• By 1914; there was over 450 throughout England and Wales.

• Some employers afraid that labour exchanges would provide an excuse for those who were unwilling to work = could claim ‘still looking’.

• Overall they were a great success.

Part 2 of the 1911 National Insurance Act

• Employers, employees and the government contributed to the scheme.

• Workers could claim unemployment benefit of 7s a week for up to 15 weeks in any one year.

• No claim could be paid if unemployment resulted from a person being dismissed for misconduct.

• Scheme first applied to a small group of trades where people were generally well paid but prone to seasonal unemployment; e.g. shipbuilding and vehicle construction.

• Insurance was compulsory and 2.25 million men were insured by end of 1912.

• Due to high employment; not really possible to evaluate the scheme before the First World War.

• Principle: that the relief of poverty was a national, and not local responsibility.

Paying for the reforms

• Not self-funding.

• Couldn’t be funded on savings made on Poor Law costs.

• £16m extra had to be raised in the budget 1909.

• Additional money needed to fund the naval shipbuilding programme.

• David Lloyd George, Chancellor of the Exchequer, increased taxes on tobacco & alcohol, introduced a new tax on cars; a licence fee.

• Raised income tax.

• Increased death duties on estates worth more than £5000 & introduced a new tax on profits gained from selling land.