

CHAPTER IV

LABOR AND UNEMPLOYMENT PROBLEMS

The Five Hour Day

It is suggested that we should go to the five hour day. These suggestions all amount in effect to compelling those who have jobs to share them with others who have none. The manufacturer obviously cannot pay the same wages for less production, unless he increases his prices, which means less sales and less employment. This means the relief of the unemployed at the expense of those who are employed, most of whom are receiving scanty wages, and the result will be to further curtail the purchasing power of the workers, or at least not to increase it.

Employment Agencies and Insurance

The suggestions that the State and Nation should maintain some kind of employment agencies is open to the same objection. These changes do not create a single new job. Unemployment insurance is simply adding another item of expense to the cost of production, which will increase the cost of all products, and therefore tend to cut down the market and to lessen employment in the production of those products.

Abolition of Slums

The abolition of slums in great cities and the construction of modern tenements has been tried in many cities of the world, with the inevitable result that these tenements are promptly filled by tenants who move from more expensive quarters, and that those whom it was designed to benefit are forced into still more crowded unsanitary quarters. In so far as these new apartments are built upon the theory of rents based upon a moderate return on the capital expended, instead of rents established by the market, they are acts of charity, with no certainty that those in the direct need of the charity will receive it, but with the practical certainty, shown by experience, that the charity will reach those who do not need it, or those whose need is not so pressing. These projects can only be justified as temporary expedients designed to give employment to the unemployed.