

# QUIZ



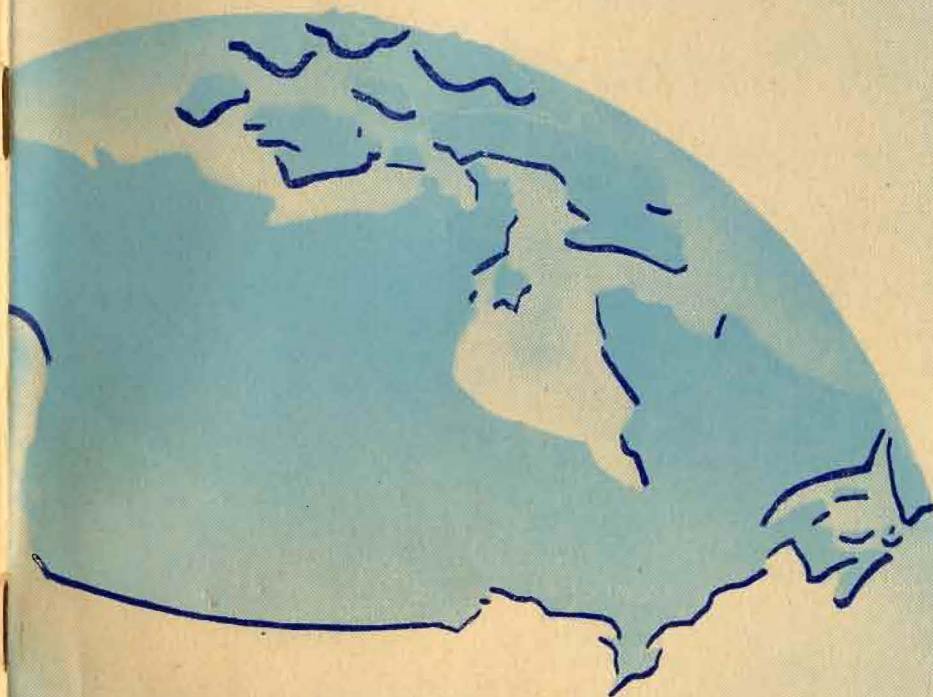
1. Approximately how many men and women are in the armed services now? 500,000? 750,000? 1,000,000?
2. Is this more or less than were in the armed services in the last war?
3. There are many more people employed on war contracts in this war than in the last. Would you estimate that there are twice as many? four times as many? ten times as many?
4. In which of the following classifications do you think the largest percentage of the Canadian working population was employed in 1941? Agriculture? Trade? Manufacturing?
5. We've referred in several articles to "TVA". What do those initials stand for?
6. What was the estimated national income in Canada in 1943? \$2.3 billion? \$5 billion? \$8.8 billion?
7. How many Canadians were gainfully employed in 1933? Less than 1 million? Over 3 million? Just over 5 million?
8. How many Canadians are gainfully employed today (including service people)?
9. What proportion of the working population in 1941 were salary or wage workers? One-half? Two-thirds? Nine-tenths?
10. During the past three years about how much has been invested by the Department of Munitions and Supply? \$9.5 million? \$1.4 billion? \$4.3 billion?

*(Answers to Quiz on page 23)*

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## WILL THERE BE JOBS?

By L. C. MARSH and O. J. FIRESTONE



# CANADIAN AFFAIRS



# Introducing A Reconstruction Series

"What will Canada be like after the war?" "What kind of a rehabilitation deal will we get?" "Will every service man have a chance to get a decent job?" . . . In every mail we receive letters which show that these are the questions that service people are thinking about.

Well, CANADIAN AFFAIRS doesn't claim to know all the answers, and we certainly can't predict the future. But we have been talking to some of the Canadians who are engaged in planning for tomorrow and we believe you'll be interested in their ideas on the postwar Canada.

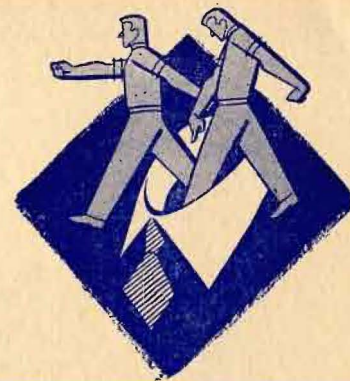
We're going to devote one issue each month to presenting a series on reconstruction. There will be articles on "The Prospects for Education", "Health and Medicine in Postwar Canada", "Back to the Land", "A Social Security Plan for Canada", "Planning Better Cities" . . . We are interested in your ideas about this series. So send us your comments on these articles and give us suggestions for topics which you think we should discuss.

In this issue we are getting down to business on one of the toughest topics of the lot . . . "Will There Be Jobs?" The authors, we might as well tell you, don't come right out and say "Yes" or "No". But they do tell you about one kind of plan for "full employment" which is being widely discussed in Canada today. They believe this plan could provide jobs for all in postwar Canada . . . We think you'll be interested.



