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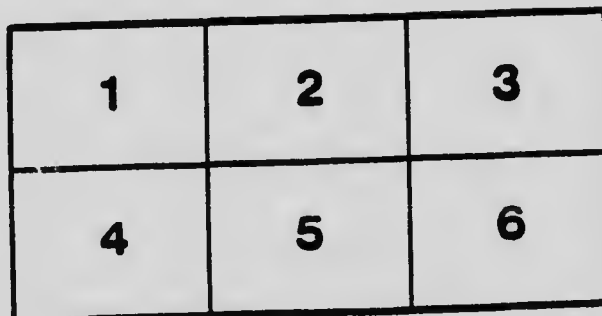
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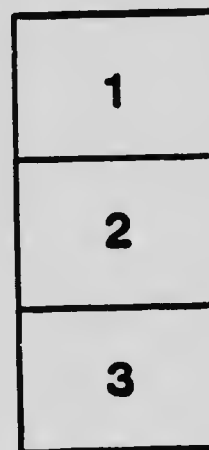
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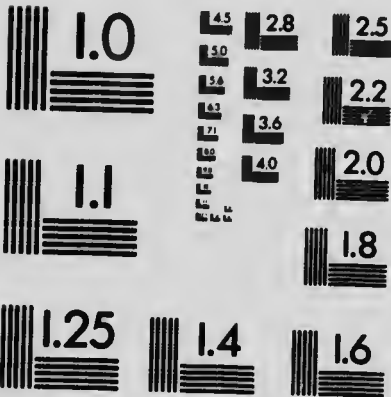
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The Unemployed

A World Problem



H. J. DINGMAN

TORONTO, NOVEMBER, 1914

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THE UNEMPLOYED

A WORLD PROBLEM



The most outstanding problem that confronts the people of Canada to-day is that of the Unemployed.

This country gets more harmful advertising in Great Britain and other countries from our Unemployed than from any other cause. The British immigrant arrives here and secures employment. After he becomes established his wages are sufficient to take care of the wants of himself and those depending on him, but he makes little or no effort to provide for the future. Then comes a reaction in business conditions and he finds himself in the ranks of the unemployed. This usually takes place in the autumn. The cold winter months are very trying, and with his income cut off, the hardships that he has to endure are very great. He writes "home" to his friends, detailing to them his experiences, and the news is spread broadcast that Canada is not a fit country to live in. Thus, many of the better class of immigrants are deterred from coming to this country.

Climate conditions here are such that when cold weather sets in much of the outside work must be discontinued on account of frost. In the country the farmer, having harvested his crops, has less work for the farm laborer. In the towns and cities such works as bricklaying, concrete construction, road building, sewer work, etc., are curtailed. The natural result is that men are laid off. This condition reduces the purchasing power of the community, and the results are very far-reaching indeed. The retail merchants' sales fall off, and he immediately reduces the volume of his orders with the wholesaler. The wholesaler in turn curtails his purchases from the manufacturer, and the manufacturer, finding business quiet, discharges some of his workmen. The ranks of the unemployed are swelled and the process is repeated. This year extraneous influences make the number of unemployed much greater than usual, and a condition arises that is acute.

Rates of wages in cold climates are higher than in tropical climates. In fact, the average wages paid are sufficient to enable the employee to live comfortably for ten months and during that time to lay by sufficient to keep himself and family during the remaining two months of the year. They are not educated to save, nor is any effort made by the Government, either Provincial or Federal, to teach them to do so.

If all employees saved a sufficient amount while at work to take care of themselves during illness or unemployment, from whatever cause, then, as a class they would be self-sustaining. This, however, they do not do, and the result is much misery and in many cases considerable suffering. The direct cause of the suffering is that the employee does not lay by a sufficient amount while at work to tide him over the dull period. Their surplus funds are dissipated in various ways. City statistics show that there is more waste in food that is thrown in the garbage by the working classes as a class, than by employers as a class. Theatres, moving-picture shows, and hall games are well patronized by the working classes when out of employment.

A man when out of work and without funds tends to become discouraged and despondent, and this leads to excessive drinking, with its attendant evils. This condition is demoralizing to the individual and to society at large. **Investigations in European countries prove conclusively that unemployment is the most frequent cause of poverty.**

Unemployment reduces the efficiency of the worker. Unsuccessful continuous applications for employment cause discouragement in the individual, and this leads to careless habits, and a general tendency toward deterioration, both mentally and physically. A nation is made up of units. The units are the individuals composing the nation. Strengthen the individuals by giving them constant employment and you add power to the nation. When a man is constantly employed he is too busy to promote mischief. An idle brain is not conducive to good citizenship, but has the reverse effect.

