

UNEMPLOYMENT [ToC](#)

KINNAIRD HALL, DUNDEE, *October 10, 1908*

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What is the political situation which unfolds itself to our reflections to-night? I present it to you without misgivings or reserve. For nearly three years a Liberal Administration, more democratic in its character, more widely selected in its *personnel*, more Radical in the general complexion of its policy, than any that has previously been known to British history, has occupied the place of power. During the whole of that period no single serious administrative mistake, either at home or abroad, has embarrassed or discredited the conduct of public affairs. Three Parliamentary Sessions, fruitful beyond precedent in important legislation, have been surmounted with dignity and dispatch. The authority and influence of Great Britain among foreign Powers have been prudently guarded, and are now appreciably augmented, and that authority and [190]influence have been consistently employed, and will be in the future employed, in soothing international rivalries and suspicion, in asserting a proper respect for public law, in preserving a just and harmonious balance amongst great Powers, and in forwarding as opportunities have served, whether in the Near East or in the Congo, causes of a generous and disinterested humanitarianism.

The British Empire itself has enjoyed under Liberal rule a period of prosperous tranquillity, favourable both to development and consolidation; and it is no exaggeration to say that it was never more strong or more peacefully united than at the present moment. The confidence which the whole country, irrespective of party, feels in Sir Edward Grey in the present European crisis, is the measure of our success in foreign affairs. The gathering of the Convention of a United South Africa is in itself a vindication of colonial policy. Each year for which we have been responsible has been marked by some great and beneficent event which has commanded the acquiescence—or at least silenced the dissent—of many of our professed opponents. In 1906 the charter of trade unions; in 1907, the conciliation and settlement of South Africa; in 1908, the [191]establishment of old-age pensions. These are large matters; they will take their place in the history book; and on them alone, if necessary, I would confidently base the claims of his Majesty's Government to respect, if not to renown, in future times.

But although we do not meet to-night in any atmosphere of crisis, nor in any expectation of a general election, nevertheless I feel, and I dare say you feel too, that we have reached a climacteric in the life of this Parliament. The next six months will probably determine the whole remaining fortunes of the Government, and decide whether a gradual but progressive decline will slowly carry the Administration in the

natural course to the grave where so many others are peacefully slumbering, or whether, deriving fresh vigour from its exertions, it will march forward conquering and to conquer.

I said a few minutes ago that this session had been marked by a measure of great and cardinal importance. Surely no one will deny the magnitude and significance of the step which has been taken in the establishment of a system of old-age pensions. It marks the assertion in our social system of an entirely new principle in regard to [192]poverty, and that principle, once asserted, cannot possibly be confined within its existing limits. Old-age pensions will carry us all a very long way. They have opened a door which will not soon or easily be closed. The members of both Houses of Parliament have been led to the verge of the cruel abyss of poverty, and have been in solemn session assembled to contemplate its depths and its gloom. All alike have come to gaze; none have remained unmoved. There are some distinguished and eminent men, men whose power and experience I cannot impugn, who have started back appalled by what they have seen, and whose only idea is to slam the door on the grim and painful prospect which has been revealed to their eyes.

But that is not the only spirit which has been awakened in our country; there are others, not less powerful, and a greater number, who will never allow that door to be closed; they have got their feet in it, they are resolved that it shall be kept open. Nay, more, they are prepared to descend into the abyss, and grapple with its evils—as sometimes you see after an explosion at a coal mine a rescue party advancing undaunted into the smoke and [193]steam. Now there is the issue on which the future of this Parliament hangs—"Forward or back?" Voices sound loud and conflicting in our ears; the issue, the sharpest and simplest, the most tremendous that can be put to a generation of men—"Forward or backward?"—is the issue which confronts us at the present time, and on it the future of the Government is staked. There are faint-hearted friends behind; there are loud-voiced foes in front. The brewer's dray has been pulled across the road, and behind it are embattled a formidable confederation of vested interests. A mountainous obstacle of indifference and apathy bars our advance. What is your counsel? Forward or Back?

