

These people are of course "Political"

JOINT STATEMENT ON UNEMPLOYMENT BY THE IRISH TRADE UNION
CONGRESS AND THE PARLIAMENTARY LABOUR PARTY

The following joint statement has been issued today Monday, 20 July, by the National Executive of the Irish Trade Union Congress and the Parliamentary Labour Party;

1. On 11 July there were 58,400 persons registered as unemployed at a time of the year when unemployment is generally at its lowest. A year ago the number out of work was 46,400, while in 1951 the figure was 36,400. Within two years therefore the number unemployed has increased by 22,000, or three-fifths. The operation of the Employment Period Orders has had the effect of removing from the Live Register thousands of small landholders and single men who will, of course, return to the Register on the expiration of these Orders in October. Taking account of the registered unemployed and those who are precluded from drawing unemployment assistance due to the EPO, as well as the families of these persons, it is probable that up to 200,000 persons are at present affected by unemployment.

The existence of mass unemployment and the fact that nearly all sectors of the economy have been affected, indicate that a general economic recession lies at the root of the problem.

2. The principal causes of the recession are well known. In the first place there has been the contraction in consumer purchasing power. Over the past two years or so, consumer prices have risen by 22 per cent. yet the fourth round of wage increases averaged only 9 per cent. This widening of the wage-price gap has meant fewer purchases and reduced consumption standards and has led to cutbacks in production, general redundancy and lower levels of economic activity.

3. The Minister for Finance has stated that employee income rose by £9 million in 1952. This represents an increase of less than 5 per cent. as compared with the previous year which is considerably less than the rise in the cost of living over this period.

4. A second factor has been the operation of a tighter financial and monetary policy, the effects of which have been felt by the building industry especially. There has been a marked falling off both in Local Authority housing and in private building. At the end of May there were only 7,000 men

employed on Local Authority housing as compared with 11,100 a year ago. Private building has been very hard hit by the sharp rise in interest rates and general credit stringency on the part of the banks and other lending institutions.

Necessity for Action by the Government

5. The existence of mass unemployment calls for immediate action by the Government. The action taken must have regard to the long-term aspects of the problem and also the short-term alleviation of the present serious position by expediting public works schemes and initiating emergency relief schemes.
6. The Government have the responsibility of adopting the measures required to induce expansion and higher levels of activity in all sectors of the economy. It would be disastrous if the Government were to assume that the crisis will work itself out. As the deadweight of unemployment comes to have increasingly bad effects, the crisis will deepen. Immediate corrective action, therefore, is needed so as to check the recession and reverse the deflationary spiral.
7. Whatever the arguments in favour of the measures taken to bring about a budgetary balance and a reduction in the deficit in the balance of payments, and even if it were accepted that these measures were necessary, they would still be insufficient of themselves to effect economic recovery. It might well be that the attempt to remedy financial instability has caused a greater instability in the fields of production and employment.

Our economic system does not provide any automatic internal impulses which would bring about a change from recession to expansion. Hence the need for deliberate action by the Government to provide the impetus to the restoration of economic equilibrium.

8. The Government must direct the economy along the path of expansion so that greater activity in industry and other sectors will bring about an increase in employment, a higher volume of production and improved living standards. A progressive economic policy, suited to our stage of development and the nation's requirements can rescue the economy from its present depressed state. The restoration of economic health demands the implementation of such an economic and financial policy, serving the interests of the masses of the people and the nation generally.
9. The Government should press on the commercial banks the necessity for adopting a more liberal credit policy especially in cases where bank accommodation is required for the purpose of extending existing industrial concerns or for

other projects which will provide employment.

10. Private industry, and commercial interests, can make a substantial contribution to recovery by reviewing price policies in an endeavour to expand the home market for industrial projects and thereby increase employment.

State Capital Expenditure

11. A key factor in the employment position is the level of State capital outlay. Capital issues for 1953/54 are estimated at £39.3 million as compared with actual capital issues of £32.5 million last year. At first sight it might seem that a substantial increase in capital projects financed from State funds is planned. This, however, is not so. The figure for capital issues in the present year includes £4.5 million for hospital construction which was formerly financed from moneys in the Hospitals Trust Fund, and £2.25 million for the acquisition of the GNR. The figure for the present year comparable - from the employment content point of view - to the £32.3 million for last year is, accordingly, about £32.5 million.

12. Setting aside these special factors it will be evident that State capital outlay will be no higher this year than last year. Over the past year however prices of materials and wages have risen so that the volume of outlay will be reduced. Yet the high level of unemployment warrants an increase - a substantial increase - in the public investment programme.

