COMMUNITY PLANNING IN UNEMPLOYMENT EMERGENCIES

RECOMMENDATIONS GROWING OUT OF EXPERIENCE

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PREFATORY NOTE

THIS pamphlet is an endeavor to bring together the recommendations for community action to meet emergent unemployment which have been put forth from time to time as the result of experience by social agencies and their representatives. A list of the books and pamphlets quoted and the addresses from which the full texts can be secured will be found on page 85.

It is strongly advised that as many of these publications as possible be read in their entirety, since it was possible to give here only some of their conclusions, the supporting texts and arguments being for the most part of necessity omitted.

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TO THE thoughtful citizen who has lived through several industrial depressions it is disheartening to realize how little we seem to retain of the experience of one crisis to help us attack the next. Let a period of unemployment appear, and groups come forward in every community armed with the best of intentions, but not prepared to avoid the same mistakes in dealing with the problems of their unemployed fellows that were made in 1893–1894, in 1907–1908, in 1914–1915, and in 1920–1921. There is a great deal that is inspiring about our American way of springing to instant answer to the call of need, but it has been said of many of the emergency measures which are first to be proposed in a period like this that "their only merit is their spontaneity."

In times of cataclysmic disaster affecting a whole population—as in fire, flood or earthquake—it is necessary to relieve the needs of a large part of the population in wholesale fashion. We have learned, however, that the results of such disasters cannot be successfully dealt with by canteens and shelters alone. Our new technique pushes as speedily as possible past these expedients to a system of orderly inquiry into individual needs, and a differentiated type of assistance suited to each particular case in turn. This is the contribution which the trained social worker has to make to periods of widespread distress.

In most communities there exist agencies both public and private which can be expanded and organized to give this individualized service, through which alone the right kind of help can be extended to each of those in need. The worst fea-

ture of indiscriminate relief—bread-lines, soup-kitchens, enormous lodging-houses free to all comers—lies not so much in the wasteful application of funds that they entail, but in their diverting the main stream of those in need away from the sources of a more penetrating and individualized care to the places where their immediate wants can be satisfied anonymously, so to speak, and with no questions asked.

In this connection, it may be worth while to draw attention to the fact that the frequent claims made by certain distributors of charity, that their work entitles them to public support because of the large proportion of the funds collected which is actually expended in material relief and the small proportion which is invested in machinery for distribution, often rests upon a complete misunderstanding of the actual problem. Conscientious investigation of the needs and resources of the individual family, intelligent advice by experienced (and, therefore, reasonably remunerated) professional social workers and those working under their direction, establishment of contacts with other social agencies, searching out of relatives able to help, assistance in securing employment, and quite a number of other possible forms of non-material aid are just as important as the dollars and cents handed out. Indeed, without a thorough appreciation of all the circumstances and without the additional services which capable workers can render to the family in need, the money part of the aid given often is wasted or wrongly used.

By this we do not mean that the payment of relief should be accompanied by conditions making it difficult for self-respecting persons to accept such relief. Neither do we believe that investigation of circumstances need be inquisitorial. It is just in these respects that the difference between experienced workers or volunteers working under their direction and amateurs handing out large sums of money in a wholesale fashion makes itself most felt.[1]

Only part of the task here attempted is, however, to warn against measures the unwisdom and essential unkindness of which have been demonstrated. The more important part is to bring together suggestions for an approach which, while

[1] How to Meet Hard Times, Report of the Mayor's Committee on Unemployment. New York, January, 1917, p. 105.

conserving the spontaneous helpfulness of which we are so justly proud, will at the same time substitute purpose for impulse, cooperation for jealous isolation, orderly results for wasteful dissipation of energy, time, and funds.

"The problem of unemployment," says Sir William Beveridge, "is insoluble by any mere expenditure of public money. It represents not a want to be satisfied but a disease to be eradicated. It needs not money so much as thought and organization. It needs above all to be taken seriously."

Employment charts in any given locality or industry show seasonal disturbances, not nation-wide or even industry-wide, which it is possible for a local group of industrialists to study, mitigate, and in a measure control. The same can be said to a degree of technological unemployment. Much of the laying off of older men still in their prime is unnecessary and it lies within the power of individual industrial concerns or groups so to order their own houses as to cause this evil to lessen if not to disappear. The minor peaks of unemployment are susceptible of influence and of being ironed out to some degree through concerted local action. But the larger disturbances—"the mysterious business cycle with its undue credit expansion and attendant deflation showing great peaks of unemployment more or less periodically over the last hundred years"—are beyond the control of any local group. The ripples in the unemployment curve may be dealt with locally, but not the great underlying surges. When these overtake us, the task of any local group is a remedial one—to lessen as far as may be the pressure upon those least able to bear it. Since this pamphlet is addressed to local groups, in the face of nation-wide and world-wide depression, no attempt will be made here to deal with the surmised causes and suggested cures for cyclical unemployment; we shall confine ourselves rather to what a community can do to mitigate its effects. We make no claim to bringing forward a panacea for widespread industrial depressions. The prevention of these is the job of industry itself and of government.

WHO CARRIES THE HEAVIEST BURDEN?

What happens when "mills are shut down, business is restricted, and the sources of livelihood of a multitude are suddenly stopped?"

Whatever emergency measures are adopted in a time of industrial depression, the major part of the burden will fall upon the unemployed themselves. It is futile to talk about organizing the community to carry the *whole* burden of unemployment, because that would mean replacing by artificial means the enormous wage-loss resulting from widespread depression. No community, no national unemployment insurance scheme even, has ever attempted any such thing.

As in time of disaster, not losses but needs must be considered; and it would be beyond the power of relief from public and private sources combined to provide assistance for all the unemployed, even if that were desirable.[1]

HOW IS IT CARRIED? THE FIRST LINE OF DEFENSE

Certain adjustments can be and are made by people who enter the shadow of unemployment.[2] Some of these are in the field of employment, such as change of work, part-time work, securing temporary and odd jobs, the women and older children of the family going to work. Others mean a falling back upon financial resources: savings, loans, "running up bills," help from relatives and friends, or from mutual benefit associations joined in more fortunate times. Money is raised on insurance policies; or other property, real and personal, is sold, mortgaged, or pawned. A family may take in lodgers, or they may move in with another family and become lodgers themselves. Other reductions in the scale of living may be made. The changes may involve moving to a former home, or, in the case of the foreign-born, returning to the country of their birth, where their savings

[1] Facing the Coming Winter, by Joanna C. Colcord. In The Survey, November 15, 1930.

[2] All these measures are discussed at length in The Burden of Unemployment, by Philip Klein. Russell Sage Foundation, New York, 1923, chap. 1.

will have a higher real value. Many of these adjustments are undesirable and spell social loss, but they will certainly be made or attempted in time of unemployment. The consequences of some will be tragic.

The country should be told, in such a way that it will understand, what some of these end results of unemployment are. Homes will be lost in the buying; money will be borrowed on disastrous terms; household effects gathered slowly will be scattered; occupants of separate homes will move into furnished rooms; dwellers in decent neighborhoods will be driven into meaner streets; a lower moral tone will follow upon loss of privacy; lodgers will be taken in who are unfit companions for small children; large families will be insufficiently fed on the two days in the week earnings of one member; children will be taken from school prematurely. These results can be prevented, in part at least, in only one way, and that way is for every individual citizen to get under a part of the burden by doing his best to help throughout this winter—not an abstract best, but the best possible under the circumstances.[1]

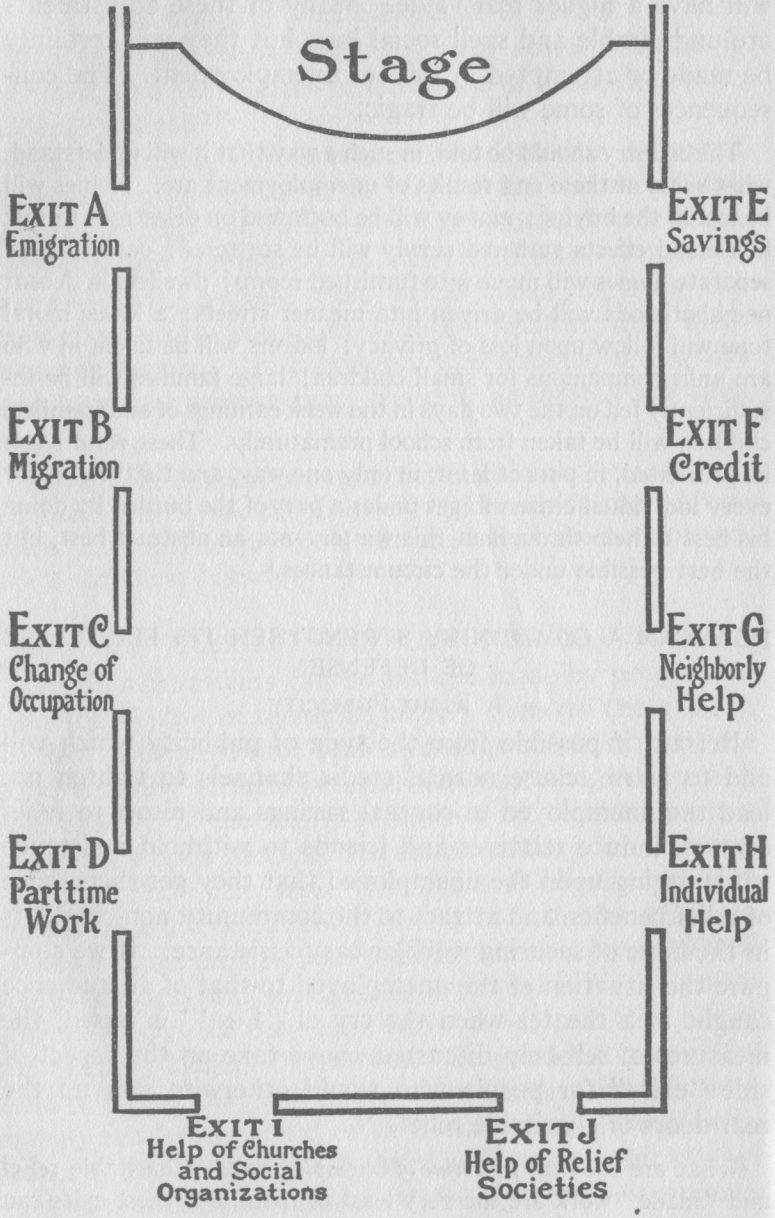
HOW CAN A COMMUNITY STRENGTHEN ITS FIRST LINE OF DEFENSE?

I. Right Publicity

Refrain if possible from the type of publicity which will add to alarm, cause normal credit channels to tighten up, lead the unemployed to conceal savings and resort to relief centers, induce relatives and friends to withhold assistance while urging upon the unemployed that they get their share of relief benefits, and attract to the community non-residents in the hope of securing work or easy assistance. If we compare the situation of the unemployed to that of an audience caught in a theater when the cry of "Fire!" is raised, the measures of self-help discussed above take on the aspect of side "exits" for people who would otherwise jam up the rear doors of charitable relief.

What are the *exits in a time of unemployment?* Charitable relief and "made" work are the very least of them, but these exits can

[1] Emergency Relief in Times of Unemployment, by Mary E. Richmond. In The Long View, Russell Sage Foundation, New York, 1930, p. 511.



EMERGENCY EXITS IN HARD TIMES

be so over-advertised as to close many of the others unless we face the true situation. The best exits, even at a time like this, are those that the unemployed, left to themselves, instinctively seek. Usually they are emigration, migration, change of occupation, part-time work, savings, credit, help of relatives, neighbors, and friends. One examining this list may feel that it is a great cruelty to expect the unemployed man or woman to seek any such adjustments as the foregoing. The only reply is that it would be a far greater cruelty to encourage him or her to believe that any better ones are possible, given the situation as we find it.[1]

To stretch the comparison a little farther, let us assume that the families in adjoining houses also heard the cry of "fire"; that seeing smoke at their own windows and fearing that their own house is afire, they ascend to the roof and attempt to get out by way of the theater—whose escapes seem larger and stronger than their own. They thus increase the crowd, and make escape difficult for themselves as well as for others. In somewhat the same way people from small communities flock to the nearest city, hoping for greater opportunities there, but only succeed in blocking the way for those already caught in the jam and for those who are trying to extricate them. It is desirable to discourage, if possible, this influx, in order that each community may deal as effectively as possible with its own people.[2]

II. Strengthening Credit

Tradesmen doing business with workingmen's families know the ups and downs of the worker's income and have accepted as a matter of course the system of extending credit to them in periods of unemployment. It is part of the "risks of the trade." The chances of loss (as compared with long illness, for example) are slight, whereas refusal to give credit would seriously cut down trade. . . . According to the testimony of competent observers the local tradesmen have been one of the strongest bulwarks of the unemployed against destitution.[3]

Some positive help might be given by an Emergency Committee in furthering arrangements to *underwrite credit.* Many small retail dealers, especially in food, and many landlords in a time of unemployment seriously exceed the limit

[1] *Ibid.*

[2] The Burden of Unemployment, pp. 88–89.

[3] *Ibid.*, p. 22.

of safety in extending credit. The situation thus created is reflected in tightened credit relations from producer through wholesaler, jobber, retailer, down to the unemployed consumer. A subcommittee of bankers and distributors, with means of guaranteeing extension of credit, might considerably ease the local pressure by credit grants, judiciously made to dealers on the basis of over-extension of credit to the unemployed.

SHOULD WE CENTRALIZE ALL REMEDIAL MEASURES?

All the reports here quoted discourage and point to the ill effects of centralized *relief* schemes.

As a result of their experience in former emergencies and in local disasters, social agencies have been wary of encouraging too great centralization of the actual work of relief, except in so far as efficient co-ordination of tasks demanded it. Such overcentralization, by removing responsibility from the neighborhood and from other more intimate sources of aid, has diminished rather than increased the aggregate resources. Experience has demonstrated that when centralization has taken the form of the collection of a general fund raised with much publicity and announcement is made that it will be distributed to individuals and families from a central point, the result has been a most serious drying up of the richer and more valuable sources latent in the good will and helpfulness of family, relatives, friends, tradesmen, landlords, and neighborhood.[1]

Experience has taught the social agencies that unemployment relief, to be handled even relatively well, must be *decentralized*. No agency, public or private, can create the impression that the situation is going to be centrally dealt with and relieved without doing great harm. Congestion of applications at any one place and congestion of remedial effort from any one center should be avoided. In this decentralization there should be a definite part for each group of citizens and each individual citizen to play.[2]

The Mayor's Unemployment Committee of New York said in 1917:

It seems to us, after hearing much . . . evidence, that a clear distinction must be made between a centralization of planning and

[1] *Ibid.*, p. 89.

[2] Emergency Relief in Times of Unemployment.

a centralization of the actual work of relief which becomes necessary in an emergency. The danger which must always be kept in mind is that of giving an impression to the public which does not represent the facts of the case, as for instance by the establishment of a central relief fund which would mislead the public into the belief that all responsibility for relief was being assumed by the central organization and that the many private and local relief sources which . . . appeal for support during an emergency are not needed.[1]

Decentralized relief must, however, be accompanied by *centralized planning*, which "is an essential part of any systematic breaking up of the problem into its parts. A truly representative group—representative of the local public administration, of the private social agencies, and of the workers—should get together, not to advertise itself or to devise any one scheme which will be a substitute for individual effort,"[2] but to make unified plans to meet the emergency.

WHEN SHOULD AN EMERGENCY COMMITTEE BE APPOINTED?