Let it be remembered that aged poverty is not the only evil with which, so far as our means allow, we have to grapple. What is the problem of the hour? It can be comprised in one word—Unemployment. After two years of unexampled trade expansion, we have entered upon a period of decline. We are not alone in this. A reaction from overtrading is general all over the world. Both Germany and the United States are suffering from a similar commercial contraction, and in both countries, in spite of their high and elaborate protective [194]tariffs, a trade set-back has been accompanied by severe industrial dislocation and unemployment. In the United States of America, particularly, I am informed that unemployment has recently been more general than in this country.

Indeed the financial collapse in the United States last autumn has been the most clearly marked of all the causes to which the present trade depression may be assigned.

It is not yet possible to say that the end of that period of depression is in sight; but there are some significant indications which I think justify the hope that it will be less severe and less prolonged than has been known in other trade cycles, or than some people were at first inclined to believe. But the problem of unemployment is not confined to periods of trade depression, and will not be solved by trade revival; and it is to that problem in its larger and more permanent aspects that I desire to draw your attention for a short time to-night.

There is no evidence that the population of Great Britain has increased beyond the means of subsistence. On the contrary, our wealth is increasing faster than our numbers. Production is active; industry grows, and grows with astonishing [195]vigour and rapidity. Enterprise in this country requires no artificial stimulant; if it errs at all, it is from time to time upon the side of overtrading and overproduction. There is no ground for believing that this country is not capable of supporting an increasing population in a condition of expanding prosperity.

It must, however, be remembered that the British people are more than any other people in the world a manufacturing people. It is certain that our population could never have attained its present vast numbers, nor our country have achieved its position in the world, without an altogether unusual reliance upon manufacture as opposed to simple agriculture. The ordinary changes and transitions inseparable from the active life and growth of modern industry, therefore, operate here with greater relative intensity than in other countries. An industrial disturbance is more serious in Great Britain than in other countries, for it affects a far larger proportion of the people, and in their distresses the urban democracy are not sustained by the same solid backing of country-folk and peasant cultivators that we see in other lands. It has, therefore, become a paramount necessity for us to make scientific [196]provision against the fluctuations and set-backs which are inevitable in world commerce and in national industry.

We have lately seen how the backwash of an American monetary disturbance or a crisis in the Near East or in the Far East, or some other cause influencing world trade, and as independent of our control as are the phases of the moon, may easily have the effect of letting loose upon thousands of humble families and households all the horrors of a state of siege or a warlike blockade. Then there are strikes and trade disputes of all kinds which affect vast numbers of people altogether unconcerned in the quarrel. Now, I am not going to-night to proclaim the principle of the "right to work." There is not much use in proclaiming a right apart from its enforcement; and when it is enforced there is no need to proclaim it. But what I am here to assert, and to assert most emphatically, is the responsibility of Government towards honest and law-abiding citizens; and I am surprised that that responsibility should ever be challenged or denied.

When there is a famine in India, when owing to some unusual course of nature the sky refuses its rains and the earth its [197]fruits, relief works are provided in the provinces affected, trains of provisions are poured in from all parts of that great Empire, aid and assistance are given to the population involved, not merely to enable them to survive the period of famine, but to resume their occupations at its close. An industrial disturbance in the manufacturing districts and the great cities of this country presents itself to the ordinary artisan in exactly the same way as the failure of crops in a large province in India presents itself to the Hindu cultivator. The means by which he lives are suddenly removed, and ruin in a form more or less swift and terrible stares him instantly in the face. That is a contingency which seems to fall within the most primary and fundamental obligations of any organisation of Government. I do not know whether in all countries or in all ages that responsibility could be maintained, but I do say that here and now in this wealthy country and in this scientific age it does in my opinion exist, is not discharged, ought to be discharged, and will have to be discharged.

