

BROADCAST DISCUSSION ON "UNEMPLOYMENT", ON 9th MAY, 1940.

OPENING REMARKS BY THE PRESIDENT, MR. STANLEY LYON.

The Statistical and Social Inquiry Society of Ireland under whose auspices this discussion is taking place was founded almost one hundred years ago in Dublin. It meets usually at monthly intervals from October to May in each year. The proceedings are held in the Royal Irish Academy and the records of the Society show that this connection between the two bodies has existed for very many years. The proceedings take the form of the reading of a paper by one of its members, followed by a discussion in which distinguished visitors are invited to take part, but the discussion is mostly amongst the members themselves. The subject of the paper, of course, must be either directly connected with, or closely allied to, some statistical aspect of a matter of economic or social importance.

The first discussion by members of the Society, by way of broadcast, was on the population problem; the subject for this evening is "Unemployment." There is no necessity for me to enlarge on all that this single word connotes. In our discussion to-night we mean those who, being normally dependent on wage earnings, are genuinely seeking work and are unable to obtain it. The problem is one of long standing and affects the lives and happiness of a substantial section of the community. The backward or the less civilised countries of the world seem to have little unemployment as we know it. With them the standard of living is comparatively low whereas in what are regarded as the more advanced and highly civilised countries, in which there is a high standard of living, unemployment is a serious problem, the solution for which so far has been elusive. Agricultural countries seem to suffer less from its effects than industrial countries.

The four members of our Society who are taking part in the discussion are, in order of speaking :

LORD GLENNAVY, a Director of the Bank of Ireland, Chairman of the Great Northern Railway and a former Secretary of the Department of Industry and Commerce ;

MR. THOMAS JOHNSON, an ex-member of the Dáil and Seanad and a member of the Housing Board, who is well known to all Irishmen as a fair exponent of the outlook on life from the Labour point of view ;

SENATOR LIAM O BUACHALLA of University College, Galway, leading authority on Irish rural economics, and

FATHER EDWARD COYNE, S.J., who is in the forefront of Irish economists and sociologists.

Q.—Lord Glenavy, perhaps I might ask you from what point of view would you approach the solution of the unemployment problem ?

LORD GLENNAVY : I would like to urge that we should lay stress on causes and not on symptoms. No one these days would deny that unemployment is a symptom of ill-health in the social body ; of serious ill-health if it be

prolonged or extensive. We have found that measures of relief are costly and, in their results, merely palliative ; indeed that they may be, like drugs, demoralising. But until we have a disinterested inquiry into the causes of unemployment we may not progress far in seeking a cure beyond quack remedies and witch-doctoring.

Q. : To what would you apply those descriptions ?

A. : I would class as quack remedies treatments involving injections into the economic blood stream of money from which the essential quality of money, its purchasing power, had first been extracted. As sensibly, to my mind, propose that blood in the human circulation be displaced by water. As witch-doctoring I would describe all those well-advertised systems to be imposed by compulsion on the social body, some of whose magicians would not shrink from crude surgery, even bloody amputations, in their ritual. It is true that after major operations of that sort the social body might bear a new complexion. But its vigour would depend still on reviving much the same economic forces as sustained its life before the operations.

Q. : But have not new social systems been gaining more and more adherents ?

A. : Undoubtedly they have. And in argument their adherents have been growing more and more ingenious. A brilliant but, in my view misleading start was made with that early masterpiece of invention which created the phrase "the Capitalist System." Some such invention the witch-doctors had to have. For the simplest person would be hard to persuade that real "health" in the social body could be consistent with its having to depend on systematic compulsion. But induce him to suppose that already he has fallen under the sway of a system ; point out its visible defects and failures ; then perhaps he may delude himself that what he has to have is a bigger, a better, a more rigorous system.

Q. : You don't believe then in the existence of a Capitalist System ?

A. : Surely the distinguishing quality of those social bodies represented as the victims of the "Capitalist System" is precisely that they have developed through the play of natural working human forces, and not at the dictates of any system at all. Those forces have been much disciplined ; "control" has become a favourite word with those democrats who cannot create. But the vital impulse lies still in the forces, not in the discipline. We are too prone to accept ready-made phrases, such as "the Capitalist System," at their face value.

Q. : That suggests that ready-made cures for unemployment would not find acceptance with you ?

A. : They would not, for such cures rarely penetrate to causes. The investigation of causes needs trained minds. What does a private household do when confronted with a case of serious illness ? It sends for the doctor. In the same case whom does the national household seem to avoid ? The doctor—that is to say, the economist.

