

CHAPTER III

THE COURSE OF EMPLOYMENT THROUGHOUT OUR PERIOD

IN Chapter I, Part II, an attempt was made to measure the contraction in employment, the contraction in the number of persons gainfully occupied, and the scale of withdrawal from gainful occupation between the Armistice and April 1920 — the optimum date. I will now examine the course of employment throughout the whole of our period.

I. THE BREATHING SPACE AND THE BOOM

A broad distinction can be drawn between the happenings of the Breathing Space and those of the Boom. During the former period, down to April 1919, more persons were withdrawn from the Forces and munition-making than were absorbed into peace-time work, so that employment was declining to a minimum; during the latter, employment in some measure recovered, the recovery, of course, being much smaller than the previous decline.

In studying this process we have not the means of making direct estimates about what happened in the non-ZS occupations.¹ The best we can do, therefore, is to base ourselves on certain *prima facie* reasonable assumptions and draw the appropriate inferences. For males we assume

¹ The following extracts from the ZS reports are of some interest in this connection. In the report of July 1919, p. 7, it is stated: "The placings in domestic occupations [of women] by the employment exchanges, which were not apparently more numerous during the first three months of the Armistice than in the corresponding period a year earlier, were in the following six months about 40 per cent greater in 1919 than in 1918". The report for October 1919, p. 8, states that from March to June 1919 there were 46 per cent more placings than in 1918, but from July to October only 23 per cent more, "doubtless because the period of rapid reduction in the employment of women in other occupations was at an end".

that the total number belonging to the employee category in all civil employments changed in the same proportions between the Armistice and the end of April 1919 and between that date and the end of April 1920 as employment in the Z8 occupations did ; and also that the 143,000 men released from the army prior to demobilisation were demobilised at the same rate as the rest. For women we assume that those in the forces were demobilised at the same proportionate rates as men. For women in civilian occupations the Z8 returns show a drop of 87,000 between the two Apriks. Against this we have to set some proportion of the 250,000 to 300,000 women that we have counted as returning to the non-Z8 employments between the Armistice and April 1920. As the interval between April 1919 and April 1920 comes to two-thirds of this period, our best guess is that two-thirds of these women returned during the course of it. On this basis the women in non-Z8 occupations and Z8 occupations together show an increase of, say, 100,000 as against a reduction of 30,000 for women in the Armed Forces. Thus, we get the following table :

	(In thousands)		
	Males	Females	Persons
Change in civil employment between the Armistice and the end of April 1919	+ 1350	- 600	..
Change in employment of persons in the employee category in the Armed Forces between these dates	- 2380	- 70	..
Aggregate change in employment from November 1918 to April 1919	- 1030	- 670	- 1700
Change in civil employment between the end of April 1919 and the end of April 1920	+ 1550	+ 100	..
Change in employment of persons in the employee category in the Armed Forces between these dates	- 1120	- 30	..
Aggregate change in employment from April 1919 to April 1920	+ 430	+ 70	+ 500

As we saw, in April 1919 the total number of persons in receipt of out-of-work donation was 1,093,000 ; and we have reckoned that in the following April the number of males unemployed was some 300,000, to which, on the basis of the insurance figures, we should, perhaps, add 140,000 women. On this reckoning employment between the two Aprils ought to have increased by some 650,000 persons. It is certain, however, that a substantial number of those who were drawing out-of-work donation, particularly among married women, were persons not in transfer from one occupation to another, but in process of abandoning industry altogether. We need not, therefore, on this account push up our figure for the aggregate increase of employment between the two Aprils above the half-million mark. Obviously, however, that figure is open to serious error. Indeed, doubt is thrown on the whole of this statistical manipulation by the fact that, when the methods we have used are applied to the period April 1919 to October 1919, they suggest that aggregate employment in civilian work and the Forces together did not increase significantly between these two months, in spite of the fact that over the same period the number of persons in receipt of out-of-work donation fell, as was shown in the last chapter, by some 600,000 — a circumstance which *must*, one would think, have been associated with a substantial increase in aggregate employment. Again, according to this manipulation, from October 1919 to April 1920 employment appears to have increased much more than unemployment decreased. I cannot find any adequate explanation of these paradoxes. But my figure of half a million increase of employment from April to April is not directly attacked by them, and, for lack of a better, it must, with all reservations, be allowed to stand. It appears then that, whereas between the Armistice and April 1919 employment in all fields together contracted by round about $1\frac{1}{2}$ million per-

sons, the recovery during the year of boom which followed amounted to round about this half-million, that is to say, it was of the order of 3 per cent. It cannot, I think, have been *much* larger than that.