The social machinery at the basis of our industrial life is deficient, ill-organised, and incomplete. While large numbers [198]of persons enjoy great wealth, while the mass of the artisan classes are abreast of and in advance of their fellows in other lands, there is a minority, considerable in numbers, whose condition is a disgrace to a scientific and professedly Christian civilisation, and constitutes a grave and increasing peril to the State. Yes, in this famous land of ours, so often envied by foreigners, where the grace and ease of life have been carried to such perfection, where there is so little class hatred and jealousy, where there is such a wide store of political experience and knowledge, where there are such enormous moral forces available, so much wisdom, so much virtue, so much power, we have not yet succeeded in providing that necessary apparatus of insurance and security, without which our industrial system is not merely incomplete, but actually inhumane.

I said that disturbances of our industrial system are often started from outside this country by causes utterly beyond our control. When there is an epidemic of cholera, or typhoid, or diphtheria, a healthy person runs less risk than one whose constitution is prepared to receive the microbes of disease, and even if himself struck down, he stands a far greater chance of making [199]a speedy recovery. The social and industrial conditions in Great Britain at this present time cannot be described as healthy. I discern in the present industrial system of our country three vicious conditions which make us peculiarly susceptible to any outside disturbance of international trade. First, the lack of any central organisation of industry, or any general and concerted control either of ordinary Government work, or of any extraordinary relief works. It would be possible for the Board of Trade to foretell with a certain amount of accuracy the degree of unemployment likely to be reached in any winter. It ought to be possible for some authority in some Government office—which I do not care—to view the whole situation

in advance, and within certain limits to exert a powerful influence over the general distribution of Government contracts.

There is nothing economically unsound in increasing temporarily and artificially the demand for labour during a period of temporary and artificial contraction. There is a plain need of some averaging machinery to regulate and even-up the general course of the labour market, in the same way as the Bank of England, by its bank rate, regulates [200]and corrects the flow of business enterprise. When the extent of the depression is foreseen, the extent of the relief should also be determined. There ought to be in permanent existence certain recognised industries of a useful, but uncompetitive character, like, we will say, afforestation, managed by public departments, and capable of being expanded or contracted according to the needs of the labour market, just as easily as you can pull out the stops or work the pedals of an organ. In this way, you would not eliminate unemployment, you certainly would not prevent the creation of unemployables; but you would considerably limit the scale of unemployment, you would reduce the oscillation of the industrial system, you would increase its stability, and by every step that you took in that direction you would free thousands of your fellow-countrymen from undeserved agony and ruin, and a far greater number from the haunting dread of ruin. That is the first point—a gap, a hiatus in our social organisation—to which I direct your attention to-night, and upon which the intelligence of this country ought to be concentrated.

The second vicious condition is positive [201]and not negative. I mean the gross, and, I sometimes fear, increasing evil of casual labour. We talk a great deal about the unemployed, but the evil of the *under-employed* is the tap-root of unemployment. There is a tendency in many trades, almost in all trades, to have a fringe of casual labour on hand, available as a surplus whenever there is a boom, flung back into the pool whenever there is a slump. Employers and foremen in many trades are drawn consciously or unconsciously to distribute their work among a larger number of men than they regularly require, because this obviously increases their bargaining power with them, and supplies a convenient reserve for periods of brisk business activity.

And what I desire to impress upon you, and through you upon this country, is that the casual unskilled labourer who is habitually under-employed, who is lucky to get three, or at the outside four, days' work in the week, who may often be out of a job for three or four weeks at a time, who in bad times goes under altogether, and who in good times has no hope of security and no incentive to thrift, whose whole life and the lives of his wife and children are embarked in a sort of blind, desperate, [202]fatalistic gamble with circumstances beyond his comprehension or control, that this poor man, this terrible and pathetic figure, is not as a class the result of accident or chance, is not casual because he wishes to be casual, is not casual as the consequence of some temporary disturbance soon put right. No; the casual labourer is here because he is wanted here. He is here in answer to a perfectly well-defined demand. He is here as the result of

economic causes which have been too long unregulated. He is not the natural product, he is an article manufactured, called into being, to suit the requirements, in the Prime Minister's telling phrase, of all industries at particular times and of particular industries at all times.

