission technique would be altogether satisfactory for dealing with the enormous range of subject-matter with which any comprehensive enquiry into the social services would be faced. It would be extremely difficult to frame terms of reference which were at once wide enough to produce significant and useful results and narrow enough to be practicable. The finding of suitable, competent Commissioners whose judgment would command respect in every field with which they would be concerned—from education and public health to unemployment insurance and public assistance—would be a formidable task.

The staffing of the secretariat to the Commission might also present some difficulties in view of many separate departmental interests involved. But the most serious objection to relying on the Royal Commission method is that it would inevitably take a very long time to do its work thoroughly and to arrive at well considered conclusions. Meanwhile, events might have taken place which would have made it necessary to make important changes in the system while it was under examination. In spite of the great interest and value of its work, the history of the Royal Commission on the Poor Law is, in many respects, a serious warning of which it is important to take account. Thus, for example, the constitution of the Poor Law Commission was such that a great deal of time was wasted on fruitless controversy based on fundamental differences of attitude on the part of its members. In due course the Commission, in effect, split itself into two rival Commissions following parallel courses, and eventually produced two separate voluminous Reports. The very thoroughness of the Commission's work also added to the long period of time which elapsed between its appointment and the publication of the two Reports. Meanwhile, events had been moving very rapidly. Old age pensions were introduced while the Commission was sitting; Labour Exchanges were set up in 1909, and the ground was being prepared for the revolutionary developments of 1911-12, which cut right across the recommendations of both Majority and Minority Reports. The Royal Commissions on Local Government and on Unemployment Insurance were, for different reasons, equally unsatisfactory.

It is evident that a Royal Commission on the Public Social Services would produce a useful report or series of reports in the course of time but, in our opinion, it would be too cumbersome an instrument to use for the clarification of immediate issues and for the solution of urgently pressing problems.

The Case for a Permanent Statutory Committee

Having rejected the Royal Commission for the reasons which have been given, it remains to discover some other method of reviewing the public social services as a whole and of recommending necessary changes in their structure or their method of operation. It appears to us unquestionable that Parliament, in view of the expenditure of £300 million a year on the public social services, should have the guidance of an independent authoritative body able to call for the fullest information and charged with the duty of ascertaining and reporting how far the money has been spent to the best advantage, and what extensions or additions should form the first charge on any savings that can be effected or upon any extra funds which may become available. The need for such a co-ordinating advisory body is not peculiar to the social services. The same need arose in an acute form over the rearmament programme, and in order to meet it, Sir Thomas Inskip was appointed Minister for the Co-ordination of Defence. While it is understood that this particular arrangement has yielded results, it would be undesirable for a fresh Cabinet Minister to be added each time such a problem arises, and we do not consider that a permanent task of no exceptional urgency, as this is, would justify appointing either a separate Minister or a separate Cabinet Committee. Both these devices would add to, rather than relieve, the congestion at the centre, which is largely responsible for the long-term aspects of the problem being neglected at present.

Probably the best precedent for such a body is found, however, actually in the field of the social services. Under the Unemployment Act of 1934, a committee was established called the Unemployment Insurance Statutory Committee, to give advice to the Minister in connection with the discharge of his functions under the Unemployment Insurance Acts, and to perform certain other duties. Every year, not later than the end of February, this committee has to make a report to the Minister on the financial condition of the Unemployment Fund at the end of the preceding year. The committee must, if the fund is becoming inadequate, recommend amendments calculated to restore equilibrium, or if the reserve appears to be becoming excessive the committee may recommend how the surplus should be allocated. The Minister is bound to lay the report before Parliament within a specified time, and before making any regulations under the Acts (with certain exceptions) he is bound to submit a draft to the committee, who must report on it forthwith. Another section laid on the committee is the duty of putting up to the Minister proposals for bringing agricultural workers under Unemployment Insurance. Under the chairmanship of Sir William Beveridge, this committee has worked very successfully and has introduced a welcome element of objective study and long-range planning into a subject which had become notorious for piecemeal and short-sighted treatment based on the political situation of the moment.

Another precedent of a rather different kind and in another sphere is that of the Law Revision Committee, which is a valuable part of our constitutional machinery. It is a statutory body consisting of distinguished jurists and lawyers, charged with the duty of making recommendations for the reform of the law on particular topics referred to it by the Lord Chancellor.

The success of these bodies is evidence that the method of the permanent reviewing committee is both convenient and fruitful, and it seems to us that there is a very strong case for using it for the purpose of watching the operation of the public social services as a whole. As we conceive it a Social Services Statutory Committee would not be responsible for administering any social service funds, but would require sufficient authority to make thorough inquiries about their administration from as wide a standpoint as, say, the Estimates Committee of the House of Commons. It would have to be under statutory obligation to report, and the Ministers to whom it would report would have to have corresponding statutory obligations to consider its recommendations, while naturally being free to depart from them for reasons they were prepared to state and defend in Parliament. Its basic duties would be largely related to finance—to report annually on the finances of all the social services, to study the efficiency of grant-aided work done by local authorities, and to secure explanations from them where necessary, and to carry out the long-overdue review and co-ordination of rates of contribution to the social insurances. It should, however, be free to go far beyond merely financial issues and to give its view on the general working, efficiency, and benefits or defects of the services.

It should, in fact, act as an advisory General Headquarters Staff

(i) giving thought in the course of its work to the basic principles governing the relationships of the various public social services one to another and of the social services as a whole to social and economic policy;

(ii) considering lines for overhauling the administrative and financial structure of the services in order to secure more efficient and economic working; and

(iii) drawing attention to the main anomalies and gaps to be dealt with, and recommending priorities for dealing with them.

It would not, of course, be possible for a single committee effectively to do all the detailed work of reviewing the whole of the public social services. This difficulty would, however, be overcome by the technique adopted in similar circumstances by the Import Duties Advisory Committee. That is to say, the Statutory Committee for the Social Services would legally and constitutionally be a single body, and would report as such, but in practice would use powers to co-opt and to work through sub-committees in such a manner as to break up the task of supervision into manageable sections. The Unemployment Insurance Statutory Committee could be worked into the general pattern without interfering with its special status and independent functions. We are convinced that the establishment of such a body would greatly assist Parliament and public opinion in keeping intelligent and progressive control over a complex of services so important that they vitally affect the great majority of British citizens, and so unwieldy at present that they are virtually uncontrollable without some such assistance.

