

"OF THINGS TO COME"  
*A Citizens' Forum on Canada in the  
Post-war World*

---

Bulletin No. 1

*The*  
New Demand:  
*The*  
Right to Work

Tuesday, December 7th

---

*Published by*  
*The Canadian Association for Adult Education*

Prepared by JEAN HUNTER MORRISON and GEORGE GRANT  
to accompany the C.B.C. broadcast of the same date.

## The New Demand: The Right to Work



"Some time in these bitter years—some time in the past few months—the world changed. It is becoming a world anticipating and planning for peace. A generation haunted by depression and war has begun to plan for a future where both will be impossible. In every country, the masses of plain people have their own plans for what they want to do after the victory is won. Some of them are reading books and articles. Most of them are talking about the post-war world in their own language. They are the world's two billion people, and in the broad sweep of history, as they struggle to gain what they want, their hopes and their works outweigh the promises of leaders and all the plans of the planners." (Time Magazine).

All over the world a new demand has arisen: the right to work, usefully and creatively. One planning agency in the United States has put this as article I in a New Bill of Rights. Certainly it represents the most fundamental hope in the minds of ordinary people when they think of a better world after the war. For without jobs for all, the post-war period will hold nothing for them but despair.

Like other men of every nation, Canadians are worrying about what it will be like after the war. They are saying: if we can mobilize all our resources and manpower for a total war-effort, why can't we mobilize them for peace and plenty? Does it take a world war to find employment for all our young men? Workers in war-industry wonder where they will find a job when the war-orders cease; men in the forces—thousands and thousands of them—will be looking for work when demobilization day comes.

### THE HUNGRY THIRTIES

Probably the chief reason people are *demanding* that somehow the right to work must be *guaranteed* is because the dominant memory in everybody's experience is the joblessness of the 'thirties.

We might as well face the facts, right at the beginning, about this pre-war decade. Unless we realize the extent of our failure to provide full employment, we can't be realistic about the steps which need to be taken to ensure jobs for all after this war.

The depression hardly needs to be "described". It is etched on too many minds with the strong acid of suffering. But it is useful to recall very briefly some of the main features.

**Unemployment.** The salient feature was the *extent* of unemployment. At the lowest point of the depression some 1,500,000 Canadians were on relief. Joblessness had reached proportions too great to explain by "slack times", or

unwillingness to work. It cut into middle-class groups: professional people, teachers, white-collar workers. It created an army of young people who drifted from one end of the country to the other, riding the rods, seeking vainly for work, then trying to find a place where they could get onto the relief rolls.

**Low Wages.** According to the 1931 Census figures, 36% of the population were earning under \$450 a year; 65% were earning less than \$950. Only 16% of the wage-earners were getting over \$1500 a year. The average earnings of all wage-earners ten years of age or over was only \$559.

**Poverty on the farms.** Canadian farmers had been suffering low prices for their products since the 20's. The post-war boom broke for them in 1921 in a brief but severe depression. After this, farm returns never rose to levels comparable with the income of other groups in the population. By 1931, the average farm income, including what was produced on the farm itself, was under \$500. By February, 1932, the average of all Canadian farm prices had fallen nearly 60% from 1929.

Unemployment, low wages, inadequate returns to the farmers could mean only one thing: appallingly low living-standards. At least two-thirds of the Canadian people couldn't afford sufficient food, adequate shelter, health services, higher education for their children. Moreover they couldn't save, so they had no reserves for contingencies such as sickness, industrial accidents, or temporary unemployment.

### WHY THE DEPRESSION?

The results of the depression are certainly familiar to us all. But what causes depressions? How can they be prevented? What can we do to see that another one doesn't occur after this war?

There are many different theories about the cause. We won't attempt to review them here. There are, however, certain factors which obviously had a bearing on the last depression, whether or not they were the only causes.

**World Conditions.** The well-being of the whole Canadian economy depends on world markets where we can sell our surplus products. Before this war, Canada was the fifth largest exporting country in the world. A comparatively few products constitute the great bulk of exports: wheat and flour, pulp and paper, lumber, precious and base metals, fish. During the depression our total gross value of exports declined by 61.5% and

our imports by 67.9%. In other words, we lost almost two-thirds of our foreign markets, because of the world's economic collapse. This naturally brought about a drastic shrinkage in our whole economy.

**Internal Factors.** Another factor in the depression was the monopolistic structure of our economy. As the Rowell-Sirois Report points out:

"Business organization has everywhere become increasingly monopolistic. In Canada industry, commerce and finance are highly centralized and in many branches a few enterprises dominate the field. Under such conditions the maintenance of prices is possible in the face of declining demands. The monopolistic producers may consider that they are better off by selling less at higher prices than by selling more at lower prices. Consequently, the burden tends to fall upon the workers who lose their jobs through the reduction in output and on the exporters whose costs are thus held rigid while their prices on world markets are sharply reduced."

