Recruitment efforts have become more positive on the part of both the merit system and the operating agencies. Relatively less reliance has been placed on the distribution of written materials, such as examination announcements, and more on personal contact. Resources have been expanded, with increased use of such organizations as the U. S. Employment Service, educational institutions, and professional associations.

Several States are now receiving applications on a continuous basis for the classes of positions requiring the most applicants, so that examinations may be given as soon as a sufficient number of applications has been received to constitute reasonable competition. Examinations are also being held more frequently for classes of positions in which the need is greatest; there is a point, however, beyond which the frequency of examinations for a single class in a given jurisdiction cannot be increased satisfactorily. To attract more members of graduating classes of colleges and schools of social work, direct recruitment is being emphasized and examinations are frequently scheduled considerably in advance of the end of the school year.

The processes of selection have been expedited also, to an extent which would not have been considered possible in an earlier period. There have been occasional instances in which a register has been established within a week after the examination was held. It is difficult to specify a period that may be considered as the average time required to establish a register. In view of the appreciable gains made by many of the agencies, however, 3 or 4 weeks may prove to be the usual time required.

Improved personnel practices.—Ability to retain satisfactory personnel is, of course, as essential as the ability to attract qualified staff. All improvements in the quality of administration that stimulate and develop the workers' satisfactions in performance on the job are an important adjunct to recruitment efforts. Among the most important of the personnel practices of any agency are a sound promotion system, a consistent program of staff development which includes competent supervision and opportunities for educational leave, and provision for impartial and intelligent consideration of dissatisfactions. When such programs are combined with salary scales at least equal to those of other comparable departments of the State government, the effect on recruitment is likely to be considerable.

In a tight labor market, vigorous and imaginative interpretation by the agencies is vital if the unfavorable effects of the war emergency upon personnel are to be kept at a minimum. Every device which improves the selection process and the other aspects of personnel administration bears directly upon the caliber of personnel secured. After the war, the anticipated availability of workers at present employed in related programs must be capitalized upon. Only by such measures can the competence of personnel in the public assistance agencies be maintained at a sufficiently high level for fulfillment of the societal obligations which the agencies were created to satisfy.

Some Experiments With Contribution Rate Differentials in British Unemployment Insurance

AMY G. MAHER *

WITH VARIOUS OBJECTIVES, and at different periods in the development of its unemployment insurance program, Great Britain has experimented with differential contribution rates. The first experiment offered refunds—or, for a brief period, exemption from the contribution requirement—to employers who stabilized employment, or to workers who stayed on the job or refrained from exercising their benefit rights when unemployed, instead of drawing on the unemployment fund. The second experiment excepted from coverage under the general over-all insurance system employments offering substantially permanent tenure. The third plan permitted an industry which met certain conditions to "contract out" of the general system and cover its workers in a "special scheme" set up for that industry only.

*Bureau of Employment Security, Program Division.

Refund of Contributions

In the hope of preventing some unemployment and some of the heavy drain on the fund, the 1911 British unemployment insurance act provided inducements to steady employment in the form of refunds of contributions paid by employers or workers, or, for a brief period, exemption from contributions.

The first of the refund provisions offered a rebate amounting to one-third of the total contribution with respect to each worker whom the employer had employed continuously throughout the year and for whom he had paid at least 45 contributions. Since the employer's weekly contribution for an adult male worker was 2½ pence, the minimum refund based on 45 contributions was 3s. 1½d.; for the full 52 contributions, 3s. 7d.[1] An amendment in 1914 provided a flat refund of 3 shillings with respect to each worker for whom the employer had paid at least 45 contributions within the insurance year.[2] The provision was repealed in 1920, since the 3-shilling refund had not influenced employers to keep unnecessary workers on their rolls when they could make a far greater saving simply by laying them off.[3] The provision was also found expensive to administer, since each case had to be checked to verify the number of contributions paid. During the entire period in which the refund provision was in force, 204,000 claims, covering 6.4 million workers, were filed under it, and a total of £960,000 was refunded, an average of about £4 14s. per employer.[4]

In his testimony before the Blanesburgh Committee, appointed in 1925 to consider and recommend changes in the unemployment insurance system, J. F. G. Price, Principal Assistant Secretary of the Ministry of Labour, pointed out that the provision had not offered sufficient saving to induce employers to retain their workers and said that the refund "was what I have always myself regarded as one of the 'trimmings' of the 1911 Act, which was put in to see what experience of it taught us; it did not have the effect hoped for of steadying and regularizing employment, and we did not continue it." [5]

The second refund provision was included in the 1911 act in an effort to persuade employers to spread work during a period of depression by keeping their whole staff on short time. It was considered a temporary measure, and later the Government's policy on spreading the work was reversed, since it was felt that the unemployment problem would never be solved if large numbers of workers were maintained on short time with insufficient earnings for a minimum living standard.