To be really effective in time of unemployment, such a body should have been in existence long enough beforehand to have studied the local industrial situation, won the confidence of employers, and worked out in advance and in the light of its knowledge of conditions some definite plans for an emergency.[3]

This is a counsel of perfection, in the light of our unwillingness to keep plans going between emergencies. At the Conference on the Coming Winter, whose report has just been quoted, however,

The reports on local situations brought out strikingly that the most effective work now being done in connection with the emergency had been initiated before the crisis was upon us—as part of a unified, long-time social program. . . Of course, no one would for a moment suggest that special committees or groups called together

[1] How to Meet Hard Times, pp. 54–55.
[2] Emergency Relief in Times of Unemployment.
[3] Facing the Coming Winter.

to deal with the present situation cannot do valuable work. Indeed, it is possible to capitalize the immediate interest (an interest difficult, many times impossible, to awaken before the need is overwhelming) for the sake of organizing a continuing group which will not only act in connection with the emergency, but will also undertake or stimulate long time studies of local conditions with a view to the elimination, or, at least, diminution, of periods of widespread unemployment.[1]

Earlier testimony is to the same effect.

The winter of 1921–22 showed many instances where lack of previous study and preparation *in time* resulted seriously. . . . On the other hand, those committees that had been organized a reasonable length of time before the onset of the stress of 1921–22 were able to plan and carry on some activities of a very creditable nature.[2]

The time to organize, then, is from three to five years before the emergency! Failing that good start, the sooner the better. Indications of distress are shown in

General employment statistics. These may show a marked decrease of employment as compared with a similar period in previous years.

A marked decrease in employers' requisitions at the public employment office.

Heavy withdrawals from *individual* savings-fund accounts of local banks.

Reports of "lay-offs" in several large industrial establishments.

Increase in unemployment item on statistical cards of family agencies.[3]

As soon as well-known indications appear, the organization should be quietly begun. Considerations of optimism, unwillingness to admit that times are getting bad, should not be allowed to prevent that timely planning which often makes the difference between order and chaos later on.

[1] Editorial, The Family, November, 1930.

[2] The Burden of Unemployment, pp. 42–43.

[3] The Time to Plan Is Now. Bulletin for June, 1929, of the Family Welfare Association of America.

Where the city government actually represents leadership in the community, it may well take the initiative.

. . . whenever there is an emergency situation in the city, a calamity affecting thousands of homes, for which no preparation, public or private, has been made or is adequate, it is naturally to the city government that the people turn in their fear and distress; it is naturally to it that the benevolent look for guidance in the work of philanthropic aid; it is naturally to it that state and federal government look for action designed to maintain order and to prevent disease, vagrancy and crime.[1]

On the other hand, leadership in an emergency may properly be vested in other hands.

There is no doubt as to the need in most cities for some kind of a central committee to direct unemployment relief. "The man in the street" wants an authoritative source of information, a center of responsibility, a sense of someone's dealing actively with a problem that faces him throughout the day, wherever he goes. The community as a whole wants to know that it is meeting its responsibilities. It does not want to be pointed out as a shirker. Social agencies, if they are a step beyond the stage of primitive organization and vision, want to compare notes, co-ordinate activities and fields of work, and find a channel for the effective presentation of their extraordinary task to public opinion. The amount of publicity necessarily attaching to a serious depression increases the sense of individual responsibility. The relief activities of both individuals and organizations, intensified under stimulation of publicity, demand intelligent co-ordination. Some authoritative point of centralization must be created, some kind of a central committee, or else dominant leadership, must be provided by one or more of the organizations most interested.[2]

For good or for evil, the possibilities for publicity in most unemployment committees are almost unlimited. It is a tragedy if those possibilities either cannot be utilized or are used to harmful effect. . . . The question really becomes one of damming and controlling such publicity. From this standpoint, mayors' committees have proved in most instances very difficult. In the first

[1] How to Meet Hard Times, p. 50.

[2] The Burden of Unemployment, p. 38.

place, the press feels it has a right to know and discuss public matters and policies, and that the actions of a public body are common property. In the second place, it is rarely possible for a committee appointed by an elective official with strong political affiliations to remain entirely free of political coloring. This is a most important point. It outweighs almost by itself all possible advantages of a mayor's unemployment committee. . . . Where the political lines are not too taut and sensitive it means perhaps no more than storing up political strength. But even where the work of such a committee is not deliberately guided or interfered with for political advantage, the irrelevant alignment of political loyalties weakens its chances for effective work as a committee on unemployment.[1]

In small cities, small unemployment committees consisting of public-spirited, capable men selecting a single activity have been able to make a good job of it.[2]

WHAT SHOULD BE THE MEMBERSHIP OF SUCH A COMMITTEE?

The basis for effective work of an emergency committee lies in the manner of its appointment, its personnel, organization, energy. A committee appointed in haste, under pressure, in consequence of reluctant compromise or in the face of indifference, has small chances for excellence. If the committee is too large or is drawn from such diverse sources that the members cannot come to know each other and effect a real exchange of opinion or group thinking, the likelihood of accomplishment is poor.[3]

Agency representation on a committee on employment is advisable only in so far as representatives can be found who are interested in the subject, can work well with others, and can get things done. In selecting the group it is well to consider board and staff personnel of the following agencies:

The public employment office
The chamber of commerce
Two or three leading industries[4]
The council of social agencies
The family societies
The visiting nursing association
Board of health

[1] *Ibid.*, pp. 43–44.

[2] *Ibid.*, p. 49.

[3] The Burden of Unemployment, p. 54.

[4] In organized industries, representation should include both management and labor.—EDITOR.

The personnel managers' association
The central labor union
A commercial bank
A savings bank
The city government (the mayor should be an ex-officio member of such a committee)
Organizations dealing with homeless men
Y.M.C.A. and Y.W.C.A.
Y.M.H.A. and Y.W.H.A.
Bureau of vocational rehabilitation
Board of education
Representative of church federation or similar group

The possible contributions of individual committee members will suggest themselves in connection with the problems treated in this report. A well-run public employment office, as the pulse of industrial activity in the community, should have valuable information to give. Leading business men if informed of the exact situation could devise measures for expanding or contracting business and employment opportunities. The labor organizations can report on conditions of employment or distress among their members. The banks, without betraying individual confidences, can picture the extent of local business activity or the degree of distress indicated by withdrawals from the small savings accounts. The city government should always be close to the situation in case of a sudden need for public funds or for the inauguration of a municipal building program.

Obviously social and health agencies will want to be part of the committee, either for the purpose of reporting distress or of learning of the trend of business before any strain on relief has begun. The bureau of vocational rehabilitation will help in good times and bad on the problems of the so-called "unemployable." Organizations working with young people, such as the Y.M.C.A. and the board of education, may know of the junior employment situation and may desire to co-operate in providing temporary classes for the useful occupation of the unemployed youth of the city.[1]

[1] The Time to Plan Is Now. (Other agencies will suggest themselves which should be considered in forming the committee. The executive editors of leading newspapers, Knights of Columbus, the local chapter of the American Red Cross, and the organizations especially interested in ex-service men, are additions that readily come to mind.—EDITOR.)

WHAT SHOULD BE THE AIMS OF SUCH A COMMITTEE? Briefly, they are

I. To gather the facts so as to present local conditions in industry.

II. To coordinate the plans and resources of local agencies.

III. To see that all available real work for real wages is distributed to the best advantage.

IV. To develop resources for the relief of such of the unemployed as cannot plan for themselves. These will generally take the form of relief in wages for "made" work, direct relief, and charitable loans.

V. To furnish wise and discourage unwise publicity.

The size of the community will affect the committee's method of organization. During 1920–1921,

in the larger cities, with the exception of New York, unemployment committees refrained from assuming responsibility for any specific services. Perhaps nothing can be proved by what was *not* done, but the uniformity of this self-restraint does seem to be significant of the general conviction that administrative services are handled with difficulty by a temporary body lacking experience in routine. Every activity fathered, stimulated, or even financed by such committees was generally turned over in whole or in part to an existing agency. . . . Administrative undertakings by emergency committees were not found save in small cities.[1]

I. Gathering Facts

While this can better be accomplished as part of the long-term plan of a permanent committee, some basis of fact is necessary in an emergency, and in the larger cities might well be delegated to a sub-committee.

The committee might conveniently consist of some dozen members, chosen *not as representatives* of their respective organizations, but as individuals known to have the necessary interest, training, connections, and time. Such persons would undoubtedly be found

[1] The Burden of Unemployment, pp. 49–50.

among the faculties of universities, the staff of family welfare societies and other social agencies, the federal reserve banks, chambers of commerce, trade unions, welfare federations, insurance companies, industrial plants, state or city employment bureaus or labor departments, and possibly church federations, newspapers, and so on. There may be indefinite variation from city to city because individuals would be called in by the accident of their personal qualifications, not as representatives of organizations. Such persons as these have as a matter of fact been gathering data and interpreting conditions in their particular cities, but have been doing this as isolated units, not only not organically related but not even brought together—they or their labors. The committee would consider and determine upon plans of study, would probably divide up the work among the members of the committee as individuals or as subcommittees, and might add other persons to these subcommittees, as required by the work.

The inquiry could cover all the important phases of the subject: business conditions, savings accounts, business failures, stock turnover in merchandizing concerns, employment in factories, trade and transportation, building operations, employment service, production indices of industrial plants, nation-wide business matters, local housing, relief and service, changes in population, and so on.[1]

Census of Unemployed

An attempt is usually made by a committee appointed in an emergency to determine the *volume* of unemployment. This has sometimes involved the attempt to get the unemployed to register the fact of their unemployment at some central point.

President Harding's Conference on Unemployment incorporated in its recommendations a cardinal point that emergency committees in cities should register all those desiring work (keeping registration for relief entirely separate from that for employment) and that they should publish the number "dependent upon them for employment and relief, that the community may be apprised of its responsibility." . . .

In [only one] of the fifteen cities visited, so far as this study

[1] The Burden of Unemployment, p. 51.

showed, was there an attempt to take the registration of the unemployed seriously, and there the attempt proved a failure. . . .

There seems to be little, in the experience observed in any of the cities visited, to recommend this method of ascertaining the number of unemployed in any American community.[1]

Registration of the unemployed at any central point, as distinct from application for employment at an employment office, has proved to be not only useless and possibly harmful, but entirely impracticable, and need not be seriously considered by unemployment committees.[2]

The use of the police force to make a census of the unemployed usually only increases alarm among the foreign-born, and produces figures of no statistical value. (See also page 50.)

II. Coordination of Efforts

1. *Strengthen Existing Agencies*

A civic emergency policy, proceeding upon a clear understanding of the permanent as well as the temporary problem, must be more than supervisory; it must to a certain extent become directory. It has to establish machinery by which the needy are directed from their nearest point of contact with a social agency to the resources most suitable for their case; it has to a certain extent to direct the stream of private benevolence to the funds most urgently in need of support; and it can aid the scattered relief organizations themselves to recognize the most urgent objects of concentrated endeavor.[3]

In the same way as defense societies and official departments in their preparedness programs count up the automobiles, railroad trucks, horses, yachts, hospital beds and blankets they can rely upon as available in the case of sudden need, so a central agency . . . should be in a position to work up a skeleton scheme of emergency relief, including work facilities, in which not only the large relief associations, but also the smaller and more locally operative agencies, would take their proper place. . . .

All sorts of plans for relief by offer of work and the distribution of food, clothing and other aid are entered into without sufficient examination of the ultimate results of such operations, without study of the best methods, without adequate resources, sometimes without taking notice of similar efforts made by others in the same neighborhood among the same people.

[1] The Burden of Unemployment, pp. 179–180. See also p. 213.

[2] *Ibid.*, p. 217.

[3] How to Meet Hard Times, p. 55.

We believe that such spasmodic and unpremeditated efforts at relief of obvious distress and want in the neighborhood will always be made when that distress and want arises. But they need not be so unsatisfactory and contrary to the best principles of relief as often they have been in the past, provided a general plan of action for dealing with the emergency whenever and wherever it may arise, even if not fully worked out in advance, were in existence at least in embryo in some central office and included rather than discountenanced these efforts of local workers who are personally acquainted with some limited area or neighborhood. Such a plan would take account of the wishes of each agency desirous of being included as to the part to be allotted to each agency. The central office would not necessarily be compelled to adhere to the individual desires of the several agencies in this respect. It would rather, by conference, explanation and, where necessary, a little educational pressure from the better upon the less informed groups, seek to coordinate all the resources of the city in a uniform preparedness program.[1]

2. *Create No New Agencies*

If there has been good community cooperation or a permanent committee on employment, the social agencies will have a working agreement as to the function of each. If not, an emergency committee will bring them together and through special conferences classify and integrate the services of the community. Experience has shown that *it is unwise to create any new agency* to meet an employment emergency. It is better to direct additional funds and new functions to already existing organizations. One agency or the council of social agencies may serve as a center of information for social workers and the public concerning local resources.[2]

III. Distribution of Real Work

"The only adequate remedy for unemployment is employment."

1. *Employment Exchanges*[3]

Existing employment agencies should be encouraged to work closely together, possibly establishing a clearance system for jobs

[1] *Ibid.*, pp. 93–94. [2] The Time to Plan Is Now.

[3] For a complete description of how one public employment exchange functioned satisfactorily in 1920–21, see the Burden of Unemployment, pp. 63–70. For a further discussion of the work and methods of public employment exchanges, see Public Employment Offices: Their Purpose, Method and Structure, by Shelby M. Harrison, Russell Sage Foundation, New York, 1924.

so that workers would not be obliged to walk from bureau to bureau in a futile search for employment. If no employment service exists in the community, an office might be organized at such a time, if it can be made a permanent institution. However, it must be remembered that the opening of an employment bureau does not mean that jobs are thereby created in a time of unemployment. It merely serves as a means of exchange for the few positions that do exist. Such an office should be used for registration for employment, not relief.[1]

2. *Industry*

There are many ways in which firms with large and small payrolls can make adjustments that help in an unemployment situation. A central committee can command the attention of all, can circulate news of methods that have proved useful to the majority who are disposed to cooperate, and can sometimes bring effective pressure on those not so disposed.

In getting men back to work, it is fair to consider their need as well as their fitness. Arrangements with personnel departments of industrial concerns, by which they agree to recall former employes in the order of their need, have proved useful. The committee or some agency delegated by it agrees in this case to certify to the need.

a. Short Time and Similar Devices

It is hardly necessary in these days to expatiate upon the economy, common sense and humanity of such an attempt. Such distribution of work during the unemployment crisis of 1914–1915 [in New York City] was, as a matter of fact, by far the most potent influence in warding off distress. The Mayor's Committee addressed an earnest appeal to employers in the city to put employes on part time rather than reduce their working forces.

In some cases, this distribution took the form of alternating working shifts, either by the week or half the week, in others by early closing, reduction of working hours or closing from one to three days a week. . . .

It is important to remember that the dividing line between

[1] The Time to Plan Is Now.

employment and unemployment is an exceedingly narrow one. It is possible by an excessive sub-division of available work to increase unemployment rather than decrease it. This is especially the case with low-paid unskilled work, where at normal times the earnings of a full week only just suffice to support life. It is quite clear that there must be many circumstances under which employes cannot afford to share available work and others under which, while a certain distribution may be possible, a complete sharing would be disastrous to all the workers in a trade. . . .

