

participate. We may be well assured that we have the agencies of our private work and enterprises leading the way if such call came. We are this time prepared. It matters little to these interests which have brought us into Europe what our formal association is. For the most part in those thousands of things which make up private international relations, whatever association Mr. Harding is able to offer, will be for them no more than legal sanction or moral support to the things that have been done already. He will merely make *de jure* what is not *de facto*.

The American government in its representative was not at Geneva, but the newspapermen were. There were bankers and lesser statesmen on the side lines who are citizens of the United States. Europe knows that our talk about constitutional safeguards has been the illusion. British diplomacy is aware of critical interested America. The trou-

ble with Ireland, her Anglo-Japanese pact, her occasional use of the iron heel in India do not escape America's scrutiny. We are far afield of the pre-war days when no one in Europe thought of asking the opinion of the United States on any question not directly affecting the continent of America, the Monroe Doctrine and the affairs in the Pacific Ocean. To be specific, Great Britain realizes our identity of interests with Canada and Australia in her Japanese pact. She has openly intimated that an agreement with America for the security of affairs in the Pacific Ocean would be preferable. In short, we are today the creditor nation, somewhat bungling in our manner because unused to such a free participation in international politics, but we are in all vital things now in the world affairs for good or ill as we choose to make it. It is the great illusion that we are not, and can stay out.

ANDREW TEN EYCK.

## The Unemployment Crisis in England

**I**N the labor world of Great Britain one issue at the present moment overshadows all others.

It is the question of unemployment. To all men over twenty-five the most familiar of industrial tragedies, it is to the generation which entered industry between 1912 and 1920 almost a novelty. The two years before August, 1914, were a period of quite abnormal economic activity. After a brief crisis between August and October, 1914, unemployment was virtually unknown throughout the war. The industrial problem which impressed the public was not the shortage of work, but the shortage of workers. The certainty that unemployment would recur, and recur in an aggravated form, was forgotten. Not a hint that a depression of trade might be expected was allowed to disturb the Christmas festivities of the general election. Even twelve months ago the press rang with articles on the necessity of increasing production. Employers and ministers painted pictures of a world-market which was hungry for British goods, and used these works of art to point their denunciations of the alleged wickedness of the British trade unionist in restricting production.

Today those sermons seem as remote and meaningless as the eloquence of wartime. For the first time for over ten years the spectre which haunted the working-class before the war has come to life. The percentage unemployed among trade unions making returns to the Ministry of Labor was 6.1 at the end of December last, or greater than at the end of any year since 1909.

The number of workers on the "live" registers of the employment exchanges rose from 520,000 at the end of November to 927,000 on January 14th. In addition, there is wide-spread short-time; not less than 446,400 persons (and probably a good many more) were working four days or less per week at the same date. For the last few months London and other great towns have seen the old miserable processions of unemployed: here and there, led apparently by ex-soldiers, they have seized public buildings and declined to be dislodged by the authorities.

What public provision exists in Great Britain for meeting the crisis? As far as the state is concerned, it consists of the Unemployment Insurance act of 1920, which extended and amended Part II of the Insurance act of 1911. Under the act all persons over the age of sixteen, with certain exceptions, are compulsorily covered. Workmen, employers and the state contribute. The benefits payable, which begin after the first three days of unemployment, and are limited to a period of fifteen weeks in any one year, are fifteen shillings per week for men and twelve shillings per week for women, and half-time rates for persons under eighteen.

The Act of 1920 marked an advance in one respect. It brought the great majority of industrial and clerical workers within the scope of an insurance scheme. But, clearly, no one is going to accept fifteen shillings a week, which with the index number of the cost of living one hundred and

sixty per cent above the level of August, 1914, is less than the benefit of seven shillings, six pence, payable under the first, experimental Act of 1911, as meeting the claims of men who are so unfortunate as to be unemployed through no fault of their own. Some further provision must be made, and the most burning question of the moment is what form that provision is to take. The government is obviously in a state of the utmost embarrassment. On the one hand, the labor movement is knocking at the door. On the other hand, the country is in the throes of a campaign against expenditure. "Anti-waste" candidates are actually returned at bye-elections. If the government does not make any further provision for unemployment, it will embroil itself still further with labor. It must fight the new rich and the hosts of Mr. Bottomley, if it does.