The trouble is not a surplus of labor in the sense that

our population is larger than the country can support. There have been times when manufacturers have found it impossible to get sufficient labor. Under such conditions there was room for many more workers. The difficulty is with seasonal occupations. The months of January and February are usually quiet in manufacturing enterprises, with the result that workers are laid off. It is unfortunate that this condition should take place during the coldest weather—just when employment is urgently needed.

The question of supplying a permanent means of dealing with the unemployment does not appear to have been seriously considered by either the Federal Government or any of the Provincial Governments. The cities have to bear the greatest share of the burden, for the reason that the "out of works" gravitate from the country districts to the cities in search of work. The cities thus have not only their own unemployed to look after, but in addition they have many from the urban communities. Quite a percentage of these men are penniless and will become a charge upon the community unless work is found for them. They are not looking for charity; they want work and are willing to work. This is an annual occurrence, conditions in some years being more acute than in others.

I submit for consideration the following suggestions as a means of ameliorating the condition:—

1. That villages, towns and cities plan for construction during the autumn months of such works as improvement of parks, preparation of road material, building of sidewalks, construction of roads, sewers, or, in fact, any public works that could be carried on during the winter months.
2. That the Provincial Governments formulate a permanent scheme for the improvement of their forests and timber reserves as well as the construction of roads to provide work at this season of the year.
3. The discontinuance of the minimum wage by the cities when supplying temporary work for the unemployed. The knowledge of the fact that the cities pay a minimum wage of 25c. per hour acts as a magnet to those in the country districts, thus drawing them to the cities.

4. Federal Employment Exchanges.—The individual licensed employment agent is in business to make as many dollars for himself as possible, without any consideration for the welfare of the unemployed. This is only natural. Some are unscrupulous. An illustration of this was the disappearance of Alfreda Derosa, an Italian employment agent in Montreal, last June, with \$12,000 belonging to some fifty Italians. On the other hand, many private exchanges are operated successfully.

Federal employment exchanges should be opened in the cities and manufacturing centres, and their management should be absolutely removed from political influence. The service should be free. An unpaid advisory committee, composed of leading business men, should be attached to each exchange.

These Free Exchanges have been opened in some Canadian cities, and in each case have proved of great benefit to the unemployed. In Edmonton there was considerable opposition at first, but this has now disappeared, as the exchange has done its work successfully.

The Winnipeg Free Employment Exchange in July had 494 applications for male help in the city and 98 outside applications. Of these there were filled in the city 476 and outside 90.

The figures for the Montreal Free Employment Exchange for July and August are as follows:—

	Male.	Female.	Total.
No. of positions offered—			
July	392	35	427
August	432	18	470
No. of applicants for situations—			
July	624	42	666
August	555	40	595
Per cent. of persons placed—			
July	90	90	90
August	95	95	95

When men or women are out of employment every facility should be provided to place them in touch with vacant posi-

tions, at the minimum of expense and as quickly as possible. An advertisement in the daily papers for one workman will often bring a lot of men. This takes up the time of the employer and is discouraging to the men. An application to a properly conducted Free Employment Exchange will bring promptly both the quantity and the class of employee required. The State of Wisconsin has made great progress in this respect, and the success of their system is undoubted.

In Great Britain the Employment Exchanges are operated by the Government with great success. All applications are properly tabulated and classified. This enables an employer to get quick action when requiring skilled labor by making application to one or more Employment Exchanges. The service is both quick and reliable. This benefits both the employer and the employee. Such a service is impossible under our present system.

COMPULSORY SAVING.

5. Recently there has been an Act passed by the Ontario Government called the Workmen's Compensation Act. This act sets forth the remuneration that shall be paid by the employer to the employee in case of illness or accident arising to the latter while engaged in the performance of his duties. This benefits the employee, and also the employer, inasmuch as it limits his responsibilities. Why not go a step further and educate the employee to look to his future welfare by compelling him to save a portion of his wages. To accomplish this I propose that a Federal law be enacted as follows:

A.—All employees in any capacity whatever to have 10 per cent. of their wages deducted by their employers at such periods as wages may be paid.

B.—That the amount deducted be deposited in the nearest post-office to the credit of each individual employee, which amount will be entered in each employee's pass-book by the postmaster or his assistant.

C.—That the Federal Government pay interest at the rate of 4 per cent. per annum on said deposits.

D.—That no employee be allowed to withdraw any amount except as provided in Section 13, unless (1) he presents a

certificate from his physician (on a form to be approved of) stating that he is out of employment, through illness, and has no other funds for the maintenance of himself and family, at his disposal. Or (2), that he presents a certificate from his last employer stating that he is out of employment and has no other funds for the maintenance of himself and family, at his disposal.