We do not feel at all apologetic in adding to the appeal of self-interest that of the public concern. Other considerations apart, it would seem to be the duty of a good citizen to prevent, if he can, the falling into unemployment and destitution of fellow-citizens for whom, as employer, he has even more than the average general responsibility and for whose support the community as a whole has to pay, both during unemployment and during the various forms of incapacity which so often are engendered by involuntary idleness over an extended period.[1]

b. Production during Slack Periods

. . . at times when the market for his normal product is diminished owing to a psychological situation over which the individual manufacturer has no control, the opportunity is often an excellent one to give his mind to the production of new commodities, not in competition with those already on the market, but goods for which a sale can be found in addition and quite outside that for the normal product. In this way many manufacturers, as a matter of fact, have developed exceedingly profitable staple lines. Forced to think of goods which could be produced cheaply, in large quantities, and independently of passing fashions, goods which would not deteriorate by moderate periods of storage, they have created new standard lines which, in some cases, have eventually proved of greater permanent importance to the business than the original varying patterns of which the trade consisted.[2]

c. Planning Improvements and Extensions

Deliberately to plan improvements for times of depression rather than to undertake such improvements when increasing

[1] How to Meet Hard Times, pp. 24–25. [2] Ibid., p. 21.

trade lends every encouragement to expansion is difficult for the individual industrial manager. We believe, however, that such a policy would be found financially practicable, as it is socially desirable, by such large corporations as railroads, which can look forward with security to continuing operation over a period of years. The compensating economic advantages to so established a business as a railroad, of lower prices of materials and a more ample supply of labor, would appear to outweigh any speculative risk which might be feared. Successful experiments in this direction would go far to popularize this policy with less extensive industrial concerns.[1]

d. Wage Rates

"Every one should keep up the wage rate in order to keep up the purchasing power," says the Commissioner of Labor of New York State. Emergency committees should use their influence against cuts in wage *rates*, even though total individual *earnings* have to be lowered through the rotation of work as described above.

e. Assurance of Security

The special tendencies which in "hard times" dislocate employment on a large scale are aggravated by a normal insecurity in the hold upon the labor market which is shared by many thousands of our industrial workers. That insecurity is a constant source of anxiety in tens of thousands of homes; it produces incompetence and a lowering in the standard of life, which, in certain occupations, assumes dangerous proportions.[2]

"Every firm that can give reasonable assurance that it is not going to fire people . . . should do so."[3]

3. *The General Public as Employers*

This is one time when the rich should indulge themselves in leisures that require large labor forces, such as building a yacht. This is the time to build a sunken garden, put a stone or brick wall around a country estate, give a daughter a swimming pool instead of an expensive bauble, an open-air theatre, boat house, add

[1] *Ibid.*, pp. 23–24.
[2] How to Meet Hard Times, p. 8.
[3] Commissioner Perkins, in the New York Times, November 11, 1930.

a pool room to the house, build a hockey field, lay out bridle paths, set out roadside trees.[1]

The small householder can be stimulated to advance work that will have eventually to be done.

Spring cleaning, cellar, attic, backyard cleaning, care of furnaces, whitewashing, scrubbing, window washing, loading or unloading, any labor for which no permanent person would be employed, or which would be performed at the leisure of the existing force of employes, or which the householder would undertake at his leisure —constitutes part of this type of employment. Extra cleaning, grading, painting; repairs and improvements in institutions, public or private; spruce-up campaigns and fire prevention campaigns provide still other opportunities.[2]

4. *Public Works*

The advancement of public work must be sharply differentiated from *work relief*, which we speak of below. This section relates to large scale public improvements, let through contract and differing from ordinary undertakings of this sort neither in wage scale nor choice of men employed. The possibility of deliberately holding back such enterprises in time of prosperity to await a time of public need is discussed later. Here we have to do with what an emergency committee can do to forward public works when the time of need has arrived.

Jobs can be created by the exercise of legitimate pressure on city and state authorities to hasten the plans for new buildings, roads, or other public undertakings which have been authorized by legislative bodies. This provides work not only for those directly employed but for those in the twenty-seven industries which make building material and other supplies. An increased number of wage earners then begin to buy clothing and household equipment, thus stimulating activity in another group of industries. Care must be exercised that not too much public work is begun suddenly, thereby causing undue expansion which might again bring depression.[3]

[1] Commissioner Perkins, in the New York Times, November 11, 1930.

[2] The Burden of Unemployment, pp. 81–82.

[3] The Time to Plan Is Now.

Strictly speaking, employment on public works cannot be considered a practicable emergency measure unless such works have been planned in advance for a number of years, the plans approved, the contracts drawn, and all that remains when unemployment becomes severe is to get the funds in order to go ahead at once with the work. As it is, the routine that precedes operation on such works takes considerable time. Generally, state legislation must first be obtained, and this is often a time-consuming process even if the legislature happens to be in session. Usually, funds are raised by bond issue, and the business of selling the bonds must await approval of the issue by public vote—again a great loss of time. Then bids are received, specifications drawn up, contracts let, plans approved. More than likely through this procedure the delay becomes inhibitory, and work cannot begin until the emergency has passed.[1]

The difficulties of forcing through new projects in time to be of use is great, and this, together with the inertia of our communities in "good times," doubtless explains why a resource so much talked of has been in practice of so little account. A close examination should be made by an emergency committee, however, of all projects under discussion, to discover those for which (a) plans have been already drawn up, (b) money has already been appropriated by the federal government, state or municipality, so as to make its efforts in a direction that promises some useful outcome.

IV. Developing Resources for Relief

1. *Division and Discrimination*

The New York Mayor's Committee on Unemployment of 1914–1915 made as its first recommendation,

> . . . that no matter how severe the unemployment crisis, a sincere effort should be made by the public authorities and by the private agencies primarily responsible for its relief to classify those in need in some way not inconsistent with rapidity of action, so as to determine what kind of relief the individual is most in need of or which is most likely to be appropriate to his or her capacity

[1] The Burden of Unemployment, pp. 75–76.

for self-help, possession of resources, station in life, family responsibilities, age, health, sex, and so on.[1]

a. Family versus Single Men

Preference for those who were destitute marked to an appreciable extent the work of mayors' committees. One of the tests of need, generally speaking, was having a family or children. This test was often held to so rigidly that single men were needlessly discriminated against.[2]

b. Residents versus Non-Residents

Distinguish sharply between plans for resident and those for non-resident unemployed. Until reasonably adequate shelter with a work-test has been provided, preferably by the municipality, for non-residents claiming to belong to the ranks of the unemployed, and until a time-limit has been announced for this shelter and care, together with some classification and individualized disposition of cases within the group, all work for the bona fide resident unemployed, many of them heads of families, will be demoralized.[3]

There has been general agreement that residents should have preference in employment. Most private social agencies strictly adhere to this principle in dealing with applicants for aid or employment at all times. Public employment services assume local residence and do not verify applicants' statements on this point. Preference for the resident unemployed is based not upon any grounds of moral superiority or on the probability of his greater need. It is a question merely of social statesmanship. Such preference places the responsibility where it belongs; each community should take care of its own. Moreover, if and in so far as each community is to care for its own unemployed, it must be able to gain an idea of the size of its task and to see it through. An influx from other communities not only increases its task but complicates it as well. Adequate relief cannot be given to constantly swelling numbers attracted by the very fact of such adequacy, yet no community likes deliberately to refuse to help on grounds merely of nonresidence, which is utterly foreign to the question of need. Moreover, real lasting help can rarely be given in a strange community to a man without social ties or resources.[4]

[1] How to Meet Hard Times, p. 48. [2] The Burden of Unemployment, p. 83.
[3] Emergency Relief in Times of Unemployment.
[4] The Burden of Unemployment, p. 85.

c. The Homeless

It is, however, possible to apply too rigidly the statements just made. If the non-resident has some place of real residence, the obvious thing to do is to assist him to return to the community upon which he has a claim. This means that shelter and food must be supplied while his claim is being determined by communicating with the authorities in his former place of residence. But many men on whom we depend to do heavy casual seasonal labor—the men who harvest the grain, build the railroads, work in the woods—have literally no home, no place to which they can lay a legal claim. They move on from one job to the next. Without them our industrial system could not function; when there is no work for them, they must be cared for in the place where they happen to be.[1]

d. The Juvenile Unemployed[2]

A form of adaptable handling of the situation which may be especially commended to all local committees is that which aims to keep children in school even longer in a time of industrial depression than in ordinary times. There is less effective demand for their labor than usual; such demand as there is will probably be in dead-end occupations. In 1914–1915 some agencies were farsighted enough to give their relief in a number of instances in the form of an allowance to keep children in school who would thus be fitted for better jobs later on. This decreased the volume of unemployed juvenile labor, and, to that extent, helped both the educational and the industrial situation.[3]

Educational opportunities should be offered to the unemployed, especially persons under twenty-one years of age. The representative of the board of education on the employment committee will be interested in this phase of the problem. Some cities have conducted daily classes for the unemployed in connection with continuation school. It presents difficult problems of organization and requires teachers of great ingenuity, but the undertaking is an

[1] See Care of the Homeless in Unemployment Emergencies, a forthcoming pamphlet by the Family Welfare Association of America, 130 East 22d St., New York.

[2] This subject is discussed at length in How to Meet Hard Times, Chapter 12.

[3] Emergency Relief in Times of Unemployment.

important factor in preventing the demoralization of the idle youth of the city.

Recreation should be provided for young and old. Librarians might be encouraged to find new interests for their increased clientele. Appropriations to recreational agencies should not be cut. Supervised dance halls, free musical entertainment by local groups, and community pageants offer relaxation and some measure of relief from the worries which beset those who are low in funds and downcast in spirit.[1]

2. *Application for Employment as a Prerequisite to Relief*

We would recommend, more especially in connection with this emergency problem proper, that no person shall be held eligible for any form of public or charitable relief intended to mitigate unemployment who has not registered at one of the public or approved non-commercial employment bureaus for at least a week without being able to secure work. That would at once exclude from participation in emergency relief of unemployment those who, though perhaps in need and worthy of every sympathy, cannot lay claim to being "involuntarily unemployed through lack of work." Often such persons apply for relief work because they consider it only another name for charity when they would have no intention whatever of applying for employment under normal business conditions.[2]

3. *Relief in Wages for "Made" Work*

While obviously having some advantages over outright relief, the history of artificial employment has so far been disappointing.

Provision of work which is not real work is an expensive and highly unsatisfactory form for relief to take. The committees should *discourage "made" work* as a relief measure, save as it is organized for small groups of people who are already known to its promoters, and even then some form of training should be its chief justification.[3]

Organizations created for the special purpose of providing relief employment in an emergency have almost without exception proved an obstacle rather than a help to the efficient mitigation of

[1] The Time to Plan Is Now.

[2] How to Meet Hard Times, pp. 77–78.

[3] Emergency Relief in Times of Unemployment.

the distress occasioned by abnormal unemployment. Having neither the experience of established relief organizations nor the public confidence enjoyed by municipal authorities, they are apt to diffuse their efforts in a hundred ways, to attract, by the advertisement of their undertaking, the least suitable class of applicants for relief employment, to repeat mistakes without learning from the experience of previous similar enterprises, to be wasteful in overhead expenditure and too parsimonious in the wages offered to the unfortunates seeking their aid.

A general criticism such as this cannot, of course, be applied with equal severity to all such endeavors. But there is nothing in past experience, or in the view of those most able to judge, to encourage the hope that at a time of abnormal unemployment it is possible to set up a new body which will efficiently and promptly provide the relief employment which public authorities and established relief agencies are unable to offer.

The Mayor's Committee in 1914–1915 established twenty-two workrooms giving employment at times to no less than five thousand persons daily. In so far as this effort was successful in giving employment to those most likely to be benefited by such work opportunities the success was almost entirely due to the cooperation of various social institutions and organizations and of persons having considerable knowledge of the classes dealt with and experience in work organization. The results obtained suggest that emergency relief employment on a large scale, if necessary at all, had far better be organized by the cooperative enterprise of existing organizations than by the creation of a new one.[1]

Insistence upon relief work as not being charity on the part of certain organizations is the more shortsighted since, having to meet part of the cost from charitable contributions, they are forced to advertise their endeavor as deserving of support, a contradiction which cannot possibly escape a moderately intelligent and observant individual.

We would, then, look upon relief employment as a necessary evil rather than as a substitute for charity or as a form of charity by which the world is enriched with commodities not in competition with the product of regular industry. This brings us to a recognition of three cardinal principles which must be held in mind to avoid the confusion of thought on the subject of emergency employment which is apt to be misleading and harmful.

[1] How to Meet Hard Times, pp. 89–90.

(1) Emergency relief employment for unemployed workmen can be non-competitive only if it is directed to the production of commodities for which there is no normal demand. Any manufacture or service supplying a normal want, by labor engaged not for its fitness but for its need, is apt to throw out of employment workers otherwise engaged in such manufacture or in the supply of commodities and services satisfying the same wants, at normal wages and under normal conditions, selected for their competency for the work. . . .

(2) The employment of unemployed workers on account of their need without the usual selection for competency for the job must of necessity be socially wasteful by making production more costly. In an emergency, of course, this form of waste, though it should not be ignored, may be thoroughly justified.

(3) It is necessarily charitable in aim and character.[1]

The most successful form of "made" work has been the employment of men in making improvements in public or semi-public buildings and in parks, the men being chosen on a basis of need, and the wages being paid from charitable funds. This competes with no other industry, since there are no public funds available to pay for the work done. The defects are (a) There has been a tendency to lower the wage for this work far below the current wage scale. (b) If full-time work at the wage offered is made necessary in order to earn a subsistence wage, there is no time for the man to look for real work. (c) The work is generally not suited to indoor workers, especially unemployed women.

(A discussion of possible forms of "made" work, both in workshops and out-of-doors, will be found in the Burden of Unemployment, Chapter 3, and in How to Meet Hard Times, Chapters 8, 9, and 10.)

4. *Direct Relief*[2]

a. Use of Confidential Exchange

The Confidential Exchange, sometimes called the Social Service Exchange, is a device which has been developed in

[1] *Ibid.*, p. 80 and p. 82.

[2] For a more complete discussion of this subject, see Administration of Relief in Unemployment Emergencies, a forthcoming pamphlet by the Family Welfare Association of America, 130 East 22d St., New York.

most cities to further the exchange of information among the social agencies about families in need of service, and to prevent waste and duplication of their efforts. It is a large card index, the card for each family or individual containing only the details necessary for identification, and a list of the agencies which have a record of the family. An inquiring agency is put directly in touch with others having prior knowledge of the family, and those previously registering interest are informed when a new agency inquires. It is then left to the agencies to pool their information, none being given out directly by the Exchange.

The first step toward decentralization is *central and strictly confidential registration of applications* [for relief] from the unemployed. No decentralization of effort is possible if the different people willing and able to help have no way of each knowing promptly that this particular task is now in the hands of an agency or of so-and-so, who will *see it through*.[1]

b. Expansion and Strengthening of Existing Agencies

One of the local committee's most important tasks will be to stimulate the expansion of present social work effort on the two lines of increased *promptness* of action and increased *adaptability* of action. At whatever sacrifice, every family agency should increase its staff to a size that will assure a first visit within twenty-four hours to the home of any family reported to it as in distress, and the public should know of this guarantee and of its faithful performance. Relief and service should not be the old, wooden, same-thing-for-everybody. It should be adapted to widely varying needs. The relief (to paraphrase a statement of 1908) should make a loan to one without any work-test whatever, should try another's capabilities by some temporary test, should give another the hardest work that can possibly be unearthed for him, should stave off the eviction notice for a fourth, place the fifth in a hospital, send the sixth and his whole family to the country, provide cash for the exceptionally provident buyer who is the seventh, relieve the improvident eighth sparingly with supplies plus conditions, and, instead of doing work twice over, turn the ninth over to the

[1] Emergency Relief in Times of Unemployment.

social agency or the church which the registration at the central exchange reveals to be already caring for him.[1]

Emergencies are, after all, temporary affairs, though their effects may be protracted or permanent, especially upon individuals. The community organizes itself for service slowly, year by year, responding gradually to needs as they make themselves felt, and establishes practices, institutions, associations, to meet them. Its habit of organization is for continuous day by day work. The guiding principles of organization are adapted to the ordinary, "normal" life of the community. The associations thus developed are not planned for emergencies and are not primarily suited for them. But emergencies of the kind here considered are no more than a sudden quantitative increase in the problems dealt with by existing social organizations the year round. While not best fitted for emergencies as such, these associations are best fitted for the type of service that is called for in these particular emergencies. But they must, temporarily, extend their forces and perhaps modify their procedure to meet the increased demand. That is, in fact, what they have a right to expect of the other community forces and what the community and the individuals in need have a right to expect of the social organizations. If they fail they will be judged incompetent even for ordinary service.[2]

c. Avoidance of New Relief Organizations

For these reasons, relief agencies, public or private, have been reluctant to pass the responsibility for emergency relief to newly formed emergency bodies. One other reason for this reluctance has been operative; the fear of destroying standards of work slowly built up and precariously maintained in the face of indifferent public opinion, hostile selfish interests, and, frequently, insufficient funds. The whole trend of the social agencies that handle relief has been, wherever possible, to substitute service for material relief. Practical psychology has long demonstrated the cardinal principle in relief; that character, self-reliance, resourcefulness are of the greatest importance for permanent self-help; that any material relief carelessly given and divorced from other services tends to weaken these and impoverish the recipient by cutting him off from a richer and developing life. Social agencies

[1] Emergency Relief in Times of Unemployment.

