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Unemployment, Its Causes and Suggested Remedies.

The problem of unemployment is listed among the worst and most widespread of our industrial evils. A large portion of our population is at all times unemployed; but in times of depression or of any great crisis the number is alarmingly increased.

We are concerned with the modern aspect of the question. Unemployment may be said to be essentially a problem of to-day in that the multiplication of large establishments and the consequent reduction of independent industrial effort, as well as the artificial increasingly congested life of the cities, have made the welfare of those without assured means of support depend upon every economic change in the state or province, municipality, and private business. The working man's bread and butter is at the mercy of economic shifts. He may be moved up a peg or he may be sidetracked altogether. Neither skill nor education can absolutely secure him against all hazards. Modern industry seems to include among its unwritten doctrines "the survival of the fittest."

The growing seriousness of the problem involves not alone physical distress but the mental suffering of the classes involved. Growing rebellion against the "fetters" of the present industrialism is read in the Trades Union doctrines of collective bargaining, in socialistic principles and in the exposure of corruption in high places. Such are the voices, not very fair some of them. The working man is clamouring for his rights; for a recognition of the new idea of justice that gives to every human being what he needs rather than what according to the old doctrine of justice, he can afford.

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We must hearken. We cannot afford to turn a deaf ear to the voices of social unrest, class differences, and racial and religious grieving. These social problems the Government must face in some way or another. We, in Canada, where there is no concern about territorial aggression, should try to establish a fair public attitude towards the foreigner who is here, (We cannot ignore him) and desires to hold his job, towards the soldier, who has returned and desires the foreigner's job, towards the Trade Unions, towards the employers, who are threatened, first by Unions, then by soldiers, and lastly by their contracts for their delivery of goods. Among these several classes the Government must place itself as a mediator. Let those help who can. "The Government cannot do right unless the people acknowledge what is right."

It seems to be generally admitted, that adequate provision for unemployment is under modern conditions a necessary background to high efficiency in production. In the nature of things there is an ebb and flow in the tide of industry which, no devices for equalizing demand, can wholly overcome and this fact tends to reduce the efficiency in two ways. (1) Workmen fear that unstinted output may result in a shortage of work and wages.

(2) Their capacity as workmen is liable to deteriorate during spells of no employment or too little employment.

Added to the general conditions of industrial life, we have an extra dislocation as a result of the gigantic world struggle affecting more or less all the civilized world. "The incongruity of war with civilized life is most keenly realized when one turns from the cheering crowds that welcome our home-coming heroes to the industrial conditions which confront and daunt those heroes when the tumult and the shouting have died away. It is true that in Canada as compared with Belgium, France, Great Britain and other countries, whose fate it was to bear the brunt

of the conflict, the war has only scratched the every day life of the people" --- "But even if the war brought no destruction to our doors its unique modern character of gigantic industrial conflict interwoven with the military struggle of a world in arms resulted in a serious dislocation of industrial life."

In short, during the war, our ordinary factories were changed, in many cases, to ammunition factories. Capital and credit were withdrawn from ordinary industries and devoted to war production. The transition back to a normal industrial basis, must of necessity be painful and slow. It has always baffled the wisest men to readjust things upset by a world-wide struggle. What then might we expect in this present case when the civilized world has just passed through the greatest of all wars, - a war compared with which all other wars sink to insignificance and appear mere toy-plays?

Unemployment is invariably followed by two evils,-

(1) When a man cannot find a job he does not blame himself as a rule. He blames somebody else. In fact he blames the employers and other "big bugs" as he calls them. He feels as if he were in a class by himself and all other classes were taking his chance of getting on in the world from him. He curses those men holding his fortune in their hands and keeping it away from him. These other men are aware of his attitude. They feel that he is treating them unfairly. Both parties become antagonistic to one another. Such being the case it is very difficult for them to work together. Sympathy is lacking on both sides. When the Government and others wish to mend matters in some extreme cases, they find themselves blocked on every hand by the antagonism and lack of sympathy between the parties concerned. In every case matters are delayed, and in some instances matters cannot be mended at all.

