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## Prevention and Compensation of Unemployment

by

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THROUGHOUT the world we are experiencing a volume of unemployment which is probably without precedent in the annals of modern industry, and which makes us realise the urgent need for dealing effectively with this problem. There can be no doubt that hitherto it has not received the attention it deserves from those responsible for the conduct of industry. The existence of unemployment has been regarded by the employers with far too much indifference, and by the workers with far too much of the spirit of fatalism; and there has been a general reluctance to come to close grips with the evil with a determination to remedy it. Fortunately, the human aspects of industry are now receiving a constantly increasing amount of attention, and we may hope to make up for our past lethargy by rapid progress in the immediate future.

In this article I propose to deal with the problem of unemployment as it normally presents itself, not with the entirely abnormal conditions with which the world is temporarily confronted. Those conditions call for special remedies, but when these have been applied there will still remain the normal problem.

### EXTENT OF THE EVIL

There are no reliable unemployment statistics covering a number of years for any country. This is unfortunate, because, if accurate comparisons could be made between different countries, we should know a great deal more both with regard to the causes of unemployment and its possible remedies.

Before precise statistics can be arrived at, however, it will be necessary to agree upon some definition of unemployment. For instance, how should short time be regarded? Suppose a

hundred men are working 25 per cent. short time, it would create a false impression to say that virtually 25 men were unemployed; and yet the lessened demand for work might have been met by dismissing 25 men and retaining the rest at full time. Again, is a man unemployed who is looking for a highly specialised job, and steadfastly refuses any other offered to him? What of the men or women who would work for wages if a post just to their fancy turned up, but who can exist without working. If asked, they would probably say that they wanted work, and would regard themselves as unemployed; but their condition is absolutely different from that of the labourer with wife and family to keep, who is anxiously and fruitlessly searching for work.

These examples will show that it is no easy task to define unemployment in such a way that statistical tables can be drawn up which actually reveal the extent of the evil. Of course, in countries where unemployment insurance is so widespread as to cover the vast majority of those to whom unemployment may mean want and suffering, much more reliable statistics are available than in countries where there is no universal unemployment insurance. Still, even in these countries statistics are incomplete, and it is to be hoped that the International Labour Office will take the action necessary to induce all industrialised countries to prepare more complete, as well as more comparable, unemployment statistics, which are an essential preliminary to any scientific attempt to deal effectively with the problem.

But although we have no complete or reliable international statistics, we know that there is much unemployment in all industrialised countries. During the period 1888-1913 it varied in Great Britain, in the trade unions which made returns, between 2.1 per cent. in 1889 and 1890 and 7.8 per cent. in 1908. It is uncertain how far the trade unions represented were typical of the industrial population generally; but, apart from the quite exceptional conditions due to the war, the percentage of unemployed workers probably varies from about 2 per cent. to about 10 or 11 per cent. As to other highly industrialised countries, such as the United States, Germany, France, and Italy, careful examination of such information as is forthcoming suggests that conditions are not materially better or worse than in Britain.

The following table gives such statistics as are available regarding unemployment Among trade unionists up to 1913. I omit subsequent years, as they are entirely abnormal. Although the figures in the table are the most informing that are available, they are very unsatisfactory. They are incomplete, and the trades they cover vary from country to country. Their main use is to support the view based on enquiry and observation, namely, that unemployment is a serious problem in all industrialised countries, and that apparently it varies little in gravity from one country to another.

	United Kingdom	France	Germany <sup>(1)</sup>	Belgium	Netherlands	Denmark	Norway	Sweden	United States	
									New York State <sup>(4)</sup>	Massachusetts
1903	5.1	10.1	2.7	3.4	—	—	—	—	—	—
1904	6.5	10.8	2.1	3.0	—	—	4.0	—	12.1	—
1905	5.4	9.9	1.6	2.1	—	13.2	4.4	—	8.5	—
1906	3.6	8.4	1.1	1.8	—	6.1	3.2	—	6.8	—
1907	3.7	7.5	1.6	2.1	—	6.8	2.8	—	13.6	—
1908	7.8	9.5	2.9	5.8	—	11.0	3.7	—	28.0	12.6
1909	7.7	8.1	2.8	3.4	—	13.3	5.0	—	14.9	6.6
1910	4.7	6.4	1.9	2.0	—	11.1	2.9	—	13.6	6.1
1911	3.0	6.3	1.9	1.9 <sup>(2)</sup>	2.7 <sup>(3)</sup>	9.2	1.9	5.3	18.7	6.6
1912	3.2	6.0	2.0	1.9 <sup>(2)</sup>	4.2 <sup>(3)</sup>	7.6	1.3	5.4	15.2	5.2
1913	2.1	5.3	2.9	2.7 <sup>(2)</sup>	5.1 <sup>(3)</sup>	7.3	1.6	4.5	20.9	6.6

(1) The unemployment figures for Germany cannot be compared, for instance, with those for the United Kingdom, since the waiting period before unemployment benefit is paid is about twice as long in Germany, and the benefits paid are for a much shorter period.

