

10/20/'21

In talking of the Conference which has been organized by the present administration to study the problem of unemployment in this country, both present and future, I am only attempting to carry out the duty with which every member of that Conference has been charged by its director. A council of unofficial citizens, whatever it may be able to advise or plan, it depends upon the co-operation of the citizens themselves for results. This Unemployment Conference is an agency, the usefulness of which was thoroughly established during the War, and an agency which both administrations seem to be using since the War. Not that we never before had groups of citizens of various views called together to advise about difficult public problems. We of course have had many and on very large scale; but the experience of the Council of National Defense in the recent War has given an idea of using such bodies in a little different way than we have ever done before.

Two years ago President Wilson called together what was known as the President's First Industrial Council. It had a definite plan put before it, to lay out a plan for the future conduct of industry in this country. It went to pieces within a month because it was not content to devote itself to the future but insisted on injecting at its start a certain acute industrial situation. That is, it refused to be a non-partisan deliberative body but became at once an industrial political body; and as both sides to the acture industrial dispute were represented in the conference, it soon developed that it was impossible to consider anything but the present and its troubles, and the conference was dismissed.

Later, a second industrial conference was called to replace it. It sat in secret for weeks. It turned out an admirable report, and one which is of value to people who are considering a more scientific organization of industry in this country; but it was a report entirely lost on the country because the body of citizens composing it did not take the citizens of the country into their plans as they worked, nor did they make any plan for carrying on what they had done.

The experiences of both of these conferences were utilized in the conduct of the present Unemployment Conference. That is, care was taken that its sessions should not be devoted to partisan industrial politics and that its findings should not be shut away from the public. The first was accomplished by a thorough preparation of the work which the Conference was to do. For some weeks before it was called together there was at work with the Secretary of Commerce, Herbert Hoover, the Chairman of the Conference, an advisory committee, made up of ~~some of our wisest~~ and most progressive business men and soundest students of economics. When the Conference met on October 10 ^{Sept 24} there was, therefore, a complete plan of the ground which it was to cover, ready.

The President and Mr. Hoover set the note at the very start. He had not called us together, the President said, to solve the problems of the social system, nor were we called together to throw the blame of the present difficult situation on anybody or anything. What was wanted, in the President's judgment, was to know how much of a problem the one that was scaring us was, how we could deal with it, and what we could do to prevent a recurrence.

Mr. Hoover still further limited the field - we were to make no raids on the public treasury. The gist of his remarks was that we must find work for people. It was not a conference to furnish relief, it was a conference to furnish work, and that the

*see what could be done to get
It was there to work not discuss*

members could not settle down to consider the problem too quickly.

As a matter of fact, six hours after the Conference first met, its Organization Committee was back, ready to appoint the various committees which had been decided upon; and before the evening of our first day those committees had all had their first meeting and organized.

There was a wrinkle in this organization which contributed enormously to its effectiveness.

Executive Secretaries

Morning meeting of Executive Secretaries

Daily progress reports of all committees, given to all the members that they might see where all the work was headed and how far they were overlapping. This, with fixed dates for making reports, made the Conference one of the most regular and efficiently working bodies that I have ever been associated with. It takes time to work off obsessions, to get down to business; and it was done in this Conference with a minimum of loss.

The work had been cast into two main fields - emergency and permanent. ~~And of course that emergency meant finding first~~ ^{The Conference its} how big a problem we had on ~~our~~ ^{its} hands for ~~immediate treatment~~. And there, ~~at the start~~, ^{it} we ~~struck a~~ ^{initial} snag - a very serious snag indeed.

<sup>Smart
y
thousand men</sup> This country has no reliable method of collecting statistics as to the number of its people that are out of work, no sure method of telling how serious a depression in any one part of it is, no possible way of shifting bodies of workmen safely from one locality to another. The first break of the Conference came in a statistical committee, to get some figure that was comparatively safe to settle on as the number out of employment. As you know, we settled on 4,000,000, but it caused some very severe strains to make that decision, for you had the people who, for one reason or another,

claimed there was no unusual unemployment in the country, and those who insisted that there was as much as 8,000,000 out of employment.

On this problem of statistics, the Conference has put out to the country some admirable suggestions. It is obviously our business to establish what Mr. Gompers called an industrial weather bureau, something that will tell us weekly, we will say, just how we stand in the matter of work, that will make it possible for us to advise men where jobs are to be found. Mr. Gompers, in making an eloquent plea for the perfection and completion of such an effectual agency, picturesquely compared the tide of workers to flocks of birds and schools of fishes seeking food, only that the flocks of birds and the schools of fishes have a sure instinct, they know where food is to be found, and our workers in periods of depression *must wander & idly and idly* do not know where work is to be found.

