

NO SIMPLE REMEDY FOR UNEMPLOYMENT

International and Communal
Problem, Declares McGill
Economist

FOUR GROUPS OF CAUSES

Policy of Permanent Machinery,
Including Exchanges
and Insurance Scheme, Ad-
vocated by L. C. Marsh

Permanent machinery is needed to meet the unemployment problem, Leonard C. Marsh, lecturer in economics at McGill University, who has undertaken a complete survey of the whole problem, declared before the People's Forum last night.

Mr. Marsh divorced the unemployment problem from the present depression, treated it as something that will have to be contended against at all times, but declared that the one consolation that may be hoped for from the present depression is the realization that permanent machinery must be established to deal with the problem, machinery which will face the fact that some measure of unemployment is likely to remain with the world as a social cost of the present economic organization.

The title of Mr. Marsh's lecture, "Unemployment — An International and a Communal Problem," indicated the way in which he proposed to treat the subject. Four generalizations were first laid down: unemployment is essentially a complex problem; that is, there is no simple remedy, no panacea, for it. It is a communal problem; that is, it is due to more than personal causes and can be met only by more than individual effort. Unemployment entails a downward pull on character; that is, reduced ability and even unemployability may well have been begun by unemployment, caused by the temporary breakdown of the economic system or by industrial change, in the first instance. Finally, whatever the state of trade, and whatever the efficiency and qualifications of individuals, unemployment is a function of the organization of the labor market as a whole.

Discussing the need for a permanent organization if the problem is to be dealt with adequately, Mr. Marsh cited as an alternative to this the hasty initiation and operation of emergency policies in times of depression, when constructive and far-sighted measures are difficult both to inaugurate and to finance, besides the lack of appropriate provision when trade is relatively good.

Unemployment, he continued, is a world problem in particular for two reasons. The first is the simple fact of international trade, the second is the gold standard, to some form of which two-thirds of the world, measured by population, is in adherence.

FOUR GROUPS OF CAUSES.

Turning to the causes of unemployment Mr. Marsh discussed separately four groups of causes: (1) Seasonal fluctuations, apparent in this country more than in some others; (2) cyclical or "trade cycle" fluctuations; (3) technological changes, and (4) causes specially relevant to the post-war situation and to the present depression.

Discussing remedies, Mr. Marsh mentioned a three-fold distinction which, even if it is difficult to maintain in practice, should at least be kept in mind. That is the distinction between palliative or emergency measures, usually involving the distribution of relief and emergency employment provision; remedial or constructive measures, usually requiring a permanent basis, which have among their aims assurance against complete cessation of income and the social disasters this entails, the preservation of the industrial ability of the worker, and organized assistance in securing re-absorption into industry; and preventive measures, designed to remove the cause of unemployment by removing fluctuations, or stabilizing employment in particular industries or in industry as a whole.

The first need for a comprehensive policy—and this applied to every country—was some type of permanent advisory body, whether separate or part of a Government department, which could concern itself with the functions of receiving and conveying to the appropriate agencies knowledge of the current situations, of local conditions and national problems, possibly undertaking research on its own part, sifting plans for relief or assisting the co-ordination of the work of agencies already in operation, drawing up or operating a long-period policy. In Canada, Mr. Marsh thought, where four or five cities are the main centres of unemployment, there was a case for setting up some such body in each city to co-ordinate the unemployment work of all existing agencies.

Secondly, he advocated a system of employment exchanges and the establishment of a carefully planned and properly administered unemployment insurance scheme as the soundest permanent basis for relieving the distress otherwise likely to result from unemployment.

The next sphere of remedial policies was that of action taken by the industries themselves, whether to stabilize employment, to meet seasonal or cyclical fluctuations which affect them, or to meet difficulties of technical change and labor displacement.