APPENDIX

LIST OF TABLES

GENERAL

EDUCATION

MATERNITY AND CHILD WELFARE SERVICES

THE SCHOOL MEDICAL SERVICE

TUBERCULOSIS SERVICES

MENTAL HEALTH SERVICES

EMPLOYMENT SERVICES

19. Number of vacancies notified and filled by Ministry of Labour Employment Exchanges in the United Kingdom.
20. Ministry of Labour Training and Instructional Centres, Great Britain, 1930-6.

NATIONAL HEALTH INSURANCE

21. Persons Covered by the National Health Insurance Scheme in 1935.
22. National Health Insurance Finance, Great Britain, 1935.

WORKMEN'S COMPENSATION

23. Cases and Payments in certain Industries making Returns, United Kingdom, 1935

UNEMPLOYMENT INSURANCE AND ASSISTANCE

24. Relative Importance of Unemployment Assistance and Insurance Benefit in different parts of the Country.
25. Composition of Unemployment Statistics in Great Britain, before and after the Second Appointed Day.

PUBLIC ASSISTANCE

26. Persons Relieved and Expenditure on Public Assistance in England and Wales, 1914-36.
27. Persons Relieved and Expenditure on Public Assistance in Scotland, 1914-36.
28. Persons Receiving Different Types of Public Assistance in England and Wales on January 1, 1936.
    - (i) Domiciliary and Institutional Relief.
    - (ii) Mental and Physical Condition.
    - (iii) Children Receiving Domiciliary Relief.
    - (iv) „ „ Institutional Relief.
    - (v) Persons over 65 Receiving Relief.
    - (vi) „ „ „ „ both Relief and Old Age or Widows' Pensions.
29. The Distribution of the Burden of Public Assistance.

Table I—Number of Local Authorities of each type now and before the operation of the Local Government Acts, 1929

	Before Operation of Act (April 1, 1930)	December 1, 1936
England and Wales:		
Administrative Counties	62	62
Metropolitan Boroughs (including City of London)	29	29
	83	83
County Boroughs	256	289
Municipal Boroughs	783	650
Urban Districts	650	485
Rural Districts	1	1
Council of the Isles of Scilly	about 7,150	7,200
Parish Councils	„ 5,600	4,100
Parish Meetings		
Scotland:	33	33
County Councils	—	24
Large Burghs	201	171
Town Councils	—	201
District Councils	98	—
District Committees	33	—
Standing Joint Committees	33	—
Commissioners of Supply	869	—
Parish Councils	37	—
Education Authorities	27	—
District Boards of Control	9	—
Distress Committees		

Table 2—Administration and Finance of the Public Social Services.

Service	Administration				Chief Methods of Finance	Basis of Provision
	England and Wales		Scotland			
	Central	Local	Central	Local		
Constructive Community Services						
EDUCATION						
Elementary	Board of Education	All County Boroughs and County Councils *Pt. iii Authorities*, i.e. 146 M.B.s, 24 U.D.s	Scottish Education Department	4 Cities and all Counties (4 counties in 2 combinations)	Rates Grants on formula Additional grants in depressed areas and Highlands and Islands Voluntary funds	Free Compulsory to 14+
Higher	Board of Education	All County Boroughs and County Councils	Scottish Education Department	4 Cities and all Counties (4 counties in 2 combinations)	Rates Percentage grants Voluntary funds Fees	Fees covering part cost Some free places
University	Board of Education University Grants Cttee.	Self-governing	Secretary of State for Scotland University Grants Cttee.	Self-governing	Endowments Central and local government grants Fees Voluntary funds	Fees Scholarships
Agricultural	Ministry of Agriculture	Local Education Authority	Dept. of Agriculture for Scotland	Local Education Authority	Central funds Rates	Nominal fees
Approved Schools	Home Office	—	Scottish Education Department	—	Central funds Rates	Compulsory. Payment by court order in some cases
Junior Instruction Centres	Ministry of Labour	Local Education Authority	Ministry of Labour	Local Education Authority	Central funds Rates	Free Compulsory in some areas.
MEDICAL SERVICES						
Maternity and Child Welfare	Ministry of Health	All Metropolitan Boro's, C.B.s and C.C.s 147 M.B.s 86 U.D.s 10 R.D.s	Department of Health for Scotland	All large Burghs and Counties	Rates and block grants Some fees Voluntary funds	Recovery of cost at local authority's discretion Recovery for institutional care
School Medical Service	Board of Education	All C.B.s and C.C.s 146 M.B.s 24 U.D.s	Department of Health for Scotland	4 Cities and all Counties	Rates Percentage grant Education grant in Scotland	Inspection free Treatment-recovery of costs
Infectious Disease Hospitals	Ministry of Health	Joint Boards: Fever 88, Smallpox 10 Isolation Hosp. Cttees.: 75, 8 Voluntary combinations: 40, 43 *and* C.C.s: 6, 11 C.B.s: 81, 48 M.B.s: 88, 43 U.D.s: 122, 34 R.D.s: 84, 32 Port Sanitary Authorities: 7, 9	Department of Health for Scotland	All Large Burghs and Counties (some combinations)	Rates and block grants	Recovery of cost at local authority's discretion
Tuberculosis	Ministry of Health	*England:* All C.B.s and C.C.s (3 joint committees) *Wales:* King Edward VII Welsh National Memorial Association	Department of Health for Scotland	All Large Burghs and Counties (some combinations)	Rates and block grants Voluntary funds	Mainly free
Venereal Diseases	Ministry of Health	All C.B.s and C.C.s	Department of Health for Scotland	All Large Burghs and Counties (some combinations)	Rates and block grants	Free
General Hospitals, apart from Poor Law	Ministry of Health	39 C.B.s 10 C.C.s 1 M.B. 1 U.D.	Department of Health for Scotland	3 Cities, 1 County	Rates and block grants Recovery of cost	Free, with powers of recovery
Industrial Health	Home Office Factory Dept. Board of Trade Mines Dept.	— —	Home Office Factory Dept. Board of Trade Mines Dept.	— —	*Inspectors'* central funds *Certifying factory surgeons* paid by employers Central funds	