[2] The Burden of Unemployment, p. 90.

have, therefore, emphasized service, adjustment, guidance, as the more important elements in case work, including material relief, and including it more and more generously, but only in so far as it furthers more effective living. Standards of service based on these principles have been the most precious achievements of the modern case work agency. Standards of typical emergency relief are of a different nature. Success at such times is more likely to be judged by the amount of food, clothing, and money distributed, or by the number of people served. If such standards were to be introduced into any social case service permanently, the work of years would be destroyed.[1]

d. Discouragement of Demoralizing Forms of Relief

Three dangers more especially have to be avoided in the administration of direct charitable relief of unemployment: That the wrong people are assisted by this method—i. e., those who have no claim whatever on assistance on the plea of unemployment, and those who, though unemployed, can best be aided by some method calling forth an effort of their own;—that people are helped inadequately; and that help is given in a form injurious to self-respect, maintenance of family life, or other important social assets. . . .

First, without a real understanding of the particular problems besetting an individual, it is impossible to help him adequately, however large the alms we may bestow on him. Second, without an understanding of the problems and circumstances of his home life, especially of those dependent on him or on whom he depends, we cannot fully realize the extent and nature of the individual's liabilities. Third, while "half a loaf" is sometimes "better than no loaf at all," in a great majority of cases the dealing out of half loaves is merely the result of mental indolence and harmful to the recipient.[2]

The giving of relief in the form of food, though useful and commendable under certain circumstances, has been bound up with so much that is harmful and contrary to sound principles of relief in the past that, as a matter of general advice, we must counsel the community to exclude it as far as possible from any program of dealing with emergencies in the future. . . .

It is organized as a definite philanthropy and, through the

[1] *Ibid.*, pp. 90–91.

[2] How to Meet Hard Times, p. 103.

quantities disposed of, attracts a clientele of a mixed character. During the last unemployment crisis it was not uncommon to see a bread-line fill several block lengths of sidewalk, waiting patiently for a charity incapable of doing more than satisfying for a few hours the hunger of individuals. These bread-lines should be entirely abolished; if necessary, by legal enactment. They are hindering the work of real relief, extremely demoralizing and not even a sufficient means of accomplishing their object; for though they may stave off hunger for a few hours, the meals or gifts of food are hardly ever sufficiently nutritious and continuous to keep the body in full physical health and vigor. . . .

Not much better is the giving out of food at soup kitchens and similar institutions if it is unrelated, as it so often is, to the real needs of the beneficiaries, and proceeds on the basis of individual want rather than that of family wants. . . .

As a matter of general principle, we are inclined to the view that poverty arising from unemployment should always as far as possible be relieved through the breadwinner out of work, not through unrelated dealings with his or her dependents.[1]

Whether in the form of loans, money gifts, food or clothing, the aid given to those in want should, under all circumstances, be related to the whole needs of the whole family. Instead of giving out clothes to the children at their school, to the mother at her church, to the father through a "Bundle Day" Committee, it will be far more helpful to relieve the family through one agency only, knowing of all its circumstances and resources, and able to exercise judgment in the form and amount of relief to be adiminstered. . . .

It seems to us that no special effort to deal with evictions by trying to mitigate them can overcome [the] danger of increasing the volume of such occurrences. For this reason the solution of the problem must be left principally in the hands of established relief agencies, which have a store of experience in negotiating with human nature under the most delicate circumstances.[2]

Emergency committees should try to prevent relief enterprises which give wide publicity to the existence of large funds, or which exploit the needs of the unemployed by the publication of identifiable, personal stories, as has been the

[1] *Ibid.*, pp. 107–108.

[2] How to Meet Hard Times, pp. 109–110.

case with many funds raised and disbursed by newspapers. They should discourage any relief involving public distribution and "standing in line" as likely to do more harm to morale and self-respect than the inadequate relief they supply.

e. Charitable Loans

At some time during a period of depression the suggestion is usually made that a fund be raised for the purpose of direct loans to the unemployed. The same cautions should be repeated here that have been given elsewhere; such projects are best handled by existing semi-philanthropic agencies, credit unions, and reputable commercial loan companies, which are already in the business, have facilities to investigate the applicant's probable power to repay, and have established the machinery for collection. This emphatically does not mean the social agency which habitually deals in relief. A loan extended by such an agency is looked upon as disguised relief, and such an agency is in a peculiarly unfortunate position when the time comes to demand repayment.

The help given by employers and trade unions in 1920–1921 was frequently found to be in the form of loans.

In most of the cities where the size of the Jewish population has justified the organization of a separate family agency, the system of aid by loans is part of the equipment of the organization; and the larger cities generally have a Hebrew Free Loan Association, which lends money without interest to applicants of good character who are vouched for by two other persons of good standing in the community. These associations served to the limit of their capacity. . . .

The semi-philanthropic loan agencies doing business in chattel and pledge loans would have been a much more important aid to the unemployed had they been able to augment their resources. Applications increased and, in order to meet the demand and because of the greater risks involved, these organizations reduced the limit of individual loans and tightened the requirements as to security.[1]

[1] The Burden of Unemployment, pp. 27–28.

There is a distinct limit to the usefulness of loans in a period of unemployment. The man who has exhausted his savings, and has no immediate prospect of securing work, may be harmed more than helped by being thrust into debt, even though this is the form of assistance his self-respect leads him to seek.

Accounts must sooner or later be paid up. In the ordinary depression, a comparatively brief idleness rolling up a reasonable debt is followed by prosperous days, and soon the indebtedness to grocer or butcher is liquidated. The long depression [of 1920–21] however, drove debts to unprecedentedly high points. Wages had come down, and as work was resumed the task of paying up became an incubus that was sometimes as full of terror as unemployment itself. Some social agencies . . . mindful of this fact, did not discontinue relief immediately upon the employment of the breadwinner, but gave him a little time to pay some of his debts first. Not many social agencies are in a position to do this, yet the heavy handicap of back debts was reported to be quite general.[1]

5. *Publicity*

a. The Kind to Be Avoided

In speaking of the panic of 1893, Mrs. Josephine Shaw Lowell, nationally known leader in social work, said:

The first and greatest mistake of all was made by the newspapers. Whether, in any degree, a desire to help those in distress was blended with the advertising indulged in at their expense it is impossible to say; but, however that may be, there can be no doubt that immense harm was done by the sensational articles and by the various "Funds." The anxiety and distress of mind of those who are out of work were increased by the lurid articles written about them; while the prevalent tone of the newspapers that the only natural and proper thing, if one were in distress, was to get "relief" from some source, could not fail to cause a general weakening of the moral fibre of our people. . . . .

Moreover, the publicity forced on those who received these newspaper gifts, the standing in line, the struggling in the street and

[1] The Burden of Unemployment, pp. 23–24.

at the doors, the publishing of names and descriptions—all this was a further degradation, a moral stripping naked of the suffering and the poor, which was cruel in the extreme; and yet there was scarcely a voice raised in protest in the whole city while it went on. The fear of "antagonizing" the "Great Dailies" prevented those who ought to have warned the people from speaking.[1]

Although the newspapers in general have a much better understanding nowadays than in 1893 of the point of view of social and civic agencies, and of the considerations advanced by them, there are still occurrences of the kind described above, and emergency committees should be alert to forestall them if possible.

Another impression which must be avoided is that the existing relief societies are unable to cope with the situation and that their work in their own sphere must be eked out by a new central organization. As a matter of fact, one of the needs most clearly shown during the crisis of 1914–1915 was that of reassuring the public by authoritative statements that these societies, including trade unions, mutual benefit associations, credit institutions and the like, were fully competent as well as willing to handle all the needed relief work, provided they were financially enabled to do so.[2]

b. The Kind to Be Sought

It is not necessary to indulge in sensational newspaper publicity. This is resorted to only when it is time to arouse public opinion to bring pressure on public officials, business interests, or other groups for the sake of needed action. A steady campaign of community education in good times is the best ally of emergency publicity. Through some regular channel, such as organization bulletins, news letters, and the like, those who contribute to the distressed of the city should be informed of the situation even though no appeal for money is made. The police, railroad employes, and labor unions can spread the information that there is no work in the city, thereby discouraging the entry of additional families or of homeless men in search of employment.[3]

Prepare a definite, *carefully thought-out message for each group of citizens*—for householders, employers, fellow-employes, fellow

[1] Quoted in Emergency Relief in Times of Unemployment.

[2] How to Meet Hard Times, p. 55.

[3] The Time to Plan Is Now.

church members, teachers, physicians, men and women in other professions, tradesmen, and so on, explaining to each the specific ways in which they can help. These messages should be different for each group, though there are some things that should be said to all. Among the things that should certainly be said are that each one should do more for the people he knows and who are now in trouble; and that each one should do everything to discourage such disorganizing schemes as bundle days, bread lines, or free food or free lodgings for all comers without a work-test or any after-care.[1]

By the fundamental principles of publicity, such a thing as the general goodwill of the public, vague as that is, cannot be obtained except by specific appeal and in connection with definite propositions. It is necessary, therefore, to have clearly in mind what those propositions, purposes, or plans . . . are, how they affect the unemployment relief situation, and to what group they may properly be addressed.

Again, an exhaustive list is impracticable, but among some of the desirable ends would be the following:

1. To induce firms to retain as many as possible of their working force on part-time or on alternate shifts.

2. To encourage the municipality, county, state, or federal governments to undertake or expedite any contemplated public works within the city.

3. To urge householders and business men of the city to let whatever repair, cleaning, or odd jobs they can find be done during the emergency months.

4. To restrict the employment service to residents.

5. To restrict relief, especially by municipal authorities or unemployment committees, to residents only.

6. To discourage nonresidents, both families and single men, from coming to the city.

7. To assure decent temporary care, with a work test, for the homeless, and to make it known to the giving public that this care has been provided.

8. To obtain, when necessary, municipal action such as the opening of a lodging house, suppression of panhandling, inspection of lodging houses.

[1] Emergency Relief in Times of Unemployment.

9. To discourage the opening of soup kitchens, bread lines, and the like.

10. To prevent indiscriminate giving on the streets, at back doors, or through mushroom organizations.

11. To co-operate with any centralizing undertakings inaugurated by an unemployment committee.

From this brief list it is evident that any publicity should, if possible, be centralized or at least co-ordinated; that it should be carried on with some technical skill; that different types of publicity serve different purposes; that each agency should subordinate its own immediate purposes to the desired general end in view.[1]

c. Raising Funds

In 1920–1921,

Whether the social organizations usually concentrated on appeals by mail or by personal solicitation, or by "campaigns"; whether or not they used the "50 neediest cases" appeal in the press; whether they made special appeal by mail or through the press for particular families, no fundamental change in method was adopted during the emergency. None made a general public appeal for funds through the press to aid the unemployed. No general funds for the relief of the unemployed were raised by the spectacular methods so thoroughly discredited in previous unemployment emergencies.[2]

Cities where charitable funds are raised by the method of the Community Chest present special considerations. At the Conference on the Coming Winter, previously mentioned, the family welfare executives in attendance gave particular attention to these aspects.

It was doubted by the family group whether it would be good chest policy to go out this fall and try to raise in a single campaign enough funds to meet all the needs for an emergency winter. A tremendous single effort of this sort, with the attendant scarehead publicity about unemployment, will, it was felt, increase panic among the clients, and, by overadvertising relief resources, swamp any increases secured. No amount which could be raised

[1] The Burden of Unemployment, pp. 129–130. [2] *Ibid.*, p. 127.

by these methods could possibly be enough to meet the needs which the methods themselves would stimulate.

Instead, the group, returning to its earlier experience when the societies were financing their own work, recalled that they never despaired when going into a bad winter with insufficient relief funds. They were not afraid even to borrow for this purpose, and to go rather heavily in debt. They knew the funds could be raised, and raised more quickly and effectively when the need was actually apparent. The cumulative effect of the regular news stories of unemployment and distress, the actual presence which all could feel of storm and cold, and the strong leverage that a nearly or completely exhausted treasury gave the societies, were their best armament in emergency money-raising. If they may no longer make *timely appeals* they will feel handicapped in approaching a winter of major unemployment.

Less stress, they felt, should be laid this year on the doctrine of "immunity" so that if, as the winter progresses, it becomes apparent that the family societies need more funds to carry their fair share of the burden, the chests can come before their communities with clean hands and an emptying treasury, saying: . . . "If you want our work to go on, you will have to give us more money. This and this and this are the facts."

These supplemental campaigns should be quiet and not conducted according to "drive" methods; and while any who wish to contribute should have an opportunity to do so, reliance should be placed in the main on the large givers. The group would like to see some experiment with the suggestion that regular campaign pledge-cards carry a statement, to be checked or signed by the donor, to the effect that he will or will not be willing to be approached later if circumstances warrant. It would also like to see more insurance against pressure methods in the industrial solicitation, feeling that the total amounts raised by coercion from small donors anxious about their own future do not compensate for alienating their good will on the one hand, and on the other rendering them all too ready to apply for relief for themselves or their friends.

In the event that the chests are unwilling to take the initiative in making supplementary appeals, if this should prove necessary, then the group hoped that before they were asked to "spread thin" to the point of nullifying the things they stand for, or to cut

off intake and leave people to suffer, the chests will not only permit but encourage them to try one or both of two other methods:

a. To come to the larger givers with a *general emergency appeal* of their own, or
b. To attempt to raise relief from selected lists or in other ways, by *special case appeals*.[1]

WHAT CAN BE EXPECTED FROM THE SOCIAL AGENCIES?

First of all, it must be kept in mind that there is a burden of work, over and above that caused or aggravated by unemployment, for the care of which the social agencies are responsible. Sickness, insanity, death, widowhood, orphanhood occur in good times and bad. Homes are broken up by other causes than unemployment. Boys and girls get into trouble even though their fathers are not without a job. The social agencies cannot lay aside all other burdens to deal with the unemployed, though there is no social agency worthy of the name which does not expect to make special efforts to extend its work at such a time, even while it recognizes that it is being asked to get under a burden that lies properly at the door of industry.

The following statement from the Family Welfare Association of America expresses well the point of view for that field.