In other words, when world trade fell off sharply, monopolies tended to meet this contingency by retaining high prices and selling less. This produced several results. Employment dropped, and wages were lowered. With shrinking external markets and decreased purchasing power at home, profits were uncertain so business couldn't embark on a programme of expansion to reduce the unemployment.

Urban and industrial workers found their jobs disappearing or their wages dropping. The farmer kept on producing, but most of his machinery and supplies had to be bought from highly monopolistic concerns. He had to sell much of his produce either on the foreign market (as wheat) or to distributing companies (like packing plants, dairy concerns) where several enterprises dominate the entire field. Thousands of individual producers were dealing with a few large and powerful concerns. Hence, the farmers were faced with relatively fixed costs of equipment, and sharply lowered prices for their products.

So the farmer couldn't buy the goods manufactured by industrial workers, and city-workers couldn't afford enough food. In a similar deadlock in the United States, the government undertook to get things going again by increasing public purchasing power through government expenditures on public works. In Canada we did very little, and that only on an unco-ordinated, spasmodic basis, to mitigate the effects of the depression by government investment. True, we could hardly expect to escape the effects of shrinking world trade—but we found no measures to break the vicious circle, or temper the severity of the suffering.

Previous to 1929, we had always discovered some great area of expansion which pulled us out of slumps—the wheatlands of the prairies, the mining frontiers in northern Quebec and Ontario, or the great pulpwood areas. In 1929 we hit bedrock. We could find no way of transforming a rapidly contracting economy into a once more expanding one. We could find no way—until the war came along.

#### CAN WE HAVE FULL EMPLOYMENT?

Today in wartime we are trying desperately to make our manpower go around. One of our major problems is how to prevent people spending too much money on things to eat and wear. Farmers are getting better returns for their products than they have seen since the early twenties, and they can't grow enough to equal the demand.

The war has given us full employment. The question is, how has this happened? If we can do it in war-time, can we do it in peace-time? Some people say yes, some say no.

Another evening, we'll discuss how full employment has been achieved during the war. But right now, let's look at the sheer size of the employment problem we'll be faced with after the war.

**Manpower.** Up to September, 1943, some 727,000 men and women had enlisted in our armed services. More than one million people are now employed, directly or indirectly in war-production, with about one-quarter of these being women. Allowing for some women and older men leaving the factories at the close of the war, we may have around 800,000 persons who will need new jobs, or who will have to wait for re-tooling to take place. We can only guess at how many men and women will be demobilized—it may be at least half a million.

This means that somewhere between a million-and-a-quarter and a million-and-a-half workers will depend on a speedy re-organization of our economy to avoid joblessness. This figure does not allow for the natural increase in population, which every year throws many more young people into the labour market, so it is a conservative estimate, to say the least.

**Plant capacity.** Official figures at the beginning of 1943 tell us that we have a *new* productive capacity of one billion dollars since the outbreak of war. They optimistically assert that 90% of this capacity can be used for peace-time purposes. If they are right then nearly a million people could be employed eventually, after re-tooling and re-organization. Even so, there would still be up to half-a-million workers who wouldn't fit into this productive capacity.

The first task on the post-war agenda is the gigantic one of transforming about 900 million dollars' worth of war-industry into peace-time activity.

Now, not all war-plants will need to be re-tooled. For example, the new magnesium output, the vastly increased aluminum, the new smelting plants,—all of these can continue operating as they are—if they have the markets. But the factories which were buying their products for airplanes or munitions may need to use them for consumer goods. The new smelting plants thus depend on the re-tooling of other manufacturing concerns, and on world markets to take up the surplus over what we can use at home.

Other factories, such as those producing tanks, will have to re-tool so that they can manufacture trucks, or tractors, or something else. This may take anywhere from a few weeks to many months. During this period only skeleton staffs are needed in the plants. And this will be the very time when men are being demobilized in large numbers from the armed services.

#### THE NEEDS OF THE PEOPLE

The major problem in re-organizing our economy so that people will have jobs seems to be just this: what can we use all this expanded capacity for? If we can't find a use for this new productivity, obviously people won't have jobs. This may seem like a simple question. Anyone would answer: to meet our needs, of course!

Some people point to the consumer wants which have piled up during the war. They say this will keep us busy for years. But, say the business-men, even if a family has done without a new electric refrigerator for five years, the man of the house won't go out and buy five refrigerators! In fact, he still may not be able to afford one at all. The size of our own consumer market depends on the state of our purchasing power. The business-men predict that unless some way is found after the war to keep purchasing power up, we will have to restrict production.

