

**IRREGULARITY OF
EMPLOYMENT AND
FLUCTUATIONS OF PRICES**

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Irregularity of Employment and Fluctuations of Prices by Herbert Somerton Foxwell

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HERBERT SOMERTON FOXWELL

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PREFATORY NOTE.

THE following lecture was one of a series of six, delivered in Scotland in the summer of 1886, and afterwards published in a shilling volume, under the title of "The Claims of Labour," by the Edinburgh Co-operative Printing Company Limited, Bristo Place, Edinburgh.

It is reprinted by the kind permission of James Oliphant, Esq., under whose direction the course was arranged. I have also to thank Mr Oliphant for permission to reprint his Preface to the original volume, which clearly explains the circumstances in which the lectures were delivered.

H. S. F.

CAMBRIDGE, *December 1886.*

MR OLIPHANT'S PREFACE TO THE VOLUME.

THE present volume has arisen out of the Industrial Remuneration Conference held in the Prince's Hall, Piccadilly, in January of last year. The Report of that Conference has been published by Messrs Cassell & Co.; and in the preface there will be found an explanation of the purpose with which the scheme was initiated, and the manner in which it was carried out. It will be enough to repeat here that the general question proposed in the inquiry was, *Is the present system whereby the products of industry are distributed between the various persons and classes of the community satisfactory? or, if not, are there any means by which that system could be improved?*

The anonymous donor of the fund from which the expenses of the Conference were defrayed, finding that a considerable balance of the thousand pounds set aside by him was returned by the original trustees, asked me to undertake the task of disposing of this sum in whatever way should seem best fitted to carry on the inquiry.

On consideration it was decided to attempt something like a *résumé* of the facts and opinions brought out in the Conference, by asking several of those who had taken a prominent part in its proceedings to set forth their doctrines in a more extended form; and, inasmuch as the project had its birth in Scotland, it seemed good that these statements should in the first instance be delivered to audiences in some of the largest centres of Scottish industry. Care was taken that in the selection of subjects, and of lecturers, no single aspect or tendency should have undue prominence, and at the same time that no important section of opinion should be unrepresented. The lectures were given in Edinburgh, in Glasgow, and in Dundee, during the months of May, June, and July of this year, and the amount of interest which they aroused seems to promise that in a collected form they will be welcomed by a wider public as a valuable aid to the understanding of the present position of industrial problems.

Each lecture is here printed as it was delivered, subject only to the corrections of the author; and it will of course be understood, from the nature of the scheme, that the various writers are in no sense responsible for any opinions or statements in the volume outside of their own lectures.

JAMES OLIPHANT.

*Irregularity of Employment and Fluctuations of Prices.**

I HAVE been determined in the choice of a subject for this lecture by a conviction, continually increasing in strength, that uncertainty of employment is the root-evil of the present industrial *régime*. By this I do not mean to imply, that even if we had done away with uncertainty of employment we should not still have to deal with other great causes of social mischief. Over-population, ignorance, selfishness, fraud and oppression, faulty systems of distribution, and the like, are vital and powerful sources of misery, the importance of which no one wishes to deny. But when we try to grapple with these evils, we find that the natural operation of remedial forces meets with a serious obstacle. The condition of a large mass of the people is so precarious, and the state of industry so unsettled, that social reforms, which must be gradual and slow, have no time to mature; and the situation alters before the proper remedies can be considered and applied. It is on account of its indirect consequences, then, even more than as an immediate cause of evil, that uncertainty of employ-

* Different parts of this lecture were given in full at the different centres, the remainder being sketched in outline only.

ment seems to me to demand the first place in the attention of the friends of social progress and of the claims of labour.

It may be objected that the subject is far too wide to be adequately treated in the time at my disposal, and that I should have done better to select some special branch of it for a more thorough handling. Such a course would certainly have been casier and more agreeable to me, and probably also to my hearers. But in a matter of this kind there is very much to be gained by the attempt to take a comprehensive view. In economic more perhaps than in any other discussions the danger is that principles are apt to be overlaid with details, so that we cannot see the wood for the trees; and special points, in themselves deserving of notice, get undue weight assigned to them. This has been particularly the case in the current controversy as to the nature and causes of the depression of trade, a matter closely connected with our present subject. Warned, then, by this example, I have preferred to-night to go to first principles, and, risking the opposite danger of superficiality, to give you as fundamental and systematic a view of the subject as time will permit, trusting that many may be stimulated to work out the details for themselves.

Before commencing, it may be convenient that I should indicate the order of topics and the general results arrived at. I propose, then, to consider briefly, first, some of the evils arising out of irregularity of employment; secondly, what light is thrown on the causes of this irregularity by an analysis of price fluctuations; lastly, what seem to be the best means for securing greater social stability, and what progress

is already being made in this direction. It is not so easy to state in a few words the practical outcome of the inquiry. The industrial disease we are investigating is too complicated to be removed by any simple remedy; but the general results to which I believe we shall be led may perhaps be briefly indicated in advance. The causes of disturbance seem to fall into two main groups. Some of them are due to the imperfection of our monetary, banking, and market mechanism, which, though greatly improved, is still only in a rudimentary stage of development. Others are directly connected with our system of production and habits of consumption. There is no reason why the first group should not be gradually removed by the progress of economic science and the accumulation of business experience. The second group presents graver difficulties. No mere mechanism, however scientific or ingenious, could enable us to control or to foretell the fancies of the consumer; and the system of production is largely prescribed to us, whether we like it or not, by the existing state of physical knowledge and the industrial arts. In both respects, however, I believe that something can be done. And I have summed up the main directions which remedial action must take in two words—publicity and organisation.

EVILS RESULTING FROM IRREGULARITY OF EMPLOYMENT.

First, then, let us consider some of the chief evils due directly or indirectly to irregularity of employment. To many of my hearers this may well seem

a work of superfluity ; but I do not think that it is so from the point of view of the public in general. No doubt it is difficult for any one to approach the subject from the industrial side without being struck with the economic and social injuries resulting from violent industrial changes. But the trader often regards such disturbances merely as the normal occasions of profitable dealing ; and I doubt whether by any class the full extent of the injuries they cause is always recognised. At all events, those who desire to grapple with the mischief, and to mitigate the price fluctuations which lie at the root of it, find themselves opposed by prejudices and interests so strong that common prudence warns them not to neglect the statement of their case.

How far and for what reasons, then, are industrial fluctuations injurious? No one, of course, either expects or desires altogether to abolish fluctuations. Rhythm appears to be one of the most fundamental laws of the universe. Progress and motion of all kinds would seem to take place by waves, pulses, and cycles, not in uniform directions. Industry can claim no exemption from this law. In industry, too, as in other domains, unquestionable advantages result from a certain amount of disturbance. Change stimulates invention and energy, and prevents stagnation.

"The old order changeth, yielding place to new,
Lest one good custom should corrupt the world."

The question, in short, is entirely one of degree. A fresh breeze is as beneficial in industry as in navigation ; storms are destructive in either. It is not change in itself, but discontinuity, or violence of