(2) As a result of unemployment, or irregular employment,

a man has no comfort, no conveniences and sometimes even a very scanty subsistence. This being the case, he becomes in the long run physically weakened. As time passes, he will not be able to do the same work and to do it as well as if he had been at his best. That is to say, there is always this danger that the unemployed become unemployable. But not only does the man become physically weakened, for it follows naturally that he becomes weakened mentally and morally as well. As he loses his chances of getting on he becomes listless and careless. He loses all ambition to learn anything. "What is the use?" he thinks to himself. "I have no chance anyway." As his strength wanes physically and mentally he becomes a coward - a moral coward. He does not care very much what he does or how he gets a dollar in order to exist. In short, the man has lost a good deal of his strength physically, mentally and morally. He has to a certain extent become unemployable, and if he brings up children he will likely transmit his weakness to them. In this case the evil is cumulative.

Social reformers must therefore be on the lookout for the causes of unemployment in order to offset the evil as far as possible.

(1) As things stand now, the most striking cause of unemployment, the one all people seem to keep their eyes on, through all kinds and degrees of "magnifiers," is the dislocation caused by the recent war. But this is an abnormal one and as far as I can see, regarding Canada, not so terrifying as some try to make out. We are concerned more with the normal causes of unemployment, some of which lie deeper than the one in question. There is, however, at least one serious aspect of this cause which must be considered later and which has been already looked into by the leading men and women of Canada. More about it later.

(a) One of the great causes of unemployment and irregular

employment is a lack of confidence between employers and the people employed. I have in mind a case where I was myself concerned. I was working out on a railway in the Province of M. There were about sixty of us handling sand stones and ties. The work was hard to most of us and we would have been glad to take a rest now and then. We dared not do it though except when our "baas" was away somewhere and could not watch us. It was then that many a man did as little as possible. But when he came back what a change! Everyone became extremely busy; seemingly so. That foreman did watch us too. He knew that some of his men could not be trusted and he concluded that we were all alike, rascals who could never be trusted. He was mistaken. More than half of his gang could be trusted. They worked honestly whether the "baas" was around or not, and I believe that they felt that they were unfairly treated when called rascals and scoundrels and treated like thieves. I may have been mistaken but I thought that as time passed they became less careful in their duties than at the outset. It was the old old story "It was hard enough to turn the grindstone but to be called a rascal for doing it was too much" for an honest man. Later, I was working with a number of men under another employer. We were handling green oak ties. The work was hard. The weather was hot and we were tired. That employer was unlike the former one. He trusted us. He knew that the work was hard. He did not watch us very closely, but when he did, he called out again and again: "Boys, take a rest. Do not work too hard. It is really too hot for this work to-day." We sat down and rested for a few minutes. Did he need to tell us to get up again? Oh no. We got up again willingly and set to work with all our strength. How we did work! We felt it worth while to work for a man like that (I believe he was a Scotchman). There was confidence between the employer and the employed. Confidence between the parties concerned worked like magic in that case. Of course, when there is lack of confidence between the parties, the result is that the employer discharges any and perhaps all of his men at any time without much warning. Others leave of their

own accord. They do not wish to stay. These men wander about unemployed for a month or two or perhaps longer. They spend what they have of money and more sometimes. They may happen to get a job for a month or so. Their story is repeated. The year passes without improvement. So does not the next year perhaps and still another. Strength wanes. The fleeting moment never comes back again.

(3) We should not forget that instability and unreliability of character increases unemployment. Some men are naturally idlers. They never work steadily. Others are unreliable in word and in deed. They are naturally liars, it seems; others are thieves. Some are both. Then there are the gamblers. When do they work? During the night they are busy. During the day they are unemployed. Some men have weak nerves and cannot work steadily. Some men are idle because they cannot find the work they are fit for. They have drifted to the wrong "shelf" in their struggle for livelihood. The personal factor is an important one here as elsewhere.