## Will There Be Jobs?

By L. C. MARSH and  
O. J. FIRESTONE



*"A national minimum (for the Canadian people) contemplates useful employment for all who are willing to work, standards of nutrition and housing adequate to ensure the health of the whole population; and social insurance against privation resulting from unemployment, from accident, from the death of the bread-winner, from ill-health and from old age."*

—Declaration of Government Policy at the  
Opening of Parliament, January 27, 1944.

RECENTLY that busy sampler of public opinion, the Gallup Poll, asked people what topic they would bring up if they had an opportunity to talk over current problems with the Prime Minister. Thirty-five per cent were all set to spring questions having an important bearing on postwar policy—such as economic reconstruction, demobilization and civilian readjustment for soldiers, and social legislation. This was by far the largest group of questioners; the next in importance were those concerned with tax and farm problems, each of them comprising only five per cent of the

total polled.

It is a safe bet that if the Gallup boys sampled the opinions of the Armed Forces the percentage asking postwar questions would be more like ninety-five.

### Good Reason for Concern

Memories may be short, but we have a general idea that all did not go well last time. After the last war we had a big boom which we didn't understand. We had no "ceilings" and "stabilization policies" during the war, and many thought that soaring prices were pretty good. But we changed our minds when depression came



in 1921 and recovery lagged until 1925. Then came, not stability, but another misleading boom, from 1926 to 1929. When that broke, it left us sitting in the ditch—a deep one. We were just crawling out when the bullets began flying.

The question is: Do we have to sit through these reels again? Or are we going to witness better and more intelligent efforts at national and international control? We really do know more about the problem this time, but we have good reason to be concerned. We know too that the postwar problem is ten times bigger than it was last time because this war is total and global.

### *It's a Big Job*

In the last war we had 650,000 in the Armed Forces — mostly infantrymen. This time we have over 750,000 in all branches of the Services and many highly trained. Towards the end of the last war we had only 300,000 men and women employed on war contracts. This time we have 1,300,000 employed directly or indirectly on war work. In the last war we spent—from April, 1914 to March, 1920—the sum of \$1,670 million. In this war we spent (up to March 31st, 1944) the sum of \$10,824 million, and in addition provided \$1,518 million financial assistance to the U.K. by way of investment and debt redemption.

lion mark, we have over 5 million men and women either in civilian work or in the Armed Forces! Of that total, about 1,300,000 are in war industries and 750,000 are in uniform. Three million keep the other wheels turning.

been taken by women formerly not working, or by younger people who had not started to work in 1941, or by older people who came out of retirement to take part in the war effort.

### *Industry Grows*

And Canadian industry expanded by leaps and bounds. In September, 1939, large and medium sized manufacturing firms — those with 15 or more employees — provided work for about 600,000 persons. Four years later this number had doubled. Along with this went a big expansion of productive equipment — more factories, machinery, ship yards, and so forth. Industries producing raw material expanded too. In the logging industry the number of jobs doubled.

### *Twenty-five in Four*

In the chemical industry the working force rose by 340 per cent in four years. That was the largest increase within the manufacturing group. Next in order came iron and steel (273%), non-ferrous metal products (177%), and electrical apparatus (140%).

In four years of war Canadian manufacturing grew as much as in 25 normal years!

### *What We Do for a Living:*

When the Dominion Census was taken in 1941, the largest group of people working—26 per cent of the total—were engaged in agriculture. Manufacturing came next with 23 per cent of the total. Then came the groups providing services (19%) and engaging in trade (11%). The remainder (21%) were working in a host of smaller industrial groups.

About two-thirds of all people working were salary or wage workers; the rest being divided into people working on their own without employing anyone (19%); employers (6%); and young people assisting their parents on the farm or in small family businesses (8%).

### *War Moves Us Around*

These 1941 figures are already out of date. More people have moved into the factories and raw-material industries and into the Armed Forces. Their places have

later, in 1933, employment reached a minimum — 3.1 million. That meant, allowing for increase in the population, that there were then about 700,000 unemployed in Canada. Actually the situation was worse than this figure indicates because there were thousands employed only part time or in jobs paying semi-starvation wages.

Now—only 10 years later—out of a population nearing the 12 mil-

## HOW MANY JOBS NOW?



This war has given us a larger number of gainfully occupied people — that is, has opened up more productive opportunities (even if we exclude the Armed Forces) — than ever before in our history.