Under this provision an employer who, in a period of depression in his industry, kept his staff systematically on short time, paying both his own and his employees' contributions, was entitled to a refund of all such contributions.[6] The employer would thereby save the amount of his own contributions for which he would have been liable if he had employed a reduced staff full time. The short-time week might be one in which no work was performed on a day which was recognized in the trade or district as a working day of at least 4 hours, or a week consisting of not more than five-sixths the number of working hours in a full-time week. The employer who wished to take advantage of this provision must present his plan to the Board of Trade, which would decide whether the plan met the requirements of the provision. In 1914 the provision was amended to exempt such an employer from the payment of any contributions for himself and his workers, as if the latter were not working in an insured trade.[7]

Neither the original nor the amended provisions offered sufficient inducement to employers to refrain from cutting their staffs, and they were omitted in the 1920 act. In testifying before the Royal Commission on Unemployment, the Ministry of Labour pointed out the fallacy of any long-range policy of spreading employment by means of short time:

> Whatever the aggregate live register may prove to be, it will still be its composition rather than its size that, over a period, forms the problem of unemployment and insurance . . . If, year after year, a manufacturing industry shows a loss of trade to other competitors or a reduction in the total demand for its products, accompanied by high levels of unemployment, mainly in the same areas and to a large extent among the same persons, it only confuses the issue to treat those persons as though they properly belonged to that industry, could reasonably expect to earn their livelihood from it in the near future, and had there-

[1] *National Insurance Act, 1911*, (1 and 2 Geo. 5, ch. 55), sec. 94.

[2] *National Insurance (Pt. II Amendment) Act, 1914*, (4 and 5 Geo. 5, ch. 57), sec. 5.

[3] *Unemployment Insurance Act, 1920*, (10 and 11 Geo. 5, ch. 30), sec. 48 (3).

[4] Ministry of Labour, *Report on National Unemployment Insurance to July 1923*, 1923, p. 36.

[5] Ministry of Labour, *Report of the Unemployment Insurance Committee*, Vol. 2, "Minutes of Evidence," 1927, p. 36.

[6] *National Insurance Act, 1911*, op cit., sec. 96.

[7] *National Insurance (Pt. II Amendment) Act, 1914*, op. cit., sec. 7.

fore some claim, on behalf of the industry as well as of themselves, to be maintained where they are, in virtue of a statistical classification that no longer has any meaning. ... To contemplate a swollen personnel, part of which is continuously idle, is almost as depressing for an industry as to be weighed down by an inflated capital much of which can never earn its keep.[8]

The third refund provision included in the 1911 act was designed to influence workers to remain regularly at work and not draw benefits; it was also intended to prevent regularly employed workers from protesting that they were carrying the insurance of those less steadily employed, with little advantage to themselves. Under the provision, a worker aged 60 or over who had paid contributions for 500 weeks or more was entitled to a refund of the difference between his contributions and the benefits drawn, with yearly compound interest at 2½ percent a year. If after receiving the refund the worker returned to covered employment, he had to continue paying contributions; if he again became unemployed, he was credited with five-eighths of the contributions paid in his behalf during the period with respect to which he had received the former refund.[9]

In 1920, an amendment provided that, if the worker had paid no contributions for a 5-year period, he could claim a refund only for the period following the most recent 5-year lapse. This amendment lowered to 55 the age at which refunds could be payable, and reduced the required 500 weeks by 50 weeks for every year that the worker was over age 55. It also provided that the worker might claim a refund on the basis of contributions in excess of 100 paid by him subsequent to receiving any refund.[10]

Because of the expense involved, the provision was deleted in 1924 but, in order not to cut off the refund provision too abruptly, a worker between 50 and 60 years of age in 1924 who had paid contributions for at least 50 weeks might apply for a refund within a prescribed period. In such cases, the worker was to receive the current worth of the excess, plus interest up to the date on which he would become 60 years of age.[11] The highest amount refunded in any year, £1,925,905, was paid in 1925; it was almost 5 percent of the total amount paid in benefits in that year.[12]