Q. : For what reason, in your opinion ?

A. : For the human, if not courageous, reason that his medicine might be nasty to take, or the treatment he recommended require us to give up some pet activity as being unmistakably injurious to health.

Q. : You would propose then an inquiry into the causes, as distinct from the symptoms, of unemployment by economists alone ?

A. : I know that Father Coyne would prefer an inquiry of a more general kind. But it seems to me that anxious relatives are better excluded from the sick-room during the doctor's examination. They would be consulted in the parlour afterwards, when the cure was being planned. But until the causes of disease are found by trained, objective professional minds we are not in a position to plan dependable cures. The case is not one requiring exceptional skill. For our economy is simple ; as West-European economies go it is relatively primitive. Its major ailments are not of any obscure type. With reports on symptoms from the Statistics Branch, the doctors should not be unduly taxed to diagnose correctly and prescribe for them.

Q. : Would not war conditions make their task more difficult ?

A. : War certainly sets up complications. It generates fevers which affect the healthy as well as the sick. You will have seen signs of that for yourself, Senator, in the Legislature. All the more reason, then, in such a time to look for cool professional advice.

Q. : And if when we got it, we were not prepared to take it ?

A. : The doctor's job in this as in other cases would be done in prescribing for the patient, who would take his medicine, or not, as he pleased. But if he did not take it, and his health grew worse, there could be no manner of doubt then as to where the blame would lie for the consequences.

MR. THOMAS JOHNSON : The chief trouble about unemployment is not that a man cannot find an employer, but that when he has no work he receives no wages, and because he has no wages, and no other resources, he can't buy the things he requires. That is how the workman views it. It is, of course, a mistake to think of unemployment as a new phenomenon—one of the evil consequences of the Great War. About unemployment in this country, there is nothing new. Anyone who knew the Irish towns, large and small, thirty, forty or fifty years ago will agree that, just as happens to-day, if the merest whisper went around that some new works were about to be begun, scores or hundreds of men would within a couple of days be clamouring for a chance of a job.

The problem is not affected fundamentally by the rate of wages that prevails. A hundred years ago in Dublin when labourers were paid 9/- or 10/- a week and tradesmen 26/- to 30/-, if a tradesman worked more than nine or ten months in a year he was considered to be fortunate. Forty years ago labourers earned about 12/- to 15/- and tradesmen about 33/- to 36/- and unemployment was still a greivous problem.

During the greater part of the last century wages in England were scandalously low whilst fabulous fortunes were being made with unheard of rapidity, yet distress from unemployment was widespread even in boom periods, increasing terribly with every periodic slump. At the present time everyone knows that the problem is of extreme gravity.

There is some disagreement about the interpretation of the official statistics, but we can at least agree that at any time in the last 20 years, from 50,000 to 150,000 persons have been available for work which they were unable to obtain.

It is, no doubt, important that we should know whether a certain line of policy has resulted in a rise or fall in the numbers of unemployed, but it is more important that we should realise that the evil has persisted notwithstanding changes of policy.

Q.: For instance ?

A.: Alike under the Free Trade of the British régime, the low tariffs of 1922 to 1932 and the "high protection" of recent years, great numbers of our workers have been without work. Economists and public speakers and writers deplore the losses occasioned by labour disputes.

Q.: And I presume *you* share their views ?

A.: I do, but let us get the thing in true perspective. The official reports give figures showing the number of working days lost year by year; the average for eight years (1931-1938) was 40,000 working days per year. But the number of working days lost through normal unemployment runs to about 20 to 25 million days per year.

When looking for a remedy there are two lines of approach. One is by way of compassion for the unfortunates. The poor must not be allowed to die from hunger, so we provide them with bare necessities to keep them alive. This is the course hitherto followed. It means that we have merely made a slight redistribution of the nation's income, a simple transfer of spending power from the more fortunate to the less fortunate.

We are much more likely to find a solution if we approach the question as part of the wider problem of how best to conserve and utilise the country's resources; how to transform the energy, experience and skill of the 100,000 persons now idle into useful material values and beneficial services. Is the country so rich that it can afford to allow this potential wealth to go waste week after week, month after month, year after year? We act as if it were so.