E.—That the employee may withdraw the surplus funds on deposit over and above \$300 at any time.

This Act will be beneficial in many ways, the chief of which will be to create in the mind of the wage-earner the idea of saving systematically a portion of his wages. It provides for the safety of his savings. Millions of dollars of the people's savings are frittered away every year in speculations and get-rich-quick schemes. He cannot help but be imbued with the idea of the inestimable value of setting aside a portion of his earnings to provide for his future welfare and that of his family. The amount so saved would not, in the majority of cases, equal what is usually lost or spent without getting adequate value. It can safely be said that the wage-earner can save the amount suggested, without having to curtail in any way the necessities of life.

The Government will benefit by having the use of millions of the people's money with which to develop the country. It would place the Canadian Government in a more independent position financially. If one million wage-earners (in Canada it is estimated that there are 1,300,000 employees) each save an average of fifty dollars a year, this amounts to the huge total of \$50,000,000 annually. The Government can well afford to pay an interest rate of four or even five per cent. per annum if by so doing it can create an ever-increasing national thrift among its people.

UNEMPLOYMENT INSURANCE.

Labor organizations can do much toward the relief of the unemployed by establishing insurance against unemployment. This should be covered by proper legislation and be made compulsory. State and Provincial financial assistance should be given to the funds and each fund should be audited by the State and be under its supervision. All such insurance

funds must be entirely separate from other funds of the trades unions.

A project is under way in Norway to make insurance against unemployment obligatory. Unemployment insurance legislation has been in effect in Norway, Belgium, Denmark, and Germany for many years, and the results are eminently satisfactory. About a year and a half ago the British Government passed legislation for a like purpose. In all of these countries the Government contributes to the fund. Under the Danish Unemployment Relief Law the State contributes one-third of the premiums paid by the members in recognized funds.* In addition, the Communes (Provinces) pay one-sixth of the amount contributed by the members residing in their limits. The funds must have a distinct legal entity and be entirely independent of the Treasury of the Trade Union with which it is affiliated. The State Bureau of Inspection has access to all its accounts. Fifty-two trade unions have established unemployment funds, and 111,000 men are thus insured; 73 per cent. of insurable men and 28 per cent. of insurable women are insured. The unskilled laborers' union has a membership of 39,000. Each member of this union, contributes \$2.75 annually to the insurance fund connected with the union, and is entitled to a benefit of from 27 to 40 cents per day for seventy days a year of legitimate unemployment.

The total amount of unemployment benefits paid in Denmark in the year 1912 was \$459,810.

SELF HELP.

During seasons of greatest depression in business a general taking of stock by the individual members of society takes place. A period of economy sets in, with the natural result of a lowering of prices of commodities and a consequent reduction in the cost of living. Realty values decrease through lack of purchasers; families double up to save expenses, and the number of vacant houses doubles and trebles. This brings down rentals. This condition favors the unemployed in the sense that the dollar has a greater purchasing power. He does not have to earn as much as formerly in

*Coman. The Survey, March 14, 1914.

order to maintain himself and family.

The life training of the laboring classes is such that they are not required to think for themselves or exercise executive ability. They are given certain work to do that has been planned by an executive, and they perform the task to the best of their ability. When they have been deprived of the directing influence of the executive—when out of employment—they are helpless and wander aimlessly. They should now organize and devise means of earning as much as possible. In their ranks will be found men and women experienced in manufacturing many articles that will be quite saleable, such as hand-loom rugs, toys, knitted goods and fancy work, dolls, dolls' clothing, objects of art, etc. These are things that can be made without expensive machinery in the homes or in co-operative work shops. These goods, displayed under proper auspices, will find a ready sale.

It has been suggested that Government securities be issued in denominations of \$100 and over. In this country it is not customary to do so. If the large cities and the Provincial Governments would issue \$100 bonds it would benefit the community by providing a safe investment for the wage-earner, and also greatly assist financing in times of stringency.

The workingman who has saved \$100 looks around for a place to invest it. He hesitates about asking the advice of his banker, and not having the experience or the judgment that is useful in such matters, the result is that the "investment" turns out to be a loss. If he knew that he could purchase a Government bond with his \$100, the chances are that much of the money that is now lost would be safely invested. According to reports, the experiment of issuing bonds in small denominations in some parts of the United States has turned out successfully.

National thrift is the keynote of a great nation. To obtain it we must educate the employee to save a part of his wages, and, having saved them, we must provide a safe depository. Just as long as we have employees we will have unemployed. Society does not owe every man a living, but society does owe every man a chance to earn a living.