None of the three refund provisions of the 1911 act was a success. Their administration proved time-consuming and expensive, and by 1924 they had all been deleted. The final report of the Royal Commission on Unemployment in 1932 summarizes the reasons as follows:

Attempts were made in the Act of 1911 to encourage employers to give as regular employment as possible, and also to deter workpeople from making unnecessary claims on the Fund. These have all been discarded. In the case of an employer, no refund or reduction in contributions that was feasible under the scheme could possibly compensate him for the cost of continuing to pay wages to workpeople whom he could no longer profitably employ. In the case of the insured persons, there was, in 1911, provision for a refund of the balance of their contributions at the age of 60. This was discontinued, as it was found that it had only a negligible effect in encouraging a worker to retain his employment, or to refrain from claiming benefit.

The conclusion is the same in each case, viz. that unemployment is inevitable and that it is useless to expect that either employers or workpeople have it in their power to any appreciable extent to prevent it, however much it may be made their interest to do so.[13]

Excepted Employment

In the 1920 Unemployment Insurance Act, certain employments, such as agricultural work and domestic service, were excepted from the broad definition of "employments within the meaning of the Act." [14] An additional category of employments, in which tenure is substantially permanent, might be "excepted" by order of the Minister of Labour. Under this second type, the Minister could certify that individuals in certain employments, such as service under a local authority or on the police force, or employment by a railway or other public utility company, or employment in which the workers have rights in a superannuation fund established by Parliament, are in permanent employment, i. e., subject to dismissal only for misconduct or unfitness to perform their duties, and are therefore excepted from insurance under the general system.

[8] Royal Commission on Unemployment Insurance, *Final Report*, London, 1932, p. 99.

[9] *National Insurance Act, 1911*, op. cit., sec. 95. The amount of the worker's individual contribution refunded would be equivalent to ⅜ of the total contributions paid in his behalf (2½d. from the worker, 2½d. from the employer, 1⅔d. from the Exchequer).

[10] *Unemployment Insurance Act, 1920*, (10 and 11 Geo. 5, ch. 30), sec. 26.

[11] *Unemployment Insurance (No. 2) Act, 1924*, (14 and 15 Geo. 5, ch. 30), sec. 9.

[12] Gilson, Mary Barnett, *Unemployment Insurance in Great Britain*, New York, 1931, p. 138.

[13] Royal Commission, op. cit., p. 486.

[14] *Unemployment Insurance Act, 1920*, (10 and 11 Geo. 5, ch. 30), First Schedule, Pt. II. The categories of "excepted" employment correspond with the excepted "employment" in sec. 1607 (c) of the U. S. Federal Unemployment Tax Act.

A 1921 amendment added the stipulation that the employment must be permanent in character "having regard to the normal practice of the employer," and that, if the specified restriction on grounds for dismissal did not appear in the contract, the employed person must have completed 3 years in the employment.[15] Under the 1927 act, the 3 years' service requirement was extended to all such employment.[16]

Under the war emergency powers of the Minister of Labour, a statutory rule and order, issued under date of September 6, 1939, suspended without prejudice to previously issued certificates the power of the Minister to issue certificates of exception or identification of persons as in excepted employment.[17]

The certificate of exception issued by the Minister applied to the employment, not to the individual worker, who came within the exception by a process of "identification" if he was eligible for identification and did not prefer to remain insured.[18] To determine the "normal practice of the employer" in the matter of dismissals, the Minister, before issuing a certificate, usually required evidence of the number of dismissals in the 15 years prior to application for an exception, together with the reasons for the dismissals.

Since the employer had in effect guaranteed that no workers would become unemployed except for misconduct or unfitness to perform their duties, and since his certificate of exception could be canceled if any workers covered by the exception became unemployed for other reasons, he was expected to insure a margin of approximately 20 percent of his staff under the general system, to take care of unforseen situations in which he might be compelled to discharge workers for other than the specified reasons. A worker transferring from excepted to covered employment would not become eligible for benefit until contributions had been paid with respect to him for the required number of weeks in the 2 years preceding his application. However, under a provision in the 1930 act, if the worker had been in excepted employment for a number of weeks during the 2-year period, those weeks could be added to the 2-year period. The total period within which the contributions must have been paid, however, could not be more than 4 years.[19]

It will be seen that the arrangement outlined above is designed to cover persons protected by civil-service tenure, or persons in employment affording substantially the same protection. In effect, it is authorization of the substitution of guaranteed employment for insured employment.