From this point of view we see that in order that the existing economic system may be maintained, a reserve of labour power must be kept in being, fit and ready. This is essential for the profitable conduct of industry, to be able to meet the variations of demand and supply. But unlike the reserves of material stocks, plant and machinery, the cost of which is borne by industry directly, the cost of maintaining these human reserves has been for the greater part thrown back upon the community in general. The provision that has been made is insufficient, it does not provide enough to keep the labour reserve fit and replenished. It ought to be increased to such an amount as will purchase the essentials for a healthy family living without luxuries.

Q.: But, Mr. Johnson, if this were done would not the cost of maintaining the unemployed be as high as the wages that are paid for work done ?

A.: I agree that, with exceptions here and there, the prevailing rate of wages over the whole field of industry does little more than provide this bare living. But the responsibility for not having the work done lies not with the workless, and if we—i.e. our Government, our legislature and the citizens in general—are in earnest and mean business we must make up our minds that the unemployed shall be given an opportunity to do useful work. Having so decided, the ways and means of carrying out the decision must be devised.

The basic fact in this connection is that the workman, when his work

is efficiently organised and directed gives more value to the employer and society than he receives from the employer and society through his wages. Society and the employer receive a surplus from the workers out of every day's work.

Unemployment is not itself a disease. It is but a symptom of a more deep-seated trouble. I can see no way of really solving the unemployment problem that will allow the present economic system to survive. Perhaps a clue to its solution may be found if we recognise that battle-ships pay no dividends, the Siegfried and Maginot lines bring no monetary profit to their owners, military barracks and underground A.R.P. shelters are not remunerative investments. Yet these are provided at the Government's initiative when the nation's life is threatened. The means of meeting the financial cost is found somehow. But that is another story!

SENATOR LIAM O BUACHALLA: As far as rural Ireland is concerned there is plenty of scope for the employment of extra labour, male and female, in good productive industry. The position is that the agricultural industry is not being fully exploited—in fact it seems to me we have quite a long way to go before it can be said that production has reached a sound economic standard. For this a larger and more intelligent labour supply is a requisite.

Q.: On what grounds do you base that statement?

A.: For many years past a great deal of successful research has been done in the various Agricultural Colleges and on the experimental farms, both at home and abroad. Normally the result of all this research work should be reflected in continually increasing production at reducing costs. This should be true up to a certain point. We have failed to take anything like full advantage of that research.

Q.: How do you make that out?

A.: Evidence of this may be seen in different ways. For instance notice that as seeds, methods of tillage, etc., were being improved, the area under tillage declined. I grant that some of the land should have gone out of production; but if we had any real economic sense we should have continued to work every available acre of productive land and so have provided ourselves with the raw materials for increased live-stock and dairy produce for which there was an ever-expanding market.

The grass lands of the country too were neglected. At least as much was not done in their management as one might expect. Research workers have repeatedly pointed out how by cultivation, proper seeding, manuring and drainage more and better grass might be obtained and for a much longer period of the year. Our failure in this regard has been no small factor in our failure to expand production and consequently has contracted the opportunity for remunerative employment in the rural areas.

Q.: What is the position with regard to live-stock production?

A.: The same is true of our live-stock production. A great deal of the land which has gone out of cultivation could profitably be brought back again. Still higher and higher average yields could be won.

Q.: Higher yields? Give us an instance.

A. : Consider potato production. Yields of 25 and 30 tons per acre—indeed as high as 35 tons per acre—have been obtained but the average yield for 1938 for the whole country was 7·5 tons ! Our pig population should be well up to the Danish number ; indeed we should be able to surpass the Dane and the Finn in every aspect of agricultural production.

Q. : That would call for very important developments ?

A. : Well, you can see all this calls for labour, erection and improvement of outhouses, tillage (which has been of such advantage to the Dane), erection of silos, and other stores, for winter feed, drainage and so on. Results achieved by individual farmers here and there throughout the country demonstrate that much increased and profitable production is no mere idle speculation.

Activity on the lines I am suggesting would mean lower costs of production, lower overheads. This in turn would enable these farmers who have to hire labour, to pay better wages, while both the farmer who must hire labour and the one who depends on the family labour, will derive much higher incomes. Of course, much depends on the type of labour. What is wanted to-day is a combination of youth, strength and high intelligence. I know that many of this type have an aversion to work on the land. Although many of them can see the possibilities of success got for them there is the urge to go away.