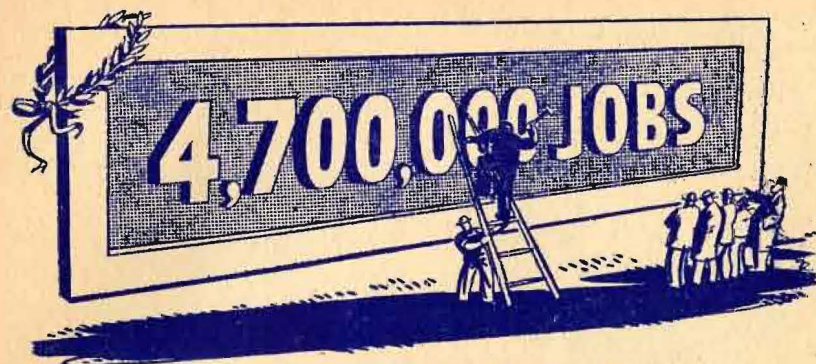
### *Highwater Mark*

Until this war, 1929 was our highwater mark as far as jobs are concerned. That year the number of people working totalled more than 3.7 million. Four years



## OUR WORKING FORCE — 1941 WHERE 4,197,000 WORKED

	AGRICULTURE	1,082,000	26%
	MANUFACTURING	970,000	23%
	Service Professional Public, Business, Personal	792,000	19%
	TRADE	465,000	11%
	TRANSPORTATION & COMMUNICATIONS	268,000	6%
	CONSTRUCTION	220,000	5%
	FORESTRY, FISHING & TRAPPING	145,000	4%
	MINING, QUARRYING & OIL WELLS	93,000	2%
	FINANCE AND INSURANCE	90,000	2%
	ELECTRICITY, GAS AND WATER	26,000	1%
	NOT STATED	46,000	1%



## POSTWAR TARGET

How many postwar jobs do we need to provide in order to have "full employment"? Do we have to provide five million jobs on a permanent peacetime basis? Not necessarily.

### *Wanted—4.7 Million Jobs*

Suppose that our working population at the conclusion of the war is a little larger than it is now — say about 5.2 million. We won't need that many jobs.

First of all we should cut this number five per cent to allow for the withdrawal from the working force of those who are there only because of the war emergency, and for war casualties.

We should take off another five per cent to allow for temporary unemployment. There will always be some people unemployed because of the seasonal nature of their work. Then too, there are

those who will, in the process of industrial "growing pains", be temporarily unemployed. This five per cent doesn't have to be included when we are estimating how many jobs are needed, but it does have to be included when we plan for social security.

On the basis of these figures, full employment after the war means the provision of jobs for 4.7 million men and women. Since about 200,000 might continue to serve in the Armed Forces for some time after the war, this means four and a half million "civvy" jobs.

This is nearly a million more jobs than existed in the boom year of 1929! One reason for that is that Canada's population has increased since then by 1.5 million. It will take some planning ahead to be certain of 4.7 million peacetime jobs.



Jobs Aren't Enough

But the need isn't just jobs. They had jobs in the days of the Pharaohs — big public works projects, building pyramids in the desert — but the pay was rotten. It was slave labour. We want useful jobs. We want jobs which use modern tools and which pay decent wages. We want jobs which increase the standard of living by providing more goods and services to be shared by all.

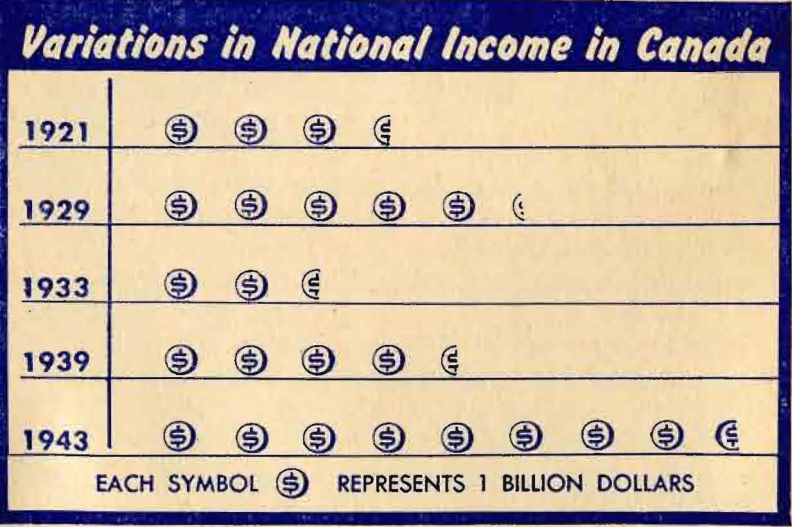
If we want to be more technical we could say that "full employment" in a democratic country at peace means jobs for all those able and willing to work on the production and distribution of goods and the rendering of services which are needed.

Bill of Economic Rights

Recently, President Roosevelt announced that a new "Bill of Economic Rights" must be one of the principal achievements of this war. And the significant phrase was the right of every adult to "a useful and remunerative job".

Our goal must go even beyond jobs for all at decent pay. It includes jobs which provide time to enjoy the fruits of our labour, time to take in a show, time to plan our future.

This is the postwar target. We should be able to hit it, if we make full use of our resources — material and human — and full use of science, engineering, and efficient management, both public and private.