Table 2—Administration and Finance of the Public Social Services—*continued.*

Service	Administration				Chief Methods of Finance	Basis of Provision
	England and Wales		Scotland			
	Central	Local	Central	Local		
BLIND WELFARE	Ministry of Health	All C.B.s and C.C.s	Department of Health for Scotland	All Large Burghs and Counties (some combinations)	Voluntary funds Rates and block grants Sale of products	Free
MENTAL HEALTH SERVICES						
Mental Disorders	Board of Control	23 single C.B.s City of London Corpn. 19 single C.C.s 29 combinations, involving 53 C.B.s 45 C.C.s 14 M.B.s	General Board of Control for Scotland	All Large Burghs and Counties (some combinations)	Rates and block grants	Some recovery of cost
Mental Deficiency	Board of Control	63 C.B.s 57 C.C.s 4 combinations, involving 20 C.B.s 6 C.C.s	Scottish Education Department	Education Authorities Public Assistance Authorities (some combinations)	Rates and block grants	Some recovery of cost
EMPLOYMENT SERVICES	Ministry of Labour	396 Local Exchanges 231 Employment Offices 391 Branch Employment Offices	Ministry of Labour	56 Local Exch. 41 Employment Offices 73 Branch Employment Offices	Central funds	Free
Juvenile Employment	Ministry of Labour	257 Exchanges and 124 Offices, dealing with juveniles 163 Juvenile Advisory Cttees.	Ministry of Labour	55 Exchanges and 26 Offices, dealing with juveniles 32 Juvenile Advisory Cttees.	Central funds	Free
	Ministry of Labour Board of Education	108 Education Authorities exercising powers having— 145 Juvenile Employment Cttees., with— 155 Juvenile Employment Bureaux 31 Juvenile Branch Bureaux		—	75% Ministry of Labour grant 25% Rates	
Social Insurances						
Widows, Orphans and Old Age Pensions	Ministry of Health	—	Department of Health for Scotland	—	Contributions Central funds	Contributions based on employment ("pre-Act widows," husband's employment only)
Health Insurance	Ministry of Health	146 Local Insurance Cttees. 6,253 Approved Societies and Branches	Department of Health for Scotland	54 Local Insurance Cttees. 368 Approved Societies and Branches	Contributions Central funds	Contributions based on employment
Unemployment Insurance	Ministry of Labour	Local Employment Exchanges	Ministry of Labour	Local Employment Exchanges	Central funds	Contributions based on employment
Social Assistance						
Old Age Pensions	Ministry of Health Customs and Excise	1,288 Local Pensions Cttees. and Sub-Cttees.	Department of Health for Scotland Customs and Excise	228 Local Pensions Cttees. and Sub-Cttees.	Central funds	Test of age, nationality, residence, personal means
Unemployment Assistance	Unemployment Assistance Board	24 District Offices 206 Area Offices	Unemployment Assistance Board	4 District Offices 34 Area Offices	Central funds	Household needs test
Public Assistance	Ministry of Health	All C.B.s and C.C.s	Department of Health for Scotland	All Large Burghs and Counties	Rates and block grants	Household needs test Recovery from relatives

Table 3—Gross Expenditure on Public Social Services in Great Britain, 1900-35

(£ millions)

	Constructive Community Services									Social Insurances			Social Assistance			
	Education	Approved Schools	Maternity and Child Welfare	Hospitals and Treatment of Disease	Lunacy and Mental Deficiency	Unemployed Workmen Act	Total	National Health Insurance	Unemployment Insurance	Contributory Pensions	Total	Old Age Pensions	Transitional Benefit and Unemployment Assistance*	Public Assistance	Total	TOTAL
1900-1	19.5	0.5	—	1.6	1.0	—	22.6	—	—	—	—	—	12.8	12.8	12.8	35.4
1910-1	33.7	0.3	—	2.2	1.5	0.21	38.0	—	—	—	—	7.4	—	16.7	24.1	62.1
1920-1	88.8	1.5	2.1	8.6	3.0	0.11	104.1	29.9	10.8	—	40.6	20.8	—	35.6	56.4	201.1
1921-2	92.4	1.4	2.4	8.6	3.0	0.10	107.9	29.6	71.2	1.6	100.9	22.0	—	46.8	68.8	277.6
1922-3	88.2	1.4	1.8	8.7	2.3	0.06	102.5	29.4	49.0	7.5	78.4	22.4	—	47.2	69.6	250.6
1923-4	86.6	1.0	1.8	7.8	4.0	0.06	101.3	30.9	48.0	11.9	79.0	24.0	—	41.9	65.9	246.2
1924-5	89.4	0.9	1.9	7.2	4.8	0.08	104.3	32.4	50.6	—	83.1	25.8	—	40.4	66.2	253.6
1925-6	92.0	0.8	2.1	7.5	5.1	0.07	107.5	36.5	49.8	1.6	88.0	28.0	—	44.1	72.0	267.5
1926-7	93.3	0.8	2.5	7.8	5.2	0.07	109.7	40.9	56.2	7.5	104.7	30.9	—	55.0	85.9	300.3
1927-8	94.4	0.8	2.3	8.3	5.0	0.06	110.8	37.6	42.8	11.9	92.3	33.7	—	45.5	79.2	282.3
1928-9	97.0	0.7	2.5	8.5	5.0	0.05	113.8	39.9	53.8	23.8	117.6	34.9	—	43.9	78.8	310.2
1929-30	100.5	0.7	2.7	8.8	5.3	0.04	117.9	38.6	58.3	26.4	118.3	35.8	—	45.0	80.7	317.0
1930-1	104.2	0.7	2.6	8.9	5.4	—	121.8	38.6	81.3	34.6	154.5	37.5	20.3	42.5	100.3	376.6
1931-2	103.3	0.7	3.2	10.6	5.6	—	123.3	37.5	90.4	39.7	167.6	38.6	32.4	41.2	112.2	403.1
1932-3	100.8	0.6	3.3	12.1	5.9	—	122.8	37.5	63.9	40.8	142.2	40.4	58.8	44.0	138.3	403.3
1933-4	101.7	0.6	3.4	13.0	6.2	—	124.9	36.0	49.3	42.2	127.5	41.1	52.2	46.1	139.3	391.7
1934-5	105.7	0.6	3.4	13.8	6.6	—	130.1	36.7	52.9	43.2	132.8	42.4	46.2	49.2	137.8	400.8

*Transitional Benefit till April 1, 1934. Transitional Payments April 1, 1934—January 7, 1935. Thereafter Unemployment allowances.