The establishment of agencies - local, state and federal, properly equipped, rigorously and scientifically administered, is one of the most important immediate things for us to do in this country. That was the first bunker of the Conference.

And the next was, How are we to get immediate work? We controlled no industries, we had no legislative authority, we had no appropriations, we were only a band of citizens. Could we make any reasonable plans and back them up with sound suggestions? It must be something which would be within the range of the great co-operative body of the citizens of the United States which were our constituents. We were citizens, officially called together. We spoke directly in a non-partisan, non-political way to citizens. We were not asking their votes, we were not using their money, we were only, like you, trying to find out some practical way to get work to people. What could you, the community, do?

It is a very interesting in a conference of this kind to

see how thoroughly the citizens recognize its peculiar relation to themselves and bring out suggestions. It is to hundreds as if they said, Well, you are only one of us. My idea is as good as yours, probably, here is mine. The mail of every conference member was heavy every morning with suggestions. - Cut down or reform the taxes - Use the land for gain - Consider ^{what} the surplus of gold is doing to us - Build public works - Eliminate women from industry - Reform the railroads - Amend the Constitution so that the Government will have to give every man work - Turn from the service of Mammon to that of God, practice the Golden Rule - these are random suggestions from my own mail bag, and these were the lines upon which most of them ran. I heard Mr Hoover say, two or three days after the opening of the Conference, that he had 2,000 suggestions on his table.

which
It is right that the citizen body feels its responsibility so keenly as to crystalize so many plans for relief should be called upon to carry out the suggestions that its representatives make. And this was the central thought of the emergency suggestions which came out within a week after the Conference was called to order. These suggestions, roughly, said to the communities of the country, *appeal to Comm - Wallis - T-hy* You have a natural leader in your mayor, let this mayor form an emergency committee, find out in the best way that he can - and the Conference had the advice about these ways ready for him - what your problem is. Stir your community to find work. *2-2 Comm* What are your factories doing? Can they not, by half time, by shifting working forces, by doing repairing or building, give at least a day or two a week? Are there any of them so exhausted that they cannot do something? What are your private citizens doing? Are they making all the repairs, employing all the people that they might do? That is, there was an urgent pressure on the community to get work, to find jobs that were ready but from which people were holding back because

of general depression.

Attention was given to a considerable possible relief that lies at this moment in the country in public works. Take the matter of road building, for instance. (See report)

We found on examination that there were reclamation projects in the country, half completed, that by an appropriation of some 16,000,000 dollars from Congress, could give immediate work to some 32,000 men. These, it is public knowledge, were approved projects. That is, it was found on examination, that there are approved projects, for which the money had been voted but which because of some little hitch are being held up. Those in authority said, If we wait, freight rates will come down. Materials will be lower. But by their waiting they were only adding to the depression.

What it amounted to was that the Conference said to the country, Here are certain suggested things that you can do. Get to work and do them. *May community groups find work - Gm*

The press characterized this emergency program of the Conference pretty largely as 'passing the buck.' But it was very interesting to see how seriously the communities themselves for the most part have accepted the buck. Within two days after that program was announced it was necessary for Mr. Hoover to establish at the Department of Commerce a special committee to receive the calls of communities that were willing to do their part. Within a week over 100 cities of 25,000 or more inhabitants were in communication with the chairman of that committee, seeking information about the best available plans. The press might laugh but the people did not. As a matter of fact almost everybody realized that they had not done all that they might have done to forestall the present situation.

Luckily, there were certain communities that had done

excellent things. For instance, Milwaukee had a full program worked out with the aid of her progressive employers. Detroit had also. Your own experience was called in. In this finding of work, one thing was laid down so clearly - that it must be work which was economically sound, useful work. No toting of stone from one pile to another and then back again - no sewing of seams and ripping them out. It was very interesting to see the emphasis that was placed upon the work being economically sound.

The Conference saw the problem not only as a utilitarian matter but as one of a great waste of human energy. Think of the waste caused by 4,000,000 men out of work. Taking the average wage as only \$3 a day, and it amounts to \$12,000,000 for a single day. Add that up and see what kind of a sum you get for 300 days in a year. And then remember that these millions of dollars are the kind of money that is in constant circulation. They pay rent, buy food, pay street car fares, buy clothes. A community runs very largely on these wages. I have seen towns broken down and destroyed by long periods of unemployment.