The certificates of exception granted as of December 31, 1936, and the number of employees covered as of March 2, 1936, were as follows: [20]

Class of employment	Authorities	Employees covered
Total	1,543	491,762
Government departments	60	8,696
Public or local authorities	1,221	143,011
Mental hospitals authorities	71	5,674
Railway companies	29	322,889
Other public utility companies	141	11,035
Employment with statutory superannuation rights (other than cases included above)	21	457

The Blanesburgh Committee considered the excepted employments and recommended that the railways and the local authorities continue outside the general system. If the question were up for the first time, however, the Committee might have advised inclusion of the railroads:

> Such advice would follow from our conception of the risk of unemployment as being a general risk; so that it is only permissible to exclude a whole trade if the risk be truly nil. This cannot be said of railway employment . . .
>
> We acquiesce in the retention of the status quo for the present, but, should the immunity from unemployment which is claimed become less obvious in the future, we think that this question should be reconsidered.[21]

The Royal Commission, in weighing the arguments for and against excepting certain employments, tried to draw a line of demarcation between employment which should be covered by the general system and noninsurable occupations. Under the former, they included productive industry—manufacture in all its forms, building, transport, public works contracting. Uninsured occupations would consist of the general administrative services—government, police, educational.[22]

The members of the Commission felt that

[15] *Unemployment Insurance Act, 1921,* (11 Geo. 5, ch. 1), Second Schedule, Minor Amendments, p. 9.

[16] *Unemployment Insurance Act, 1927,* (17 and 18 Geo. 5, ch. 30), Fourth Schedule, Minor Amendments, p. 20.

[17] Statutory Rules and Orders, 1939, No. 1148, 3: September 6, 1939.

[18] Emmerson, H. C., and Lascelles, E. C. P., *Guide to the Unemployment Insurance Acts,* 1939, pp. 21–22.

[19] *Unemployment Insurance Act, 1930,* (20 Geo. 5, ch. 16), sec. 7.

[20] Ministry of Labour, *Report of the Ministry of Labour for the Year 1936,* 1937, pp. 55, 56.

[21] *Report of the Unemployment Insurance Committee,* op. cit., pp. 56–57.

[22] Royal Commission, op. cit., p. 182.

industries subject to no risk of unemployment should not have to make contributions, since the workers would reap no advantage from them; they would never exercise, or be expected to exercise, the rights so acquired. The conclusion was that the Minister should continue to have the power to grant certificates of exception to a proportion of workers employed by government departments, local authorities, and public utility undertakings. The Commission stressed the point that employers to whom such certificates are granted ought to satisfy the Minister that they are in a position virtually to guarantee continuous regular employment to a very substantial proportion of the workers in the industry.[23]

In considering the exception of railway employment, the Commission agreed, on the whole, with the Blanesburgh Committee that such employment should continue to be excepted, but said that the situation should be closely watched to protect the interests of the unemployment fund.

It is not right that the Unemployment Fund should carry only the bad risks in an industry and lose the advantage of the good, and a sufficient portion of railway workers should be insured so that the income from their contributions is more than sufficient to cover possible expenditure. The principle which we should advocate is that the industry as a whole should either be fully insured or fully excepted, and, if the situation so develops that it is necessary to insure more than, say, 30 percent of the personnel in order to cover expenditure, the certificate of exception should be suspended and all workers brought into the scheme.[23]

When Sir William Beveridge presented his comprehensive report on British social insurance and allied services, in 1942, the question of excepted occupations once more came up for discussion. Sir William recommended that all the excepted occupations be included in the general system.

If those industries which have a small risk of unemployment are required to stand in, together with all others, those industries which claim to have no risks of unemployment may also be required to stand in with the others. Any distinctions within the scheme lead to difficult demarcation problems. Where, as with the central government and with railway companies, some of the employees contribute for unemployment insurance while the others are exempt, the additional objection may be made that the industry escapes contributing its full share to the Unemployment Fund . . . The view taken here is that, as regards unemployment, all industries should stand together . . .[24]

[23] Ibid., pp. 182-184.