Q. : So you think the agricultural industry is capable of absorbing many more workers ?

A. : Anyway the opportunity for remunerative employment is there. The market is there and has been there. As for the market it is hard to say what the future may hold ; but I think that if more attention is paid to methods of production, to a more complete exploitation of our resources, both quality and price of our produce will be right and so we need not worry about the market.

Agriculture is capable of absorbing a great deal more labour at a remunerative price. It should be possible, given the adoption of a new attitude by our agricultural producers towards their industry, to provide full time work at good wages for—well, it would be hard to say how many, but if one extra hand per holding above 50 acres were employed 70,000 would be absorbed : if we include holdings between 30 and 50 acres about 130,000 extra would be absorbed.

REV. E. J. COYNE, S.J. : Unemployment to the extent of 100,000 or over in a country of 3,000,000 cannot be looked upon as a *normal* problem of government or administration : nor can the putting back into productive employment of such a number be regarded as a *normal* task for government or administration.

It should be recognised openly and frankly for what it is—an utterly abnormal emergency (even if a long-term emergency) problem : and we should not take the attitude that the Government ought to be able to solve this problem in their spare time as it were, after settling all the normal problems and tasks of routine government : it is as much abnormal as a minor war or a serious earthquake disaster or one of the American flood disasters.

Political Government, Dáil and Cabinet, and Civil Service administration are organised and meant for dealing with *normal* tasks and problems ; they are not organised for or meant to handle or indeed competent to

handle by themselves such an abnormal problem and task as this of such unemployment. They have a full day's work in the normal routine government and administration of the country and have not the time, the energy, the training, the organisation, or usually the ability, to do *efficiently* their normal work and, in addition, take on all the abnormal problems and tasks that arise—especially this utterly unsuitable and intractable problem: unsuitable and intractable to their mentality, methods and experience. It is like asking the Army suddenly to take on the administration of the Education system of the country.

Consequently, an *ad hoc* body specially selected should be entrusted with the handling of this problem—a body (i) whose personnel know something of the problem, (ii) freed from political considerations and (iii) freed from civil service limitations. Such a body should be composed of (i) Employers; (ii) Trade Union officials; and (iii) one or two outside technical experts, economists, bankers, but should work through a very small committee.

What should it do? In broad lines its task would be: (i) To take into account the enormous differentiation in the body of unemployed—training, skill, age, locality, means, married, etc. (ii) To aim at absorbing back into the various productive branches of the present economic organism as many as possible, each in his own line of work, carpenters to do woodwork, printers printing and so on. Not to "make" outside work for them—but to make a suction or need that will drag each unemployed back into his own niche in the whole organisation and put him producing that type of real wealth for which he has the skill, the training and the experience. (iii) Maintain a proper balance between the intensity of consumption, goods production and capital goods production: especially to try to avoid "inventing" work on bogs or roads, etc., for men who are not in that trade. It is no solution to put a lot of skilled men planting trees or draining bogs or fields.

The only people who are really competent to put the unemployed to productive work are those people who *alone* to-day are putting men and women to productive work and enabling them to produce real wealth, i.e., the present employers and factory managers, etc. These people and these alone know all the enormous difficulties and complications of organising men, skilled and unskilled, each in his own place, and bringing them into contact with machines and equipment, raw material, finance and markets and securing that the work done is really productive and is not mere waste or dead loss. The other people who can help are the Trade Unions who know the conditions of working at productive work. The political or civil service branches are helpless in this sphere and generally only a hindrance.

Hence, let our Committee divide the country's economic activities into twenty or so big sections: set up a joint committee of employers and workers for each section: let that joint committee get at the capacity of each individual unit or mill or factory, etc.: allot, out of the unemployed in that industry, an "extra-number" to each unit, so that each unit now is producing more real wealth, under the skilled direction of an interested employer with the adequate organisation and equipment: supervision by the joint committee against fraud: stop fresh entry into this industry except by permission of this joint committee—and the wages of the "extra-number" to be paid by the State.

At the end of the year, the State to be credited with a sum equivalent to the average value of the output per man in each industry. This credit

not to be called upon in cash : but the State to be free to ask for it in the goods produced, if it wishes, and to be free to dispose of these goods in markets either at home or abroad which at present are not the markets of the present factories, at any price the State likes. Or else the State to be free to keep its credit balance on the books of the industry, not as a money debt, but as a future claim on goods or services, and not paying interest. If the industry can dispose of all the extra goods produced, it should be allowed to do so and receive a reduction then in the credit owing to the State : if it cannot then the State to take these extra goods off the market, and dispose of them at a loss but not in direct competition with the factories in their usual markets.

