

(January 25th, 1937)

## National Unemployment

BY MR. ARTHUR B. PURVIS.

PRESIDENT MESS:—We are all familiar with the American System of rating the various—“professions.”

The ten ranking golfers are selected periodically by Walter Hagen; the aristocracy of tennis is now nominated by Mr. Perry, and the Moving Picture Stars are placed in order according to their box office values. An outstanding Attorney at least annually, selects public enemy number one, from the murders to his credit and the size of his bankroll.

Have we ever tried to rate our citizens, as citizens, and what would be the necessary qualifications for public citizen number one.

I am perhaps unable to give you the qualifications, but I can present to you to-day, an excellent example.

Why?—because we have as our guest, a man with the philosophy of life that can only be acquired through years of hard work in many parts of the world, and through an appreciation of his fellow-man from the humblest to the highest. A philosophy acquired from birth—of course he is of Scotch parents—and through fending for himself at an early age—always giving more than he received, and after accumulating personality, a modest portion of the world's goods and now controlling one of our largest Canadian industries, has seen fit to throw every ounce of strength into a job—as one of our publications aptly put it: “a job to create jobs”—the biggest job in Canada, without thought of personal gain and with much strain to personal health.

I question very much whether an election would be necessary to select public citizen number one.

MR. PURVIS:—At the outset of the preamble of the National Employment Commission Act 1936, it is stated that unemployment has for several years been Canada's most urgent national problem. The truth of this is becoming more and more self-evident.

Only recently the Canadian Welfare Council published

a statement, the facts underlying which have I think been regarded by many as discouraging in the extreme. True, but for the drought conditions in the West, the totals of heads of families (that is excluding dependents) receiving unemployment relief at this time would show an appreciable diminution against the previous year. But it is also true that this reduction which has taken place in the numbers of heads of families on relief in most of the Provinces, is commensurate neither with the improvement in the business nor in the employment indices, while the comparisons of total unemployed on relief including family dependents, and still more the comparisons of costs are even less favourable.

Obviously a good part of the problem here presented lies:—

First: In the fact that many of these unemployed managed to keep off the relief rolls, and that this section of the unemployed have tended, as times have improved, to get positions earlier than have relief recipients.

Second: In the fact that amongst those receiving unemployment relief there are many who should be segregated as sick or infirm or otherwise unemployable.

Third: In the fact that re-establishment work is required for those who are capable of a reasonable measure of employment, but who have dropped down in the scale of employability because of enforced and long-continued idleness.

The appointments to the National Employment Commission were made in time for its first meeting to be held early in June last. It was then faced with a condition, international in character and of many years' standing, to take care of which all ordinary Governmental emergency action, whether Dominion, Provincial or Municipal, had already been taken. It was asked to envisage a nation-wide co-operative effort to solve the difficulties of the situation.

It was immediately obvious the problem was complex. "Unemployment"; "unemployment relief" and "employable person" have different connotations for different people. One is reminded of the case of the boy who felt he knew all about the lobster: he knew it was a fish, that it was red, and that it walked backwards! Similarly, it was obvious from many of the proposals which flooded the Commission that some of our citizens, many indeed who could and

should have known better, were urging action based on about as exact a knowledge of the unemployment problem as the boy had of the lobster!

So the Commission refused to be unduly influenced by the pressure of those who suggested we jump at some one overnight cure for the whole situation: such as a monetary formula; or the re-distribution of work enjoyed by one group of workers amongst another group, whether because of their sex, war record, or of some other similar reason, or through the medium of a reduction in the hours of work already enjoyed by some in order to put others to work, valuable as the last named may be to take care of certain positions at certain times, and especially where shorter hours tend to increase production efficiencies. We knew that in general such action could not increase the total production of goods available for division amongst the citizens of Canada, and that therefore it could but represent an oversimplification of a complex problem.

Realizing indeed that the problem was far from being one of unemployment alone, as we all think of "unemployment", the Commission decided upon a more fundamental attack, one founded:

First, in definition of the terms we are all using in speaking of the problem;

Second, in the accumulation of the facts available;

And third, in their subdivision and analysis.

