

Making Canada's Labor Efficient

The illusion now prevalent in Muscovy, that wages bear no relation to hours of work and productive efficiency, obsesses the minds of many on this side of water—The only road to high wages is in effective and value-producing work

By W. W. SWANSON.

The tyranny of Russian bureaucracy, and not the despotism of the Romanoffs, has injected a fatal virus in the soul of the masses of the Russian people. Dreadful as were the results of tyrannical oppression upon the body, they fade into insignificance in comparison with its effects upon the mind. Nearly all of us, it must be admitted, hailed the Russian revolution with joy, and thought we saw therein a new hope for humanity. The frenzy with which Lenin, Trotzky and the others have assailed every cherished institution, in the so-called Republic, and the rage with which they have attacked property-holders and men of stability augur ill for the future of the Russian people. The illusion now seemingly prevalent in Muscovy, that wages bear no relation to hours of work and productive efficiency, obsesses the minds of many on this side of the water—as witness recent strikes in both Canada and the United States, and the extravagant demands of labor. Soon or late it must be borne in on the minds of all industrial leaders and upon wage-workers themselves, that the only road to high wages is in effective and value-producing work.

The war has taught us the supreme importance and value of labor. Captains of industry and men of affairs realize as never before the fundamental significance of labor in industry. This may seem passing strange to some readers—but reflect upon the single significant fact that in the United Kingdom, before August, 1914, times were thought to be exceptionally good, from the business point of view, if the statistics of the Board of Trade indicated that only 4 per cent of skilled workers were unemployed. Indeed, the percentage of skilled mechanics out of work had to rise to six, seven or eight per cent, before alarm was felt concerning the condition of the labor market, or before there was thought to be any approximation to an industrial crisis. Think what that means—four men out of every hundred, of the skilled in diverse trades, unemployed without provoking any alarm in the business world. And if such were the case normally among skilled workers, it is perfectly clear that many others of the unskilled class must have been idle. In simple terms, the most indispensable and fundamental source of wealth to the nation, namely, its labor power, was both inadequately and inefficiently directed. We have heard a great deal since the outbreak of hostilities with respect to extravagance, but surely the highest form, as well as the most useless type, of extravagance is to be found in the squandering of labor power.

As already remarked, the war has demonstrated the supreme importance of utilizing effectively the available labor supply. Many before the outbreak of hostilities realized in a somewhat indefinite way the economic import of labor waste arising from unemployment, duplication of effort, and extravagant personal service. The white light of war has thrown into sharp relief these industrial immoralities. Among the attempts made in the field of distribution, and especially in the retail trade, to eliminate this labor waste, are the introduction of the "cash and carry" system, co-operation in making deliveries, and the reduction in the item of personal service.

One example of the latter may be here cited. Everyone is familiar, more or less, with the cafeteria restaurant plan, whereby the patron waits upon himself. This idea was introduced first in the city of Los Angeles; and within the last year Pasadena has followed with a similar scheme for eliminating labor waste, by establishing boot and shoe shops in which the customer selects his own footwear from supplies placed in various racks and pays as he leaves. Philadelphia has followed with a grocery store along the same lines. Goods are arranged in racks and bins, ticketed, priced and wrapped, and placed in alphabetical order. Under the letter A, for example, will be found aisee-seed, ammonia, arrow-root, apricots, and so forth; and so on throughout all the letters of the alphabet. The customer pays four cents for a wicker basket, this sum being returned on its being brought back. It is difficult to say, of course, to what extent this self-service policy will make headway, but it is at least significant that business men themselves realize that retail competition has gradually made for waste and duplication of effort. Every-

where throughout the whole field of industry, both in production and distribution, an attempt is being made to reduce business to its simplest terms.

We now know how essential it is to keep labor employed, and employed efficiently. The campaign to inculcate thrift among the masses has had some curious results with respect to its bearing upon this problem. Many have imagined that the curtailing of expenditures upon luxuries eliminates labor waste and makes for productive efficiency. But thrift may be just as easily a vice as a virtue. What is needed is productive thrift and not saving for its own sake. In other words thrift must be intelligently directed in order to be fruitful. Self-denial carried to the point of impoverishing mind and body makes a nation weak in the waging of war. It is hardly less important to properly feed, clothe and intellectually stimulate the producers at home than to furnish guns, munitions and military supplies to the men on the fighting line. It bears repeating, although it has been said a thousand times, that the morale of an army is the morale of the women and children behind the battle line.

This being true, a tremendous burden lies upon those who spend as well as those who produce—for upon each in equal degree depends the economizing of labor power and its effective use. For example, during the present fiscal year, billions of dollars will be spent in the United States and Canada on war account. The greater part of our military supplies will be furnished by present industrial effort; but it is obvious that important commodities, vital for the winning of the war, cannot be furnished by a mere speeding of industry. Take sugar, beef, wheat—these take months, even years, to produce. Almost all foods, in truth, are relatively fixed in amount during a certain period of time. We have been asked to substitute fish, cornmeal, oatmeal, vegetables and fruits, and so forth, in order to save beef and wheat and sugar for the United Kingdom and our European Allies. But is plain as a pikestaff that thrift cannot be relied upon, by itself, to make one substitute fish for beef if the price of the latter is so high that beef, food values considered, is the cheaper product. One might, from the patriotic point of view, live on lobster and cherries—but this could not be accomplished by an appeal to the thrift instinct. All this merely makes clear that the thrift appeal is valueless in certain circumstances; and that under these conditions it must be made plain that the object is to conserve labor to produce requisite overseas supplies of food products no matter what the cost to those at home.

