

Unemployment Curve Beginning to Drop

The employment curve is beginning to drop. With prices beginning to sag that was inevitable. After a time wages will also begin the descent.

The worker has an advantage in the day of falling prices, for wages always follow rather than lead the cost of living. As it was untrue to charge wages with the increase in prices — an accusation which was repeatedly made — so it will not be the action of the worker which will bring prices down. He will maintain his demand for the larger payment as long as possible. Eventually, however, he will be forced to accept a smaller sum in his envelope.

This advantage of a slower descent for wages than for prices is, at the same time, more apparent than real. For the gain in buying power which will come to wage-earners, will be offset by the lack of work. It matters not what is the going rate of pay when there is no work. An idle man is as poor without an high wage as he would be without a low wage.

The Greatest Cause of Poverty.

Unemployment is the wolf at the door of the man who punches the clock. Every charity-giving society which keeps intelligent records, puts unemployment down as the first and greatest cause of poverty. And the experience of the last few years, with their hectic trade expansion, shows that when work is plentiful the dispensing of relief falls to a minimum. During the last two winters there have been no bread lines in New York.

It is customary to divide the causes of unemployment into two classes, the personal and the social. The personal causes are those arising from the worker himself. They may be the results of his misfortune or of his misconduct. The social causes are those which arise from the condition of the labor market, and lie outside the area of the workers volition. He is not to be blamed for the enforced idleness which he did not produce and cannot end.

Unemployed Looked at Askance.

In times of business contraction, and especially in the recurrent crises of trade, the personal causes are more in evidence. At such times a comparison is vividly displayed between those who are at work and those who are not. The employed bear the insignia of industry. They are seen going to and from their work at the usual morning and evening hours, carrying their tools or dinner pails. They have money to spend, and are welcome in the stores and places of entertainment. The unemployed, on the other hand, appear in the guise of loafers. They are seen on the street corners, with their hands in their empty pockets. They soon become unwelcome in the stores and theatres. Their clothes are not new and their faces become sad or sullen. The onlooker is provoked to ask, "Why are those fellows not at work?" It is easy for him to believe that if they tried hard enough they might be busy and cheerful.

Besides, there is a certain amount

A Thoughtful Review of a Social Wrong to Solve which little or nothing has been done

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of truth in the superficial judgment which rates the employed man as better in type and character than the unemployed. Unemployment does not advance through the several trades, shutting down one after another, so much as it hits all the trades at once, cutting down the working force in each. So it is the less efficient that are first let out. The casual worker, the unskilled worker, the aged worker, the worker less gifted by nature, the worker whose birth or upbringing handicapped him to some slight extent, are the first to be dropped from the payroll. It is thus easy to accuse the unemployed of being unemployable. Because many of them are less employable than others, it makes the mistake possible of thinking that it is their own fault that they are not at work. But a moment's consideration will show that such a comparison throws no light on the troublesome problem. It is conceivable that only one man in a thousand should be continued in his job, while the nine hundred and ninety nine were 'sacked.' That one man would probably be possessed of extraordinary energy and efficiency. So it would be possible to blame the multitude in idleness for their plight, and say, "Why are those fellows not at work?"

The truth of the matter is revealed in times of expansion. Everybody is then at work, and everybody is accordingly proven to be employable. Human nature is such that considerable variations exist between men and

men, a condition for which no man is much to blame. The work of the world is done by the average man. The employer is a victim of his own illusions when he expects all his workers to measure up the standard of his best worker, just as the worker is in error when he expects his employer to measure up to the standard of supreme efficiency. The average worker and the average boss just have to put up with each other.

Industry Must Have Surplus Labor.