As this was accomplished either for the whole field of our endeavour, or for any one part of it, we felt we could then develop our program for achieving the main end in view—more jobs for those who need them.

Not that we had any intention, while this analytical work was being done, of neglecting any practicable means which might be available either for providing employment, or for handling emergency situations (as I hope in a few moments to show), but we did realize that any success we can hope for must in the final analysis rest on the application at hundreds of geographical points of a program based on the soundest principles and on the most careful study.

I shall now endeavour, however, to review the rather extensive specific duties put upon the National Employment Commission by the Act of Parliament which brought it into being, and to tie them in with what the Commission

has done to date and the program it is gradually developing.

Before I go any further, however, I would like to emphasize that the functions of the National Employment Commission are in the main advisory, working through the medium of the Minister of Labour. This advisory nature naturally imposes upon the Commission certain restrictions, in that it automatically prevents the disclosure of recommendations which are before the Government but of which the Government has not signified its approval. Similarly disclosures regarding certain subjects, which may be ripe for discussion with the Provincial authorities, would very possibly be harmful rather than helpful. Perhaps you will be good enough to bear in mind these limitations to what can be said at this time.

The duties assigned to us under the first three subsections of Clause 6 deal with the registration of those receiving relief from Government sources; the conditions upon which grants-in-aid should be given by the Dominion Government to the Provinces; and the means for co-ordinating state and voluntary relief measures.

In this field the Commission first developed for registration purposes a questionnaire in regard to relief recipients, not for the purpose of ascertaining numbers on relief at the different centres, but for the purpose of ascertaining their work experience; the degree of their employability; the degree to which their work has been seasonal in boom and depression years; their housing conditions; the degree to which the problem is industrial or in the primary product field.

We are sometimes asked why we did not register the unemployed who are not in receipt of direct relief. This was carefully considered and believed to be impracticable at this time for these reasons:

- (a) To be effective a card system for the identification of every Canadian citizen employed or unemployed would be required, involving a measure of interference in the personal life of all, interference which is possible in time of war but which would probably involve disunion rather than union at other times.
- (b) It would require the setting of a day by day proclamation upon which such citizens would register,

and this registration would develop an expectation of immediate employment which, without adequate foundation work, it would be impossible to provide.

- (c) It would require a more complete organized employment service than is now available.

It was also felt that improved business conditions are in any case tending to absorb first the unemployed not on relief. For they represent that section whose strength of purpose in adversity is so great as to give them a disproportionately good chance of re-employment as times improve.

The registration under this questionnaire took place during the month of September, having been postponed from August at the special request of Provincial officials who felt their field organization could not be ready for the earlier date. Some districts are still missing, and while preliminary figures are ready, the really useful section of the information is not yet available owing to the mechanical difficulties of sorting so large an accumulation of data.

The registration has been organized so as to provide the Canadian public with a continuing monthly record of the unemployment situation.

The second and third Commission steps under the relief sections of the Bill: namely, recommendations to the Government as to the conditions to be attached to the allocation of "Grants-In-Aid" to the Provinces for purposes of direct relief, and the co-ordination of state and voluntary efforts in administering such relief, have obviously had to await the results of the analysis of the data to be derived from the questionnaire and other studies, the Commission is conducting in this field.

Bearing in mind that the Dominion share of direct relief is \$26,000,000 for the present fiscal year, the importance of the work is obvious. The problem involves decisions on the method of allocation of grants as between Provinces and the devising of means to avoid the Dominion being looked to for grants in the name of unemployment relief, when unemployment itself is not in question. This even if the Dominion should deem it wise to continue to permit under their true name grants-in-aid for purposes other than what can properly be termed unemployment relief.

