

LABOR UNREST

Indications of labor unrest in Canada draws sharp attention to the fact that if workmen are deluded by the false economic philosophy of mere agitators, permanent injury will be done to their cause. It is as absurd as it is untrue that the rich are growing richer and the poor poorer during the present period of industrial activity; or for that matter, that such has occurred during any period of the past fifty years. No one will deny that profiteering during war time is abominable; but that profiteering may be just as characteristic of the demands of labor as it has ever been among war contractors. In fact, and to their everlasting honor, it may be truthfully said that Canadian manufacturers and financiers have accepted every manner of risk with the possibility of the heaviest losses, in order that the war may be won.

A prevalent idea that labor can progress only if it secures a monopoly position in the field of industry, finds no foundation in present or past experience. Before the labor union became a factor worth mentioning in the economic life of Canada or the United States, labor made amazing progress. During the half century, 1850-1900, the hours of labor were reduced from 12 and 14 to 8 and 10 per day, while wages in terms of money, as well as of purchasing power, doubled. It cannot be truthfully said that the unionizing of labor effected this remarkable transformation in the wellbeing of the working class. The false doctrines of the sympathetic strike, and of the solidarity of the interests of labor against those of capital, need no refutation by those who understand the phenomenal advance that has been made by labor, with respect to the standard of living and material wellbeing, before the union became a significant factor in the labor world.

No doubt the rapid accumulation of wealth, and particularly its control by the idle rich in Canada and the United States, has had much to do with unrest among the working class. Nevertheless, it should not be forgotten that industrial activity and control does not make for the creation of a leisured class. The manager of a business enterprise certainly cannot escape responsibilities, and holds no sinecure simply because he manages property which is largely owned by others. His reward is not disproportionate to the strain under which he works, nor the responsibility thrust upon him. And, as Mr. Schwab recently stated, there were never greater opportunities to rise from the ranks than are presented to efficient workers to-day. A survey of industrial leaders occupying prominent positions in the economic world in the United States and Canada, discloses the fact that the majority of them have reached the top of the ladder by starting at the lowest rung.

Behind much of present-day agitation is the false teaching that large fortunes have been accumulated at the expense of the laboring class. Such beliefs are largely the result of ignorance and intolerance, rigidity of opinion, and reliance upon emotion rather than upon cool-headed investigation. The extremists and irreconcilables base almost every statement upon *a priori* conceptions, and not upon a scientific analysis of facts,—of which, indeed, they are incapable. This is especially true of their allegation that labor alone creates value; and that, therefore, the entire product should be distributed in wages among the working class.

Too frequently agitators make impossible demands, with respect to hours and wages, because they misunderstand completely the fundamental principles which underlie the industrial process. Hours of work are shortened, a

limit put upon piece work, strict regulation enforced with respect to methods of work because of the futile conception of "making work." Such acts are ruinous to efficiency in production, raise the price of products, prevent the employer from getting contracts in competition with others, and in the end dislocate industry and lessen work.

Both from the economic as well as from the patriotic point of view, there is at present altogether too much talk of the "sympathetic" strike in Canada. The sympathetic strike is based upon the false premise that labor can acquire a complete monopoly of the working force within the country. Census figures disclose the fact, however, that not fifteen per cent. of all males gainfully employed in the Dominion belong to labor unions. Were it possible, nevertheless, to bring all workers within one vast union, the supply of labor relatively to demand would remain as before, and wages could reach no higher level. We have no hostility to the labor union as such; but it should be constantly emphasized that the rewards of labor depend not so much upon monopoly as upon skill, industry and efficiency.

LIFE COMPANIES AND THE EPIDEMIC

Statistics are not as yet available regarding the losses of life insurance companies as the result of the influenza epidemic, and it is doubtful if this loss will ever be accurately known. The disease is not one which is readily identified and there will, therefore, be some vagueness in the reported causes. Evidence received, however, indicated that the blow to insurance companies is a considerable one and it is stated that the expected mortality rate for 1918 may be fully experienced.

In an address recently given before the Insurance Institute of Toronto, by its president, Mr. H. W. Crossin, some figures were given which, while not exhaustive, indicate the importance of these losses. The figures are derived from the United States. At the beginning of November a total death rate of 59,000 was reported from 46 cities, and it was understood that there had been a total of 36,000 deaths in the cities of Massachusetts and Pennsylvania alone. Mr. Crossin stated that he had been advised privately that the deaths in Pennsylvania alone, up to November 21st, the date of his address, had reached a total of 40,000.

An epidemic of this kind strikes the insurance companies at their weakest point. This is for two reasons. In the first place the influenza epidemic has spread throughout practically the whole civilized world, which is the field under which life companies operate. Ordinarily, wide geographical extension of business is a protection, but in this case it has been so only in a small degree. In the second place it attacks people from fifteen to forty years of age, which is a class which carries heavy insurance. An epidemic in this class, therefore, affects insurance companies to a greater degree than would an epidemic among people of less or greater ages.

It is not to be understood from this, of course, that companies operating locally or nationally are in any better position. The United States War Risk Bureau, which undertook to insure its soldiers at the insignificant cost of \$8 per 1,000 has had to face over 15,000 death claims with an insurance loss of \$140,000,000. Insurance rates, it is obvious, must be sufficiently high to leave a substantial margin in ordinary years so that a reserve for such a contingency as this may be accumulated.