(2) Excluding diamond workers the figures are 1.7 for 1911, 1.3 for 1912, and 2.0 for 1913.

(3) Excluding diamond workers the figures are 2.2 for 1911, 1.7 for 1912, and 1.6 for 1913.

(4) The figures for New York State include a large proportion of workers in more or less seasonal trades, such as the building and clothing trades. If these figures were left out of the statistics, the figures in some cases would be reduced to about a third of those given.

I turn from this necessarily incomplete review of the amount of unemployment to consider the steps which should be taken in connection with it. I will deal with this question under two headings, first, the prevention of unemployment, and, secondly, the measures advisable to mitigate the hardships and the privation which follow in its train.

### PREVENTION OF UNEMPLOYMENT

Obviously, the best cure for unemployment is employment, and we must ask to what extent that remedy can be applied. Many schemes have been tried, and many more suggested, for preventing unemployment. Thus it has often been argued that the volume of unemployment might be substantially reduced if the central and local government authorities would, so far as possible, withhold their orders for goods and services when trade was good, and place them when it was bad. It has been estimated that it would be possible in Britain to regulate work entailing (at present wages) a wage-bill of about £50,000,000 a year. Included in the above is the labour cost on post office buildings, school buildings, barracks, Admiralty shipbuilding, War Office stores, etc. The work would be held over in years when trade was booming and given out when it was depressed. Obviously, such a policy, if carried out, would tend to steady the demand for labour. Although over a term of years no actual additional demand for labour would be created, and although in a time of trade prosperity a man who would otherwise have been

employed might find himself temporarily without work, it would be much easier for him during such a period of trade expansion to find work in the ordinary channels of trade than it would be for a man who is unemployed in a time of trade depression. Again, even if over a term of years the total number of weeks of unemployment were not reduced at all, it would nevertheless be a social advantage that twelve men should be out of work for a week in a time of trade prosperity looking for jobs which were pretty easy to find, rather than that one man in a time of trade adversity should be out of work for three months. It must not be forgotten, however, that the policy would affect a limited class of workers, principally builders and navvies. It would not materially affect unemployment among textile workers, coal miners, engineers, and in many other industries. Briefly, it may be said that the policy, in so far as it is found practicable, is sound, but can only be a partial solution of the problem.

The provision of new work by local government bodies has also been suggested as a feasible remedy, and wherever it is possible for the government to undertake such work it affords a bona fide solution of the problem; but experience has shown how exceedingly difficult it is to overcome the practical difficulties. In a time of trade depression, generally speaking, all industries are suffering from unemployment, and it affects women as well as men. The kinds of new and additional work which the public authorities can put in hand are limited in number; they cannot create an entirely new and additional demand for clothing for the army or police, nor can they create an additional demand for furniture or stationery for government buildings. They have to fall back on such schemes as new roads, mending of existing roads, laying out parks, the reclamation of waste land and afforestation, or possibly such building schemes as the making of harbours, foreshores, etc. Now all this is heavy navvy work, and must be carried out in specified localities. In some cases, as, for instance, in afforestation, no accommodation exists for housing large numbers of men in the locality where the work would have to be done. The practical difficulties of making effective use of such schemes are, therefore, very great, even if we get over the initial difficulty that they often have a suggestion of relief work, which tends to lower the morale and output of the men engaged on them. Briefly, then, as in the case of the last named proposals for dealing with unemployment, the provision of new work in times of trade depression only affords a very partial remedy for the evil.