It may be interesting to note here that a special study by welfare authorities of those on relief in British Columbia recently disclosed that 11% of family heads and individual workers on direct relief were totally unemployable; 15% partially disabled; nearly 17% over 60 years of age and nearly 10% farmers. The problem of full re-employment as it is ordinarily understood affected, therefore, only 48% of the total on relief.

Again it has been found that the unskilled and semi-skilled worker, who probably represents some 50% of those on relief, can, under prevailing wage rates, frequently do better financially on relief than if he is at work—that is if he has a large family to support. Relief rolls tend, therefore, to remain static; for practically-minded workers cannot be expected under those conditions to go off relief. This can be due either to wage rates not having yet been restored by employers to pre-depression levels, or to relief rates being in some cases too high. Present indications point to both these conditions being factors, and suggest that employers at least, should immediately overhaul the possibilities provided by better times for correcting the situation, to the extent that they can do so without jeopardizing successful operation.

All of these are practical illustrations of the need for effective reorganization of the relief services.

The next three sub-sections of the Act deal with the Commission's duties in the field of putting people to work, both by State propagation of properly co-ordinated public works programmes and by co-operation with Commerce.

In dealing with this phase of the problem, the first necessity applying to both methods of providing employment is, in the mind of the Commission, a properly organized Employment Service to link up the unemployed man with the job appropriate and available to him. Methods of improving the existing machinery have been under active investigation from the outset, for a Dominion-Provincial requirement of a permanent nature is here involved, which indeed affects the whole problem of aid, and which can and must be met.

The problem of the Commission in the field of public works is twofold.

Firstly, the Commission is interested in knowing and

expressing its view on the total monies which the Government intends to spend on Public Works of all kinds, whether for the purpose of providing employment or for normal development of Governmental Departments. This is to enable it to compare that total expenditure with the totals in previous years and so permit the gauging of the effect on employment of any increase or diminution in the works total. Fortunately the rising tide of employment by private capital, coupled with the employment measures arising from Commission recommendations in housing and other fields, and the revival in the demand for railway equipment, give hope of a reduced Governmental works activity, and if advantage can be taken of this trend, it will help in achieving a lesser burden of taxation. For it must be remembered that while Government has to and does step in in emergencies, resultant taxation, and Government competition with private industry for the supply of skilled workers, may tend later in the depression period to deprive many more men of work in private industry than Government itself can hope to provide by Public Works expenditures.

Secondly, in the Public Works field, the Commission has established a set of criteria, gleaned from experience in this and other countries, against which it will test the employment efficacy of any public works projects developed for the purpose of providing employment, whether recommended by it to the Government, or whether originated by the Government for the same purpose for submission to Parliament.

Continuing in this same general field, but coming to the section involving stimulation of and co-ordination with private capital, I promised earlier to give illustrations of the fact that the Commission has not been neglectful of such practical suggestions as came before it, or as it has been able to develop, which gave promise of an early increase in employment.

Perhaps the best illustration of this is the Home Improvement Plan. It was immediately apparent to the Commission that the construction group was one of the most hard hit groups, and that anything that could be done promptly to put back to work the large army of skilled and unskilled building trades workers should be actively pursued. As a result of this the Commission developed a hous-

ing programme, which was officially announced by the Prime Minister on September 9th as embodying Government policy. This was in the main based on the improvement of existing dwellings through the medium of the Home Improvement Plan; and on the adoption of a low rental housing programme for those unable to afford an economic rent. Later, by obtaining the co-operation of the Chartered Banks, which to their great credit they gladly gave, the National Employment Commission was able to get the Home Improvement end of this programme launched at the beginning of November, many months before legislative sanction could hope to have been obtained for the Bank guarantee involved.