The fact of unemployment has not yet received the attention it deserves. It has been treated as incidental to industry, a misfortune like a sickness, unpredictable, to be dealt with when it becomes painful, and cured or lived through with the hope that it will not recur. It has not been recognized as an essential factor in industry, for which control should be intelligently provided. The truth is that our industrial order will not work smoothly without a certain amount of unemployment. The last few years has illustrated that plainly. The farmer and the factory-owner alike have been hampered because there was no reserve of idle men to draw upon. In the marketing of labor, unemployment plays the part of a reserve. It is as necessary in the mobilization and distribution of labor as a bank reserve is for the use of money. The great difference between the marketing of labor and the marketing of money is that the money reserve lies snugly and comfortably in the bank vaults while the labor

reserve consists of living men and women, who must eat or die.

Social Wrong Remains Unsolved.

Thus, in normal times, when the current of industry flows smoothly and steadily, there will be unemployment found. But in abnormal times, when the rhythmic flow of business has touched its lowest point, and the current is disturbed and vexed, unemployment swells to vast volume. There are many then who must eat, and are driven to all sorts of shifts to keep themselves from dying. Indeed, they do not always succeed. The mortality records show increased deaths in times of trade contraction.

It is a standing disgrace to our civilization that no more progress has been accomplished towards the removal of this social wrong and disability. Even in those lands, as in Britain and Belgium, where vast sums are collected and dispensed for its relief there has been little done to attack the evil at its sources. Ambulances are highly useful appliances but it is better to prevent the need of ambulances.

I am not sure that the good folk of Canada are cognizant of how highly co-operative, not to say socialistic, we are as a people becoming. The functions of government have widened enormously during the last few years. One reads occasionally an eulogy of the ancient doctrine that government should leave to private enterprise all but the maintenance of law and order. Curiously, such eulogies sometimes are spoken by men who are directly the beneficiaries of government assistance, which goes to show how unobservant it is possible for intelligent people to be. We have now nationalized (I forbear to say socialized) two great railways, waterpowers, street railways, telephone systems, elevators, are being owned and operated by the State. And evidently we are destined to go far on this path. Cities talk of establishing markets and instituting municipal coal-yards. The custom has been established of big businesses demanding that the government guarantee them from the loss which private competition would bring. How long will it be before the man without a job will present his case to parliament?

How to Combat the Evil.

Since the establishment of public employment offices, which have kept records of the amount and character of unemployment, and have trained men to deal with the actual men and women who are unemployed, there has been gathered a fund of material and there has been created a programme of amelioration and prevention which await public discussion and advertisement. The intelligent distribution of labor, the provision of "buffer" employment, the control of immigration, and the setting up of unemployment insurance schemes, are the means which are suggested for combatting the distress and inequity of unemployment. I shall have to leave the presentation of these items for another article.

Bankers Oppose Gold Bonus Proposal More Consideration for the Farmer.

The final session of the annual convention of the American Bankers' Association held at Washington, D.C., considered reports of the committees on State legislation, insurance, Federal Reserve membership campaign and resolutions, and the installation of new officers.

The McFadden gold bill was condemned in a report to the convention presented by a special committee comprised of George M. Reynolds, Lawrence E. Sands and A. Barton Hepburn. The bill seeks to encourage gold production by a bonus of \$10 a fine ounce to be paid producers by the government, the money to be raised through a tax on all gold used in industrial processes.

"If, at any time, the banking situation calls for more gold in the United States," read the report, "we can purchase it in the international gold market far more cheaply than we can obtain it by the doubtful method of an expensive bonus." The report denied that the diversion of \$22,000,000 worth of gold to industrial purposes last year constitutes a "national emergency" as stated in the preamble of the McFadden bill.

The middleman system of financing movement of food from farmer to consumer must be made more favorable to the farmer, H. M. Robinson, president of the First National Bank of Los Angeles, told delegates to the American Bankers' Association here today.

"Some method must be devised," Robinson said, "to reduce the pressure on the farmer which forces him to dispose of his crop, either at the moment the harvest is completed or while its movement is under way, as this has too often been used as a means of price depreciation.

"Methods must be discovered for lowering the cost of financing the farmer, both through the period of his production and for an equitable time after the harvest."