

## LABOUR

**The Rt. Hon. R. McKenna—**

"Notwithstanding the high total of work-people still listed as unemployed, it is probably true that more than half should properly be classed under the head of 'normal' and 'special' unemployment. At all times, whether trade is active or depressed, unemployability and seasonal and purely temporary movements account for a large number under the head of 'normal'; by 'special' is meant unemployment found particularly in the depressed areas and due in the main to the long-standing shrinkage of export trade. Hence it is not difficult to explain the co-existence of much unemployment and a definite scarcity of labour in particular trades.

"This scarcity to some extent results from the persistence of the post-war depression, which led to a general underestimate of the degree of possible recovery. In shipbuilding, for example, the entry of apprentices was severely restricted, so that, in spite of the large recorded number of unemployed, there is now a positive deficiency of skilled workers. To some extent, again, the reported shortage is traceable to expansion of newer industries, such as aircraft manufacture and lighter branches of engineering, and to the growth of industry in the south of England. But whatever the precise causes, the result is evident. So far as skilled labour is lacking, there must be a tendency for the price of labour to be bid higher and for the average level of efficiency to decline. For the present this upward tendency of costs is probably still offset by the spreading of fixed charges over a larger turnover, but the reality of the trend towards higher unit costs in a number of industries can scarcely be doubted. This particular threat is, then, relatively near at hand, but for the time being is a threat only to further advance, and need not lead us to anticipate any setback."

## THE OUTLOOK

**The Rt. Hon. Lord Wardington—**

"There is much which is quite healthy in the situation and of good augury for the future, and the increased purchasing power of the primary producing countries is only just beginning to show its effects."

**The Hon. Rupert E. Beckett—**

"Any attempt to forecast the future trend of affairs, save in the most general terms, would be futile—this because the political outlook is unusually obscure, and the future is more than ever governed by events abroad, where we may do no more than exercise the influence we possess in the direction of peace and sanity."

**The Rt. Hon. R. McKenna—**

"... we may, I think, take a confident view of the future. I have given grounds for concluding that the dangers inherent in an advanced stage of recovery induced by cheap money are not immediately at hand. I have, moreover, ventured the opinion that we are in a far stronger position to combat them with appropriate measures if they should become real and immediate. There is need for unremitting watchfulness and prudence on the part of industry itself as well as the banks and financial institutions generally; but with clearer perception of the dangers, fuller understanding of their nature, and better weapons to cope with them, I feel sure they can be overcome without recourse to those rough and ready measures which in curing particular evils inevitably brought about a general trade recession."

**Colin F. Campbell, Esq.—**

"The prospects for the present year, within the horizon of our home and of the British Empire, are such that we face it with confidence

notwithstanding the clouds abroad. Abundant credit has been available on very favourable terms to British industry in all its branches. Some fears have been expressed lest rising commodity prices and expanding trade should cause demands on our credit system which would enforce a reversal of this policy. I see no reason to anticipate embarrassment from any such development. In present conditions the power of our monetary authorities to influence the price of money is almost unlimited, and they are evidently determined to use it on the side of maintaining an adequate supply of credit."

**Edward B. Orme, Esq.—**

"The crowning incident in our recovery would undoubtedly be the resumption of foreign lending, signaling, as it would, the return of confidence in foreign affairs, but with existing unsettled conditions abroad achievement of this appears impracticable at the moment. Nevertheless, encouraging returns from Canada, Australia, Africa, Scandinavia, the Argentine, and other quarters, give indications of improvement which may have far-reaching effects upon international trade, and even lead, along with the stabilization of currencies, to the recommencement of international lending, formerly one of Great Britain's main contributions to world progress, and the foundation of her own prosperity."

"... So far, I have been able to place before you a record of steadily increasing trade recovery, commenced hesitatingly some four years ago and gradually gathering momentum until in the last few months it assumed the nature of a boom. It is manifestly most desirable that caution should dictate our views in these circumstances, but I must confess that at the moment I cannot see any signs, apart from possible European political complications, of an early cessation of the country's present prosperity."