

It is reported in the daily newspapers that the Dominion Government may introduce a measure establishing a scheme of unemployment insurance at the coming session of Parliament. This is in line with the programme adopted by the Industrial Conference at Washington a year ago, pursuant to the organization of a labor department in connection with the League of Nations. Other items of this international programme are the eight hour day, the protection of women and children in industry, and the elimination of several poignant occupational diseases. No doubt the arrival of a period of economic depression with the inevitable dismissal of many workers from their jobs, is pressing the question of unemployment insurance to the front.

It is a regrettable circumstance, though probably unavoidable, that we should have had to wait until the problem was upon us before attacking it. It had been better strategy to have foreseen and anticipated its incidence. Any scheme of insurance, of whatever nature, involves the principle that the fat years carry the lean years. Joseph, in ancient Egypt, could fill the granaries during the years of abundant harvests, in preparation for the ensuing years of scarcity. But Joseph was the instrument of absolute sentiment, which an elected government cannot do. He did not require to justify his forethought to the people of Egypt. The political mind of a modern people is not yet disciplined to the point of foresight. Its response is emergent, not prophylactic; and the voters approve only of what the insistent requirement of present needs seems to justify. Thus any scheme which may be initiated during the coming winter is less likely to be effective for the period of unemployment now upon us than for the next period following, when the pendulum of industry shall have swung through another arc.

#### Intelligent Distribution of Labor.

Fortunately, one essential factor of any such scheme has been provided in recent years by the establishment of the government employment service. A chain of employment bureaus stretches across the Dominion, a corps of officers have become familiar with employment problems, and much helpful data has been collected. Indeed, the first line of attack upon the problem of unemployment is through the intelligent distribution of labor. The public employment bureaus have been engaged in that task for several years, and possess the machinery by which more vigorous endeavors may be applied to a more congested labor market.

The justification of unemployment insurance is found in the fact that the workers are not commonly to blame for the cessation of work. It is true enough that there is always competition for jobs among them, and that superior energy and capacity secure the more continuous employment. But that is not to say,

## Unemployment Insurance

### First Line of Attack against Unemployment, the Intelligent Distribution of Labor, already Established.—Insurance is the next Line of Attack.

### Causes are Beyond Workman's Control

By J. W. MACMILLAN.

as many think it is, that the less energetic and capable are to blame for being out of work. Even if their energy and capacity were not gifts of nature, or consequences of a training and environment which was wished on them, there would still remain the fact that success or failure in retaining employment is a comparative affair. It is not energy, but more energy which wins. It is not capacity, but more capacity which wins. It constantly happens that a very low degree of efficiency is sufficient to hold a job in one trade, while a much higher degree is of no avail in another trade. What incalculable and prodigious efficiency would have been required to hold a job in a sugar refinery a month ago! At the same moment any sort of a blunderer could get work in the lumber woods.

#### Causes Beyond Workman's Control.

As the report of the Royal Commission on the Poor Laws in Britain, in the year 1909, put it:

"A study of modern industrial conditions proves that unemployment is often due to influences for which the workman is not responsible. Whether it be from cyclical depressions of trade, or from fluctuations of the demand in particular trades, or from the effect of machinery, or from special inclemencies of weather. It has long been recognized that every workman, however regularly employed, incurs a risk uncertain in imminence and indefinite in extent, of being thrown out of employment through causes beyond his control. It is this recognition of unemployment as a normal risk of industrial life which has led to the various attempts of so-called insurance against unemployment."

This argument is strengthened by the consideration that a certain amount of unemployment is a necessary part of the mechanism of our industrial order. The industrial system must have its reserves, even as the financial system. If either system is to be mobile and resilient, adaptable to variations in demand and supply, fitted to a market always dynamic and never static, there must be constantly, in some convenient place, a certain amount of labor kept in idleness in order that it may be immediately available for work. The inconveniences and awkwardnesses of recent years, when there was a shortage of labor, are fresh in our memories.