Mr. (now Sir William) Beveridge pointed out in his book, *Unemployment: a Problem of Industry*, that in the absence of any organised attempt to regulate the labour market, every large employer tends to keep a separate reserve of workers, who hang about the factory gate or the dock waiting

until they are wanted. In so far as the maximum demand for labour of a given kind is not likely to be made by all employers on the same day, it follows that the aggregate of persons in all the reserves could be greatly reduced if there were one common reserve in the town or district, on which all employers could call. But as long as a man stands a fair chance of getting an occasional job in a particular factory or on the docks, he is disinclined to look for work elsewhere. He continues to hang about, and is unemployed perhaps for half his time or more. If, however, a general industrial reserve were created, and the unneeded reservists attached to a particular factory were told that no work could ever be provided for them, they would turn to other jobs where there is a demand for labour, and gradually become absorbed in industry. There are always, Sir William Beveridge argues, in times of normal trade activity, employers who are prevented from fully developing their businesses through lack of adequate labour. The men who form the unneeded reserve for docks and factories elsewhere do not discover these potential vacancies, because they continue to cling to the casual work immediately to hand. One of the objects aimed at by the employment exchanges in Britain is to centralise reserves, and in certain cases they have been markedly successful in doing this.

The system of state employment exchanges is sound. The exchanges are capable of rendering real service in quickly bringing together employers and workers. But if they are to be fully successful, they must be staffed with well-paid and highly capable men and women, who will command the confidence of the best workers and best employers. In Britain they have been run "on the cheap" and consequently have only proved partially successful. No state should adopt a national scheme of employment exchanges unless it is prepared to spend a good deal of money.

There should be very close co-operation between the exchanges and the trade unions, many of which keep their own registers of unemployed members. I should like to see the employment exchanges in every considerable town become a central hall of labour—where all the principal trade unions were housed, in rooms rented from the exchange, and where many of the commercial activities connected with industry and labour were centralised. British experience has also shown the need for placing more responsibility for the local management of exchanges on local representatives of employers' associations and trade unions.

A method of actually reducing the volume of unemployment is to give men ordinarily engaged in industry a subsidiary occupation to which they may revert when their ordinary occupation fails. This operates effectively in Belgium, where cheap workmen's trains enable workmen to live in the country although working in the towns. The

Antwerp docker comes into Antwerp early in the morning from the village where he lives. If he finds work, well and good; but if not, instead of hanging about Antwerp on the chance of finding a job, he returns to his village and spends the remainder of the day working on his small holding. Similarly, the Brussels bricklayer, while following his trade in the summer, seldom comes into town in winter when trade is scarce. He can occupy his time better at the heavy work on his own land, the cultivation of which he leaves to his wife and family during the summer, while he is engaged at his trade (1).

Another advantage Belgium derives from her cheap transport is that a man unable to find work at home can often find it in another district, and can travel backwards and forwards daily or weekly for a very small sum, even if the distance is considerable. A careful enquiry which I made some years ago into the relative proportion of unemployment in Britain and Belgium convinced me that there was less unemployment in Belgium than in Britain, and I attribute this in no small measure to her transport facilities.

The Belgian system, which enables town workers to live in the country, where they can have a piece of land, has a further important advantage. In times of trade depression it is the marginal man who suffers most keenly, and all men, as they grow old, tend to become marginal men. They may still have a considerable capacity for work, but they can seldom get jobs in competition with younger and more vigorous men. So they suffer from total unemployment, and the community loses the value of their services. But if they have land of their own, they can fall back on their occupation as agriculturists. Although they may not get as much out of the land as more robust men would do, they can at least get out of it as much as they put in. Instead of starving in the town, they are maintaining a simple standard of life in the country or can work for neighbouring farmers or help on a neighbour's small holding. Or rather, as, in practice, men in a civilised community are not allowed to starve, but are maintained in large measure out of public funds, they are, by merely avoiding that contingency, to that extent contributing to the national wealth.

The above are the principal ways of preventing unemployment which have been suggested or tried. They are all

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(1) This admirable arrangement is only rendered possible by the very adequate transport system which Belgium boasts. In 1913 Belgium had 24.4 miles of light railway per 100 square miles of area, as against 5.5 miles in Germany, 6.3 in France, and 2.8 in Great Britain. In addition, Belgium had at that time 25.8 miles of main railways per 100 square miles of area, while Great Britain had 22.9 miles, Germany 18.2 miles, and France 12.3 miles. Thus Belgium had about twice as much main and light railway combined per 100 square miles of territory as Great Britain, more than twice as much as Germany, and nearly three times as much as France.

worthy of careful study, and there is no doubt that if full advantage were taken of them, they would collectively do much to lessen the volume of unemployment. Moreover, if systematic and continuous thought, supported by adequate international statistics, were given to the whole question, other means of reducing unemployment would be discovered. But when every possible step in this direction has been taken, there will still remain an unemployment problem. First, the volume of employment depends to no small degree on whether harvests are good or bad, and this factor is largely beyond human control. Secondly, a certain reserve of workers is necessary to the successful functioning of industry, and, in considering the size of that reserve, it is important to bear in mind that labour is not so mobile as some of the writers on industrial and economic subjects would have us believe.