Table 4—Income and Expenditure of Local Authorities in England and Wales, 1933-4

(£000)

	INCOME				EXPENDITURE		
	Fees, Rents, Recoupments, etc.	Specific Government Grants	Balance met by Rates and Block Grants	Total	Maintenance, etc.	Loan Charges	Total
Social Services:							
Elementary Education	982	30,318	31,844	63,145	58,968	4,177	63,145
Higher Education	3,111	8,178	8,918	20,206	18,420	1,786	20,206
Maternity and Child Welfare	456	4	2,617	3,077	2,987	90	3,077
Hospitals, Sanatoria, Dispensaries, etc., for:							
Tuberculosis	123	—	3,576	3,699	3,417	282	3,699
Venereal Diseases	3	—	432	436	431	5	436
Other Infectious Diseases	171	1	3,352	3,525	3,184	341	3,525
General Hospitals	460	1	4,199	4,660	4,144	516	4,660
Notification of Disease, Disinfection, Vaccination, etc.	36	1	627	665	656	9	665
Salaries of M.O.H.s, Health Visitors, etc., not allocated	7	—	1,788	1,795	1,794	1	1,795
Welfare of the Blind	86	—	1,018	1,104	1,093	11	1,104
Mental Hospitals and Mental Deficiency	2,139	14	9,223	11,376	10,478	898	11,376
Relief of the Poor	2,338	24	31,529	33,891	32,922	969	33,891
Other Services:							
Public Libraries and Museums	186	1	2,137	2,324	2,193	131	2,824
Parks, Pleasure Grounds, etc.	1,208	167	4,175	5,549	4,107	1,442	5,549
Baths, Wash-houses and Open Bathing Places	1,233	44	1,278	2,555	1,980	575	2,555
Sewage, Refuse Disposal and Public Conveniences	1,459	1,371	16,640	19,470	12,921	6,549	19,470
Other Health Services	229	70	1,087	1,386	1,123	263	1,386
Housing and Town Planning	26,846	13,148	2,778	42,772	11,816	30,957	42,772
Road and Street, Lighting, etc.	4,550	8,585	40,008	53,143	43,554	9,590	53,143
Fire Brigades	281	14	2,166	2,462	2,216	246	2,462
Police	624	10,298	10,614	21,531	21,332	199	21,531
Agriculture and Fisheries	1,577	1,057	1,645	4,279	2,261	2,018	4,279
Administration, etc.	6,068	428	14,139	20,635	18,936	1,699	20,635
Deficit on Trading Services	—	—	2,838	2,838	2,838	—	2,838
TOTAL	54,176	73,718	198,629	326,524	263,771	62,753	326,524

EDUCATION

Table 5—Types of Educational Institutions in England and Wales, 1934-5

	Approximate Ages of Attendance	Number of Institutions	Pupils on Register (Average 1934-5 or certain dates in 1935)	
			Full Time	Part Time
Nursery Schools	2–5	65	4,781	—
Elementary Schools	5–14+	20,907	5,474,894	—
Special Schools for				
Blind	2–16	73	3,810	—
Deaf	2–16	47	3,632	—
Mentally Defective	5–16	161	15,022	—
Physically Defective	2–16	329	29,811	—
Secondary Schools recognised by Board of Education:				
On Grant List	5–19	1,380	456,783	—
Not on Grant List:				
Secondary	5–19	395	69,573	—
Preparatory	5–14	319	21,150	—
Other Secondary Schools in "Public Schools Year Book" or "R.C. Directory"	12–19	428	41,600	—
Other Preparatory Schools in the Association	5–14	240	12,000	—
Junior Technical Schools	13–18	208	24,532	—
Junior Art Departments	13–18	36	2,150	—
Day Continuation Schools	14–18+	38	—	17,318
Technical Day Classes	14–18	189	2,331	8,770
Art Schools and Classes	14–18	263	2,647	18,652
Senior Full-time Courses in Colleges	14–18	65	2,544	592
Evening Classes	14–18	4,957	—	396,945
TOTAL UP TO 18	—	—	6,168,000	442,277*
Technical Day Classes	18+	189	732	17,429
Art Schools and Classes	18+	263	3,075	37,641
Senior Full-time Courses in Colleges	18+	65	4,207	1,318
Evening Classes	18+	4,957	—	495,459
Adult Education	18+	—	—	49,223*
Courses for Teachers (evening or vacation)	—	48	—	54,348
Universities and University Colleges	18+	22	40,392	9,611
Teachers' Training Colleges (not University Departments)	—	110	11,032	—
TOTAL 18+	—	—	59,438	665,024*

* May include duplication.

Table 6—Types of Educational Institutions in Scotland, 1935-6

	Approximate Ages of Attendance	Number of Institutions	Pupils on Register, 1935-6	
			Full Time	Part Time
Primary Schools:				
Primary Departments*	5–14+	3,034	554,327	—
Post-primary Departments	11–18		87,595	—
Secondary Schools:				
Preparatory Departments	5–14+	(204)	67,516	—
Secondary Departments	11–18+	251	92,075	—
Special Schools	5–16+	62	9,637	—
Special Classes	5–16+	(47)	1,804	—
Continuation Classes	14–18	798	—	73,256
	18+		—	68,690
Adult Education	18+	60	—	5,341
Central Institutions	18+	11	4,689	8,801
Evening, Saturday Afternoon or Correspondence	18+		—	10,650
Universities and University Colleges (1934/35)	18+	5	10,246	3,474
Teachers Training (Sept. 1936) (General Certificate)	—	4	1,856	—

* Includes 134 "Side Schools" with an average of less than 6 pupils each, in remote areas.