WHAT HAS  
TO BE DONE?



To hit that target we must start drawing a bead on it even before the war ends. Here are some of the things we have to do:

- (1) Maintain controls temporarily
- (2) Get the men to the jobs
- (3) Remove restrictions on production and trade
- (4) Keep up world trade
- (5) Maintain total spending
- (6) Maintain a steady flow of investment

1. Maintain Controls Temporarily

Money in your pocket can become just so much excess baggage if its buying power is shrinking badly because of rapidly rising prices. After the last war prices shot up so high that the 1920 cost of living was almost double that of 1914. If you had been making \$100 a month in 1914, you needed

\$190 a month in 1920 to come out even. The price increase in the two postwar years, 1919-1920, was almost equal to the increase in the four war years, 1914-1918. This inflation was an economic bender and a free-for-all rolled into one. In it manufacturers, merchants, farmers, workers and all the rest, raced each other for higher prices, higher wages and higher profits instead of co-operating to insure full employment. And what we got was a depression.

The Fight Continues

If we want to avoid that, we must carry our present fight against inflation into the postwar years. Without controls it could be even worse this time, for the needs of reconstruction will keep certain raw materials and equipment scarce at a time when buying power, kept pent up during war-



time, may suddenly be let loose. That's why price and wage control — probably with some modifications — will be needed until the volume of peacetime goods is large enough to meet the demand.

The legal foundation for the present controls is the War Measures Act. But this foundation can stand for some time after the actual fighting stops — at least until the signing of the peace treaties. So — if the public co-operate as they have in wartime — there is no reason why we cannot

continue effective controls during the transition period.

### 2. Get the Men to the Jobs

Price and wage controls are only the frame of the reconversion picture, so to speak. The real picture is the immense physical job of shifting men and materials to peacetime use. And to see that 1,300,000 million war workers and 750,000 service personnel — all with varying skills and trades — get suitable jobs is no mean task. Workers must not be trained

for jobs which don't exist. Nor must they be placed in jobs for which they have no skill.

During the war National Selective Service has done much to improve the efficiency of our labour exchange. In wartime hundreds of thousands of persons with no previous experience have been trained to fill skilled jobs. That looks as if we might be able to do the same thing in peacetime. But to do it labour, business and government have to co-operate.

### 3. Remove Restrictions on Production and Trade

If we hope to enjoy a rising standard of living in future, we must be prepared for a period of rapid changes. New products will develop, new skills will be required, new methods of organization will be needed.

#### Immobility of Labour

Workers may refuse to move or to re-train when their particular skill is no longer needed. Labourers and even unions may insist on sticking to old craft practices. The result — industry may be prevented from becoming more efficient, giving more output per man and hence a higher standard of living. Labour itself can do much to smooth out bottlenecks of this kind.

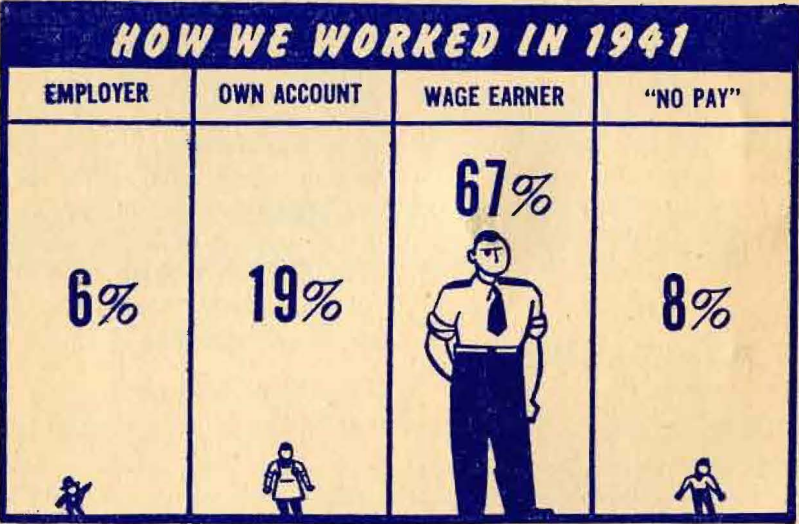
#### Monopoly Doesn't Help!

Another obstacle to increasing industrial efficiency is monopoly. Suppose a few manufacturers who are the only producers of a commodity get together and agree that they are going to charge a certain price for their product. Suppose also that there is such a high tariff that the article cannot be imported and sold cheaply by competitors. The total amount sold therefore will be less than it need be and employment will be reduced, although profits may stay put. The best example of this was the electric power monopoly in the southern United States. A public development, the Tennessee Valley Authority, came in and sold power more cheaply. Now both public and private companies sell much more power.

#### Suppressing Inventions

Then again, if there is no competition there may be inefficiency in production or distribution and the monopoly may buy up new inventions and suppress them.