The same principles to be applied to (a) agriculture and (b) building.

The money for this to come partly from taxation, partly from a loan, but chiefly from the Savings Certificates.

A long-term agreement with Trade Unions for a trial of compulsory arbitration, or at least a long-term truce to give the plan a chance.

The Committee to be instructed to work to a series of limited objectives, scientifically planned, absorbing a minimum number each objective, say, 5,000 the first six months, another five thousand the second and so on.

The activities of the Committee to be under the exclusive supervision of the Taoiseach and accountable to him alone.

CONCLUDING REMARKS OF THE PRESIDENT, MR. STANLEY LYON :

It is interesting to hear the four different remedies or proposals which have been put forward in our discussion towards the solution of the unemployment problem.

First, Lord Glenavy draws the analogy between ills in the human body and ills in the national, social and economic body and makes the very clear suggestion to call in the professional economists and be guided by them. Then Mr. Johnson surveys in particular the economic loss and moral deterioration brought about by unemployment. Senator O'Buachalla, who confines his remarks to the rural aspects of the problem, would like to see an extension of the use of paid labour on farms of 30 acres or over. While Father Coyne proposes the setting up of a Commission of Enquiry composed of employers, workers and economists but without any Government representatives, and at the same time puts forward a scheme whereby industry might be made to absorb suitable labour.

I propose to conclude the discussion with some observations concerning statistics of the unemployed. Mr. Johnson remarked that "There is disagreement about the interpretation of official statistics relating to this subject." I don't think he was quite right here. While there is neither space nor opportunity fully to explain what the figures mean each time the Weekly Live Register figures are published, to ensure a correct interpretation of the figures one should consult the special articles published in the *Irish Trade Journal and Statistical Bulletin*, the unemployment volume of the Census with its accompanying analysis, and the *Annual Reports on the Trend of Employment and Unemployment*, in all of which the figures are subjected to close analysis and are carefully explained.

One must not imagine that there is a standing army of something in the region of 100,000 people who are permanently out of work and dependent for their very existence week in and week out on the receipt of unemployment relief supplemented in many cases by charity in the form of goods or money. This is not so. The personnel of the Live Register is constantly changing. For instance, in Dublin last year while

the unemployed attending the Employment Exchange in any one week averaged about 20,000, yet the total number of individuals who attended some time or other during the year numbered about 60,000. The Live Register is made up of the following three broad classes :

Firstly, the " temporarily unemployed " who are out of work for short periods between longish spells of employment and whose chance of obtaining work depends on the flow of trade, business conditions or the season of the year. These people have recourse to the Labour Exchange in the hope of getting work, anxiously looking around for opportunities for work but at the same time receiving in most cases Unemployment Insurance, to which they contributed while at work, as distinct from Unemployment Assistance.

Secondly, there are the " casuals " such as the docker or the builder's labourer who are always aware of the fact that their spells of work are likely to be intermittent depending on such things as volume of shipping, weather conditions, securing of contracts for building, etc. These workers are usually attached to some concern or employer and their periods of unemployment are distinctly tinged with a hopeful outlook. Their rates of wages, too, take into consideration likely interruptions in their work and are accordingly higher than they would be if their work was continuous.

In the third group, representing not more than about one-fourth of the whole, we find the permanently unemployed, those who are really surplus to industry and who are looked upon economically as a drag on the community. Mr. Johnson, I think, referred to this class as the poor who must not be allowed to die from hunger. They consist of those who have been out of work for years and who have become reconciled to a workless day as well as those who are classed as unemployable because of ill-health or advanced years.

Each of these three classes requires special consideration. The same remedy cannot usefully be applied to each class or even to all in the same class. Employment on relief work helps to tide over the comparatively short periods of unemployment of the first group, the temporarily unemployed.

Those in the second group, casuals, usually have some alternative way of filling up their time with some profit to themselves, whereas the third group, permanently unemployed, deserve the most sympathetic consideration. The first two groups are essentially an economic problem whereas the third is definitely a social problem. The fact that almost two-thirds of the total number on the Live Register are *unskilled* workers (using the word " unskilled " in its broadest sense) makes the problem of their absorption into industry according to Fr. Coyne's plan of regional Joint Committees all the more difficult. The less skilled the worker, naturally the lower the value of his output, and accordingly, the less demand for his services.