II. THE SLUMP

By the spring of 1920 the complications of demobilisation were over. Out-of-work donation continued to be paid to ex-Service men for another year, till March 1921.¹ But its disturbing effect no longer made it necessary for the Ministry of Labour to suspend the publication of the unemployment percentages under the 1911 and 1916 Insurance Acts. Those figures, and also the Trade Union percentages, become again reasonably satisfactory indices. Thus we are able to get a fairly clear picture of the subsequent course of industrial activity.

Till April 1920 according to the Trade Union figures, till June according to those for the insured industries, employment continued to improve, and at midsummer it was very good everywhere. Soon afterwards, however, a downward movement, which was to continue for at least a year and to gather great momentum, set in. The *Labour Gazette* describes the earlier part of this movement as follows: "In July, August and September a decline in employment, which had already become apparent in certain trades, especially boot and shoe manufacture, leather tanning and currying, cotton weaving, and the hosiery and jute trades, gradually spread to a considerable number of other industries, and by the beginning of October a depression was reported in most branches of the textile and clothing trades, and in the boot and shoe and leather trades. In

¹ The Eighteenth Abstract of Labour Statistics (p. 38) records a small number of payments (6630 in April) for yet another year, but for all practical purposes the donations ceased in March 1921.

October and November the shortage of fuel, caused by the general stoppage of work at the coal mines, which continued for over two weeks (18th October–3rd November), resulted in general slackness and much unemployment and short-time working in nearly all the principal industries. There was a partial recovery shortly after the settlement of the strike, but the improvement proved only temporary, and, after a renewed decline during December, employment at the end of the year was slack in most of the principal industries.¹ The percentage of unemployment, as recorded by Trade Unions, had begun to increase in May; as recorded in the industries insured against unemployment, in August. Thus we may safely date the down-turn as having set in in the summer of 1920, *i.e.* roughly at the same time as the down-turn in the monetary Boom — possibly a little later.

Between April and November 1920, according to the estimate set out in Table I, Section I, of the Appendix, the number of women in the employee category employed in the Z8 occupations other than agriculture — for which figures are not available in November — fell by 195,000 and the number of men by 89,000, *i.e.* a total of 284,000 persons. Thus, on a reasonable guess about the non-Z8 occupations, it seems probable that between April and November more than two-thirds of the whole recovery of employment accomplished during the Boom year was wiped out. Owing to the new 1920 Unemployment Insurance Act coming into force in November, a comparison between April and that month on the basis of the insurance figures is likely to be unreliable. The Trade Union figure for unemployment rose as between the ends of the two months from 0·9 to 3·7 per cent. This suggests something much bigger than the Z8 figure for the contraction in the number of men employed, and therefore, since in the Trade Unions making returns there

¹ *Labour Gazette*, January 1921, p. 2.

were very few women, in total employment. In any event, throughout the autumn of 1920 and the winter of 1921 unemployment steadily increased, till in March 1921 the Trade Union percentage had risen to 10. Under the influence of the great coal stoppage, which started in April 1921 and lasted three months, the situation steadily worsened. In June the Trade Union figure was 23.1 per cent and the insurance figure 22.4 per cent. When the stoppage came to an end there was, of course, an improvement. The Trade Union figure for July was 16.7 per cent, the other figure 17.9 per cent. During the latter half of 1921 and throughout 1922 there was a gradual, if small, improvement. In December 1922, the last month of what I have called the Slump, the Trade Union figure was 14.0 per cent, and the insurance figure 14.5 per cent for males and 8.1 per cent for females, working out at 12.8 per cent for both together. The monetary Slump was over, but employment was still, according to pre-war standards, extremely bad.

III. THE DOLDRUMS

In the first fifteen months of the Doldrums, according to the Trade Union figures, there was a substantial improvement in employment from January 1923 to May 1924; the percentage of unemployment fell from 13.6 to 7.0. According to the insurance figures the improvement continued till June 1924, the percentage in January 1923 being 13.3 and that of June 9.3. After that, employment worsened. In April 1925, when the Gold Standard was restored, the Trade Union percentage had risen to 9.4, the other to 10.9. Thus, as regards employment, the Doldrums was not a static period, but contained two parts: first a recovery till June 1924, and afterwards a relapse. These, however, were minor movements. The fact

about the Doldrums of dominating interest is the very much larger proportion of unemployment recorded then on the average than had been customary in similar periods of quiescence before the war. That matter will call for careful study in the next chapter.