[24] Beveridge, Sir William, *Social Insurance and Allied Services*, 1942, p. 63.

Contracting Out: Special Schemes

A third contribution rate differential was authorized in a provision of the 1920 act following the establishment of "special schemes," under which an industry might, on certain conditions, "contract out" of the general system.[25] The 1911 act had covered employment in a limited number of industries only, in which the fluctuations of unemployment were great; the way had been left open for insurance by industries, however, through a provision allowing industries not insurable under the act to be brought in with modified rates of contribution.[26] The 1920 act widened the range of industries in which employment was covered, but at the same time allowed certain industries to contract out, presumably "to reduce to a minimum the opposition of industries with a low experience of unemployment." [27] This provision was the outgrowth of a continued agitation for insurance by industry, as against a uniform all-inclusive system.

The act empowered the Minister to approve, by special order, a scheme proposed by a joint industrial council, or an association of employers and employees, which would insure all or specified classes of workers in the industry against unemployment, with benefits not less favorable than those in the unemployment insurance act. The Minister, with the approval of the Treasury, might make regulations covering the benefit status of persons passing from a special to the general scheme, and vice versa.

The Government was to contribute not more than three-tenths of the Government contribution which would have been payable under the general scheme. For any scheme coming into force before July 4, 1921, an estimated balance was to be transferred to the special scheme; this balance was to be approximately equal to contributions minus benefits paid and prorated administrative costs, from the effective date of the act to the date on which the special scheme came into force. Although it had been expected that the power to contract out would be widely exercised, only two special schemes were established; one, approved in 1921, covered the commercial insurance industry, and the other, approved in 1924, covered banking and finance.

[25] *Unemployment Insurance Act, 1920*, (10 and 11 Geo. 5, ch. 30), sec. 18.

[26] *National Insurance Act, 1911*, op. cit., sec. 103.

[27] *Report of the Unemployment Insurance Committee*, op. cit., p. 52.

By 1921 a depression had set in, and the Minister's power to approve special schemes was suspended, but without prejudice to any already approved or under consideration.[28] The suspension was due, on the one hand, to the Government's apprehension lest industries with stable employment contract out, leaving those with a large percentage of unemployment to draw on the fund; and, on the other hand, to the fact that widespread unemployment "in quarters that had previously been considered immune" quenched the desire of other industries to contract out.[29]

Under the 1924 act, payments from the Exchequer ceased,[30] and the 1927 act finally abolished the Minister's authority to approve special schemes. The two already established were permitted to continue.[31]

The special scheme for commercial insurance now covers 150,000 persons and the banking scheme about 60,000.[32] They are financed solely by employer contributions. In the insurance scheme the employer contributes, quarterly, 7s. 7d. for men, 6s. 6d. for women; in banking and finance the quarterly contribution is 2s. 2d. for either men or women. The saving to the employers is obvious, since under the general system they would be liable for contributions of 10s. 10d. for men and 9s. 9d. for women. The standard rates and conditions for benefit are those of the regular unemployment insurance act, except that the banking scheme pays somewhat more liberal benefits to young persons and dependents; special benefits are allowable, in certain conditions, under both schemes.

The Blanesburgh Committee gave serious consideration to the question of contracting out, which, the Committee declared, "seems inconsistent with the idea of a national scheme based on the interdependence of all industries."[33]

The National Confederation of Employers' organizations is opposed to the idea, and so, too, are such bodies as the National Union of Manufacturers and the Association of British Chambers of Commerce. The attitude of the Trade Unions is the same. The General Council holds the opinion that "as the cost of unemployment insurance should be spread over the largest possible number of people so as to equalize the burden, it is undesirable that the system of industries 'contracting out' of the national scheme should be reestablished."

The opponents of "contracting out" all look upon unemployment as a general risk affecting all industries to a greater or less degree, a risk, therefore, which ought to be insured in one comprehensive scheme.