#### UNEMPLOYMENT INSURANCE

We may now, therefore, turn to the second division of our subject—namely, that of methods alleviating the hardship and privation arising from such unemployment as cannot be avoided. In considering this subject, it is important to bear in mind that the chief evil of unemployment is not so much the inability to find work as the consequent lack of income, and we must deal with unavoidable unemployment by remedying this evil. We are thus driven to the consideration of some means of unemployment insurance. To my mind the case for instituting a universal scheme of insurance on a scale sufficiently liberal to remove the menace of unemployment is unanswerable. An incidental, but none the less important, effect of a liberal insurance scheme would be to increase the spending power of the community in times of depression and thus to regulate employment. But would the cost of such a universal scheme prove prohibitive? And would the adoption of such a policy demoralise the workers?

Setting aside the entirely phenomenal condition arising out of the war, and which should in justice be regarded as part of the cost of the war, it is probable, as previously stated, that, on the average, about 5 per cent. of the workers in Britain are unemployed and 95 per cent. are employed; and there is no evidence to show that the average amount of unemployment is materially different in other industrial countries. Suppose, for the moment, that workers receive full pay when unemployed, the insurance premium required would, therefore, involve a tax on industry approximately equal to 5 per cent. of the wage-bill. But this would be the outside limit, the maximum charge upon industry. For, human nature being what it is, no one would propose a scheme in which a worker receives fully as much when unemployed as when working; and against the initial cost of the scheme, various and important savings must be set, such as would

result from the removal of the worker's fear of unemployment, from which arises much of the "ca'canny" opposition to piece-work and to the adoption of improved machinery and better methods of organisation. On reviewing the whole matter, it seems clear that there should be no financial difficulty in working out a scheme of unemployment insurance applicable to all workers and providing benefits on a scale sufficiently liberal to remove the real menace of unemployment, though representing a weekly income so much less than the worker's full pay that he will not be encouraged to malingering or to cease to look for work.

There might be a national scheme of unemployment insurance, or an industry might be responsible for its own unemployed, or there might be schemes applicable to individual factories or groups of factories, or there might be some combination of the above methods. Great Britain has adopted the first of these methods. Practically all manual workers between sixteen and seventy years of age and clerical workers whose salaries do not exceed £250 a year come under it. The premiums payable are 1s. 3d. a week in the case of men and 1s. 1d. for women, the employers paying 8d. and 7d. respectively and the workers 7d. and 6d. The benefits, which are limited to one week for every six weekly contributions previously made and which in no case can exceed 22 weeks in any one year, are 15s. for men and 12s. for women. Smaller contributions are payable in the case of boys and girls under 18, and the benefits they receive are half the above amounts<sup>(2)</sup>.

The solvency of the scheme is guaranteed by the Government, which must make up out of the exchequer any loss that may be occasioned. There is no doubt but that this scheme has been of very great value in Great Britain, and, had it not been in existence, one shrinks from contemplating the consequences of the abnormally high proportion of unemployment during the depression of trade following the war. But an income of 15s. for a man with a wife and children is entirely insufficient to supply even the bare necessities of living. Thus the scheme fails to remove the menace of unemployment, and to secure the beneficial reactions which accrue from the removal of that menace.

The questions to consider are four: the minimum rate or scale of benefit which would remove the menace of unemployment in the worker's mind; the cost of providing such minimum; the responsibility for providing it, or the question of who is to pay the premiums; and the type of scheme best adapted for securing it—national, or by separate industries, or any other.

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(2) In March of this year the Unemployment Insurance Fund had accumulated a reserve of £22½ millions, and the benefits were raised to 20s. for men and 16s. for women. Since then the volume of unemployment increased so rapidly that in about three months the reserves were almost exhausted, and the benefits were again temporarily reduced to 15s. for men and 12s. for women. [The Unemployed Workers' Dependents (Temporary Provision) Act, November 1921, has now increased the benefit due under the state scheme, for a period of six months, by 5s. a week for the wife, and 1s. a week for each child, of an insured worker. (Ed. *International Labour Review*)].