Restrictive selling practices and artificially maintained prices can be serious obstacles in the pursuit of a high standard of living. They have happened internationally (for example in tin, rubber, quinine and certain chemical products) and within the nation. The federal



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government has just recently ordered a study of the international variety of monopoly (cartels) and of patent arrangements to get some idea of their effect upon employment and trade. For the national variety we have on our statute books the Combines Investigation Act which, with certain revisions, might be used to make monopolists see the light.

#### 4. Keep Up World Trade

Maintaining controls, getting the men to the jobs, and doing away with restrictions on trade are not enough. They may give us full employment for a while. But to prevent future depressions we must do something more positive.

In Canada we produce many things with such great efficiency and in such great quantities that we have more than we need. We cannot use all our newsprint, lumber, wheat, nickel, aluminum, hogs and so forth.

But we can exchange them for the products of other countries which we do need. Lack of goods for exchange from other countries or restrictions on trade mean decreased exports and unemployment, both at home and abroad.

#### *We Help Ourselves*

To Canada, the greatest per capita exporter in the world,

friendly trade relations and international goodwill are of vital importance. We must realize that by helping less developed countries — giving them easy credit facilities, for example — we are helping ourselves, since a prosperous country is a better customer than a poor one.

The recent establishment of the United Nations Relief and Rehabilitation Administration, and plans for an International Bank for Reconstruction and Development and for the stabilization of currencies, are the kinds of international co-operation Canada must foster if she is to maintain full employment at home.

#### 5. Maintain Total Spending

Even if we manage to keep world trade on a fairly steady basis, we must still solve the problem of lessening the effect of booms and slumps within the country.

During the war government spending has been responsible for at least half the national income and over half the capital undertakings. What will happen when public spending drops? Can private spending fill the gap? No doubt it can — for a while. We know that thousands of people have stored up spending power in wartime. But when this is exhausted must



a depression follow?

One sure mark of a depression is that there are stacks of goods lying around but not enough money to buy them in the hands of people who need them. We have to maintain consumer purchasing power.

#### *Social Security Fills Empty Pockets*

The biggest items in our daily budgets are food, clothing, housing. Yet we know that there are sizeable groups, both in the cities and in the country, who can't afford to buy enough food, or to live in decent homes or send their children to school properly clothed. Free lunch and school milk programmes for children, family allowances, food stamps, subsidized low-rent housing — these devices bolster up and regulate the demand for basic commodities. They help to keep production on

an even keel, and they ensure that people most in need of certain types of goods get them.

Another important way to maintain consumer purchasing power is to introduce a comprehensive scheme of social insurance. In other words, provide incomes for people when, for any reason, they are unable to work. Such a scheme includes unemployment benefits for those temporarily out of a job; medical care and hospitalization for the sick; family allowances to aid in the up-bringing of children; pensions for widows, for the aged, and for the infirm.

#### *The Economic Effect*

In a boom period, contributions received from the insured population help to reduce spending when there is too much money around. And in the postwar period of industrial change-over, or threatened depression, the money paid



out in unemployment insurance benefits, in family allowances and in pensions, helps maintain buying power just when it is needed. Social security financing can help keep our economy on an even keel.

The most important benefit of this kind actually in effect in Canada is unemployment insurance. It has now a fund of over \$200 million which can help maintain buying power when industrial changes cause unemployment. The children's allowances recently authorized by the federal government are expected to put another \$200 million annually at the service of consumers.

A floor under the price of farm products will help maintain the income of farmers. Legislation to this effect is now on the statute books.

None of these things are just "hand outs". They can, if they are properly organized, be important methods of stabilizing our economic system.

## 6. Maintain a Steady Flow of Investment

Today in Canada savings accumulate in many ways. Wage and salary earners put money aside in bank accounts, victory bonds and life insurance. Large savings are made by firms and individuals who collect more in dividends and

interest than they spend. The largest sums are accumulated by industrial firms and business corporations for reserves and other purposes.

As long as these savings are used (by manufacturers, merchants, farmers or governments) to buy machinery, new buildings, new stores and other kinds of equipment, we have smooth sailing. When they are used regularly in this way the experts speak of "the steady flow of capital investment".

### *No Unused Savings*

But what happens when industries, builders, utility concerns, figure that for the time being they have all the equipment they need or can afford?

The savings continue to stack up. People still are putting money in their savings accounts and in insurance, firms still pile up reserves and depreciation funds, the well-to-do still do not use all their dividends and interest. But these savings are no longer invested, or a portion of them is not, because private industry believes there is no demand for the goods such investment would produce. The factory that was producing machinery has to lay off a few workers. The contractor employs fewer bricklayers and carpenters.

With less money to spend, the people who have been thrown out of work buy fewer goods than they used to. If this goes on, more and more goods remain unsold, more and more workers will be laid off, and the result is depression.