I suppose no Department has more means of learning about these things than the Board of Trade, which is in friendly touch at every stage all over the country both with capital and labour. I publish that fact deliberately. I invite you to consider it, I want it to soak in. It appears to me that measures to check the growth and diminish the quantity of casual labour must be an essential part of any thorough or scientific attempt to deal with unemployment, and I would not proclaim this evil to you without having ^[203]reason to believe that practicable means exist by which it can be greatly diminished.

If the first vicious condition which I have mentioned to you is lack of industrial organisation, if the second is the evil of casual labour, there is a third not less important. I mean the present conditions of boy labour. The whole underside of the labour market is deranged by the competition of boys or young persons who do men's work for boys' wages, and are turned off so soon as they demand men's wages for themselves. That is the evil so far as it affects the men; but how does it affect the boys, the youth of our country, the heirs of all our exertion, the inheritors of that long treasure of history and romance, of science and knowledge—aye, of national glory, for which so many valiant generations have fought and toiled—the youth of Britain, how are we treating them in the twentieth century of the Christian era? Are they not being exploited? Are they not being demoralised? Are they not being thrown away?

Whereas the youth of the wealthier class is all kept under strict discipline until eighteen or nineteen, the mass of the nation runs wild after fourteen years of age. No doubt at first employment is easy to obtain. ^[204]There is a wide and varied field; there are a hundred odd jobs for a lad; but almost every form of employment now open to young persons affords them no opening, is of no use to them whatever when they are grown up, and in a great number of cases the life which they lead is demoralising and harmful. And what is the consequence? The consequence may be measured by this grim fact, that out of the unemployed applying for help under the Unemployed Workmen Act, no less than twenty-eight per cent. are between twenty and thirty years of age, that is to say, men in the first flush of their strength and manhood already hopelessly adrift on the dark and tumultuous ocean of life. Upon this subject, I say to you deliberately that no boy or girl ought to be treated merely as cheap labour, that up to eighteen years of age every boy and girl in this country should, as in the old days of apprenticeship, be learning a trade as well as earning a living.

All attempts to deal with these and similar evils involve the expenditure of money. It is no use abusing capitalists and rich people. They are neither worse nor better than any one else. They function quite naturally under the conditions in which they

find [205]themselves. When the conditions are vicious, the consequence will be evil; when the conditions are reformed, the evil will be abated. Nor do I think the wealthy people of Great Britain would be ungenerous or unwilling to respond to the plain need of this nation for a more complete or elaborate social organisation. They would have a natural objection to having public money wasted or spent on keeping in artificial ease an ever-growing class of wastrels and ne'er-do-weels. No doubt there would also be a selfish element who would sullenly resist anything which touched their pocket. But I believe that if large schemes, properly prepared and scientifically conceived for dealing with the evils I have mentioned were presented, and if it could be shown that our national life would be placed upon a far more stable and secure foundation, I believe that there would be thousands of rich people who would cheerfully make the necessary sacrifices. At any rate, we shall see.

The year that lies before us must be a year of important finance. No doubt that finance will be a subject of fierce and protracted discussion; but I shall certainly not exclude from my mind, in weighing the chances of social reform, that strong element [206]of patriotism which is to be found among the more fortunate of our fellow-countrymen, and which has honourably distinguished them from the rich people of other countries I could name.

I have been dealing with three, and only three, of the evil causes which principally affect labour conditions in Great Britain at the present time. Do not forget, however, as the Prime Minister has reminded us, how intimate is the co-relation of all social reforms, how vital it is to national health and security that we should maintain an adequate and independent population upon the land, and how unsatisfactory, in Scotland, at any rate, are the present conditions for small holdings. Do not forget, either, how fatal to the social, moral, and political progress of British democracy is the curse of intemperance. There is not a man or woman who lifts a voice and exerts an influence in support either of land or of temperance reform, who will not be doing something not only to alleviate the sufferings of the poor, but to stimulate the healthy advance of British prosperity.