Table 7—Types of Elementary School, England and Wales, March 31, 1935

	Schools	Per cent	Depts.	Average Number on Register	Per cent
1. *Maintained by L.E.A.s:*					
(i) Voluntary:					
Church of England	9,197	43.9	11,065	1,278,226	23.2
Methodist	122	0.6	145	19,796	0.4
Roman Catholic	1,230	5.9	1,884	398,652	7.2
Jewish	13	0.1	19	5,251	0.1
Other Voluntary	204	1.0	282	27,095	0.5
Total	10,766	51.6	13,845	1,719,020	31.4
(ii) Council	10,088	48.2	16,244	3,749,940	68.5
2. *Not Maintained by L.E.A.s*	53	0.3	55	5,934	0.1
TOTAL	20,907	100.0	29,644	5,474,894	100.0

Table 8—Size of Classes in Maintained Public Elementary Schools, England and Wales

Size	Number of Classes			
	1924	1933	1934	1935
Up to 20	13,191	11,647	11,679	12,508
21-30	27,929	26,818	27,553	29,715
31-40	40,497	49,528	52,474	54,077
41-50	40,602	55,661	54,061	49,877
51-60	24,469	8,226	6,138	4,218
Over 60	489	70	56	44
TOTAL	147,177	151,950	151,961	150,439

Table 9—Progress of Reorganisation of Elementary Schools in England and Wales, March 31, 1935

	Council		Voluntary		Total	
	Depts.	Pupils	Depts.	Pupils	Depts.	Pupils
Reorganised Departments:						
Infants	4,039	845,118	2,079	262,672	6,118	1,107,790
Junior	3,739	976,267	2,476	311,449	6,215	1,287,716
Senior	2,389	732,575	355	74,874	2,744	807,449
All Ages	691	183,552	613	115,528	1,304	299,080
TOTAL	10,858	2,737,512	5,523	764,523	16,381	3,502,035
Unreorganised	5,386	970,804	7,822	929,213	13,208	1,900,017
Percentage of Departments which were unreorganised in Urban and Rural Districts:						
Urban Areas	21.2	20.9	43.1	46.4	29.2	28.0
Rural Areas	63.6	58.4	74.3	77.7	70.0	67.4
All Areas	33.2	26.2	58.7	54.9	44.6	35.2

MATERNITY AND CHILD WELFARE SERVICES

Table 10—Provisions made by Local Authorities and by State-aided Voluntary Bodies, 1935

ENGLAND AND WALES

	Provided by		Total
	Local Authorities	Voluntary Bodies	
Ante-natal Clinics	1,311	285	1,596
Infant Welfare Centres	2,490	813	3,303
Health Visitors	3,109	2,575	5,684
Equivalent in Whole-time Services	2,157	536	2,693
Maternity Institutions and Hospitals providing Beds	500	141	641
Number of Beds	6,030	2,203	8,233

SCOTLAND

Ante-natal Clinics	182	10	192
Infant Welfare Centres	240	14	254
Health Visitors:			
Whole Time	462	—	462
Part Time	623	—	623
Total	1,085	—	—
Maternity Institutions and Hospitals providing Beds	55	33	88
Number of Beds	671	637	1,308

Table 11—Extent of the Provision of Maternity and Child Welfare Services, 1935

(i) ENGLAND AND WALES

	Numbers Benefiting	Per cent of Possible	Number of Attendances or Visits
Ante-natal Clinics	288,079	46	1,140,708
Infant Welfare Centres:			
Children under 1	351,149	59	—
Children under 5	—	—	8,657,901
Health Visiting:			
Expectant Mothers	193,815	31	557,578
Children under 1	584,645	97	3,284,972
Children from 1-5	—	—	4,407,415

(ii) SCOTLAND

Ante-natal Clinics	30,908	34	128,081
Infant Welfare Centres:			
Children under 1	32,573	37	276,804
Children from 1-5	19,864	6	186,536
Health Visiting:			
Expectant Mothers	24,410	27	61,527
Children under 1	74,738	85	529,172
Children from 1-5	109,599	34	414,301

Table 12—Provisions of the School Medical Service, England and Wales, 1935

	Authorities Making Provision	School Clinics Provided	Hospitals working under Arrangements with L.E.A.s	Defects Treated	
				Under L.E.A. Schemes	Otherwise
Treatment:					
Minor Ailments	312	1,160	14	929,182	49,214
Dental	314	1,362	15	1,474,083	—
Ophthalmic	315	694	120	259,619	10,525
Nose and Throat :					
Operative	287	68	546	59,004	16,688
Non-operative				46,964	
Ringworm	203	35	74	837	108
Orthopædic	245	324	130	...	...
Artificial Light	105	93	27	...	...

Number of authorities organising school medical service, 316.

Table 13—Staff of the School Medical Service, England and Wales, 1935

	Number	Equivalent in Whole Time Services	Numbers Employed Full Time in Public Service	
			School Medical *only*	School Medical and other Public Health Work
School Medical Officers	1,412	687	275	766
Specialists	962	...	—	11
Dentists	852	646	—	574
Nurses	5,644*	2,386	1,527	1,864

* Includes 2,215 district nurses. The extent of their services cannot be ascertained.

Table 14—The School Health Service, Scotland, 1935-6

Staff	Full Time	Part Time
Medical Officers	43	89
Local Practitioners	—	50
Specialists	—	60
Dentists	47	39

Defects	Authorities making Provision	Defects Treated
Teeth	35	152,670
Vision	35	29,354
Diseases of Eye	...	11,816
,, ,, Ear	...	9,086
,, ,, Skin	...	47,437
Ringworm and Favus	25	611
Adenoids and Tonsils	31	5,149
Deformities	21	1,214
Other Diseases and Defects	...	35,913
		293,250

Number of Children Examined:	
At Routine Examinations	243,240
At Special Examinations	157,640
Number on Registers of Inspected Schools	808,110

Authorities organising school health service—Counties, 31; Cities, 4.

Six county councils have made use of the provision made by the Local Government (Scotland) Act, 1929, by which they can make arrangements to use the medical and nursing staff, clinics and hospitals of the large burghs for school health services. About 70 hospitals are involved.