Recognition that unemployment is a problem of industry does not mean conversely that it is not a problem of a family agency. The family agency that does not increase its resources and enlarge its service during a time of emergency relinquishes at its peril a responsibility commonly ascribed to it. It loses an opportunity for rallying to the support of its work in normal times the endorsement of the thoughtful people in a community. On the other hand, the existence of a family social work society in a community and the pressure of the winter sometimes suggests unloading the entire relief burden upon its shoulders. "What is a [family society] for?"—exclaims the uninformed citizen. "Not primarily for the giving of material relief," should be the reply. The mere

[1] Facing the Coming Winter.

fact that relief is a part of treatment used in all social case work—family, medical, psychiatric, children's, and so on—is not sufficient ground for asking a society to assume a burden during a period of industrial depression which would cripple unnecessarily its accepted and desirable functioning under normal conditions. Furthermore no one agency can possibly assume the entire relief burden during an emergency winter.

Should any spirit of letting-go be allowed to develop in any one of our cities there would be a bad jam at the door of the largest family agency, with resulting failure in co-operation, in constructive treatment and in effective aid. To a considerable extent the remedy is in the hands of the local [family welfare] leaders. What they say to their colleagues in the private conferences of social workers that are held, what they say to the public through the newspapers, what they say to prospective contributors in their appeals, what they say to the churches in their addresses to congregations and their letters to the clergy, what they say to public officials and to their own volunteers about the fair distribution of the burden and its individual handling will have a great deal to do with the quality of the cooperation developed through these trying months. The society itself must not shirk. It must be evident that it intends to enlarge its resources, to enlarge its staff, to redouble its efforts and strain every nerve to meet the situation. But it should be equally evident to the society and should be made so to others that it cannot do all this alone, that it does not wish to, that it has not opposed other forms of centralized effort for any such self-seeking reason. There is one way of talking and writing about a [family welfare] society and about the way to cooperate with it that is just the old kodak message of "you press the button and we do the rest" revised. This means "dumping" inevitably. And there is another way which keeps forcibly before the one addressed that he too has a part to play, a responsibility to discharge. This latter means increased cooperation.[1]

The situation in each community must determine whether the bulk of the relief burden in a time of unemployment shall be carried by the private family agencies, supported by contributions directly or through the Community Fund, or by the public tax-supported body (Department of Public

[1] Distributing the Load. In The Family, January, 1922.

Welfare, County Commissioners, Overseers of the Poor, as they are variously called.) The same article quoted above states:

> Experience suggests that unemployment per se should not be made the basis for division of work between public and private agencies. Because it is recognized that the community is responsible for unemployment is no justification for a wholesale delegation of all the problems of the unemployed to the public department; the private agency is also supported by part of the community if not by the whole. Unemployment as a reason for application does give the private agency an unusual opportunity to reach families where the seeds of disintegration are just becoming visible and to do preventive work which will prevent future disaster. In such families good case work is an essential to preserve the morale of those out of work as well as to help in solving immediate problems. The thick case records inherited from previous crises are graphic evidence of the need for intensive work now.
>
> This is not by any means a question which can be settled once for all, because the division of work between family social work societies under private auspices and public departments must vary according to the needs of different localities and according to the development of standards by the public agency.
>
> In general any existing division of work between a family society and a progressive public department should of course be continued. Any proposed division during this crisis should be in the direction of permanent advance and along lines capable of later development in normal times.[1]

However the division of work is made, it becomes the duty of the Emergency Committee to do all in its power to secure the appropriation of the necessary funds from taxation, or the raising of needed amounts by contributions, in order to see that the family agencies, public and private, are enabled to increase their staff and their budgets so as to extend their work without permanently disabling themselves.

It should not be forgotten, also, that the non-relief agencies—those specializing in health, child care, and recreation, for instance,—have an important part to play in an unem-

[1] Distributing the Load.

ployment emergency. So keenly was this felt by the family welfare executives who assembled in the Conference on the Coming Winter that they voluntarily made the following statement:

> We deprecate the resort to flat cuts in the budgets of other agencies for the purpose of diverting the savings to the family society. When such cuts are accepted willingly, the machinery for social welfare is nevertheless weakened. When they are accepted under pressure, the injury to cooperative relations is in addition often a lasting one. We believe that any question of reducing budget allotments should be approached by a careful review of what is really essential to social well-being, and by using the emergency as an opportunity to prune out material of doubtful value, rather than to clip back every branch. If agencies of undoubted value have to accept cuts, we are inclined to believe that the family society should do the same.[1]

Long after factory wheels are again turning, and to the average citizen it seems that things are back to normal, the social agencies will be trying to put together the pieces of human lives which have been shattered by the disaster. People with health of body and mind impaired, people whose courage and independence have been undermined, people at odds with society, broken and scattered family groups, will lie long as a heavy burden resulting from the period of unemployment. The need of the social agencies for increased public support will be prolonged far past the period of acute distress. An emergency committee should make its plans with this fact well in mind.

WHAT CAN A PERMANENT COMMITTEE ON UNEMPLOYMENT DO?

Unemployment is a recurrent phenomenon. Needless delay and suffering results from unpreparedness to meet it. It would be a real gain to the nation if the groups which have grappled with unemployment this winter would not disband when the emergency is over, but would continue to study and

[1] Facing the Coming Winter.

plan how to reduce unemployment of the seasonal and technological variety. They would then be prepared for the first signs of the next emergency.

Any comprehensive program for study and control of a community's unemployment problem should embrace at least these topics:

I. Provision for regular employment statistics
II. Development of an effective public employment exchange
III. Efforts to induce individual employers and industries to regularize their own employment
IV. Long-range planning of public and private work which can be promptly undertaken in a period of unemployment
V. Promotion of vocational training and guidance for juveniles
VI. An industrial program for the handicapped
VII. Legislation

It will be noted that this suggested program, except perhaps for the last item, is confined to matters of immediate and local importance. A committee so fortunate as to have the time and skilled service to delve further into the subject might well wish to undertake the study of underlying political and economic factors—questions of tariffs and treaties, of supply and demand, of banking and credit balances, of the government's relation to the processes of production and distribution. The question of how far government should participate in insurance plans against unemployment will undoubtedly be much under discussion, and a committee might wish to secure what information it is possible to gather about its operation in other countries.[1] As previously stated,

[1] Three useful books on this subject among many which might be listed are:
Unemployment: A Problem of Industry, by W. H. Beveridge. Longmans Green, London, 1930.
What Is Wrong with Unemployment Insurance, by R. C. Davison. Longmans Green, London, 1930.
Unemployment Insurance in Germany, by M. R. Carroll. Brookings Institution, Washington, D. C., revised 1930.

we are, however, leaving untouched these larger economic considerations, and confining ourselves to suggestions involving direct local action.

I. Provision for Regular Employment Statistics

Every large community (as well as each state and the nation as a whole) has need of detailed current information concerning the changes occurring continuously in employment and unemployment. Such information is pertinent to much economic and social planning. It is essential both for developing and for administering a program for control of unemployment.

The plan for collecting employment statistics has a practical purpose. It is to prevent or, at least, to lessen unemployment by providing facts needed to understand and control fluctuations in the production of goods and obstructions to their sale. These interruptions in economic processes throw men and women out of work. Meanwhile, until unemployment can be diminished, facts are also necessary to guide local communities in lessening distress among wage-earners.[1]

Behind all the experience of local communities is the closely interwoven economic life of the country as a whole. Facts about the larger background of conditions are needed for local action. Without them an intelligent forecast of the future or even appraisal of the significance of the present is impossible. Thus, the social problem of relief of distress due to unemployment requires comprehensive statistics showing changes in employment. . . . The uses of these statistics to alleviate hardship in a community, however, require that they be available currently for local communities and not merely for a state or the nation as a whole.[2]

Various sorts of statistics of employment or unemployment are available or can be produced. Some are published currently in the bulletins of federal and state departments. See especially The Trend of Employment, the separate monthly bulletin of the U. S. Bureau of Labor Statistics,

[1] Employment Statistics for the United States, by Ralph G. Hurlin and William A. Berridge. Russell Sage Foundation, New York, 1926, p. 20.

[2] Ibid., p. 38.

which is also printed in the Monthly Labor Review. State departments of labor in several states, including Massachusetts, New York, Pennsylvania, Maryland, Illinois, Wisconsin, Oklahoma, and California, publish monthly bulletins containing employment statistics, in several instances for individual larger cities. This is an appropriate service of a state bureau of labor statistics and one which should be extended. In most states employment statistics for individual cities could be provided by some existing state bureau if an active demand for them should be organized. Local unemployment committees, social agencies, and other bodies having use for this information should take steps to make their need known to the state authorities.

Of the several types of employment or unemployment statistics which might be developed, The Committee on Governmental Labor Statistics of the American Statistical Association regards those obtained systematically from the payrolls of individual employers as most practicable. It evaluates the several sorts as follows:

Estimates of Numbers Unemployed

Serious attempts to determine the number of unemployed persons have sometimes been made by responsible authorities from estimates collected at large from social workers, clergymen, poor-relief administrators, employers, labor leaders, and others. As an example, the two special inquiries made by the United States Employment Service in 1921 through its correspondents in numerous cities of the United States may be cited. From a large number of such estimates returned by its correspondents, it sought to derive a practicable estimate of the number of unemployed persons in the entire United States, but the results were of necessity inconclusive. Obviously such estimates, like the data upon which they are based, are little more than guesses. They should not be regarded as a reliable type of statistics.[1]

Trade Union Statistics

Unemployment statistics obtained from trade union sources are monthly or sometimes quarterly figures, commonly reported by the

[1] Employment Statistics for the United States, pp. 51–52.

secretaries of various local unions, and usually expressed in the form of "percentage of members unemployed." . . . Trade union statistics are not representative of all classes of wage-earners, and for this reason they fall short of affording a comprehensive measure of unemployment. Unskilled workers and clerical workers, for example, are very inadequately represented by union figures. The representativeness of these figures differs also in different parts of the country. For sections and for industries in which labor is strongly organized, however, this objection does not hold.[1]

Enumeration of the Unemployed by Canvass

A local enumeration in part of a city or other limited area as a sample may sometimes be made to advantage. This is feasible only if specially trained personnel and adequate administrative machinery for a prompt survey are available.[2]

Registration of the Unemployed

Another method of obtaining data on unemployment has been the voluntary registration of unemployed persons. This has been proposed as a feasible means by which local committees might determine the extent of unemployment in their communities in times of severe business depression. Such registration has been attempted in several cities, but nowhere has experience proved the method one to be recommended. Without a compelling motive for persons out of work to register, and without adequate means of preventing fraudulent registration if the incentive is expectation of relief, data so obtained are certain to be grossly inaccurate, and the effort expended in obtaining them will be wasted so far as their statistical value is concerned.[3]

Employment Office Statistics

Where public employment offices are actively functioning in representative industries, the record of these operations may constitute an accurate index of employment. Obviously employment offices, in their daily activities of registration and placement cannot furnish a direct measure of the volume of unemployment or employment, but changes in demand for employment, both in

[1] *Ibid.*, pp. 52–56. Since this paragraph was written, the American Federation of Labor, Washington, D. C., has begun the publication of useful trade union statistics, in the form of a monthly bulletin.

[2] *Ibid.*, p. 56.

[3] *Ibid.*, p. 58.

specific industries and in general, are at once evident in their daily experience. The value of this experience as an index of employment in general depends upon the extent and representative character of the work of the employment exchange.[1]

Employment Statistics from Payrolls

The most feasible source of statistics relating to employment in the United States is the payroll, which shows the number of persons employed. The required figures of total number employed and total wages paid can be transcribed to a report form with very little effort and with comparatively small chance of clerical error. It is practicable, therefore, to obtain these data at frequent intervals and by means of inquiries sent through the mail.[2]

The figures for total earnings are valuable as a check on those showing the number employed. They are valuable also for what they show directly concerning purchasing power.[3]

II. Development of an Effective Public Employment Exchange

During the last twenty years no less than ten important public commissions in the United States have investigated problems of unemployment and have issued reports outlining programs of preventive and remedial action. Each one of these has recommended as a first step the establishment of public employment exchanges. As far back as 1911,

The New York State Employers' Liability Commission, known as the Wainwright Commission, whose recommendation is fairly typical of all, after an exhaustive inquiry here and abroad, urged as one of the first steps to overcome unemployment the establishment of a "system of public employment offices . . . covering all sections of the State." It gave as its reason that much of that unemployment which is due to maladjustment—to the failure of demand and supply to find each other—can be eliminated by such a system.[4]

Among the more recent of public bodies making such recommendations was the President's Conference on Unem-

[1] Employment Statistics for the United States, p. 60. [2] *Ibid.*, p. 62.

[3] *Ibid.*, p. 63.

[4] Public Employment Offices: Their Purpose, Methods and Structure, by Shelby M. Harrison and Associates. Russell Sage Foundation, New York, 1924, pp. 1–4.

ployment called by President Harding, which went on record as favoring the establishment and coordination of "an adequate permanent system of public employment offices."

While a few advocates of such public bureaus probably claimed too much for them in dealing with unemployment, the more thoughtful leaders have had no unfounded illusions in the matter.

Our discussions with those who have been at work on employment bureau questions longest have shown that they recognized from the beginning that public employment exchanges could not in periods of depression make jobs when or where there were no jobs, nor could they in times of prosperity and labor shortage discover more workers when the supply was limited and no more were to be found.

But the advocates of public employment bureaus did have very clearly in mind certain services which would be of practical value in working against unemployment and against labor shortage at all times either during prosperity or depression.

They thought that a well-functioning system of public labor exchanges could, by an organized and more rapid dissemination of information upon jobs to be had and workers desiring work, reduce the amount of time lost in job-getting and in the securing of labor by employers. Coordinated public employment bureaus were seen by these advocates to be centers which would make a specialty of knowledge regarding available jobs—where they are, how many, what they are, the type of ability they call for, and so forth—and also a specialty of knowledge regarding available workers, where they can be found, the number, what in general are their experience and capabilities. In other words, these bureaus would eliminate waste and unnecessary idleness resulting from the irregular and ignorant effort of individuals to find work or to secure workers.[1]

It is urged also that a system of public employment bureaus would exert an influence upon unemployment in other ways, among them: by providing information which will assist in determining the best time to engage in public works; and by furnishing information of value in vocational training and guidance, indicating dying trades, new lines

[1] Public Employment Offices, pp. 12–13.

of development, and other trends in the employment field. The performance of these desirable services to community and nation, however, presupposes a system of public employment offices efficiently organized, coordinated, and administered.

The report to which reference has already been made and which presents the results of an extended study of past experience in this and other countries with a view to seeing what light that experience would throw upon the kind of employment system that is possible and desirable in the United States reached conclusions as to the best plan of organization and best methods of general administration of such a service, together with the best methods to be followed in the administration of the local public bureaus. These are given in great detail.[1] Some of the main points may be summed up as follows:

1. The most feasible form for organizing and administering a national system of public employment exchanges is that provided by a combination of our three types of governmental units—the local government, the states, and the federal government. In other words, that such a nation-wide system should be established and maintained by the states in cooperation with the federal and local governments.

2. In such a plan it would be the province and duty of the federal government to aid and encourage the states to maintain adequate systems of public employment offices; and to coordinate these into an effective nation-wide service by

a. Maintaining an inter-state clearance system.
b. Requiring a minimum uniformity in policy and procedure and continuously promoting the adoption of the best practice.
c. Giving staff aid in relation to the various problems involved in the operation of a state employment service.
d. Inspecting the work of the state services and establishing standards of performance.

[1] *Ibid.*, See especially Parts II, III, and IV.

e. Developing a plan of financing the service in which the several governmental units will carry their due proportion of the cost.

3. It would be the duty of the federal government to establish and maintain a system of public employment offices in states which it is unable to induce to provide for such.