As has been observed, however, the greater part

of the essential materials required on war account must be produced by present labor. It is in this connection that saving and spending bear directly upon the winning of the war. The spending of funds upon any particular commodity directs labor and capital to its production. If the people as a whole will not forego luxuries but insist upon enjoying their usual extravagances, it is patent that labor will be concentrated upon the output of silks and satins, automobiles, perfumery and other commodities that minister to individual whims. On the other hand, by buying Victory Bonds, by depositing funds in the bank, and even by increasing the amount of life insurance held, capital is put at work, together with labor, in increasing commodities required for carrying on the war. It should never be forgotten that the spending or the saving of a dollar is tantamount to the directing of the labor and industry of the nation.

On the other hand, it is obvious that saving in itself, when it approximates hoarding, weakens national efficiency and power to wage war. It is idle, for example, to reduce building construction, to curtail the demand for textiles, to forego the buying of automobiles and so forth, unless the entire labor of the country is otherwise employed. Idle factories and idle mines and the slowing down of water and rail transportation never have yet, and never will, aid in the battle against the enemy. This merely means that the government, and the other makers of public opinion, should be very careful to see that war work will absorb the labor supply entirely before an appeal is made to the people to curtail expenditures on comforts and conveniences and to undertake no expansion of personal business enterprise. Only from the income derived from capital and labor can national requirements be financed. Thrift pushed to the extreme is a very real menace to economic stability.

The war has amply demonstrated the imperative necessity of employing to the full the national economic equipment and the country's entire labor force. It is also made clear the futility of attempting to get results by speeding up labor and working it overtime. The several reports brought in by the Select Committee appointed by the British Parliament, over which Sir George Newman presided, show the inherent danger arising from mental and physical fatigue, with consequent waste of labor energy. In simple truth, a closer study of the psychology of labor would yield results that would quite over-balance anything yet secured by ambitious political programmes, or conciliation, arbitration and the rest.

In conclusion, we may emphasize the vital need of preparing now for necessary industrial reconstruction after the war. For its safety and happiness, as well as for its prosperity, the one thing that a democracy cannot afford to squander is its labor resources. The British Labor Party has outlined a broad programme for preventing, through a policy of national construction of public works, the emergence of unemployment after the war. An identical situation confronts Canada. It would be no less shameful to permit a scourge to afflict the community through lack of sanitation or preventive measures, than to allow unemployment to develop on a big scale—and no less fatal. How shall we face the issue?

OUR ANNUAL ASH HEAP.

The losses by fire in the United States and Canada during the month of April, as compiled from the records of The New York Journal of Commerce, aggregates \$20,108,900, as compared with \$18,597,225 in April, 1917, and \$12,681,050 in the same month of 1916. The fire losses in the month just closed were considerably augmented by a few large fires, notably the one at Kansas City, Mo., and Burlington, Vt. These two fires alone accounted for \$3,500,000 of the total. The losses for the first four months of 1918 amount to \$98,586,135, which, while less than for the same months of last year, is considerably above the normal. The following table gives a comparison of the losses for April this year, with those of the two preceding years and the monthly fire loss record for the balance of 1917 and 1918.

	1916.	1917.	1918.
January	\$21,423,350	\$36,431,770	\$37,575,100
February	24,770,770	29,587,660	20,683,155
March	38,680,250	17,523,000	20,213,980
April	12,681,050	18,597,225	20,108,900
Total (4 mos.)	\$97,555,420	\$102,139,655	\$98,586,135
May	15,973,500	24,968,800
June	12,247,500	15,513,270
July	23,013,800	16,143,050

August	10,745,000	21,751,100
October	17,701,375	26,384,450
November	19,898,450	20,198,025
December	22,063,325	26,360,300

Total for year. \$231,442,995 \$267,273,140
 During April this year there were some 201 fires which in each instance caused an estimated property damage of \$10,000 or over. This compares with 266 such fires in March, 287 in February and 494 in January, or a total thus far this year of 1,248. Classified according to destructiveness, the lists show the following results:

Estimated Loss—	No. of Fires.
\$10,000 to \$20,000	58
20,000 to 30,000	40
30,000 to 50,000	22
50,000 to 75,000	26
75,000 to 100,000	12
100,000 to 200,000	23
200,000 and over	20

All of the important fires were in well-insured property, so that April was a decidedly expensive month for the fire insurance companies which have had an unfortunate experience for two or three years both in fire losses and also in security values. They did not make a sharp advance for the war risk, as did the marine companies, and have, therefore, endured an extra hazard for which they received no premium.