And not only that. There are the social effects - the breaking up of families. There is the mental effect - unrest and bitterness. A great deal of the present unrest and dissatisfaction in this country comes from the fact that we have an industrial and political system under which these things can happen. "Something is wrong," your man out of work says - and he is quite right. It was the wastefulness of this thing, constantly thrown in the face of the Conference, that was a great urge in finding methods, if there were any, by which to prevent the recurrence of these periods of depression.

Permanent

Two features of industry were much discussed, and they will appear eventually in the reports of the Conference. The first of these concerns seasonal industries, - the effect of them

on employment is coming to be pretty well known. We have great industries in this country - coal mining, for instance, in which the worker never knows anything like what we call steady work. The most conservative estimates show that in the bituminous coal mining, men work not more than two-thirds of the year, about 200 days, and that out of the 8 hours which he stays under ground he usually has not work, for one reason or another, of over four hours. The result of this is what? That we have twice as many coal miners in this country as are necessary, and these miners are fully a third of their time out of work. There is no organization of the business, no cooperation between the transportation agencies and the buyers of coal so far which makes it possible to do the only intelligent thing and that is to so organize the business that the mining force required for it has steady employment. The troubles which have grown out of this failure of management are terrible, and the fault, primarily, is not with the miners' organizations that are fighting for regular work, it is with the operatives, the railroads, the consumers of coal, who do not insist that there be an organization of the business which will make this chronic unemployment of the industry impossible.

That it is possible to handle seasonal industries you have had demonstrated in your own town. There were at least two reports of handling seasonal industries that came from industries in this town to the Conference. The manufacturers of clothing who by standardizing of models, the use of staple materials have been enabled to manufacture, a certain sure percentage of orders being relied upon.

It was very encouraging to have men appearing at the Conference that had been able by foresight to so handle the period of depression that they had kept their force intact. All sorts of

2-hr leaveance - but of course they will be dismissed

methods were reported, and not only from the individual concerned but by great corporations. The Harvester Company, with its 20 great plants and some 50,000 employees, has been carry out, through co-operation with its shop councils and the unions a method of piling up stock, making repairs, part time work, preference to men with dependents, aid in securing employment elsewhere, warnings about the amount of work that the plants had ahead that would serve as a notice that a shut down might come. That is, intelligently and coöperatively keeping their force uniform.

There are concerns in the country, particularly in the building line, that have kept their forces together by putting up buildings, even at a loss. They argued that they made great money during the War, and that it would be better policy, even to go ahead at a loss, than to let a trained body of men scatter. And the wisdom of this policy certainly will be shown when business revives and they will be the ones that are seen to be going concerns and ready for contracts.

But it is not alone seasonal employment, the Conference found that was troubling industry. It recognized what is called so graphically the business cycle. That is, the recurring periods of prosperity and depression which for a half a century at least in this country has gone through until it has come to be regarded as almost a chronic condition. Why should they be? Can we prevent them? That is one of the most interesting and fundamental studies the Conference has taken up and in three or four months it hopes to have a careful, suggestive pamphlet on the subject ready for distribution.

We all know this truth, this business of cycle. We go up ^{peak, a} an enormous boom period and then gradually we drop down to a correspondingly low depth, and we go round and round. We are enver able to control ourselves when the boom approaches, and we have no means of

helping ourselves when we drop into the depths. The gist of the suggestions for handling the business cycle which came before the Conference and which have been put out are something like this.

In good times prepare for bad. In good times we don't believe there is a possibility of bad. If money is plenty we use all we have and seek enormous credits. We build, and over-build. Take the textile industry of this country, as an illustration. It today has three times the spindles that it needs in any normal prosperous time. Many other industries are like that. They build for the boom period. And, remember, they equip themselves with workers for the boom period. They knew what they were doing. They were expecting money enough to pay for this investment. But how about the man that have brought, perhaps from over sea? He is looking for some permanent thing - he finds the most transient thing. That is, in periods of prosperity we treat them as if prosperity were eternal. We don't hold back money or work for the period which always surely follows the boom. This problem is being wrestled with already in at least two states, and it has been attacked by the federal government in this way. Let us plan for roads, we will say, or for building or for reclamation of land. Accept the necessary plans. Vote the moneys; but always hold back for possible depression periods, say 10% of the whole sum. The State of Pennsylvania has done something like this, so has New Jersey. The Federal Government two years ago appropriated \$200,000,000 on condition that the states match this sum, to be spent to give work to the unemployed in the period of depression which Congress foresaw might follow the War.