What it has done so far is to set up a committee with power to distribute grants to local authorities which carry out approved schemes of useful work, and to recommend that employers, instead of dismissing workers, introduce short-time. The former has so far been ineffective, because the local authorities are themselves in financial difficulties. The latter policy has a superficial plausibility and a fundamental ineptitude which makes one suppose that it must have emanated from the very highest quarters in the cabinet.

In certain industries, like textiles and coal-mining, for instance, the workers have long adopted the policy of sharing the burden of bad times by means of short time, instead of allowing it to fall with crushing weight in the form of unemployment, upon some six to ten per cent of them. But this is, so to speak, a private arrangement adopted for equalizing sacrifices among the workers in these industries. It is not, and never has been, an alternative to labor's claim that the sacrifices of unemployment ought to be borne by the whole community, in proportion to the ability of different classes to pay, and that the whole system which threw it onto the shoulders of the class whose normal resources are least, is fundamentally wrong.

For the government to propose "to feed the dog on its own tail" by recommending that the earnings of all wage-earners shall be halved, is regarded, after the Prime Minister's declaration that the evils of the old industrial order must be ended, as a piece of intolerable effrontery. From an economic point of view the policy is singularly shortsighted. When a depression begins, as the Poor Law Commission pointed out long ago in its report of 1909, it tends to spread from industry to industry as the purchasing power of each group of consumers is cut down. Short time in the cotton

trade means unemployment in the potteries, and unemployment in the potteries, a diminished demand for the products of a dozen other industries. The wise course would be to maintain the purchasing power of the great mass of consumers, even at the cost of somewhat attenuating the flow of the "savings" which are invested. The foreign market for British goods has been largely destroyed by the economic paralysis of central Europe, Russia and Ireland. The official program of universal short time would appear to involve the destruction of the home market as well.

The crisis has, however, had one good effect. It has brought all sections of the labor movement together. The Labor party repeatedly urged on the government during the war the necessity of preparing a scheme to deal with unemployment and had endeavored in Parliament to make the Unemployment act more adequate, only to be met with indifference or opposition. When the government, having waited till the last moment, invited it to appoint representatives to a commission to make belated inquiries, the party refused and prepared a report of its own, which is today being considered by a national conference. Naturally, in view of the present situation, it consists mainly of emergency measures, and does not represent the final judgment of the labor movement as to the way in which the periodical recurrence of bad trade should be met. But it shows a much clearer consciousness of the fundamental economic issues of the movement than anything which has yet appeared from any other source.

It is clear, for one thing, that the meaning of the government's foreign policy, which was always disliked by labor in so far as it was understood, but which the rank and file, unversed in foreign affairs, did not always realize as touching them very closely, is being driven home by the inevitable logic of personal suffering. An end to military adventures in Russia, Mesopotamia and Ireland, the immediate resumption of trade with Russia, the fixing of the German indemnity at a definite and reasonable figure, the provision of credits for central and eastern Europe—these proposals are not novel, but their setting is. They have been recommended repeatedly in the last two years by students of international affairs and economics. They are now related to the standard of life of millions of workmen in Great Britain. Once let that connection be driven home, as it will be when the Labor party's recommendations reach the rank and file of trade unionists, and the results will extend to spheres far beyond the immediate question of unemployment. If the present crisis continues, the issue of the next general election may well be

revenge, expansion and the other ornaments of a "spirited" foreign policy versus prosperity at home.