(4) We have to consider as one of the causes of unemployment: the "Loss and Lack of Industrial Quality." There are continual changes of industrial structure. Particular trades decay and new ones take their places. The danger is that men advanced in years are thrown out as useless with the particular decaying trades. There is not much chance for those old men to enter the new fields. In some cases skill seems to increase almost to the end of life, but as a rule employers do not recognize anything of the kind, and as a result throw out the old hands good and bad alike. Then deficiencies of industrial training and lack of education fetter a man more or less for all his life. Men taking to casual employment are necessarily on the wrong track most of the time. There is generally only one line of work in which each man can do well. Each man is generally best fitted for some one thing. This is the great trouble. The majority of the working population has never learned anything well. They are in the full sense of the word "unskilled"

and many of them lack general ability as a result of inadequate educational training.

(5) The men who undertake to bring the "jobless man" to the "manless job" frequently make some serious mistakes. It seems that there are always two or more of them in close proximity and that part of the scheme of these employment agents is to make money out of the jobless men without much consideration as to whether the "jobless man" ever reaches a "manless job" or not. In short, these employment agents are business men, and when they advertise for say two men to cut cordwood somewhere or to do something else, the first consideration in that employment office is in some cases to get \$2.00. To place the workers on the spot and to see to it that they really get the work seems to be in some cases the secondary consideration. To some it may appear that I am putting the case strongly, but this at least is true almost without exception that those employment "stands" do not work together, but as a matter of fact compete with one another. This being so, endless mistakes are made in placing the workers. Stand A is aware of a manless job say on Monday. An advertisement appears at A for 300 men. On Tuesday 200 men appear and are sent out on Wednesday. That same day stand B becomes aware of the fact that A has sent out some men, but not all that were wanted. They do not take the trouble to inquire as to how many were sent out by A. They do not care very seriously. They advertise for 150 men. They perhaps think that it would be just as well to send out too many than too few. Once the men are out in the bush they will likely find work in some way or <sup>an</sup> other. These stands wish to be on the safe side. On Saturday 120 men appear at B and are sent out that same day. These wood cutters reach camp on Saturday night and find to their dismay that only 100 of them are wanted. The unfortunate 20 have to make their way back the best they can. Most of them are likely without money and have to make the journey on foot. A week or so later they appear unemployed in the city of X looking for a manless job. This case just stated is pretty common all over. There always seems to be

a surplus of men hovering around where some considerable amount of work can be had. As time passes employers seem gradually to weed out a certain number of these unemployed men. They are the ones that are fast becoming unemployable. But the reason for the ever present surplus of men is the lack of co-operation among employment agents. It is not that there are really too many men for all the manless jobs. It is the bungling of those men who undertake to bring men and jobs together.

(6) There is such a thing as seasonal fluctuations in employment. This swells the crowd of the unemployed. In the prairie provinces of Canada, where farming is the mainstay, we have the well known busy seasons of spring and of fall. Farmers are awfully busy in spring getting in their crop. They want "hired hands" badly during that season; but, when they are through with that work, a slack period sets in and some of the hired hands are dismissed as not wanted till harvest time. Then there is another busy season on the farm during harvest and threshing time. Hired hands are wanted and good wages are offered. Almost anybody can get work then; but as soon as threshing has been done time slackens again on the farm. Most of the hired hands have to leave and find some other work during the winter. They have a chance to go out fishing for 2 or 3 months or to a lumber camp; but to get ready and to get "there" takes time, a time of unemployment, and after the 2 or 3 months these labourers have to make a new move and so lose time and money. In the cities the trades active in spring and summer are furnishing, building, engineering and so on. The people who work at such trades find themselves out of the work. Some of them for the remainder of the year. They must find some other job, not easily found sometimes. Then trades active in winter are coal mining, iron, steel and plate mills, and printing. Workers in such trades may find themselves thrown out of work during spring and summer. It may take time to find another job, and in the meantime these workers must swell the number of



the unemployed. Social habits have something to do with unemployment too. In Court dressmaking there are busy spells and violent changes off and on, causing short engagements and sudden dismissals. However, if a man be "any good" as we say, he will likely be able to find work for most of the time in a country like Canada at least. Seasonal fluctuation becomes a question of wages more than of unemployment. Still as Beveridge says: "From an economic point of view no industry is self supporting unless it pays wages sufficient to keep men not only when they are at work but also while they must stand idle in reserve."

