

## Marsh Emphasises Communal Aspect Of Unemployment

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ment is essentially a complex problem. There are many kinds of unemployment and underemployment and many more immediate or less immediate causes. The all-too obvious fact in the community is that a certain percentage of workers are without jobs; but personal causes, changes in industrial technique, the trends of foreign trade, "the state of trade," and the financial and credit exigencies of particular countries or the commercial world as a whole, have combined to produce this problem.

"In the second place, unemployment is a communal problem, using that term here as a short way of saying that it is due to more than personal causes, and that it can be met only by more than individual effort. Personal factors go far in determining the incidence of unemployment, its duration, and its effects, but the major cause of unemployment is the functioning, or the failure to function, of the economic system itself.

### Permanent Organisation

"The third point is that unemployment is a problem which requires a permanent organisation if it is to be dealt with adequately. Attention should be directed to provision for unemployment as a permanent element in social organisation. The field for constructive work and thought has been transferred to the determination of the methods which are the most desirable and the most adapted to the needs and character of particular countries.

"Lastly, unemployment is an international problem 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 is in adherence. The first means that reductions in the purchasing power of peoples and changes in the productive capacities of other countries must have repercussions on every other country. The second means that failure of the standard to realize stability for the currencies and the price levels of the world which are linked to it must have vital consequences to which every country is subject.

"There is on one correct classification of causes but it is helpful to discuss four groups of causes, viz.: seasonal fluctuations, cyclical fluctuations, technological changes and causes relevant to the post-war situation and to the present depression.

### Regular Variation

"The details of seasonal variation differ for every type of industry but one fact is common to all—that within narrow limits at least, the regular variation of particular months in the year are known from experience and therefore predictable in the future. The unemployment or underemployment entailed can therefore be reduced by improved planning within the industries or provided for on a sound actuarial basis.

"Cyclical fluctuations have not yet been satisfactorily accounted for but our knowledge of them has recently been improved. Beyond the generalisation that depression is largely due to the inflation of the boom period, we may say that the economic organisation depends on the chance that individual forecasts will properly adjust production to consumption. The present depression, however, is more than cyclical and must be explained from world causes. Cyclical unemployment can only be met by a long period plan.

"Technological unemployment is the joint product of capital-substitution, labour-substitution, and organisation-substitution. While technological changes are specially liable to affect the more skilled part of the nation's labour force. There is nothing inherent in the situation which is likely to insure that the particular types of workers displaced are those for which increased production will provide a demand.

"The causes special to the last decade are mainly international in scope and directly or indirectly economic repercussions of the World War. First, worldwide inflation and high prices were followed by deflation necessary for a return to the gold standard. Secondly, surplus production, and production and productive capacity arising out of war demands at artificially high prices. Thirdly an increase in tariffs contributed a formidable hindrance to the resumption of normal foreign trade relations. Fourthly, reparations and war settlements.

### Governmental Co-ordination

"With regard to remedies for unemployment there is a three fold distinction palliative or emergency measures. Many agencies are now aiding unemployment but it is to national governments that one must look primarily for co-ordinating these agencies.

"The first need for a comprehensive policy is some type of permanent advisory body, whether separate or part of a government department, which can concern itself continuously with unemployment. Such a body could be charged with the functions of receiving and conveying to the agencies knowledge of the current situations and of drawing up a long-period policy.

"The second institution required is a system of employment exchanges. It is true that they function least ef-

fectively when depression is severe but their work is always needed and the net amount of unemployment would be greater without them.

"A carefully planned and properly administered unemployment insurance scheme is the soundest permanent basis for relieving the distress resulting from unemployment. It can provide an automatic basis by which only the employable worker is dealt with, leaving the existing welfare agencies to devote their efforts to their own spheres.

### Action Of Industries

"The next sphere of remedial policies is that of action taken on the part of industries themselves, whether to stabilise employment, to meet the seasonal or cyclical fluctuations which affect them, or to meet the

difficulties of technical change and labor displacement. More scientific scheduling of production and marketing; personnel management; and planning technical improvements in co-operation with workers' representatives are policies which are widely practicable.

"So far as cyclical fluctuations are concerned, our power to control them is still largely unproved. Certainly we cannot hope to abolish them entirely but three methods may be outlined in increasing order of difficulty of application. The first is a wider dissemination of knowledge concerning the extent of markets and the share going to each producer. Hope lies, secondly, in the increase of control over the business situation exercised by the central banks. The third policy

is the long range planning of public works.

"We have come again, finally, to the world causes of unemployment, the remedies for which can come only from international co-operation. Predominantly those causes are limited to the functioning of the gold standard, although the problems of reparations and tariffs are important enough to be mentioned separately. There is need for greater freedom and power of action on the part of central banks and for economics in the use of gold and the reduction of gold transfers."

The following men are requested to turn out at the Union tonight to play against Le Foyer:—Pimenoff, Billette, Goldstein, Rowat, Horowitz, Black and Blumer.