

UNEMPLOYMENT

By
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Why

We Must Have
Mechanisation

PROGRESS is not comfortable. That is the burden of this contribution. The point of view expressed is one we must not ignore. But it is not the whole picture. The present circumstances are not new in kind, but only in degree. The speed of technical improvements has been greater than at any previous stage. But at the same time the conditions have not been sympathetic to rapid progress. We are suffering in this country particularly from an undue inelasticity throughout industry. Because spontaneous adjustment is so far from adequate, it devolves upon thinking persons to concentrate on a conscious rationalisation of our economic life as a whole.

"IT is a true reflection that the greater our power of production the less become our hours of work and the greater our leisure. It is probably within the memory of everyone in this room, that in a comparatively short time, hours in industry have been reduced by stages from 60 per week to 47, and that we are able to purchase to-day, products which were unpurchaseable except by the very rich not so many years ago."

Thus Sir Gilbert Vyle, as reported on page 176 last issue *INDUSTRIAL WELFARE & PERSONNEL MANAGEMENT*. He might with equal truth and perhaps greater force have stepped back a hundred years, or thereabouts, to the days when the Industrial Revolution had come well into its own. Had he done so he could have stated his comparison in the following simple fashion :
In 1830, 12 hours' work produced 12 lbs. food.
In 1930, 8 hours' work produced 48 lbs. food

If mechanisation stands in principle for the substitution of the second of these conditions for the first, as is hardly to be doubted, then there is small wonder that Sir Gilbert Vyle, and the distinguished gathering organised by The Preliminary Committee on Industrial Mechanisation support it.

But do these industrialists realise the full bearing of this matter? If one considers their pre-occupation, and that of the newspapers, politicians and the public generally, with the problem of unemployment, there

is reason to doubt whether they do realise it. For it is only necessary to perform a simple algebraical operation upon the above equations to raise a storm of protests, some of which it is the purpose of this article to anticipate and to answer. Let us multiply each side of these equations by the same co-efficient, the total population (whether of the nation or of the world, is of no consequence). We get :—

In 1830, 12 hours' work of the whole population produced 12 lbs. food for each of the whole population.

In 1930, 8 hours' work of the whole population produced 48 lbs. food for each of the whole population.

From these equations it is logical to establish an extension of Sir Gilbert Vyle's statement : In 1930, one-third of the population remains unemployed, whilst the whole population enjoys four times the quantity of food (or, as is obvious, any other exchangeable units of reward for work). From this it would appear that unemployment is not an evil, but a blessing, providing always that the aggregate of goods produced does not decline. Mechanisation surely is the name given to that factor which, applied to industry, not only prevents decline, but causes still further increase.

Unemployment, pure and simple, then is a good thing. What is wrong? It is here suggested that the real difficulty lies in making a fair distribution of this blessing—suddenly.

The century covered by the equations was a time long enough to permit of imperceptible, gradual adjustment of this distribution. Our world of industry is, in spite of a century and a half of life, still an infant, and the only examples we can use as yet to illustrate what happens when adjustments are called for suddenly, must be taken from smaller units than whole nations. We must consider what occurs in an individual factory. It is not necessary to labour the point to a reader of this journal, he knows what occurs well enough—"short time." Short time operates fairly all round. If the depression is protracted labour disperses and is re-absorbed elsewhere, naturally, as opportunities occur. There is no saying A, B and C shall work full time and give some of their earnings to D and E who remain idle, what time all the rest of the alphabet point to D and E and say "how dreadful is the dole."

Now for the protests.

The usual ammunition is close at hand; it is as near as the page of this journal immediately previous to that quoted; in fact, Sir Gilbert Vyle himself transported it there, although of course for a different and proper purpose. Those who still adhere to the popular and fallacious notion that labour saving machinery ultimately increases employment must leave Arkwright and the rest to enjoy their honoured graves in comfort. Almost any modern economics text book will put them right. Where demand is inelastic (*i.e.*, necessities and food), mechanisation does cause unemployment of a kind, which is unaffected by increased purchasing power. Even where demand is elastic (*i.e.*, luxuries and services) statistics, for example, of textiles, coal and iron, show permanent displacement of labour. Taken completely over a century, as stated already, the fact is undeniable, so it may as well be swallowed.

Those who still have difficulty in doing this might do worse than read Hobson's "Evolution of Modern Capitalism," Chapters XII. and XIII., both for simplicity and unquestionable authority. The first of these chapters contains, on page 329, these significant words, "... in the aggregate of machine production we have no organisation, but a chaos of haphazard speculation." We know

that in recent years capital has flowed into productive enterprises far more rapidly than in any earlier period. It has largely been spent upon mechanisation undertaken without knowledge of the proportion which each new productive unit bears to the whole, or to what extent, and where, similar units are being simultaneously set up. Might not a situation analogous to the result of the 1911 rubber boom result; but with the difference that its effect might be felt in almost every industry instead of only in the rubber industry. Before 1911, the demand for rubber, hitherto mainly confined to lead pencil erasure, was suddenly multiplied many times by the rapid development of motor cars. The profits of the growers were enormous until, from money subscribed in the 1911 boom, so many new plantations arose, that within a few years the price of rubber fell to a level which compelled Governments to intervene to limit production. Had they not done so, the rubber growing industry would have been ruined.

If there is any value in the foregoing there remains only to determine the *proportionate* effect of mechanisation upon the present industrial situation of the world. If it is sufficiently great let us face it and ensure that we may all enjoy the true aim of mechanisation, more unemployment; that is to say, greater leisure.

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ACCIDENTS TO WOMEN

THE Women's Bureau of the United States Department of Labour has just issued a report on industrial accidents to men and women. The publication is based on information issued by various States of the Union. Machinery appears to be a principal cause of accidents to women, though falls to persons and handling of objects accounted for a large number. For men, handling of objects and, to a less extent falls, usually caused more accidents than did machinery. Machines caused more accidents relatively, and falls fewer accidents, to boys and girls than to men and women. In the States reporting cause of accident and age of men and women, machine accidents were approximately one half of all accidents to women under 21 years of age.