(7) In Canada, as in every new country, we have the influx of foreigners helping to increase the number of the unemployed, and even of the unemployable. This follows naturally from the fact that many of such people cannot understand the English language, much less speak it. There is no common ground on which we can meet such men. We cannot very well employ men who cannot understand what we say to them, men who lack the first essential of being employable in the country. Even when such men just coming into the country can understand the language partly, they are at a great disadvantage in coming into what appears to be a new world to them; where everything seems totally different to what they were used to in their country. It takes time for them to learn what is required to be learned in their new home and to unlearn some of the things they learned at home, for which they have no use now. While they are learning what is required in the new home and unlearning that which is no longer of any use to them, they too swell the crowd of the unemployed.

(8) There is now, there always is, I suppose, in a country like Canada with its conglomeration of different nationalities from all quarters of the world, a number of "Pedagogues," men who make it their business to stir up strife among the different classes of society. They go about raising the cry that Capital is exploiting Labour. It is an "oft-told" story.

It may be partly true. It is not always true when it is said by any means; but it is easy to get men to listen to such a cry. People flock together and take up the cry. Very soon the cry seems to be all over and someone adds: "Let us stop work. Let us strike to get even." Quite a number of men agree. So they do strike and all work done by the ones now on strike stops for a week, for a month, for months sometimes. This is not all. The strikers have a hard time getting work again. Their former employers will not take them back when the battle is over. We cannot always blame the employers for being slow in taking the strikers back. Added to this some of the strikers may happen to be old hands, who have learned one trade well but nothing more. When they lose the one job they kept for 20 years, say, they are useless. They are laid up for years, perhaps partly for the rest of their lives since they cannot do anything else well. It is fairly clear that such strikes or lockouts cause unemployment for weeks, for months, for years, as the case may be.

(9) Finally we have unemployment as a result of cyclical fluctuations in trade. The causes of these fluctuations are obscure, but at least half a dozen theories have been advanced in solving the matter; but no solution has as yet been found altogether satisfactory.

(a) The first theory as cause of industrial fluctuations is found in the fluctuation of the volume of metal currency, involving a corresponding rise and fall in prices.

(b) Then, some emphasize misdirection of productive energy. That is to say, more is produced than can be sold at a remunerative price, or, too much is produced of what is not easily consumable as compared with what is easily consumable. Sometimes people invest in roads, but less in things to be taken over such roads.

(c) and (d) There are two theories advanced which mean very much the same, namely, superfluity of productive energy and under-consumption. Men speak of superfluity of productive energy.

The idea is that workmen have only the bare necessities for existence while the capitalists have too much money. They are compelled to save only by investing in fresh factories and means of production. Over-saving here really means the same as under-consumption.

(e) Then there is the competition theory which shows two or more men trying to produce as much as possible of the same article independently of the other or others. They glut the market. They cannot get rid of the goods. Depression follows. Competition works with a reserve capital.

(f) Cyclical fluctuations, as far as they concern unemployment, mean discontinuity in the growth of the demand for labour. The total supply of labour, that is to say, the population, grows on the whole fairly steadily, or, at least with little variation from year to year. The demand for labour grows unsteadily. Dislocation and discontinuity of employment follows.

There is perhaps some truth in all the theories advanced above. "There is some reason for saying that cyclical fluctuations of trade depend upon the abundance of capital available for the new enterprises and upon industrial competition; that it represents in fact the incessantly renewed attempt and partial failure to put into operation productive forces normally in excess of the existing demand." (Beveridge).

Before suggesting any remedies, we must take a near sighted view of this army of unemployed men moving back and forth here there and everywhere. They can always be separated into three divisions. First, there are those who are willing to work and are able to work. Then there are those who are willing to work but who can do only one kind of work and that not any too well. Further, these men may be disabled in some way. They are partly at least unemployable. Finally, there are those who will not work and whose evil traits of character make it out of the question to employ them. How are we to find out which is which? How are we to find out who are willing to work