### *The Potent 20 Per Cent*

In good years the amount we invest — that means the amount we spend on producer goods (machinery, factories, new equipment, etc.)—runs to about 20 per cent of the national income. That amount, however, fluctuates much more than the amounts we spend on consumer goods (bread, boots, clothing, etc.). That fact has been the major cause of depressions. So if we want to keep people employed after the war, we must keep the stream of investment flowing steadily. When national output is high, we must keep finding investment outlets for the correspondingly high proportion of savings.

If we can judge from war experience (the national income for 1943 was estimated at \$8.8 billion), our postwar national income should be at least \$7.5 billion annually in order to provide useful and well-paid jobs for all. And to keep stable a national income of that size we need to in-

vest about \$1.5 billion annually in productive capital enterprises.

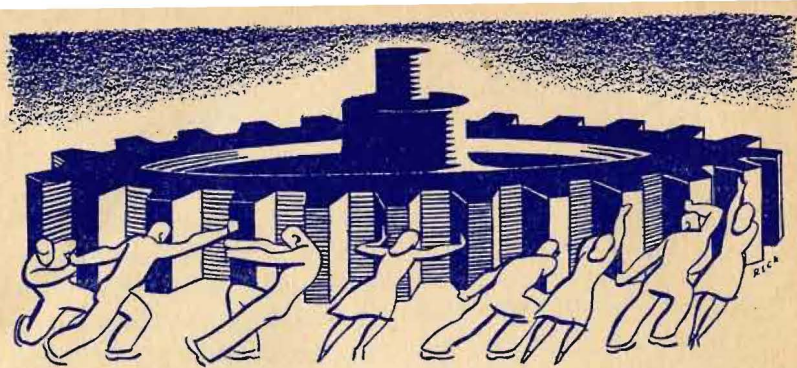
### *And Then What?*

A great deal of this may be done by industry, particularly during the re-equipment and re-conversion period after the war. But we must remember that during the past three years the Department of Munitions and Supply alone has invested about \$1.4 billion. When this great source of investment is cut off, can private industry make up the difference year after year? That is the crucial question.

Certainly it looks as if private investment will need all the encouragement government can give it to accomplish such a task. But if private investment manages to shoot too high or shows signs of dropping off, government must be prepared to step in with measures designed to prevent either boom or slump. One example is public development projects which can be tailed off or stepped up according to changes in the level of private investment.

This "balance wheel" principle of public investment has never yet been put into systematic practice for peacetime purposes. If it is, we shall have taken a big step towards economic stabilization in the future.





## WHO DOES WHAT?

### 1. A Job for a Government

Gone is the day when governments could leave economics to businessmen and professors. More and more governments are beginning to see that their policies can have a great influence upon spending power and the flow of investment. More and more they are realizing that measures to maintain employment are their responsibility. The recent British White Paper on Employment Policy is a good example of the recognition of this new responsibility.

If the government decreases taxes on lower incomes, then more money is available for spending on consumer goods. If they increase tax rates, they can to some extent equalize incomes. The

government tax policy can discourage spending in boom times, increase it during a depression. It can be used to encourage invention and research.

#### *Government Helps Out*

If the flow of private investment is not sufficient to absorb our savings, the various governments—federal, provincial and municipal—must step in with measures to stimulate private investment and with public investments big enough to resist depression. This type of action has been hampered in the past by a quite natural fear of deficits in the government's budget. But we have to remember that the government is not being run to make a profit in the sense that private business makes

a profit. Instead its fiscal and monetary policy should be directed towards making the economic system work smoothly.

Our government can borrow surplus savings and invest them in many useful things we need. And that means more than roads and public buildings. The list can include irrigation and flood control systems; works to conserve our forest wealth or to use our available water power; integration of our air lines and other transportation facilities; low-rent housing and slum clearance; the extension of educational, health and recreational facilities. These are forms of economic activity which can be planned ahead. If private investment and production slacken, then government investment can be increased.

#### *Start Now*

If a postwar depression is to be prevented, we should prepare our plans now. There is plenty of information available, for in recent months reconstruction committees of all kinds have been looking into the needs of every area and every activity in Canada. Now all we need is boldness, imagination, and an understanding of the importance of immediate action.

When unemployment threatens,

the governments can stimulate private investment by easing taxation and lowering the cost of borrowing. By means of a complete system of social security they can put money in consumers' pockets and thus maintain the home market.

#### *Controls Will Help*

By maintaining controls during the transition period, the government can prevent run-away price movements and over-competitive bidding for materials. And the government can assist the shift-over of manpower through efficient employment exchanges and re-training programs.

The government can be our watchdog to prevent monopoly from robbing us of the fruits of new inventions and new methods of organizing production.

In its foreign policy the government can extend the hand of friendship and co-operation which is so much needed in this interdependent world of ours.

### 2. A Job for Business

From this don't jump to the conclusion that private business has no part to play in achieving full employment. On the contrary, the responsibility of private business is great. Industry will have to be enterprising, inventive, and



carry on research — more than ever before.