4. The states would administer their own employment offices, subject to the terms of agreement with the federal government. This agreement to obligate the states to

a. Establish clearance machinery in order to provide for the distribution of labor *within* the state and to cooperate with the federal clearance system in order to distribute labor *between* states and nations.
b. Adopt the policies and methods required by the federal government.
c. Institute local employment service committees representing employers, workers and local authorities to help guarantee a non-partisan administration of the Service.
d. Provide for the selection of personnel by a state civil service commission or its equivalent aided by an employment service personnel committee.
e. Furnish such data as to employment conditions and the administration of the offices as the federal government may require.

5. The local governments would

a. Defray the fixed charges (equipment, rent, light, heat, telephone, and janitor service) incurred by the office or offices in their community.
b. Participate in the management of the office or offices in their community through representation on their local employment committee.

6. In order to establish the non-partisan character of the service, the functions to be performed by the federal government would be administered by a board appointed by and directly responsible to the president.

7. This board should consist of the Secretary of Labor, the Secretary of Commerce, and the Secretary of Agriculture. The board to choose its own chairman.

8. A national council representing employers, workers, and possibly other allied interests should be established, as additional aid in securing neutrality of administration, as well as a reputation for such.

It is obvious that in this or any other national system of employment offices one of the main purposes is to enable the *local* employment bureau to function efficiently. Here is where employers are served by giving them information about available workers, and where workers are served by giving them information about jobs; and where both are aided by bringing the two together, the worker wanting a job and the employer wanting workers. An important step, therefore, toward the ultimate setting-up of a nation-wide scheme of public exchanges is the establishment of local bureaus throughout the country, and the raising of existing bureaus to higher standards of performance. In both of these connections the local permanent committee on unemployment can be of great aid. It can assist also in spreading information regarding the service available at the local exchanges, and in encouraging employment departments in the industries to use it.

Persons interested in community organization urge the use of the public employment office not as a last resort but as a first source for employers wishing to secure employes and for workers needing jobs. This insures a better choice of work and of workers and helps to make the employment service an index to the local situation. If no such bureau exists, a committee could request the organization of one. If there are several non-commercial employment bureaus, under public and private auspices, representatives from each might form a committee (possibly as a subcommittee of any large committee on employment) for the purpose of developing a common policy and improving the service to the community.[1]

Regulation of Fee-Charging Agencies

One of the chief reasons why sentiment has been growing more favorable to the establishment of public employment exchanges and why opposition to the private fee charging

[1] The Time to Plan Is Now.

agencies has increased is that experience with the commercial or fee charging bureaus, at least those dealing with unskilled labor, has shown them capable of grave abuses. Most of the abuses charged against certain of these agencies are found in the various methods used to exploit unemployed workers often in dire need of jobs. Competing public exchanges, if efficiently run, will tend to reduce the number of fee charging agencies and force many to reform their practices; but many communities will not be satisfied to let the issue be settled in this way alone.

Because of abuses, either actual or feared, government license and regulation of one sort or another have been generally deemed necessary. In some instances prohibitive legislation has been enacted, but as a rule regulation of private agencies by public authorities has become the accepted policy; and legislation providing for regulation has been passed by two-thirds of the states. It has taken, on the whole, four different forms:

(1) the licensing and bonding of agencies
(2) requirements as to business methods to be used
(3) prohibition of specific abuses
(4) enforcement of prescribed methods through inspection and the exacting of penalties.

These provisions are incorporated in the more complete laws on the subject and enforced by state or local officials. In some of the larger cities licensing and regulation of private agencies are attempted through local ordinances even where there is also provision for regulation by the state. The supervision of these agencies in several instances has been placed directly in the hands of public employment bureau officials, . . . where the local superintendent of the public office is made responsible. This particular means of enforcement gives the public office in any locality a distinct competitive advantage over private agencies and is favored by many for this reason. Its advocates also claim that the superintendent of the public office is best fitted to act as inspector because of his general knowledge of employment conditions.

As might be expected, much variation in the effectiveness of regulation of private agencies prevails in the different states, de-

pending on the strictness of such regulations and the methods of enforcement.[1]

In the elimination of abuses on the one hand and in the improvement of existing employment services on the other (in the case of private fee charging agencies, through working to secure proper regulation, and in the case of public exchanges, through efforts to raise standards of efficiency), the local committee can also render an important public service.

III. Efforts to Induce Individual Employers and Industries to Regularize Their Own Employment[2]

Much that has been said on pages 24–28 concerning the work of emergency committees in this connection applies to that of permanent committees as well. In addition, such devices as developing new lines to "take up the slack" in seasonal industries; the "dismissal wage"; placing production of staple goods on a year-round basis, so as to guarantee employment to the workers for a stated number of weeks in the year; the unemployment reserve or sinking fund—these are all methods deserving of study and promotion at the hands of a permanent committee.

Through the chamber of commerce, the personnel managers' association, and so on, attention can be called to the advantages of progressive personnel policies. Centralized employment departments avoid the situation where one department in a firm is hiring while another is firing, each unaware of the other's activity. Better coordination between sales and production departments leads to a

[1] Public Employment Offices, pp. 84–85 (footnote).

[2] References that will be helpful in this connection are:

Regularizing Employment, by Herman Feldman. Harper and Bros., New York, 1925.

Sharing Management with the Workers, by Ben M. Selekman, Russell Sage Foundation, New York, 1924.

Ivorydale—A Payroll that Floats, by Beulah Amidon. In The Survey, April 1, 1930.

Measuring a City's Employment, by William H. Stead. In The Survey, March 15, 1930.

The issues of The Survey for April 1, 1929, and November 15, 1930, which were devoted to articles on various phases of unemployment.

steady flow of orders, instead of the uneven demand which calls for rush and slack periods. The effect of seasonal trades can be minimized by the manufacture of more than one product by the same firm or through cooperation between different types of firms in the transfer of employees. Regularization of casual labor can be accomplished through, for example, the registration of dock laborers and an estimate of the maximum number needed. Sudden importations of outside workers to the community should be discouraged if there is little chance of absorbing them permanently in the local working force.[1]

IV. Long-Range Planning of Public and Private Work Which Can Be Promptly Undertaken in a Period of Unemployment

The program proposed by the Mayor's Unemployment Committee of New York in 1917 deserves careful consideration by a permanent committee.

The proposal, briefly put, is that public expenditures on permanent improvements be planned on at least a ten years' program, the exact amount of such program undertaken in any given year to be determined with regard to the general state of employment, but without deviation otherwise from sound principles of public administration. In each normal year a certain variable percentage of this program would be set aside as a reserve to be added to the usual allotment in times when unemployment threatened to be abnormal. If approximately ten per cent of the annual expenditures on permanent improvements were so set aside, there would be available in years of business depression a potential employment reserve which would go far to offset the decreased employment offered by private employers.[2]

City governments, less sharply limited than private employers in the use of capital

. . . may find it more advantageous to undertake extensive improvements at times of depression as regards a favorable money market, a plentiful supply of labor, lowered cost of materials and the eagerness of contractors to enter into competition. Since the city is a continuing corporation with a population not likely to

[1] The Time to Plan Is Now. [2] How to Meet Hard Times, p. 32.

decrease within the lifetime of an improvement, it can safely assume the continued public usefulness of such an improvement, if planned with ordinary care and forethought.

It may be said that all permanent city improvements can roughly be divided into those which must be carried out as soon as possible after authorization and those whose execution, after authorization, can be withheld for varying periods of time according to the degree of urgency in the need for them and in accordance with such planning as would prevent incurring loss of interest on improvements which could not immediately be put to use. . . .

While at any time there are many desirable improvements which can be delayed even though already authorized, the last few years have witnessed a constantly increasing accumulation of projects which are urgently needed in the interest of the public welfare and held back for financial reasons only. The danger is that in holding back such improvements in the effort to improve the financial condition of the city other important public considerations may be overlooked or neglected.[1]

It may be said that a city administration is efficient to the extent to which it is able accurately to classify the different needs of the city in accordance with their relative importance to the public welfare and to plan public action with a view to supplying such needs in the order of their urgency. Once such a plan is made, it will be seen that in addition to permanent improvements which are so urgent that they must be carried out as soon as authorized, there are many others which, in the interest of economy and of the public welfare, should be put into operation in accordance; (1) with their respective urgency (2) with a general scheme under which each would be carried out so as to become available for use the moment it was finished (to avoid waste from loss of interest on delays), (3) with the money rate and market cost of labor and materials, (4) with the state of the labor market and the rate of unemployment prevailing in the city. These are all legitimate considerations which should go into the planning of public improvements.[2]

[1] *Ibid.*, p. 35.

[2] *Ibid.*, p. 37.

V. Promotion of Vocational Training and Guidance for Juveniles

In connection with any long-range program for lessening or preventing unemployment, great importance should be assigned to the

. . . control of the worker's entrance to the labor market through vocational advice and guidance so that the oncoming generation shall be directed away from overcrowded, stagnant, or decaying trades and toward developing opportunities.[1]

This subject will be found discussed at length in Vocational Guidance and Junior Placement, Bulletin No. 149 of the federal Children's Bureau, and in the report of the Committee on Vocational Guidance of the White House Conference on Child Health and Protection (Washington, D. C., 1930) which will shortly be available.

VI. An Industrial Program for the Handicapped

1. *Consideration for the "Unemployable"*

The Department of Rehabilitation, Federal Board for Vocational Education, interprets the law to mean that handicapped persons shall be restored to industrial efficiency through training and other measures, whether they have been crippled by industry or from any other cause. Does your state board for vocational education interpret it thus? Has it established rehabilitation work? Has your state taken advantage of the financial assistance which the Federal Board offers in connection with vocational education activities?

2. *Placement of the Handicapped*

A special worker in the local employment service can help create openings for the partially handicapped. A committee on employment would urge each industrial establishment to become interested in this problem. Experience shows that, through careful selection, the handicapped person can function at certain tasks as well as the ablebodied.

3. *Old Age*

Is a man of forty or forty-five unemployable? Because of old age pension systems and workmen's compensation complications,

[1] Public Employment Offices, p. 11.

numerous industries are refusing to hire men still young in spirit and physique. Is there need for some change in legislation? Can public opinion induce the various industrial concerns to drop arbitrary age limits and consider each applicant for employment on the basis of his individual ability?[1]

VII. Legislation

Legislative changes will be necessary if many of the items in the program are to be put into effect. Other legislative proposals, emanating from outside the committee but bearing upon its problems, will undoubtedly be introduced. It will be necessary for the committee to be informed about them, so as to be able to exercise influence for or against them. The committee will of necessity find itself corresponding and cooperating with similar committees in other cities, as well as with state and national organizations. The volume of work may well exceed the time which volunteer members, be they never so devoted, can find to put into the work. It may well be, then, that an early consideration of the committee should be whether it needs and can secure a budget, guaranteed for a period of years, sufficient to secure a well-trained paid secretary. A committee thus equipped might have a better chance of useful survival, and of seeing its efforts reach some definite fruition than one which depended entirely on volunteer labor.

If, as is to be hoped, the emergency relief undertakings of the present period are succeeded by a number of permanent groups taking earnest thought as to how industrial and employment conditions can be bettered locality by locality, this will in itself furnish the best basis for state and national efforts, resting upon a firm foundation of fact as to the situation throughout the country. Such groups, moreover, will be local centers of information; and will create that informed public opinion which best forwards progressive changes in the industrial and social structure.

We cannot escape the terrific situation which is already upon us.

[1] The Time to Plan Is Now.

We must plod through it with what fortitude we can muster. But if we are fortunate we may be able to wrest something of permanent value from a crisis which we foresaw but were impotent to prevent. . . . Without undue pessimism or blind optimism the sober reality of the winter must be faced. It is not an overstatement to say that it will demand everything that we possess in the way of imagination, leadership, intelligence, and powers of endurance. But the awareness of a continuing purpose in which others share will give strength to our efforts.[1]

[1] Editorial, The Family, October, 1930.

APPENDIX I

CONCLUSIONS FROM THE BURDEN OF UNEMPLOYMENT[1]

IN TIMES of distress, as at other times, the family's first line of defense against the disintegrating forces of the emergency consists of its "natural resources." These include the power of adjustment to changed conditions, some savings and credit to serve as a margin of safety, and the fluid asset of mutual help; in brief, the massed availability of many small resources. By any standard of measure, this first line of defense is the strongest, longest, deepest. Its main bulwark has long been recognized as the economic stability and moral courage of the individual family, maintained despite the constant strain exerted by the combined forces of recurrent unemployment, sickness, and increasing family responsibilities. In normal times and in emergencies as well, the social engineer's task is to insure the strength of that bulwark, and thereby the strength of the entire defense.

As the danger of a breach in this first line is greatly increased by an unemployment emergency, the community at such a time must strengthen its second line of defense. Employers, trade unions, social agencies, are among the important forces in this line. Then behind these must be still another, an emergency line, prepared for but not brought into action until circumstances require its services.

This study has been concerned mainly with the second and third lines of defense—more particularly with the position and special tasks of social agencies, and with the nature of the emergency machinery of the community. The story of these undertakings, as observed during the winter of 1921–22 and as related in the foregoing pages, leads to a few generalizations, both as regards the desirable features of permanent preparedness against an emergency and as to those measures adopted during the emergency itself that proved either practicable or undesirable. A brief summary of these generalizations will naturally fall into two divisions, dealing with

[1] Reprinted from the Burden of Unemployment, by Philip Klein. Russell Sage Foundation, New York, 1923.

preparatory or continuous activities and with emergency measures, respectively.

I. Continuous and Preparatory Measures

1. Any direct count of the number of unemployed persons has proved entirely impracticable. A count by central registration of those seeking work, and estimates based on questionnaires sent to selected persons, have proved equally unsatisfactory. The important thing to know, however, is not the exact number of unemployed at any time, but rather the chances of employment and the extent of need or distress that exists or is imminent. Any machinery for obtaining relevant and valuable data should, therefore, be directed toward the scrutiny of fluctuations in the extent of employment and the observation of available indices of distress among the working population.

2. No local situation is entirely isolated from the effect of statewide or nation-wide forces. In order to gauge local conditions, therefore, it is helpful to follow any guides of the general prosperity that are at hand or procurable. Publications of district federal reserve banks, of the United States Department of Commerce, and of business services are among the more important of these possible guides.

3. The movement for better employment statistics has recently received a new and strong impetus. It is especially urged by many competent authorities that the several states undertake—preferably in cooperation with the federal government—the collection of employment statistics within their jurisdiction. This movement should have the active support of social workers, even to the extent of their taking the initiative, where necessary, in creating a demand for such service. In respect to the manner of collecting and publishing the data, it is important that information be given for local units, that is, for municipalities. That involves certain corollary changes in the method of their collection and in the choice of reporting firms. This is an opportune time—with the President's Conference on Unemployment still fresh in the public memory—to make some headway in that direction.

4. There is, however, no necessity for putting all the eggs into one basket. The collection, organization, and continuous maintenance of such local indices of the economic condition of the population as have been discussed in preceding chapters need not await

the creation of state-wide employment statistics. Local indices are valuable not during emergencies alone, but under ordinary circumstances as well, and once the simple machinery for their compilation has been established it is comparatively an easy routine to keep it going.

5. For this purpose as well as for other reasons it may be well for the city that wishes to be prepared for emergencies to organize, without undue haste, some form of *committee for the continuous survey of local economic conditions*, under some such auspices as the council of social agencies, or, in the absence of such an organization, under the auspices of a joint committee of interested organizations. As has been pointed out, such a survey committee need be no very formal body and may, indeed, serve best if it is composed of individuals chosen for their natural interest and the relevancy of their usual occupations, rather than for their formal relations with any organization. The continuous product of the work of such a committee would be of direct and invaluable service to emergency groups formed when the need arose.