The fact of the matter is that if we think of our economy operating only on pre-war levels, we admit defeat at the beginning. We shall simply have to scrap vast quantities of equipment, close down factories, and cut off jobs.

There's another way in which we can view the problem of employment. Let's put it this way: if we were to meet the needs of the entire population of Canada for food, clothing, shelter, schools, hospitals, recreation centres, and so on, on a level higher than anything we have known before, how much of our manpower, factories and resources would this employ?

Take the matter of food, for example. The poorest fourth of our families are using only about one-half the milk they should, with deficiencies in the protective foods as well. Less than half of all Canadian families (those with incomes above \$400 a year per person) have a diet which comes up to adequate dietary standards. To be properly nourished as far as milk goes, Canadians should be using twice as much as they do now. Think what it would mean for the farmer if we found a way of meeting this need: twice as large a home market for his milk. And, we could safely add, a larger market for all his foodstuffs.

Then there is the question of housing. In 27 of our larger cities about 150,000 households, including about 1 million people, are over-crowded. This involves 20% of the people living in these cities. (from Canadian census statistics, 1941.) These figures, remember, indicate only the number who are overcrowded: they don't speak for unsanitary houses or dilapidated firetraps in rural and small-town areas as well as cities. The startling fact is that on the score of space alone, vast numbers of people need to be re-housed.

True, meeting the needs of our own population at a higher level won't solve all our problems. We can't grow tea-plants in Canada, and we can't use all the wheat we can produce. We are inextricably part of a world economy. We shall spend an evening later discussing this aspect of the post-war period.

It is evident that full employment depends on finding a use for our productive capacity—plants, mines, machines, equipment. Re-tooling, finance, tariffs, quotas—all these are problems of organization which *can* be solved if we decide what purpose our productive capacity is to serve.

#### MORE INFORMATION

*Royal Commission on Dominion-Provincial Relations:* King's Printer, Ottawa, 1940. Bk. I. 261 p.

The Rowell-Sirois report, giving an exhaustive survey of the development of our economy. Chapter VI in Book I presents basic facts about the depression and its causes.

HANSEN, ALVIN H.: *After the War—Full Employment.* National Resources Planning Board, Washington. 1942. 19 pp.

Discussion of the economics of full employment in the American scene, and the role of government spending.

SCOTT, FRANK: *Canada Today.* 2d. ed. rev. 1939, Oxford, \$1.25.

The development of the Canadian economy, and the depression.

BAIRD, IRENE: *Waste Heritage.* A novel, Macmillan, \$2.50.

What the depression did to young men.

#### FILMS

##### LABOUR FRONT

To be released in the theatres in October. Not available in 16mm. until April. It deals with all aspects of the use of labour and the manpower problem during wartime. (Running-time—15 minutes)

##### THE CASE OF CHARLIE GORDON

A film on the working of the Dominion-Provincial Youth Training Plan during the pre-war years, 1938 and 39. (Running-time—16 minutes)



**REPORT QUESTIONS:**

- I. Should jobs be *guaranteed* to every citizen as a fundamental right?
- II. What should be the main purpose of our national economy:
  - preserving private profits
  - meeting human needs
  - rewarding individual initiative
  - or what?
- III. What groups in your community had an inadequate standard of living before the war?

**SEND YOUR ANSWERS TO YOUR PROVINCIAL OFFICES**

**THINGS TO DO**

- I. *Find out about the post-war plans of war-plants in your community.* Assign various members of your Forum to interview plant managers, labour union officials, Chambers of Commerce and Boards of Trade about such points as these: what could the plants produce after the war? How long would it take to convert to peace-time production? How many workers could they employ?
- II. *Investigate opportunities for employment of demobilized service men* in your city or town. What new occupations are likely to open up? How many women and older men are likely to drop out of jobs? and so forth.  
 Each member of the group could interview one or two people, such as Board of Trade secretaries, members of civic governments, business men, social welfare workers, teachers.
- III. *Find out how many of the people in your unit of the armed services have definite plans for after the war.* How many will get their old jobs back, how many will need new jobs, how many will take further education, or training, and so on?

**FURTHER QUESTIONS FOR GROUP DISCUSSION**

- I. In what ways did the depression affect your community, factory, or family?
- II. In your community, what measures were taken to lessen the effects of the depression? What further steps might have been taken?
- III. Can you suggest some products which war-factories could make for peace-time purposes?
- IV. Discuss the pre-war wage levels in your occupation or profession as to their adequacy.
- V. How can the purchasing-power of the Canadian public be kept at a high level after the war, so that what we produce can be sold?

**Next week: Public and Private Enterprise: a New Partnership?**