TUBERCULOSIS SERVICES

Table 15—Extent of the Tuberculosis Service in England and Wales, 1935

Total number of cases known to Medical Officers of Health in 1935 was 340,488

	Diagnosis	Treatment	Total
Number of cases, Dec. 31, 1935: In Residential Institutions	1,106	25,327	26,433
On Dispensary Registers	11,857	195,273	207,130
TOTAL	12,963	220,600	233,563

Table 16—Accommodation in Residential Institutions in England and Wales, 1935

	Local Authorities		Voluntary Organisations		Total	
	Institutions	Beds	Institutions	Beds	Institutions	Beds
England:						
Sanatoria and Special Institutions	174	15,153	116	7,600	290	22,753
Isolation Hospitals	40	1,861	1	50	41	1,911
General Hospitals	45	2,298	177	573	222	2,871
Wales:						
King Edward VII Welsh National Memorial Assoc.	—	—	—	—	17	1,517*

* A number of beds were also rented in institutions not belonging to the Association. The expenditure on this item was £13,300.

MENTAL HEALTH SERVICES

Table 17—Distribution of Persons suffering from Mental Disorders, January 1, 1936

	England and Wales	Scotland
In County and County Borough Mental Hospitals	127,813	13,514
In State Criminal Asylums	787	87
In Institutions under Poor Law	15,062	1,308
In Other Institutions	5,887	3,568
Under Private Care	4,222	1,257
TOTAL	153,771	19,734

Table 18—Distribution of Mentally Defective Persons, January 1, 1936

	Number		Per 1,000 of Population
(i) *England and Wales:*			
Total known to Local Authorities		116,434	2.88
of whom children 14-16 informally reported		8,528	
Total Statutorily Notified		112,906	
of whom "Ascertained Subject to be dealt with"		84,599	2.09
of whom			
In Institutions provided under the Mental Deficiency Act, 1913	40,256		
"Under Guardianship or Notified"	3,645		
"Under Statutory Supervision"	34,840		
Total Under Care		78,741	1.94
(ii) *Scotland*			
Total "Ascertained Subject to be dealt with"		8,150	1.64
of whom			
In Certified or State Institutions	2,974		
In Private Dwellings	1,440		
Total Under Care		4,414	0.89

EMPLOYMENT SERVICES

Table 19—Number of Vacancies Notified and Filled by Ministry of Labour Employment Exchanges in the United Kingdom

	Vacancies	
	Notified	Filled
1913*	1,222,828	921,853
1922	859,340	715,737
1923	1,060,293	917,242
1924	1,368,526	1,164,948
1925	1,509,765	1,306,085
1926	1,323,084	1,156,428
1927	1,457,226	1,272,670
1928	1,536,329	1,351,516
1929	1,864,536	1,632,585
1930	1,965,664	1,764,255
1931	2,158,514	1,985,975
1932	2,039,741	1,878,856
1933	2,459,007	2,224,421
1934	2,655,094	2,331,993
1935	2,933,555	2,533,456

* Including territory which is now the Irish Free State.

Table 20—Ministry of Labour Training and Instructional Centres in Great Britain, 1930-36

Year	Entered	Premature Terminations		Completed Course but Unplaced	Passed into Employment	TOTAL PASSED OUT
TRAINING CENTRES						
1930	8,608	1,611		1,044	5,160	7,815
1931	7,979	1,709		2,880	4,290	8,879
1932	5,236	1,047		1,403	3,440	5,890
1933	5,254	844		704	3,728	5,276
1934	6,970	1,134		268	4,819	6,221
1935	10,168	1,663		146	7,059	8,868
1936	14,250	3,083		295	10,398	18,776
INSTRUCTIONAL CENTRES						
			(a)			
1929	3,518	1,029	117	29	1,608	2,788
1930	9,886	2,487	188	597	6,580	9,802
1931	7,652	1,724	67	392	5,667	7,850
1932	6,654	736	50	1,748	2,815	5,849
1933	10,545	855	165	8,064	1,406	10,490
1934	16,248	1,280	127	12,205	2,475	16,087
1935	18,474	2,609	14	12,214	3,085	17,942
1936	20,872	3,959	416	13,018	3,896	21,284

(a) Transferred to training centres or special schemes.

NATIONAL HEALTH INSURANCE

Tabel 21—Persons Covered by the National Health Insurance Scheme in 1935

	England and Wales		Scotland		Total
	Men	Women	Men	Women	
Members of Approved Societies:					
Employed Contributors	9,257,000	4,744,600	1,127,500	568,100	15,697,200
Voluntary Contributors	468,800	77,600	45,000	10,700	602,100
H.M. Forces (Maternity Benefit only)	181,000	—	18,000	—	199,000
Deposit Contributors:					
Individual Accounts Section:					
Employed Contributors	113,250	121,050	7,500	6,400	248,200
Voluntary Contributors	3,250	850	100	100	4,300
Insurance Section	3,850	3,250	300	200	7,600
Navy, Army and Air Force Fund:					
Serving Forces (Maternity Benefit only)	106,000	—	*	—	106,000
Dishcharged Men:					
Employed Contributors	13,000	—	*	—	13,000
Voluntary Contributors	900	—	*	—	900
Exempt Persons (Medical Benefit only)	7,700	6,100	2,400	1,000	17,200
Total Contributors (full or partial)	10,154,750	4,953,450	1,200,800	586,500	16,895,500
Others Entitled to Certain Benefits:					
Women who have Ceased Employment on Marriage but remain Insured for 2 years	—	319,200	—	46,000	365,200
Insured Persons over 65	889,300	231,000	115,000	28,000	1,263,300
TOTAL INSURED	11,044,050	5,503,650	1,315,800	660,500	18,524,000

* This fund is administered from London. Men living in Scotland are included in the England and Wales figure.

Income	£000	*Expenditure*	£000
Contributions of Employers and Workpeople	27,880	*Benefits:* Sickness and Disablement	16,555
Interest, etc., on Funds	6,196	Medical	10,387
Parliamentary Votes and Grants	6,668	Others	4,154
		Administration: Central Departments	1,045
		Approved Societies and Insurance Committees	4,552
		Surplus: Addition to Accumulated Funds	8,551
	£40,244		£40,244

WORKMEN'S COMPENSATION

Table 23—Cases and Payments in certain Industries Making Returns, United Kingdom, 1935