The Plan, based on the United States model most successfully worked there in the last two years, with proper organization, will we know from tried experience in the United States, result in the stimulation of private expenditures to an extent estimated at some \$75,000,000 on the coming fiscal year alone. This sum will practically all represent labour, both direct and in the making of building supplies. And remember, from two years' knowledge of United States Government losses under the guarantee provided by their similar plan, the cost to the Government and, therefore, to the taxpayer, will be negligible. The Commission has since been asked to see that this Plan goes over, and already a non-political voluntary organization of community-minded citizens from all walks of life (Backed by a fund to take care of out-of-pocket organization and publicity expenses contributed by generous citizens and by those industries interested in the success of the Plan) has in large measure been built up from one end of Canada to the other, in small and large communities, for the purpose of seeing that it does. This great voluntary effort when complete, and you will see increasing evidences of it as the next few months pass, will without doubt accomplish its purpose of seeing that every eligible home-owner or landlord knows of the Plan, and every contractor and dealer knows how to benefit himself from the working of it. In so doing that organization will make a great contribution to Canada. I wish to thank those who have so willingly set to work to help us, for I believe the existence and influence of these non-political voluntary committees all over the country is

all important, and will extend beyond the Home Improvement Plan to the heart of the National Employment Commission attack.

Another immediate practical problem in this field was the absorption of Winter employment of the thousands of single homeless adults who were congregating, mostly in the Western Cities, as a result of the abandonment of the policy of maintaining National Defence Camps. Due to Commission recommendations, which in turn were founded on active representations from Provincial Officials as to the exigencies of the situation, an offer was made by the Dominion Government to the Provinces to participate in the cost of plans to place these homeless adults in jobs during this Winter, provided primary product industries were in question. An extended farm placement scheme was worked out with the Provinces, under which over 40,000, including some 5,000 women, are already at work on individual farms. The number now at work in this manner is nearly three times as great as in any previous year in which similar plans were used, and the per capita cost, to the Dominion and Provinces combined, is less than a third of that involved for the camp method used in recent years, and which in 1935 took care of some 20,000 men. Under other Dominion-Provincial plans of a similar nature some 2,500 are at work, though in most cases the per capita cost is materially higher for these than under the farm placement scheme. Of course it will be understood that these plans are recognized as being of a temporary nature to meet a special condition, though no doubt many placed on farms will be able to make their jobs permanent if they so wish.

In connection with other activities under this heading the Commission recently decided to call upon the larger employers of labour—those having establishments of 15 employees or more—for a good deal of information as to their employment practices. The response has been excellent. If there are any represented here who have not yet answered the employers' questionnaire we sent out, we shall appreciate it immensely if you will send in your completed forms. I can assure you no information has been asked for lightly. The work entailed in answering such questionnaires is fully appreciated, and they were only sent out because of the fact that the answers will help in enabling us to deal with problems now being studied.

The seventh and eighth sections of the Act deal with the special problems of apprenticeship and disabled persons.

The study of apprenticeship has just been completed by the Youth Committee (attached to the Commission to study this and other problems in relation to their particular effect on the youth of the country) and it is in course of consideration at this time.

Additionally, as a result of other studies made by the Youth Committee, reconditioning plans, both for physical reconditioning and for trade training, have been, and are being, worked out. Some of these plans have been approved in principle by the Minister, and it is hoped, with Provincial co-operation, they can be put into use promptly. It is quite evident that this reconditioning work must be an integral part of our plans, because of the long continued idleness of so many citizens, both young and old.

Agricultural rehabilitation is also being actively studied as a reconditioning measure to take care of certain aspects of the situation.

A special Veterans' Assistance Commission has been appointed by the Government to recommend plans for disabled veterans, with which plans the National Employment Commission is instructed to co-operate when sanctioned.

Another section of the National Employment Commission Act requires us to recommend long range plans of national development, which can with the least disturbance of private business be put in force or discontinued as depression conditions require.

Much that comes under this section will be left until the Commission is less pressed by its immediate problems, but meantime studies of tourists; national park, and forestry possibilities are well advanced, while acceleration or deceleration of such activities as low rental housing and land settlement, to which reference has already been made, may also work in with a long range programme.

And such long range planning we know would be well worth while. Many of the country's relief problems today are the direct result of forced emergency action when the depression deepened, and could have easily been avoided if during times of prosperity plans had been laid for the inevitable lean years.