The immediate measures recommended by the report involve a frank reversal of the government's policy of sacrificing every other consideration (outside the sphere of Ireland and the War Office and Foreign Affairs) to the political terrors inspired by the paladins of the "anti-waste" campaign. The cabinet, in spite of protests in Parliament, insisted that the benefit for adult men under the Unemployment Insurance act should not exceed fifteen shillings per week. The Labor party proposed that it should be raised to forty shillings per week for men and twenty-five shillings for women, and that it should be payable when the workers' earnings are reduced by short time. The cabinet, thinking education the first proper object of public economy, has instructed Weal Authorities not to proceed with schemes involving increased expenditure. The result is that the building of schools is arrested, and the number of children entering industry is swollen at the very moment when adults are unemployed. The Labor party's report argues that "during a time of unemployment a deliberate attempt should be made to hold back from industry as many as possible of the rising generation," and demands, therefore, the raising of the school age, and the diversion of boys and girls away from industry and into education by the establishment of a greatly increased number of scholarships and maintenance allowances. The government has completely failed to carry out its housing policy, and, in particular, under the pressure of the building employer, has refused to allow Weal Authorities to place more than a small number of contracts with the new building "guilds." The Labor party urges that when, as now, both labor and plant are standing idle for want of orders, the right course is to employ them, not on artificially created "relief-works," but in making good the deficiencies caused by five years of war. Several hundred thousand more houses are needed; old schools require to be remodelled and new schools to be built; an immense effort will be needed to restore the equipment of the railway and canal service. All this work must be done some time. The wise policy, is to concentrate it, as far as practicable, in the lean years, and thus to use the purchasing power of public authorities to compensate for the fluctuations of private industry.

It is not likely that the Labor program will be accepted. What may come of the impact of the present crisis on the labor movement is, quite apart from these emergency measures, a more insistent demand that some permanent provision shall be made for unemployment and a more general agreement as to the form which such provision

should take. The direction in which thought on the question is turning is that represented, for example, by the scheme for dealing with casual labor which was recently advanced by Mr. Bevan, the very able leader of the Transport Workers' Federation, by the program worked out eighteen months ago by a committee of employers and workmen in the building industry, or by the policy of the recently established building guilds. The essence of all these schemes, though in detail they differ materially, is that each industry should be required to maintain its own unemployed workers. Mr. Bevan proposed to pay dock workers four pounds a week throughout every week in the year, and to raise the necessary funds by a levy of four pence a ton on the goods handled. The building guilds stipulate in their contract that the local authority shall pay the cost of the house, *plus* forty pounds "to be used in paying wages to men when they are not working." In other industries the same result could be achieved by a compulsory levy on employers in proportion to their wage bills. It is toward some such solution as this that the mind of labor is now turning. If employers have to pay for unemployment, then, it is argued, they will take every measure in their power to reduce it, and it can hardly be doubted that, at any rate in some industries, they could by concerted action reduce it considerably. When unemployment is not prevented, the cost of it ought not to fall on the individual workman. The demand for that method of handling the problem has only recently been formulated, and, for most industries, its details still require to be worked out. But it will be enormously strengthened by the failure of the government to deal with the present crisis.

R. H. TAWNEY.

### On Reading My Diary

This was the truth, as near as I could get it,  
Although that truth is truth to me no longer.  
But dead misapprehensions make me stronger  
Who am infallible now and no more blind!  
These mummied thoughts seem vivid and exciting:  
For (like a vast percentage of mankind)  
Myself's my self's main interest: so I find  
Not one dull page in all these reams of writing.

"An egotist!" you say . . . Is that unusual? . . .  
Show me the man, (provided he's a sound one,)   
Who's totally assured that he's a dunce!  
Such men are rare indeed: I've never found one;  
But when I do I'll actuate him at once  
Toward wholesome introspection. I'll advise him,  
"Take samples of your grandiose delusion,  
"And trace each complex down to its conclusion;  
"Watch your reactions!" And within a week  
He'll satisfy himself that he's unique.

SIEGFRIED SASSOON.