and who are not? How are we to know who are employable and who are not? Switzerland has dealt with this question very successfully I think. Let us see what the Review of Reviews says about it in April 1914: "In Switzerland there is no resorting to workhouses as to hotels there; no wandering round the country side extorting alms while pretending to look for work. For begging is a crime and so is vagrancy; and in some cantons the police receive a special fee for every beggar or vagrant they arrest. If any man is out of work there he must try to find work; for if he does not, the authorities of the district where he has a settlement will find it for him, and of a kind perhaps not at all to his taste - tiring and badly paid. And he cannot refuse to do it, for if he does, he may be packed off straight to a penal workhouse, an institution where military discipline prevails, and where every inmate is made to work to the full extent of his strength, receiving in return board and lodging with wages of from a penny to three pence a day. And when once he is there he must stay until the authorities decree that he shall depart; for as a penal workhouse is practically a prison, he cannot take his own discharge and the police are always on the alert to prevent his running away. No matter how long this sojourn lasts, however, it does not cost the community a single penny; for in Switzerland these penal institutions are self supporting. Some of them indeed are said to be regular source of income to the cantons to which they belong."

I think it would be well to learn from Switzerland. When a man is set to work, as described above, it soon becomes tolerably clear whether he is able to work, whether he is really willing to do so, and what he is best fitted for, if he be indeed fit for any work. It is an admirable feature of this system in Switzerland that no matter how long the sojourn lasts it does not cost the community a single penny."

(1) As to the dislocation caused by the recent war, the chief remedy must of necessity be that of readjusting things that have been moved out of joint, as far as that is possible. We are no longer at war. We must stop thinking of war, and take to peaceful industries. Capital used for war purposes must now be invested in useful industries of some kind right at home. That is being done as fast as possible in many cases. The serious question in this relation is so to manage as to satisfy more or less our returned soldiers and their dependents. It has become a duty of the citizens of Canada to provide the best way they can for the future of the men and their relatives, who have done so much and suffered so much for the great cause of freedom, freedom for the coming generation we hope.

Already a great deal has been done. Settlement boards have been formed and offers made to these men of land, of real estate, of buildings and so on. Best of all, we have schools established where returned men have the chance of receiving general education, and if they wish, learn various trades. Here even crippled men have the chance to learn trades, helping them to make a decent living in spite of various handicaps - results of the menacing recent war. It is to be regretted how many there are who have not availed themselves of this help by the Government of Canada, the best of all helps, a kind of self-help.

I am very hopeful that this cause of unemployment will gradually be overcome by the Government of Canada and by the help of the most thoughtful men and women in the country.

(2) Regarding the second cause, the lack of confidence between employers and the people employed, it is not out of the way to ask the question whether it be necessary to bring the old European class hatred and class distinction into our new western world. After due consideration most of us would answer the question in the negative. I as one would. Why should we not meet one another as equals. As far as men are

not thieves and beggars, they must be workers. Even thieves work hard sometimes, and in this country there are mighty few beggars. We are then almost all of us workers. Wherewith lies the difference then? Someone says: "The difference lies in class distinction caused by difference in birth and difference in wealth." With me such distinction does not count. None of us is responsible for his birth, and as to money matters, it is very often a difference of chance and circumstances that makes for differences in money matters. The real worth of a person lies in his character and conduct. Let the person be ever so poor, if the beauty of his character shines out in his daily conduct, it makes no difference whether he be rich or poor. Neither does birth count in that case. What about the words "employer" and "employee"? The same person may be an employee today and an employer to-morrow as it were. It might go the other way. It must be added that we are all the children of the all father. That one fact should settle it. We should meet one another here there and everywhere as equals. Then we would get more work done and better work than at present with our foolish class distinction. National wealth would be increased as a result of mutual good feeling between man and man.

What can we do about it. We cannot legislate in a matter like that. It is the work of the Church, of the School and of the Press. Let them get at the matter in earnest. The Church and the School have always stood for some reform in social matters. They have done and are doing some work of this nature. They do forget sometimes. They must never forget their work and they must do more than they are doing just now in this matter. The Press is not doing much for improving matters in this respect. They ought to talk about social reform; but they seem to be busy at almost everything else. It takes a lot of their time to win, or help to win elections, and to denounce the Government of whatever colour or creed that body may happen to be.

Let the Church and the School help the matter out.