In addition to planning now for postwar investment in machines and buildings, business must try to expand more evenly. This calls for informed collaboration instead of uninformed competition. Yet it has to stop short of restrictive practices and monopoly.

### *Good Wages*

All businessmen must realize that wages and salaries have to be kept at a high level if we want to maintain consumer purchasing power. After all, social insurance payments can hardly be more than a cupful in the bucket of purchasing power. The big source has to be the pay we receive for our work.

Businessmen can also co-operate by accepting the right of labour to organize and bargain collectively. During the war labour-management committees have operated to increase production. If they are continued in the postwar period to help plan reconversion and meet other postwar problems, they could give a big boost to peacetime production.

### *3. A Job for Labour*

The working men and women of Canada have provided us with

tools for victory. They are ready to turn out the goods and services which will provide plenty in the peace. And their job is to co-operate with government and management towards that end after the war. Labour should be represented on government and industrial boards, wherever its interest is affected. The co-operation of labour is needed in the retraining of people and the shifting to new jobs which will be required in the changeover period. It is needed in the development of those new processes and products which spell more jobs and a higher standard of living. Labour, as the group most intimately interested, has the responsibility of putting its vigour and imagination into the fight for full employment.

### *Where You Come In*

Before the war we looked upon full employment as nothing more

#### THE AUTHORS

Dr. Marsh until recently worked as Research Advisor to the Dominion Government's Committee on Reconstruction, with Dr. Firestone as his Senior Research Assistant. Dr. Marsh is now with UNRRA and is the author of the famous report on "Social Security for Canada". Dr. Firestone is the author of a number of reports on various postwar problems.

than a beautiful dream. We didn't see that it could become a reality only if we had the will and the courage to work together toward a common goal. It is one of the ironies of history that only during world wars have we gained the unity of purpose and action necessary to achieve full employment. The public's emergency attitude during the war has meant that all persons and groups have set aside their own selfish interests and have united in the great struggle against a common enemy. Those with axes to grind have turned them instead into tools of production. And the spirit of co-operation so created is just what was needed to achieve full employment.

### *We Must Decide*

But what will happen after the war? Are we going back to the old pre-war complacency — when everybody said "We'll do the best we can," but instead went on with the old business of grinding axes? If we are, we may as well say goodbye to full employment.

That is where you come in. Since this is a democracy your opinions count. Your views can have an influence upon postwar



thought and action in this country.

Your responsibility is to examine critically the problem and the proposals advanced to meet it. It's your job that is involved and you have a right to suggest your own revisions and to bring your own imagination to bear upon the solution.

But perhaps what is more important is for you to help transfer the wartime unity of purpose and action from the goal of victory to that of full employment after the war. The active co-operation of employers and employees, of farmers and city workers, of our various governments and the saving public is needed to achieve our peacetime goal. "Poverty anywhere constitutes a danger to prosperity everywhere."





# Guide for Discussion



It should be no problem at all to get a discussion going among a group of service people on a subject like "Will There Be Jobs?". It may not be quite so easy, however, to explain to your group in a short talk all that is involved in the plan that Marsh and Firestone propose. We'd suggest, therefore, that you work out a careful outline for your talk to be sure that you cover the main points. Here is a suggested outline that could be used:

1. We don't want to repeat our experiences between the wars. We must plan now to achieve full employment — the basis of prosperity.
2. We have full employment — in fact, over-employment — now, in war. Our industry has increased five times as rapidly as it would have in peace. This is our chance to plan for permanent full employment.
3. Here is one program which is being widely discussed in Canada. It involves six points:
  - (a) Keep our present controls in the early postwar

period to prevent consumer purchasing power from being let loose before enough goods are being produced.

- (b) Get our manpower transferred to civilian production as efficiently as possible.
  - (c) Watch out for restrictions that might hamper the natural development of production.
  - (d) Encourage international co-operation so that world markets will be open for our products.
  - (e) Keep our spending power as high as our power to produce goods for the home market, especially by various forms of social security.
  - (f) Keep up capital investment — that is, the amount we spend on producer goods (machinery, factories, etc.).
4. It's a job for everybody. Parliament, by passing laws, the government, by planning a program of public investment, can provide the framework. From there on, it's up to business, to labour — in fact, to all the Canadian people — to do the rest.

For further ideas on the subject, see the A. B. C. A. CURRENT AFFAIRS bulletin on "Work for All", dated June 17, 1944. It dis-

cusses the British government's White Paper on Employment Policy, outlining a plan very similar to the one in this article.

## 1. Is it possible to provide jobs for all?

NOTE: According to the figures used by the authors, out of just over five million people now employed, about two million are in work directly connected with the war. And the authors estimate that full employment after the war means 4.7 million jobs.