6. The best guarantee of efficiency in the emergency lies in the strength of the community agencies of the city in normal times, and in the fullness of their cooperative relations. The extent to which the community's organized forces for public and social service are adapted to its normal needs and adequate for meeting them decides largely the measure of their usefulness in the emergency. This principle implies, from the standpoint of the needs of unemployment relief, the existence in normal times of at least the following: a competent and flexible public employment service, an enlightened public welfare department, well supported and well staffed family welfare and other social agencies, an adequate public health service, a council of social agencies, and a courageous and comprehensive policy for dealing with the homeless man.

7. The relations among certain local groups and associations that are frequently not well defined need especially careful study and the good services of the best citizens. Chambers of commerce, trade unions, and local federations of labor, social agencies severally or through their councils or financial federations, and the municipal government are some of the largest and most important groupings concerned not only in service rendered day by day, but also in possible emergency plans. Chance might render the cooperation of these groups at such times all that may be desired, and the division

of labor among them of a maximum efficiency. But it may be a better plan to work out their relations with a clearly defined purpose in mind and by consciously directed effort in normal times.

8. A policy for dealing with homeless men that would meet normal needs and provide for emergency expansion is one of the important feasible measures of constant preparedness, and one in which the above-mentioned groups are all directly concerned. Such a policy must vary not only from city to city but from section to section as well. It must be well balanced between the right of the involuntarily homeless man to help and the need of suppressing deliberate vagrancy. It implies preferential aid for resident persons, central clearing of homeless applicants in the community, police co-operation, the interest of health departments, and so on. For the most effective policy, regional agreements and clearance machinery, comprising a number of states each, may be the best method, the regions being determined by the similarity in the distribution of types of homeless men and their customary manner of self-support in the given region.

9. While, on the whole, the prevention of unemployment does not lie within the power of the local community or even of the state, one type of prevention—which is in part in the nature of relief—is distinctly within their realm; namely, the long-range planning of public works. There is general agreement that the execution of public works may be so planned as materially to stabilize employment in a given territory. Thus far, little has been done to this end. It is largely an untried though generally approved method, and one open for the pioneer application of community statesmanship. No single measure promises greater returns for emergency relief than the far-sighted planning of public works *by each community*.

10. The activities thus far summarized constitute parts of a foundation from which the emergency relief machinery may be launched with some promise of effective work. With the first recognition that a period of distress may be upon the community, an unemployment committee representing service organizations may be brought into being, begin its activities, take up for discussion the findings and records of the continuous survey above mentioned, form its subcommittees, and proceed to quiet preparations for co-operative relations with industrial plants, the press, municipal authorities, and social agencies. The resources of the agencies

would be ascertained, their facilities measured, and plans perfected for increasing these facilities as needed. It would also be necessary to provide for so much of the planning, publicity, and clearance of information as might be required for effective co-ordination of service and for specific emergency measures. All of the above proposals, while stated in abstract terms, have proved themselves practically feasible and represent little more than a generalized description of the common-sense procedures which have already been applied to unemployment situations by experienced workers in the past.

II. Emergency Activities

11. Two central facts stand out as of leading significance in the attempts of community agencies to meet the demands of the depression of 1921–22. One is that their success in the emergency was measured largely by competency in normal times; the other, that it depended to a high degree upon an early start in recognizing the signs of coming distress and applying prompt measures of preparedness.

12. There is no escape from the conclusion that an unemployment committee of community-wide interest is a most desirable instrumentality for effective work; that it can focus information, provide a channel for the co-ordination of the endeavors of numerous separate bodies, centralize and control publicity, stimulate interest and participation of the general public, and perform liaison service between private effort and public service. As between committees of this kind appointed by mayors or created by the spontaneous coming together of those agencies that are directly in touch with the service operations required in distress, the latter has proved, at least in the larger cities, by far the more desirable and effective. The independent strength of such committees and the extent to which they need undertake separate functions, distinct from those of the regular agencies, appear to depend in part upon the strength of their constituent organizations and in part upon the existence of other channels for the joint activities of the local agencies.

13. Some of these separate functions, as exemplified by the work of unemployment committees in 1921–22, seemed well adapted to their particular make-up. They comprise mainly those of an educational and mediatory character, such as interpreting the special

needs of social agencies to the public, the government, employers, and business associations, co-ordinating the emergency phases of the work of agencies, studying important functions through sub-committees, raising funds by unobtrusive methods, and carrying on propaganda for special emergency measures, such as the opening of shelters for the homeless and of temporary employment bureaus, the provision of public works for relief, the concentration and increase of odd jobs, and so on.

14. Except in quite small cities it does not seem that temporary unemployment committees can successfully carry on administrative functions, whether they be of a strictly relief nature or take the forms of employment service, of a clearing house of any kind, or even of the conduct of temporary shelters for the homeless. In so far as any undertakings of these kinds are desirable, they are best carried on under the immediate supervision and management of some regularly functioning agency that possesses the experience and easy routine of tried workers.

15. Registration of the unemployed at any central point, as distinct from application for employment at an employment office, has proved to be not only useless and possibly harmful, but entirely impracticable, and need not be seriously considered by unemployment committees.

16. Some functions usually neglected by these committees seem peculiarly adapted to them, but require careful organization, long-time planning, and sustained interest. Such are employment surveys within the community through the sending out of periodical—preferably monthly—questionnaires to representative firms; co-operative planning for public works with other municipalities and with state and federal bodies; a current scrutiny and recording of the experiences of the emergency; and their analysis and presentation to the community or to its agencies when the depression has passed.

17. A redistribution of the relief burden in times of emergency among the social agencies, particularly as between private agencies and the public welfare bodies, has generally taken place, though with varying degrees of thoroughness in planning and of soundness in the principles of the division of labor. The fact that some public departments of welfare have found it easier to obtain additional funds than private agencies, that frequently those departments were quite willing to assume the added burden, and that

the quantitative change in the private agency's case load forced down the standards of treatment, has tended to spread the theory that unemployment relief is fundamentally the duty of the public authorities and that, therefore, the private agencies should carry an extra burden of this type only under protest, if at all. On these particular grounds, at any rate, such a conclusion does not seem warranted.

18. Certain specific emergency measures have clearly demonstrated their value and usefulness. Among these are: intensified employment service during the depression, stimulation to increase temporary and odd jobs, provision of additional public works by expediting plans for such works, effective propaganda for rotation of jobs in industrial plants, part-time work, and accelerated construction and repair work in manufacturing plants. Municipal lodging houses have proved desirable, and fairly effective work-tests are practicable. The co-operation of such bodies as women's city clubs and church federations have afforded substantial benefits. It has not been beyond the power of municipalities, if so minded, to provide sufficient care for unemployed homeless men, so that none need suffer hunger or cold, and no spectacular bread lines and soup-kitchens need be established.

19. In case work agencies the paramount importance of continued service and, therefore, of adequate staff has been demonstrated, even where societies were hard-pressed for resources for material relief. The indispensability of the clearing house or social service exchange for emergency relief would seem almost more absolute than for ordinary case work. The fundamental soundness of preference for residents over nonresidents has been emphasized by every phase of emergency work.

20. In the specific policies of case work organizations there has been a tendency to recognize the effect of emergency pressure by modifications in some aspects of case work. Investigations were reduced to skeleton dimensions. Great care was exercised to insure sufficient and proper food for families aided, even at the cost of re-introducing, temporarily, relief in kind, especially in respect to milk. The menace to the health of clients necessitated sustained vigilance, but, even so, illness increased and taxed the community's facilities for free or low rate medical service. The rent problem remained puzzling and even increased in intricacy. Whatever benefits the lowered cost of foods afforded were generally offset by

mounting rentals or stationary rentals at high levels. Relief in the form of work was resorted to in increasing degrees as the psychological effect of unemployment wore down the moral resiliency of clients. Yet the tasks of well-guarded work relief entailed additional labor and special cautions in case work.

21. The answer to the all-important question of how to obtain necessary funds for carrying the increased burden of service in an emergency has been given in a manner so different, from city to city that one conclusion only may be drawn, though that is perhaps sufficient: All the cities visited seemed to have latent financial resources; these became actual and available to the extent that social agencies, severally or as a group, had obtained the interest, confidence, and co-operation of the public—the extent, perhaps, to which they had educated the public as to the nature and value of social service.

22. A deplorable lack of opportunity for full discussion of emergency methods of unemployment relief by the executives of social agencies and for the formulation of these experiences into a text that might serve as a guide for future depressions of a similar nature has been redeemed by only a few scattered descriptions detailed enough to be of real value, and these have thus far not been published. There is enough knowledge and experience among the workers who struggled through this depression to guide many a faltering step in future difficulties. Not yet has a way been found to bring all this experience together and to preserve it for another time. These pages are but a fraction of what ought to be said by those who bore the burden to those who may have to bear it in a future period of depression.

APPENDIX II

CONCLUSIONS AND RECOMMENDATIONS FROM HOW TO MEET HARD TIMES[1]

Review of the Problem

WE HAVE addressed ourselves, in the preceding pages, to a consideration of the relatively immediate problem of how the City of New York, as a government and as a community, may deal most effectively with abnormal unemployment accompanying trade crises.[2] Our approach has been frankly pragmatic; our objective, the next unemployment crisis. We have excluded from our study an examination of certain basic political, economic and social causes of periodic trade depressions and of such remedies as have been or might be proposed for averting these periodic depressions, when to give practical effect to these remedies, as to others which we might ourselves propose, there would be required a political or economic reorganization which could not be consummated within the near future. Likewise, we have not attempted to indicate desirable forms of fundamental social reorganization, desirable reforms in personal and group habits and attitudes or desirable additions to our national, state and municipal equipment for organizing the industrial life of the people in the interest of the public welfare.

In limiting ourselves to matters within the domain of practical politics and constructive statesmanship on the governmental side and within the possibility of immediate achievement by co-operative voluntary social effort on the community side, we do not wish to be understood as in any sense overlooking or minimizing the

[1] Reprinted from Report of Mayor's Committee on Unemployment: A Program for the Prevention and Relief of Abnormal Unemployment. New York, 1917.

[2] Unemployment in normal times and in a special industry, that of dock employment, has been dealt with in two preceding reports of the Mayor's Committee on Unemployment of 1915 (the predecessor of the present Committee), and of this Committee: Report of the Mayor's Committee on Unemployment, January, 1916, Part II, Program for Dealing with Unemployment in New York, Section I, Prevention of Unemployment, pp. 44–68; Section II, Insurance and Relief Measures for the Unemployed, unemployment insurance, pp. 69–76; Report on Dock Employment in New York City and Recommendations for Its Regularization, September, 1916, 82 pp.

necessity for defining and remedying the fundamental economic, social and political maladjustments which are responsible for the recurrence of periodic trade crises and for thus depriving hundreds of thousands of workers of the opportunity to earn their daily bread. Nor do we fail to appreciate the value and practical worth of reforms in personal and group conduct and attitudes and of desirable additions to the industrial machinery of our cities, states and the nation, designed to promote the general welfare.

Briefly stated, the preceding pages deal with the problem of "preparing against future unemployment crises" in the City of New York and constitute the Committee's response to the second of two duties imposed upon it by the Mayor when the Committee was appointed.[1] In spite of the limitations in the scope of the Committee's report, to which we have alluded, the Committee has endeavored to survey the field in a broad and comprehensive spirit and to lay the foundations for further discussion, whether on the plane of theory or that of detailed social mechanics.

The problem of "hard times," therefore, as reviewed by the Committee, resolves itself into a series of problems, all inextricably interwoven and incapable of separate solution, although for clarity of discussion they must be considered one by one. We have found that the abnormal unemployment of wage-earners in times of crises is but an accentuation of a condition prevalent in good times, and invariably associated with our present economic and industrial structure.

The Committee's discussion of the subject as a whole, and of its various phases, while confined within the limits of the immediately attainable, has included, (1) a theoretical consideration and analysis of the financial and industrial aspects of trade crises and of the preventive and meliorative measures which may be taken by consumers, employers and particularly by "high finance," "big business" and government to avert or mitigate the distressful effects of such crises; (2) a review and critical examination of the principles to be adopted in meeting the relief needs of these crises, insofar as, and to the extent that, relief may or must be given, and of the respective shares of responsibility for meeting such needs which should be assumed by the city and by voluntary relief societies supported by private contributions; (3) a discussion of

[1] "To deal constructively with the problem of unemployment and prepare against a recurrence of unemployment crises."

methods of relieving distress and of providing emergency employment; (4) an analysis of the means by which the relief of distress and the provision of emergency employment may best be accomplished.

Conclusions

The Committee's conclusions may now be summarized as follows:

Definition

(1) As a first essential to an intelligent treatment of unemployment, it is necessary to distinguish between the person involuntarily idle because of lack of work and the person unemployed for other reasons. While both may be in distress through no fault of their own, methods of helping them or endeavors to prevent their plight must be on radically different lines. For practical purposes, the man may be termed unemployed who is seeking work for wages but unable to find any suited to his capacities and under conditions which are reasonable, judged by local standards.

Prevention

(2) The only adequate remedy for unemployment is employment. Industrial re-organization, and not the organization of charitable relief, must be looked to for a permanent solution of the evil.

(3) The industrial treatment of unemployment necessitates a more complete knowledge of the labor market than now obtains. The expense of maintaining adequate machinery for this purpose, including a perfected system of public employment bureaus and improved methods of gathering statistics of employment and unemployment is trifling compared with the cost of unemployment to the nation and to the community.

(4) The effects of trade depressions are accentuated and prolonged by the exaggerated conservatism in spending which is apt to take hold of the consuming public during such depressions.

(5) Employers of labor, likewise, are needlessly conservative and unenterprising at times of depression, when prices fall and stocks accumulate. If a reliable forecast of financial developments were available, and if agreements on policy could be reached, times of comparative slackness need not involve the wholesale closing of factories and dismissal of workmen.

(6) Short time and similar devices for spreading employment in slack times over as many employees as possible are already prevalent to a considerable extent. But many employers do not as yet realize the financial loss involved in varying their working force to meet the fluctuations in the demand for their product, nor have they given sufficient attention to the improved efficiency and the resulting economy of continued and distributed production as compared with dismissal and re-engagement of labor.

(7) More important than possible action on the part of consumers and employers for the purpose of regularizing employment is the influence which concerted action on the part of the larger financial and commercial interests can exercise upon the stability of credit. The intelligent use, in particular, of the Federal Reserve banking system may go a long way towards the prevention of financial panics and the industrial dislocations which are apt to result from them.

(8) There has as yet been no systematic endeavor on the part of the public authorities of nation, state and city to counteract fluctuations of employment in private enterprise by a planning of public expenditures designed to provide the maximum of employment on permanent improvements and purchases of equipment at times of depression. On the contrary, the volume of public expenditures tends to be greatest at times of prosperity, when prices are highest and labor most scarce.

Thrift and Insurance

(9) Not only preventive, but also the most important remedial measures, though functioning at times of emergency, require permanent organization for their proper working. Included in these are credit organization and unemployment insurance.

(10) Thrift and loan facilities are not as yet extensively organized in New York in such manner as to relate grants to the credit needs of individuals or to their ability to make sacrifices with a view to providing for periods of unemployment.

(11) Unemployment insurance is the most logical and practical means of providing against the risks of unemployment for the great majority of wage-earners. It combines regular preparatory provision with a definite scheme of known benefit, with absence of charitable aid and with the application of a rigid test to claims.

(12) Compulsory unemployment insurance is at present un-

attainable and remains a subject for academic discussion unless and until linked up with an efficient system of public employment bureaus which can provide an adequate test of willingness to work and relieve the insurance fund of the needless maintenance of unemployed persons for whom work might be found if a comprehensive system of such bureaus were in existence, and owing to the strong opposition of organized labor.

(13) A voluntary system of unemployment insurance with state or municipal subsidies would not benefit the groups of wage-earners most in need of this form of protection and might increase the difficulties in the way of a more comprehensive insurance project.