Bearing in mind that our primary object is to remove from the workers' minds the fear of privation and suffering arising from unemployment, it follows that the amount of benefit in any economical scheme must vary with the needs of the individual worker. I suggest that the benefit should provide all workers with half of their earnings when in work. In addition to this, a married man should receive ten per cent. of his earnings for a dependent wife, and five per cent. for each dependent child under 16, with a maximum of 75 per cent. of his average earnings. Careful calculations recently made show that the cost of providing this benefit in Britain, on the assumption that on the average 5 per cent. of workers are unemployed, would be about £56½ millions per annum (3).

As to who should pay the premiums, a strong case can be made out for laying the whole burden of the scheme on the employer. Under a capitalist system of industry, the capitalist, in fact, says to the workers: "Let us co-operate in an industrial enterprise — I will find the necessary capital, and you will provide the labour. The first charge on our joint enterprise shall be the payment to you of wages and salaries in accordance with the current scale. Then will follow the payment of all other charges incidental to the enterprise, and, after all these have been paid, if there is anything over, I will take it as payment for the contribution I have made in finding the capital". In a sentence this means: "I will take the risks of industry, and, because I take the risks, I am justified in claiming the profits". But one of the grave risks of industry is unemployment in periods of trade depression, and if this risk is borne by the workers, the capitalist is not fulfilling his part of the bargain, and one of the main defences of the capitalist system disappears.

On psychological grounds, however, it is desirable that the workers should regard the whole scheme as the result of co-operative effort between employers and themselves, and, therefore, that they should directly bear some portion of the cost. As a matter of fact, it matters little whether, in the first instance, the cost of the scheme is laid on the employer or is shared between him and the worker, for, after a short time, it will, by the play of economic forces, rest on whichever party is, at the moment, economically weaker. I suggest that the total cost might be distributed as follows.

Contributors	Contributions		
	Amount (£)	Per cent. of wages-bill	Per cent. of total cost of scheme
Employers	37,000,000	2.5	65.5
Workers	15,000,000	1.0	26.5
State	4,500,000	—	8.0
Total	56,500,000		100

(3) These calculations were made before the recent wage reductions were effected. The cost of the scheme would, therefore, be somewhat

The figure of £4½ millions was the amount which the state was contributing to the national unemployment insurance scheme at the time the proposals I am here describing were first worked out by an unofficial committee of which I was a member. Although the above scheme is much more ambitious than the national scheme now in force, the contribution which it is proposed that the state should pay is not increased in view of the condition of national finances.

We have now to consider whether a scheme giving benefits such as I have described would best be administered by the state, by industries, or by factories, either individually or in groups. Obviously, a state scheme is the simplest, and it would have the great advantage that it could be universally applied as soon as it was adopted. But there is no doubt that there would be a tendency to abuse it on account of the comparatively high benefits. There is, unfortunately, a widespread willingness to take advantage of the state. To the individual workers the source of the benefit appears almost as remote as heaven. Sometimes, too, I fear, public opinion among workers might support a worker who sought to take advantage of the state rather than co-operate with it to check abuse. At the same time, I believe that administrative checks could be introduced which would reduce malingering to an amount so small that it would not imperil the success of the scheme. In view of the important advantages to be secured by introducing a scheme on a national scale, I am inclined to think that this would be the right course to adopt, leaving industries free to contract out of the scheme if they satisfied the government that they could provide at least equally liberal benefits.

As regards the advantages of an industrial scheme over a national scheme, I think the principal one is that it impresses upon the industry its responsibility for the workers connected with it, and promotes a sense of co-operation between the parties. Obviously, if the ground were covered by a number of industrial schemes, suitable arrangements would be made for workers to exchange from one industry to another.

As to the question whether it would be possible for individual factories or small groups of factories to adopt a scheme giving benefits such as I have described, I doubt whether the whole ground could be covered in this way. The complications involved would be too many.

At the same time an individual factory need not wait to provide unemployment benefit for its own employees until a more comprehensive scheme is adopted. In the case of my own firm (4) we have promised to set aside 1 per cent. of our

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less now, but, as will appear shortly, its actual cost is not a matter of great moment. The important question is the proportion the premiums bear to the wage-bill.