	Numbers Employed	Cases		Amount Paid	
		Disablement	Fatal	Disablement	Fatal
				£	£
Factories:					
Cotton	897,463	8,162	18	91,466	4,104
Wool, Worsted and Shoddy	237,082	4,040	13	38,806	8,187
Other Textiles	285,497	8,722	12	40,031	2,736
Wood	148,451	6,205	28	97,697	8,310
Metals (Extraction, etc.)	375,808	28,071	102	249,620	28,650
Engine and Shipbuilding	456,516	19,310	82	218,411	28,211
Other Metal Work	883,188	48,405	125	897,729	80,188
Paper and Printing	874,315	6,331	29	87,586	8,008
China and Earthenware	79,861	1,714	10	15,349	2,446
Miscellaneous	2,426,832	71,974	293	761,851	77,585
Total Factories	5,614,408	192,384	712	1,998,046	188,275
Docks	102,651	10,471	88	250,018	28,581
Mines	826,169	161,513	1,235	2,070,742	876,141
Quarries	67,915	6,580	69	90,021	18,577
Constructional Works	202,346	8,853	68	153,259	28,804
Railways	443,202	18,859	208	181,123	62,471
Shipping	170,700	8,470	271	196,800	77,769
GRAND TOTAL	7,427,391	406,580	2,651	4,940,009	770,118

N.B.—It is estimated that the total charge to all industries and employments under the Workmen's Compensation Acts amounted to "something under £11 *millions*" (Home Office Return, Cmd. 5077), but no detailed figures are available except for the industries shown above.

UNEMPLOYMENT INSURANCE AND ASSISTANCE

Table 24—Relative Importance of Unemployment Assistance and Insurance Benefit in Different Parts of the Country

Persons aged 18-64 *receiving Insurance Benefit (general scheme) and Unemployment Allowances, April* 19, 1937

	Men		B as per cent of A+B	Women		B as per cent of A+B
	A Benefit	B Allowances		A Benefit	B Allowances	
London	78,803	29,242	27.0	20,969	2,570	10.9
South-Eastern	32,060	13,759	30.0	6,896	772	10.1
South-Western	37,842	18,740	33.1	6,781	935	12.1
Midlands	44,575	46,464	51.0	19,844	1,898	8.7
North-Eastern	51,618	56,849	52.4	13,898	2,340	14.4
North-Western	81,592	115,194	58.5	33,547	14,315	29.8
Northern	33,905	90,632	72.7	5,431	2,134	28.2
Scotland	59,742	111,538	65.1	19,248	12,665	39.6
Wales	38,689	86,774	69.1	4,453	2,068	31.7
Great Britain	458,826	569,192	55.3	131,067	39,697	23.2

Table 25—Composition of Unemployment Statistics in Great Britain, before and after the Second Appointed Day

March 15 *and April* 19, 1937

	Drawing Benefit		Drawing Allowances	Under Consideration	Drawing Nothing	Total
	General	Agricultural				
March 15						
Insured Persons:						
Men	545,068	13,225	521,121	27,315	108,675	1,215,404
Women	145,334	3,031	31,446	7,052	31,583	218,446
Juveniles, 16 & 17	24,325	795	—	2,559	10,300	37,979
14 & 15	—	—	—	—	14,789	14,739
TOTAL	714,727	17,051	552,567	36,926	165,297	1,486,568
Others on Register:						
Men	—	—	—	—	51,303	51,303
Women	—	—	—	—	30,287	30,287
Juveniles	—	—	—	—	33,043	33,043
TOTAL	—	—	—	—	114,633	114,633
April 19						
Insured Persons:						
Men	458,826	8,312	550,792	20,951	53,022	1,091,903
Women	131,067	1,044	34,201	7,254	26,497	200,063
Juveniles, 16 & 17	21,425	408	2,102	2,469	7,500	33,904
14 & 15	—	—	—	—	13,791	13,791
TOTAL	611,318	9,764	587,095*	30,674	100,810	1,339,661
Others on Register:						
Men	—	—	18,400	1,883	28,825	49,108
Women	—	—	5,496	1,209	20,258	26,963
Juveniles, 16 & 17	—	—	799	331	7,639	8,769
14 & 15	—	—	—	—	29,942	29,942
TOTAL	—	—	24,695	3,423	86,664	114,782

* It is estimated that approximately 60,000 of these were receiving public assistance before April 1.

PUBLIC ASSISTANCE

Table 26—Persons Relieved and Expenditure on Public Assistance in England and Wales, 1914-36

	Institutional		Domiciliary			Casuals	Total	Per 10,000 of Population	Expenditure	Average Expenditure per head of Population
	Number	Per 10,000 of Population	On Account of Unemployment	Others	Per 10,000 of Population					
	000's		000's			000's	000's		£000	s. d.
1914	264	70	389		106	8	661	204	15,056	8 2¾
1919	183	49	287		76	1	471	148	18,424	9 10
1920	185	48	306		79	2	494	150	23,501	12 6½
1921	199	52	376		96	4	579	170	31,925	17 0¼
1922	216	55	745	439	277	7	1,406	357	42,273	22 3¾
1923	217	56	722	501	341	8	1,447	423	41,934	21 11¾
1924	219	56	525	526	282	8	1,278	365	37,882	19 8¾
1925	217	55	326	560	235	8	1,111	317	36,842	19 0¼
1926	222	56	487	626	258	8	1,343	341	40,083	20 7¼
1927	226	57	632	580	441	11	1,449	526	49,775	25 5¾
1928	226	56	450	577	248	11	1,263	333	40,919	20 10
1929	225	56	313	587	228	12	1,136	314	39,671	20 1¼
1930	221	55	250	617	216	11	1,099	300	40,631	20 6¼
1931	212	53	156	686	198	12	1,015	276	38,561	19 4½
1932	197	50	263	670	216	12	1,143	296	36,817	18 5
1933	194	48	418	748	271	16	1,376	350	38,924	19 4½
1934	185	46	425	778	287	15	1,403	364	40,155	19 10¾
1935	178	44	452	831	295	13	1,473	372	42,507	21 0
1936	169	42	330	878	287	11	1,388	361	—	—

Number of persons relieved are for January 1 each year.
Number per 10,000 of the population are weekly averages for the year ending March 31. Expenditure is also for the year ending March 31.