Agreeing with that view "as limited to sections of industry which have some appreciable risk of unemployment," the Committee declared that as soon as an industry or other unit was shown to be within the scope of compulsory unemployment insurance, there was therefore no justification for allowing the industry or unit to derive any advantage from its lower than average risk of unemployment. Either contracting out should not be allowed at all or, if permitted, it should be subject to a regular payment sufficient to compensate the general fund completely for any loss due to the withdrawal of the industry or unit. In those conditions, the main motive for contracting out disappears. "We see no reason to believe that the rules of the general scheme are not reasonably appropriate over practically the whole area of industry. These rules have been modified in various ways in the past, and we have no doubt that they will continue to be modified as and when good cause for the modification is shown." The Committee concluded:

On the principle which we favour, the special schemes for the insurance industry and the banking industry ought not to be allowed to continue. We have, however, come to the conclusion that, while we should deprecate any further application of the principle of special schemes as provided in the Act of 1920, nevertheless, in the particular circumstances, these schemes should not now be interfered with.

The Royal Commission, in 1932, went on record as against restoring the power to contract out, saying that, on the basis of the evidence before it, neither employers nor workers were at present in favor of the provision.

The risk of unemployment is too doubtful a contingency on which to assume that an industry can make its own provision outside a general scheme. No industry can escape the effect of a prolonged trade depression and, in some circumstances, a special scheme financed by the industry itself may find it difficult to maintain its independence while continuing to give benefits which are not less favorable than those of a general scheme maintained with the aid of a State subsidy. We therefore find ourselves in agreement with the Blanesburgh Committee that the power to contract out should not be restored.[34]

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[28] *Unemployment Insurance (No. 2) Act, 1921,* (11 and 12, Geo. 5, ch. 15), sec. 5.

[29] *Report of the Unemployment Insurance Committee,* op. cit., p. 53.

[30] *Unemployment Insurance (No. 2) Act, 1924,* op. cit., sec. 8 (3).

[31] *Unemployment Insurance Act, 1927,* (17 and 18 Geo. 5, ch. 30), sec. 11.

[32] Beveridge, op. cit., p. 61.

[33] *Report of the Unemployment Insurance Committee,* op. cit., pp. 52–55.

[34] Royal Commission, op. cit., pp. 176–177.

The Commission cited as a significant illustration of the inability to predict the course of unemployment the fact that, in 1920, it was fully anticipated that the coal-mining industry, which had for many years maintained a low rate of unemployment, would make its own scheme and contract out of the general system. In actual fact, however, for several years previous to 1932 that industry had drawn large sums from the unemployment fund in excess of the contributions paid it.

Like the Blanesburgh Committee, the Royal Commission agreed that the insurance and banking industries should be allowed to continue their special schemes, "in view of the circumstances in which they were established, their long independent existence, and the excellent standard of their administration." [35]

In a volume published in 1931, Sir William Beveridge declared that "there is nothing to be gained and there is much to be lost" in allowing separate industries to insure their own unemployment. He suggested, however, that a unified insurance system could be combined with differentiation of contributions, by making special levies on industries having excessive unemployment. One method suggested was that of making each individual employer in such industries liable to the fund for all or part of the benefit paid to any workman previously employed by him. [36] Ten years later, Sir William expressed his opposition to special arrangements for any industry:

Unemployment insurance by industry is a line of development on which progress has ended. For historical reasons banking and insurance today hold a privileged position, allowing them the benefit of their specially low rate of unemployment. This privilege is not accorded to any industry included in the general scheme of unemployment insurance, though there are other industries with rates of unemployment well below the average . . . Retention of this historical privilege by these two special industries can no longer be justified. [37]

[35] Royal Commission, op. cit., p. 205.

[36] Beveridge, Sir William, *Unemployment, A Problem of Industry*, London, 1931, pp. 410–412.

In Summary

Of the three approaches to the principle of differential rates tried out by the British in the development of their system of unemployment insurance, there remain only the relatively insignificant exception of certain industries offering permanent employment conditions and two special schemes for specific industries. The principle of offering refunds to individual employers and workers with stable employment records did not have the result sought; it did not induce employers to retain workers they did not need, nor did it induce unemployed workers to refrain from exercising their benefit rights. The principle of excepting certain employments in which tenure is substantially permanent was suspended in 1939, in the war emergency, but the exceptions already granted to workers in government departments, local governmental service, and the railroad industry were allowed to remain. The third principle of contracting out is still exercised but only by the insurance and banking industries, whose special schemes for their own members were started in the early 1920's. The question of unemployment insurance by separate industry or industrial unit therefore is not wholly closed. It will be interesting to see whether Parliament, in line with Sir William Beveridge's recommendations, abolishes these special exceptions.

[37] Beveridge, *Social Insurance*, op. cit., p. 61.