(4) See International Labour Office : *Daily Intelligence*, Vol. II, No. 22, 2 May 1921, p. 7.

wage-bill, in addition, of course, to the contributions we must make under the national scheme, and we undertake to continue to set aside this 1 per cent. until the fund amounts to 5 per cent. of our wage-bill. The number of weeks during which workers may receive benefit under the scheme varies according to the length of their service prior to the period of unemployment. One week's benefit is granted for every two months' service up to two and a half years, and after that an additional week's benefit for every additional year of service. No one is eligible for benefit under the scheme until he has been in the employ of the firm for six months and is twenty years of age or over. In the case of workers employed on short time, the first 10 per cent. of short time is disregarded, and the remainder (averaged over a suitable period) is paid for on the same scale as unemployment. Short-time pay is given to all workers irrespective of their length of service. The fund is administered by a committee appointed entirely by the workers. The great majority of our employees are members of trade unions which for a contribution of two pence per week provide unemployment benefits of 6s. a week. Independently of our scheme, therefore, the men get 21s. a week when unemployed (15s. from the state and 6s. from the trade union), and the women get 18s. (12s. from the state and 6s. from the trade union). Our calculations show that the premium of 1 per cent. on our wage-bill which we pay should be sufficient to bring these benefits up to the amount proposed above, namely, half earnings for all workers, plus 10 per cent. for a dependent wife and 5 per cent. for dependent children up to 16 years of age, with a maximum of 75 per cent. of the average wage, or £5 per week, whichever is the less.

An important feature of the scheme is that while we guarantee the premiums, we do not guarantee the benefits. If the scheme were abused, the premium might not suffice to pay the benefits expected. Thus all the workers have an interest in seeing that it is not abused, lest on their becoming unemployed they should find the funds so depleted that they could not obtain their full benefits. The scheme is working well. Scarcely any action which we have taken at the works in connection with the betterment of the conditions of service has been more warmly appreciated than this works unemployment scheme, and I can cordially recommend the policy to my fellow employers. In fact, a scheme almost exactly similar to that described above has recently been adopted for the whole of the British match industry<sup>(5)</sup>, which is highly organised, through action taken by its joint industrial council. It is, I believe, the first instance of a whole industry adopting a scheme of unemployment insurance on such a liberal scale.

(5) *Daily Intelligence*, Vol. II, No. 49, 10 June 1921, p. 10.

It may, of course, be urged that, although the total cost of providing adequate insurance against unemployment is small compared to the total wage-bill, competition between individual firms and nations is so keen that even an addition of about 1½ per cent. to the working costs would involve a handicap which could not wisely be accepted<sup>(6)</sup>. I doubt whether this reasoning is sound, for I believe that the reactions favourable to industry which would result from the adoption of a liberal unemployment insurance scheme would more than make up for its cost. If, however, I am wrong in this, and if the adoption of a scheme of unemployment insurance sufficiently liberal to remove from the minds of the workers the menace of unemployment would place a burden on industry, then it seems to me it is essentially a matter in which action should be taken by the International Labour Organisation of the League of Nations, which should seek to make adequate insurance against unemployment an integral part of industry in all industrialised countries, so that the fear of international competition should not stand in the way of the adoption of the scheme.

In reviewing what I have written, I am conscious of the inadequate treatment given to so complicated and urgent a problem. Exigencies of space have prevented me from dealing at all fully with many aspects of the question whose importance warrants full treatment. Perhaps, however, I have said enough to emphasise how important it is that far more careful and systematic attention than in the past should be devoted to the elaboration of schemes for lessening the volume of unemployment, and that, with the least possible delay, schemes of unemployment insurance should everywhere be introduced, sufficiently liberal to remove the menace of such unemployment as proves to be unavoidable.

The criticism may be urged against me that I have not dealt at all with the abnormal situation which exists to day. This is not because I fail to appreciate the urgency of the immediate problem, but because its solution cannot be arrived at by methods which are universally applicable. Certainly international arrangements might be set on foot to meet the difficulties arising out of variations in exchange rates, and the League of Nations has already taken steps in this connection. But the emergency measures necessary to cope with the present evil must vary with local circumstances. For instance, relief works which might be suitable for one country might be quite impossible in another. It is certain that in view of the cataclysmic economic and industrial

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(6) It must be remembered that, under the national unemployment insurance scheme, employers are already paying premiums equal to about 1 per cent. on their wage-bill. The addition I propose above would, in the case of a national scheme, be about another 1½ per cent.

upheaval consequent on the war a severe unemployment crisis was inevitable, no matter what steps had been taken to prepare for such a contingency. But if the various countries concerned had given to the problem of unemployment the serious attention which it so urgently demanded, and if some systematic attempt had been made to cope with the cyclical trade depressions, we should have been comparatively well able to face the present crisis. Although, therefore, I have not attempted to discuss emergency measures, I have thought it an opportune time to survey the subject of unemployment generally. Just now the public is profoundly impressed with the gravity of the evil, and will perhaps be more ready to give careful consideration to proposals for dealing with it than would be the case in a time of trade prosperity.