#### Same Argument for Insurance as for Compensation.

The general argument for unemployment insurance is the same as for workmen's compensation. That argument, as applied to bodily haz-

ards in industry, convinced all Canada—employers, employees and the general public alike—within the brief space of two or three years. This miracle of persuasion is due to nothing less than the overwhelming power of the truth in it.

Unknown, disregarded, and denied for a century and a half of modern industrial conditions, it no sooner gets formulated than it wins universal assent. Organized bodies of employers, after one or two glances of surprise and suspicion, become its advocates. The provincial parliaments, to whom any legislation of a social nature was a novelty, feel themselves compelled, casting aside all academic preconceptions, to enact laws so wise, merciful and necessary. From coast to coast, not as an invader or usurper, but as a rightful ruler who claims only what all acknowledge to be his due, the workmen's compensation idea marched in triumph.

The argument is the same for unemployment insurance, though the law is apparently to be a Dominion rather than a Provincial statute, and the problem of unemployment is far more extensive, obstinate and complicated than the problem of bodily accidents. The situation is more perplexing, but the obligation is as plain.

#### Insurance, Second Line of Attack.

In a work by W. Beveridge, "Unemployment a Problem of Industry" written in England in 1912, the following statement occurs:

"The principle of insurance affords the most satisfactory, because the most flexible method of making general provision for unemployment ..... Insurance against unemployment stands in the closest relation to the organization of the labor of attack on the problem of unemployment. It is, indeed, the necessary supplement thereto. The Labor Exchange is required to reduce to a minimum the intervals between successive jobs. Insurance is required to tide over the intervals that will still remain. The Labor Exchange mobilizes the reserves of labor for fluctuations and hastens re-absorption after changes in industrial structure. Insurance is needed to provide for the maintenance of the reserves while standing idle and of the displaced men while awaiting re-absorption. No plan other than insurance—whether purely self-supporting, or with assistance from other sources—is really adequate. The provision required is one adaptable to an immense variety of individual cases—that is to say, it must be far more flexible than anything to be attained along the lines

either of relief works or of elasticity in working hours. The provision required is one made in part by the individual himself; by simple grants of money—whether under the Poor Law or otherwise—his self-respect is endangered. The provision required, however, cannot be made by the individual acting alone; unemployment may never come to him at all, but when it does come, may exceed all possibilities of private saving. The principle of insurance—which is simply that of spreading the wages in a trade so as to provide for the necessary margin of idleness in the trade—is therefore essential. It is at the same time adequate. The spreading of the burden of unemployment over all the men of the trade would make the burden tolerable in all but the most casual occupations. The premiums required for insurance in the principal unions are small relatively to the total wages—smaller indeed in most cases than the amounts added to wages within recent years. There is no reason why the trades unions themselves should not extend the system of unemployed benefits. There is ample warrant in foreign example for giving State encouragement to such extension. There would be no impossibility in the State's applying the principle of insurance to the risk of unemployment quite generally and comprehensively, once a test of unemployment had been made available."

I have quoted this paragraph at length, despite the obvious fact that it has the conditions in Britain in view, and that these conditions differ materially from those in Canada, because it sets forth clearly the preliminary case for unemployment insurance. In a later article I shall discuss, in some detail, the several systems which have been used, in one country and another, for insuring the workers against the evils of involuntary idleness.

#### FARMERS ADOPT RECIPROCITY PACT.

The meeting of the West Middlesex United Farmers' association held at Strathroy, Ont., last week, adopted a draft platform for the United Farmers of Ontario for the next federal elections. A copy will be sent to each United Farmers' Club for discussion in preparation for the annual meeting of the provincial organization in Toronto.

The principal planks are the adoption of the reciprocity pact of 1911, the reduction of the tariff between Canada and Great Britain by half, the admission to Canada free of duty of all foodstuffs, farm implements and machinery used in the production of the natural resources of the country, and the imposition of two per cent. on incomes of \$1,000 for single men and of \$2,000 for married men, rising two per cent. with each additional \$1,000.

There was not much discussion of the draft. One delegate declared that unless the Canadian tariff wall was kept as high as the American the country would be swamped with manufactured products of the United States.