But see how vast is the range of this question of unemployment with which we are confronted. See now how intricate are [207]its details and its perplexities; how foolish it would be to legislate in panic or haste; how vain it would be to trust to formulas and prejudices; how earnest must be the study; how patient and laborious the preparation; how scientific the spirit, how valiant the action, if that great and hideous evil of insecurity by which our industrial population are harassed is to be effectually diminished in our national life. See now, also, what sort of politicians those are, whichever extreme of politics they may belong to, who tell you that they have an easy, simple, and unfailing remedy for such an evil. What sort of unscrupulous and reckless adventurers they are who tell you that tariff reform, that a trumpety ten per cent. tariff on foreign manufactures, and a tax on wheat would enable them to provide "work for all." I was very glad to see that Mr. Balfour frankly and honestly dissociated himself,

the other night at Dumfries, from the impudent political cheap-jacks who are touting the country on behalf of the Tory Party, by boldly declaring that tariff reform, or "fiscal reform," as he prefers to call it, would be no remedy for unemployment or trade oscillations.

Now that Mr. Balfour has made that [208]admission, for which we thank him, and for which we respect him, I will make one in my turn. If tariff reform or protection, or fiscal reform, or whatever you choose to call it, is no remedy for unemployment—and it is pretty clear from the experience of other countries who have adopted it on a large scale that it is not—neither is free trade by itself a remedy for unemployment. The evil lies deeper, the causes are more complex than any within the reach of import duties or of no import duties, and its treatment requires special measures of a social, not less than of an economic character which are going to carry us into altogether new and untrodden fields in British politics.

I agree most whole-heartedly with those who say that in attempting to relieve distress or to regulate the general levels of employment, we must be most careful not to facilitate the very disorganisation of industry which causes distress. But I do not agree with those who say that every man must look after himself, and that the intervention by the State in such matters as I have referred to will be fatal to his self-reliance, his foresight, and his thrift. We are told that our non-contributory [209]scheme of old-age pensions, for instance, will be fatal to thrift, and we are warned that the great mass of the working classes will be discouraged thereby from making any effective provision for their old age. But what effective provision have they made against old age in the past? If terror be an incentive to thrift, surely the penalties of the system which we have abandoned ought to have stimulated thrift as much as anything could have been stimulated in this world. The mass of the labouring poor have known that unless they made provision for their old age betimes they would perish miserably in the workhouse. Yet they have made no provision; and when I am told that the institution of old-age pensions will prevent the working classes from making provision for their old age, I say that cannot be, for they have never been able to make such provision. And I believe our scheme, so far from preventing thrift, will encourage it to an extent never before known.

It is a great mistake to suppose that thrift is caused only by fear; it springs from hope as well as from fear; where there is no hope, be sure there will be no thrift. No one supposes that five shillings a week is a satisfactory provision for old age. No one [210]supposes that seventy is the earliest period in a man's life when his infirmities may overwhelm him. We have not pretended to carry the toiler on to dry land; it is beyond our power. What we have done is to strap a lifebelt around him, whose buoyancy, aiding his own strenuous exertions, ought to enable him to reach the shore.

And now I say to you Liberals of Scotland and Dundee two words—"Diligence and Daring." Let that be your motto for the year that is to come. "Few," it is written, "and evil are the days of man." Soon, very soon, our brief lives will be lived. Soon, very

soon, we and our affairs will have passed away. Uncounted generations will trample heedlessly upon our tombs. What is the use of living, if it be not to strive for noble causes and to make this muddled world a better place for those who will live in it after we are gone? How else can we put ourselves in harmonious relation with the great verities and consolations of the infinite and the eternal? And I avow my faith that we are marching towards better days. Humanity will not be cast down. We are going on—swinging bravely forward along the grand high road—and already behind the distant mountains is the promise of the sun.