That is foreseeing you unemployment period. Intelligent handling of the business cycle means that you will not be so largely over-manned in industry, and that when you drop down you will have ready for the men that have been thrown out, plans for handling them. Couple this with wise management inside industry, foreseeing

the trouble, and you will get far toward handling the permanent difficulties.

But the Conference saw very clearly that wise as we might be about our business cycle and our seasonal employment - well organized and busy and responsive we might be as communities, knowing exactly how many we had out, foreseeing where we could put them when they were out, that there were other and larger influences at work. There were great economic causes, quite outside that have brought this thing about. We might have been very unwise in not foreseeing what was coming; we might have been very unintelligent about not handling it as it did approach, but still the depression was inevitable, under the conditions in which the world has been operating.

Designing matters
Incident There was the War, with its terrific destruction. There was ² our failure ³ to readjust railway rates to a fair basis to the relative value of commodities. There was the disastrous state of the tax bill which although three years have passed since the War closed, we are still on the basis of war taxation, and the measures which are now suggested fill us with misgivings. There has been no definite settlement of the tariff, - no definite ³ settlement of the relations between the government and the railways. We still have no satisfactory arrangements with Europe, making it possible for us to export ⁴ freely. Of all the agencies that are in Europe, that are trying to stabilize its wretched condition, we have no part in, such as the reparation committee and other agencies. The deflation ⁵ from war prices has not gone equally. Some of the tables that we presented to the Conference were very interesting on this point, and show well enough why we have so many discontented citizens.

Comparing prices now and what they were in 1913, based upon an index of the number 100. The man who raises beef has been deflated

to 91¢. The man that buys the sirloin steak is still inflated to 157. The railroad rate on this same beef, compared with 1913 is 214. When it comes to hides, it is worse. The man who has raised the hide has been deflated to 76; and the shoes into which it goes are inflated anywhere from 185 to 225, while the freight rate on that leather is still up to 210 and the labor to 200. No wonder at all that the deflated farmer raises a row when he goes to buy boots, and has little sympathy with the shoe worker who is still inflated to 200 or the railroad worker who is drawing

The Conference put up these fundamental economic matters plainly to Congress. Every committee reiterated them. We can advise, but you must act. And of course again comes the citizen. Can we again pass him the buck? If Congress acts it will be because of his pressure. The insistence he makes that it get immediately down to the reconstruction of taxes, tariff, foreign relations, railroad transportation that it has been so long promising, that it decide something at once. It may not have brains enough to find the best thing, but let us have its solution; and if it is wrong we will correct it.

These, very briefly, are the lines on which the Conference has been working. It is interesting to note that the suggestions were unanimous from a Conference which was made up of men and women of very different experiences in industrial life, conflicting interests, and who attacked the problem in very different ways. That this was possible was due to the remarkable leadership it was a marvel on the part of Secretary Hoover and a marvel and the very general consent of disagreeing parties that they owed it to the country to find out how far they could get together and so to save.

There were the sharpest dissents about causes and measures at various points. Take a manufacturing committee made up of

manufacturers of a range of view from the most old-fashioned conservatism to the most progressive scientific vision, sitting with representatives of labor, Samuel Gompers at their head, and with them academic men, arguing from theory and not experience - and you have achieved a result when you get a report of real suggestiveness on which they can agree.

It was not always in the Conference disagreements between labor and capital, by any means. A very interesting disagreement arose at the last public session in points of view of labor representatives on that question of jurisdiction. The committee on construction brought in a report in which it said that jurisdictional controversy in the construction industry should be permanently abandoned as detrimental to the public welfare. Mr. Gompers immediately arose and protested, citing as an example the well known controversy between the structural steel builders and the carpenters as to who should set steel window and door frames. One of the most significant short speech made in the Conference came in reply from John Dolan, president of the building trades department of the A.F.L. and the labor representative on the committee on construction. "I had that paragraph put in," he told the Conference. "In my judgment, there is nothing that today is doing more harm to labor in this country than the insistence on jurisdictional controls. It is leading to abuses which are an offense to common sense. Labor cannot afford to support it. I am not willing that that paragraph should be cast out." And it was not cast out,--Wisely enough, from the point of view of the whole Conference, I think. That is, the Conference held together. Where a group did not agree with the majority report, it filed its objection, and this was put into the report and will be put to the public.

This work that I have outlined and the manner it has been done and the principles it has laid down must not be regarded by any