13. The nature of the unemployment problem confronting us necessitates an increase in the level of State capital outlay. The Government should, therefore, re-examine immediately the Capital Budget and make additional funds available for capital projects, especially those with a high employment content.

Immediate Steps to be taken

14. The following are some proposals, the immediate implementation of which might be expected to bring about a material improvement in the unemployment position:

- (a) Administrative regulations and procedure have held up schemes which would provide considerable employment in many areas. Redtape whether at Departmental or local levels must be eliminated so that no avoidable delays occur in putting the unemployed to work on employment schemes.
- (b) There is scope for greatly increased employment on the development of sites in the possession of Local Authorities or to be acquired by them.

In many cases, however, administrative bottlenecks are impeding the Local Authorities. These bottlenecks must be removed so that work can proceed.

(c) An immediate stepping up of the Local Authority housing programme is possible by allocating contracts promptly and by compelling contractors to begin work immediately and to employ the maximum numbers of workers.

(d) A direction from the Minister for Local Government has obstructed the carrying out of direct labour schemes whether on housing or other works. We strongly urge that direct labour be encouraged and the necessary facilities made available to Local Authorities so that workers can be absorbed on housing and other works to be carried out directly without the loss of time involved in obtaining tenders and allocating contracts.

(e) A large number of plans prepared by Local Authorities under the Local Authorities (Works) Act have been approved and are awaiting sanction and the allocation of the necessary grants. There is a high labour content in schemes undertaken under this Act and increased grants would enable Local Authorities to employ very many additional workers. The sanctioning of schemes prepared under this Act would go a long way towards reducing unemployment in rural and the smaller urban areas. Additional State grants for such schemes, however, are essential.

The average number of men employed on works under the Act was only 1,840 last year as compared with 4,751 in 1951/52. ^{with} Notwithstanding this sharp reduction in employment, the total State grant under the Act has been cut from £650,000 last year to £400,000 in the present year. (The grant amounted to £1,700,000 in the year 1950/51. In March 1950, as many as 13,850 men were employed on works under the Act.)

(f) The provision of additional monies by the State to enable Local Authorities to carry out drainage schemes and the speeding up of arterial drainage work to improve lands, would further increase substantially the level of employment in rural areas.

(g) The slowing down of private house building calls for special measures to bring about increased employment in this section of the building industry.

The most important step would be to reduce interest rates or to increase State grants to offset the higher interest charges.

15. In considering proposals for increased expenditure on Local Authorities' works, drainage, sanitary schemes, etc., the Government should have regard to the fact that the provision of employment would mean a saving in unemployment insurance and assistance, and that this saving would constitute a substantial offset to the cost of the works undertaken.

Position in Dublin

16. We wish to draw particular attention to the very acute unemployment position in Dublin and to the need for large-scale emergency relief schemes to be started without delay.

17. In the first week of July there were over 18,000 registered as unemployed in the Dublin area as compared with 12,000 in 1951, an increase of exactly one-half. Building has been most seriously affected, the numbers unemployed in this industry increasing from 2,200 in June, 1951, to 4,000 in June last.

Increase Unemployment Benefit

18. In view of the long-term nature of the present unemployment crisis and the severe hardships being endured by the families of the unemployed, we urge that legislation be immediately introduced and passed without delay through the Oireachtas to increase the rates of unemployment benefits and assistance. With the high cost of living the present rates of benefit are wholly inadequate and do not provide for even the subsistence needs of the unemployed and their families.

19. The cost of living is now 132 per cent. above pre war so that a £ of pre war purchasing power would be equivalent to 46s.5d. at present day values. The pre war rate of unemployment benefit for a man and wife was 20s. That sum would be equivalent to 46s.5d. at current prices, yet unemployment benefit for a man and wife is now only 36s. The present rates of benefit are the same as those which the present Minister for Social Welfare has said he intended introducing in 1947/48. But since then retail prices have increased by one-fourth. This fact alone would indicate clearly the necessity for increases in benefit.

20. Amending legislation should also provide for the abolition of the three-day waiting period for persons transferring from unemployment insurance to assistance.

Conclusion

21. A material improvement can be brought about in the unemployment position if a progressive economic policy is pursued. While planning for a policy of full employment, the necessary interim measures must be taken to alleviate the present plights of the unemployed by undertaking emergency employment schemes and pending the provision of work, increasing of rates of unemployment insurance and assistance