Figure it out and it means over 1.5 million new jobs. Where will they come from? Here are a few suggestions:

- (1) Change over wartime industries to production of civilian goods;
- (2) develop new industries (what, for instance?);

- (3) increase foreign trade to reach new markets for our industries (UNRRA is one opening);
- (4) shorten working hours to spread out the work;
- (5) plan government works programmes (not just improving roads and raking leaves, but look at the large list of things we need to improve our standard of living—see the article on page 17).

Find out what the group thinks of these suggestions, and whether they can add any more to the list.

## 2. How much government action is necessary or desirable to ensure full employment?

NOTE: Most of us are agreed that we have to do something to achieve continuous "full employment". Who is to do it? How big should the government's share be? The simplest answer to that is, obviously, as big as necessary. But that is the beginning of the headaches. There are those who argue that the more fields of activity the government enters, the less freedom there is in the country; that it is stifling to progress to place the national economy in the hands of civil servants. These people would keep government as far in the background as possible. A British M.P., discussing the British government's proposed employment policy, said: "It is only an authoritarian government that can deal effectively with unemployment"—implying that unemployment would be preferable.

To this type of argument the other side replies that a democratically elected government is not interfering with freedom when it carries out such a program constitutionally and asks the voters for their approval at the required time.

Actually, the program outlined by the authors involves practically no compulsion. It is based on the doctrine that the government, through its fiscal (that means taxation, tariffs, etc.) and spending policy, can mitigate the fluctuations of business. Except for the temporary maintenance of wartime controls, the plan doesn't envisage giving orders to business and industry. Nor does it require the government to enter industry itself—except through public investment programs.

In fact, the lack of "teeth" in the type of policy advocated by the authors has been



a cause of criticism in some quarters. This criticism is that the scheme simply provides (we quote an article on the British plan) "a framework within which industry *can* act to maintain full employment, within which bankers *can* follow an expansive policy, and within which Trade Unions *can* reconcile themselves to the continuance of the capitalist system, as long as they share, proportionally with the owner of capital, in the benefits of expansion".

How about it? Is it government's job to smooth the path to full employment, to take up the slack in bad years by its own investment project and a wise taxation policy, to give business the opportunity to function successfully, and to acknowledge the workers' right to bargain collectively and to be represented on government and industrial boards wherever their interest is affected? Would success be assured in this way, through the friendly co-

operation of business men, workers, and government?

Or should government do more than this—instead of trying to persuade monopolies to operate in the public interest, take them over itself, and impose strict rules on private enterprise to ensure that the best interest of the consumer and the fairest deal for the worker are considered before the biggest profit for the business?

Or is it better for government to leave the whole question alone, to assume that business will have to keep up production of the best goods at the lowest prices in order to get customers, and that for its own health it will have to provide plenty of good jobs at good wages?

This three-cornered argument is perhaps the biggest issue in most countries today. To settle it, we have to sit down and think out soberly what benefits would come from each type of action—in fact, decide if possible which would work.

### 3. *If we all have jobs do we need social security?*

NOTE: First, it's important to keep in mind the real meaning of the economists' term "full employment". As the article points out, it isn't possible for everybody who needs work to be working all the time, without a break. Not only do people become too old or too ill to work, but there's bound to be a certain amount of what the economists call "frictional unemployment"—that is, people are going to be out of work for a while between jobs, during shifts in production or seasonal shutdowns. Unemployment insurance and other forms of social security benefits will help to tide us over these periods. Moreover, during boom periods, when there is too much money around, some of it can be drained off in contributions to the various forms of social insurance.

Some opponents of social security argue that a man works better and harder if he is obliged to stack up a hoard of cash for emergencies, for old age, or for his children; that when the government helps to meet these situations through social security legislation it takes away incentive and makes most of us grow lazy. The answer to that seems to be that people in New Zealand and the U.S.S.R., where social security programs are in force, don't seem particularly lazy.

The authors have another argument: If social insurance payments can ensure minimum incomes for people when for any reason they are unable to work, won't that help the businessman who sells consumer goods, the farmer and manufacturer who produce them, and also their employees?

## *When Buying a Victory Bond*

Here are four vitally important things to remember when you buy a Victory Bond in Canada's Seventh Victory Loan which opens on October 23rd:

1. Make sure that the applications you fill out are clearly and legibly completed in every particular.
2. See that your rank and number are included.
3. Whether you are purchasing your bonds for cash or on the pay assignment plan, give very explicit instructions for their delivery.
4. Be sure to keep all acknowledgment forms as your record so that you will know (a) what you bought, (b) how you bought it, (c) the delivery you designated.

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### *Answers to Quiz*

1. 750,000. 2. About 100,000 more. 3. Over four times as many. 4. Agriculture. 5. Tennessee Valley Authority, a U.S. public power development. 6. \$8.8 billion. 7. 3.1 million. 8. 5.1 million. 9. About two-thirds. 10. \$1.4 billion.