Table 27—Persons Relieved and Expenditure on Public Assistance in Scotland, 1914-1936

	Sane Poor					Other than Sane Poor	Per 10,000 of Population	Expenditure	
	Indoor	Outdoor		Total	Per 10,000 of Population			£000	Per Head of Population
		Able-Bodied	Others						s. d.
1914	13,015	74,438		87,453	180	16,671	35	1,576†	6 8†
1918	7,653	58,913		66,566	140	16,931	35	1,538	6 5
1927	13,486	110,290	96,561	220,337	450	18,322	37	5,621	23 2
1928	13,202	91,424	100,594	205,220	420	18,711	38	4,888	20 2
1929	13,077	73,722	105,299	192,098	390	18,858	39	4,603	19 1
1930	11,748	40,593	110,283	162,624	330	19,135	39	4,674	19 4
1931	12,309	50,069	124,907	187,285	380	19,380*	40	5,173‡	21 4‡
1932	12,526	83,690	141,851	238,067	490	19,788	41	5,573	22 10
1933	12,153	113,421	163,379	288,953	590	20,125	41	6,322	25 9
1934	11,706	214,091	180,554	406,351	830	20,501	42	7,071	28 8
1935	11,255	148,911	202,241	357,407	720	20,915	42	8,238	33 2
1936	10,972	117,809	213,246	341,527	690	21,152	43	—	—

Numbers include dependants, and relate to May 15, each year.
* From 1931 these figures are January 1.
† 1918.
‡ *Expenditure on Insane Poor*: before 1931 only proportion applicable to Parish Councils included. From 1931 total included. Difference in 1930, £741,000.

Table 28—Persons Receiving Different Types of Public Assistance in England and Wales on January 1, 1936

(i) Domiciliary and Institutional Relief

	Domiciliary			Institutional	Total
	On Account of Unemployment	Others	Total		
Men	105,172	233,194	338,366	83,363	421,729
Women	81,657	365,039	446,696	59,265	505,961
Children	143,076	279,287	422,363	37,667	460,030
Total	329,905	877,520	1,207,425	180,295	1,387,720

(ii) Mental and Physical Condition

	Domiciliary (not on account of Unemployment)		Institutional (including Casuals)		Total	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Sick and Infirm	420,540	48	61,400	34	481,940	46
Mentally Infirm	6,524	1	26,515	15	33,039	3
Others	450,456	51	92,380	51	542,836	51
Total	877,520	100	180,295	100	1,057,815	100

(iii) Children Receiving Domiciliary Relief

	Number	Per Cent
Relieved on account of Parents' Unemployment	143,076	34
Living with Fathers Receiving Relief	166,314	39
Fathers Receiving Institutional Relief	6,654	2
Dependents of Widows or Wives living apart from husbands	93,360	22
Children of Single Women	6,776	2
Orphans	2,130	—
Others	4,053	1
Total	422,363	100

(iv) Children Receiving Institutional Relief

Sick and Infirm Children:	
In Hospitals or Sick Wards administered under the Poor Law Acts	5,491
Others	635
Mentally Infirm Children	1,031
Other Children:	
Under 3	2,799
Aged 3-16 in:	
Grouped Cottage Home Schools	3,768
Other Separate Schools (including Training Ship)	1,500
Grouped Cottage Homes other than Schools	5,840
Scattered Homes	6,908
Other Homes	3,991
Other Specialised Establishments	5,000
General Institutions:	
Children's Wards	448
Other Wards	217
Casuals	39
Total	37,667

(v) Persons over 65 Receiving Relief

	Numbers			Per Cent of Persons of all ages receiving Relief		
	Institutional	Domiciliary	Total	Inst.	Dom.	Total
Sick and Infirm	29,155	219,589	248,744	47	52	51
Mentally Infirm	6,777	250	7,027	26	4	21
Others	25,617	4,958	30,575	28	1*	6
(Total excluding Casuals)	61,549	224,797	286,346	34	26*	27
Casuals	1,055	—	1,055	9	—	9

N.B.—Persons over 65 comprise 8 per cent of the population.
* Per cent of persons relieved *not* on account of unemployment.

(vi) Persons over 65 Receiving both Relief and Old Age or Widows' Pensions

	Number	Per Cent of Assisted Persons over 65, Receiving Pensions
Institutional	25,408	41
Domiciliary	196,394	87
Casuals	18	1
Total	221,815*	77

* Number receiving widows' pensions 19,377.

Table 29—The Distribution of the Burden of Public Assistance

	Number in Receipt of Relief per 10,000 of Population, Jan. 1, 1936				Public Assistance Rate 1934-5	Expenditure on Public Assistance per head of Population 1934-5
	Institutional (excluding Casuals)	Domiciliary (excluding Casuals)		Total (including Casuals)		
		On account of Unemployment	Others			
County Boroughs:						
Highest Proportion of persons assisted per head of population:					s. d.	s. d.
Liverpool	51	621	533	1,205	7 4.4	49 4.0
Merthyr Tydfil	50	326	745	1,123	15 0.8	44 5.2
Bootle	71	369	514	954	7 7.4	45 1.6
Sunderland	42	275	594	914	7 3.2	31 7.1
Gateshead	51	323	445	819	8 8.4	34 9.1
Lincoln	43	173	577	798	6 8.5	41 0.1
Norwich	63	426	282	773	7 4.4	40 1.0
Newcastle-on-Tyne	50	324	394	769	4 2.7	33 4.4
Sheffield	32	229	491	753	6 8.9	36 10.6
Kingston-upon-Hull	52	164	482	699	7 1.7	34 1.8
Lowest Proportion:						
Oxford	47	6	30	90	1 0.4	9 8.4
Halifax	32	6	73	115	1 8.3	9 4.1
Coventry	22	6	94	124	1 4.5	8 0.1
Bournemouth	35	13	99	149	0 10.2	12 0.0
Blackpool	19	59	77	155	0 7.8	8 0.1
Administrative Counties:						
Highest Proportion:						
Durham	27	137	598	763	9 3.5	29 5.8
Glamorgan	29	64	595	689	8 7.3	28 0.4
Monmouth	23	70	489	584	7 5.1	21 11.6
Brecknock	29	101	326	462	4 3.6	19 4.7
Anglesey	34	149	277	461	5 8.4	17 5.4
Lowest Proportion:						
Sussex, West	36	4	63	109	1 6.8	13 0.8
Surrey	36	15	63	116	1 2.8	12 5.0
Bedford	34	6	67	117	2 0.0	10 11.3
Buckingham	32	10	83	132	1 6.6	9 7.2
Sussex, East	50	9	66	133	1 6.8	13 7.4

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