(14) While many trade unions liberally aid their members when out of work, few of them so far have definite systems of out-of-work benefits with regular contributions.

Juvenile Unemployment

(15) At times of general unemployment, in order to eke out an insufficient family income, the number of those desirous of leaving school at the earliest moment permitted by the law tends to increase, although, of course, employment opportunities for juvenile, as well as for adult workers, are diminished.

(16) Juvenile workers thrown out of employment by trade crises cannot be aided by exactly the same methods as are applicable to adults in need. They require not only physical assistance but protection against the mental and moral dangers which beset the unemployed youth and girl.

Relief

Distribution of Task

(17) The city, irrespective of legal responsibility and whether or not it accepts moral responsibility for dealing with the distress occasioned by abnormal unemployment, is in practice obliged by public pressure to take cognizance of the emergency which has arisen and to take action which will avert calamity or mitigate it, when it is too late for preventive effort.

(18) The creation of a centralized relief agency under public auspices is not necessarily a part of the city government's fulfilment of this responsibility, which can to a large extent, in the absence of regularly established public out-door relief, be delegated to voluntary organizations.

(19) There is at present no committee, department, office or organization of any kind, public or private, whose business it is to see that the relief needs of the city are adequately met.

(20) Some cities have, in recognition of this responsibility, established public welfare departments which direct municipal action in cooperation with that of voluntary agencies.

(21) Trade unions are not suitable agencies for the general distribution of charity contributed by the general public. But contributory out-of-work benefit schemes apart, they can and do materially contribute to the general resources of the community at times of adversity by caring for their own members and, in some instances, by providing employment opportunities for them outside the normal channels of industry.

(22) Encouraging experiments have been made in this city by large relief agencies in the decentralization of relief distribution through the intermediacy of smaller organizations more intimately in touch with the persons, families or groups requiring help.

(23) It is impossible wholly to suppress injudicious forms of aid at such periods; but much abuse can be checked by the encouragement of support for agencies equipped to deal with the task thoroughly and in accordance with the best practice.

(24) New agencies springing up at times of abnormal unemployment and new central relief funds created to aid the unemployed are apt to divert the support required by agencies already in the field for identical or superior work for the relief of the same classes of distressed persons.

Administration

(25) The emergency problem of relief to be faced by the community at times of abnormal unemployment is different from the normal problem not only in magnitude but also in character. Individuals and classes of workers who usually are entirely self-supporting are then driven into destitution. Methods of relief which are suitable for a limited number of unemployed applicants at normal times are apt to be not only inadequate but also unsuitable when this number suddenly multiplies.

(26) To differentiate relief measures in accordance with need, it is necessary to distinguish among the unemployed

(a) those who, never regularly employed at permanent work and unable to provide for a "rainy day" out of their meagre and irregular earnings, fall into dire distress at a time of severe depression;

(b) casual workers in skilled and semi-skilled employment;

(c) seasonal workers who expect to be out of work during part of the year;

(d) unemployed minors;

(e) regular workmen in permanent employment thrown out of work through slackness;

(f) those usually of independent means or dependents of wage-earners, who, deprived of their usual resources, are thrown by necessity upon the labor market.

(27) So far from it being impossible, at a time of emergency, to differentiate between different needs, it is certain that a systematic classification of the persons whom it is necessary to help, or who can be encouraged to employ various resources of self-help, is the first essential toward meeting the needs of the distressed unemployed adequately without social injury.

(28) The sending of needy persons from "pillar to post" has been one of the most regrettable and, at the same time, most avoidable features of relief in the past.

(29) While some relief organizations have successfully rid the distribution of charitable funds of the three chief dangers to sound administration—grants to persons who have no legitimate claim, grants which are inadequate, and grants which injure because given in a wrong form—there is still, at times of wide-spread distress, too much neglect of sound principles of relief in the community generally.

(30) Appeals for financial support which lay stress on the small proportion of the funds spent on administration are apt to foster an erroneous popular opinion as regards the value of conscientious inquiry into the needs of individuals and families, intelligent advice, contacts with other social agencies, and other forms of non-material aid to the needy which require the services of experienced and salaried professional social workers.

(31) Relief employment is the nearest approach that can be found to a normal opportunity to work for wages sufficient to maintain life while the need for such work lasts. It is not to be regarded as a work test and may be justified wholly apart from any opportunity it may afford for specific industrial training.

(32) Efforts to disguise relief employment as though it were not charitable in character are bound to fail and are humiliating rather than conducive to self-respect.

(33) No evidence has been found of the assertion sometimes made that relief employment on a scale adequate to meet the needs of abnormal unemployment can be made self-supporting.

(34) It is impossible, with rare exceptions, to devise relief industries which do not, in one form or another, compete with industries employing wage-earners under normal conditions.

(35) When relief employment becomes necessary on a large scale, the greater volume of it has been, and will have to be in the future, provided in the form of indoor work.

(36) The city government itself is not the most suitable authority or body for the provision of relief employment, even if it were legally authorized to provide it.

(37) The provision of relief employment by large permanent relief agencies fails to attract those most in need of this form of aid. The functions of aiding the helpless and those who, to some extent, are able to help themselves—if only by working at a made job—cannot easily be combined.

(38) The most successful efforts to relieve by employment have been those made by existing social organizations, not normally engaged in the relief of distress, but intimately acquainted with the individuals or classes of persons helped by this means.

(39) The nature of the enterprises which can with advantage be undertaken to relieve unemployment cannot be determined in advance, because it must depend largely on the immediate circumstances and opportunities.

(40) Work-tests to establish the bona fides of persons seeking relief on account of lack of work may be harmful in some cases, as well as justified in others.

(41) The organization of opportunities for the cultivation of vacant lots provides a form of relief employment which is less in competition with normal industry than any other.

Aid in Kind

(42) Bread lines and soup kitchens are harmful means of relieving the needy unemployed in that individual and family needs are uniformly disregarded and because the attendant publicity is degrading to the recipient.

(43) The distribution of relief in kind through the public schools is not a satisfactory arrangement, even at times of emergency.

(44) The distribution of old clothes by an organized community

effort enables many to contribute to the relief of destitution who are not in a position to contribute to relief funds. The value of this form of charity, however, is strictly limited and is entirely lost unless it is closely related to other efforts for dealing with family needs.

Shelter

(45) Special endeavors to prevent eviction, especially if attended by publicity, are apt to encourage landlords to insist on full payment of all back rents; and as these efforts increase the evil itself is apt to grow correspondingly.

(46) The "passing on" of vagrant persons from town to town, as practiced at present by many town and city officials, stands in the way of any helpful treatment of vagrancy and homelessness as evils which become acute at times of general unemployment.

(47) The municipal lodging house provides the most appropriate and socially desirable means of housing the homeless unemployed. Its value as a suitable shelter for respectable work people made homeless through unemployment is destroyed if at normal times it is used as a "human repair" shop for unemployables and work-shy. The two functions cannot be combined in the same institution.

(48) A municipal lodging house where adults of every type and description find temporary shelter is not a fit institution for sheltering young men and girls.

Recommendations

We therefore recommend

(1) That the Federal Bureau of Labor Statistics and the State Industrial Commission be given sufficient appropriations to enable the creation of a complete statistical "barometer of trade."

(2) That organizations more competent for such a task than the present Committee undertake or encourage the study of the underlying economic causes of industrial dislocations which produce abnormal unemployment.

(3) That a more wide-spread education of the people in the meaning and effects of financial crises and industrial depressions and in the fluctuation of prices, trade activity, and business prospects be made the means of preventing needless panics on the

part of the consumers, and of encouraging expenditure, as far as possible, on a normal scale.

(4) That manufacturers prepare against the necessity of closing down or seriously curtailing production at times of depression by developing a production policy which, taking account of fluctuations in demand

(a) plans for the utilization of slack times to introduce new staple lines;

(b) retards deliveries in good times, as far as possible, so as to have work in hand when the demand slackens;

(c) diverts permanent additions to buildings, equipment and machinery, and other capital investments, important repairs and additions to stock from busy times to times of depression;

(d) distributes such employment as there is, if production must be reduced, over as large as possible a proportion of the force by means of short time, without however depressing the earnings of individual employees materially below the minimum necessary to support family life.

(5) That when trade crises threaten, the large financial and business interests cooperate to the fullest possible extent with one another and with the Federal Reserve Board to maintain stability of credit and to allay needless alarm, by wide-spread publicity as to the reassuring elements in the existing business situation.

(6) That banks and credit institutions, during periods of industrial expansion, distinguish carefully between healthy home industries reasonably sure of a permanent market, which deserve every encouragement, and industries of a more speculative and ephemeral character which should be induced to maintain their capital expenditures within the narrowest limits.

(7) That the City of New York, in executing permanent improvements, the appropriations for which have been sanctioned, discriminate in the allotment of funds from current revenue and from corporate stock in accordance with the respective urgency of different expenditures, with the avoidance of waste from loss of interest incurred by delays in bringing improvements into use, with the cost of borrowing, of labor, and of materials, and, finally, with the state of the labor market and the rate of unemployment prevailing in the city, and that, other considerations apart, the city's expenditure upon such improvements be made as far as possible inverse in total volume to the general rate of employment in the city.

(8) That similarly the Federal and State Governments be induced to plan public expenditures upon permanent improvements over a period of years, withholding work which is not urgent at times of trade prosperity and speeding it at times of depression.

(9) That however serious an emergency, a sincere effort be made by the public authorities and voluntary agencies responsible for its relief to classify those in need of assistance in some manner not inconsistent with rapidity of action, so as to determine the kind of relief of which the individual is most in need or which is most likely to be appropriate to his capacity for self-help, possession of resources, station in life, family responsibilities, age, health, etc.

(10) That registration at a public employment bureau or at any private, commercial, trade or philanthropic employment bureau which is willing to cooperate in a general city scheme be uniformly adopted as an obligatory test of unemployment and a condition precedent to payment of out-of-work benefits and relief by gift or loan.

(11) That as part of the regular machinery of city government there be created, either as a function of a "department of public welfare" or as a bureau of the existing Department of Public Charities, or otherwise, an office charged with the three-fold task of

(a) maintaining a current survey of the state of employment in the city;

(b) keeping an up-to-date register of the city's relief resources, both existing and potential, which can be relied upon as elements in a city-wide cooperative system of relief should an emergency occur;

(c) distributing information to social workers and others to whom persons in need are most likely to apply for advice, enabling them to direct these to the agencies most likely to be able to help them.

(12) That, at a time of abnormal unemployment the public authorities, influential citizens and the press encourage the benevolent public to support existing agencies equipped to relieve distress arising from it rather than create new funds and relief organizations.

(13) That the incorporation of credit unions, as sanctioned under the state law, organized as co-operative associations for thrift and credit facilities, be advanced by a city, state or national federation of credit unions, equipped to encourage the formation of such unions and providing them with a common inspirational and educational center.

(14) That the Federal Government take appropriate steps to organize the employment market through a nation-wide system of public employment bureaus, assuring the complete mobilization of employment opportunities and the available labor supply.

(15) That measures be taken by the Federal Government at the present time when favorable employment conditions enhance the ability of both employers and employees to accumulate an insurance fund, to devise the most practical and effective means of inaugurating a workable system of unemployment insurance (of which a comprehensive system of public employment bureaus is, in our judgment, a prerequisite[1]) either through an appropriate federal department or by a congressional commission appointed for the purpose.

(16) That relief employment approximate employment under normal conditions as nearly as possible, as regards the utility of the work done, the assignment of tasks suited to the abilities of the worker and the output expected of him in relation to the wages paid and to the degree of efficiency possible; it need not afford opportunities for specific industrial training, though this is desirable.

(17) That relief employment, as far as possible, be organized only by such agencies as are already in intimate touch with the persons or classes of persons whom it is intended to aid by this means; that relief employment wages be paid at an hourly rate sufficient to cover the minimum cost of living, with, perhaps, a weekly bonus on production.

(18) That the cultivation of vacant lots be taken into consideration as a useful method of relief employment if the necessity for it arises.

(19) That the amount of relief given be adequate to insure that the total family resources cover the minimum cost of living.

(20) That smaller neighborhood organizations, more intimately in touch with individuals and families in their respective neighborhoods, be more extensively utilized by the larger relief societies as distributors of their relief grants.

(21) That at times of abnormal unemployment organizations engaging in any form of relief to the unemployed register all families and individuals assisted in a central confidential exchange such as the existing Social Service Exchange now utilized for this purpose by the leading family welfare agencies of the city.

[1] We have made clear in the body of this report our reasons for this judgment.

(22) That relief in kind be made only supplementary to other forms of relief when found expedient to insure adequacy of the total amount of help given to the individual; and that in the allocation of financial and material aid the needs of the family, not only those of the individual person in distress through unemployment, be taken into account.

(23) That shelter for persons made homeless through unemployment, but not permanently belonging to the vagrant class, be provided separately from institutions for the care of the latter; and that in no case homeless minors be provided with shelter in institutions housing a miscellany of adult persons of every description.

(24) That the period of unemployment in the case of minors be utilized for educational advancement by the provision of suitable training, attendance at which for a certain number of hours each week might be made compulsory for all unemployed youths and girls up to the age of eighteen.

(25) That, in order to reduce the supply of juvenile labor at times of general unemployment, school attendance beyond the age limit of legal compulsion be encouraged by the provision of scholarships.

LIST OF BOOKS AND PAMPHLETS MOST FREQUENTLY QUOTED IN THE PRECEDING PAGES

The Burden of Unemployment, by Philip Klein. Russell Sage Foundation, 130 East 22d Street, New York, 1923. 243 pp. Price $2.00.

(A report of unemployment measures planned and undertaken in 1921–1922 in 15 American cities; with conclusions and recommendations.)

Public Employment Offices: Their Purpose, Structure and Methods, by Shelby M. Harrison and Associates. Russell Sage Foundation, New York, 1924. 685 pp. Price $3.50.

(The volume reports the findings of five years of research. It includes the study of the past experience of public employment offices in 70 cities of the United States and Canada, which it was believed would throw light upon the kind of national system possible and desirable in this country and the best methods of planning and developing such a system.)

Employment Statistics for the United States, by Ralph G. Hurlin and William A. Berridge. Russell Sage Foundation, New York, 1926. 215 pp. Price $2.50.

(This report of the American Statistical Association's Committee on Governmental Labor Statistics sets forth a plan for developing comprehensive national employment statistics. It records the extent to which employment and unemployment statistics are now available and the methods of gathering them. A mimeographed report of the Committee, **A Program for Statistics of Employment and Unemployment in the United States,** prepared for the National Conference of Governors of States, July, 1930, summarizes and brings up to date the printed report of the Committee. Copies of the summary report are available on request from the Committee on Governmental Labor Statistics, Room 600, 130 East 22d St., New York.)

Emergency Relief in Times of Unemployment, by Mary E. Richmond. Russell Sage Foundation, New York, 1930. Pamphlet, 16 pp., sent free.

(A memorandum prepared in 1921 for the White House Conference on Unemployment, and published as a reprint from **The Long View,** by Mary E. Richmond, Russell Sage Foundation, 1930. Contains selected bibliography.)

How to Meet Hard Times. 1917, 127 pp.

(Report of the Mayor's Committee on Unemployment, New York. Emphasizes the part which a city government should play in an unemployment crisis. A valuable study, with conclusions and recommendations. Unfortunately out of print, but should be available in libraries.)

The Time to Plan Is Now, by Family Welfare Association of America. 130 East 22d Street, New York, 1929. Pamphlet, 19 pp., sent free.

(Report of the Industrial Problems Committee.)

Facing the Coming Winter, by Joanna C. Colcord. In **The Survey,** November 15, 1930.

(Report of a conference of social workers on The Coming Winter, called at the Russell Sage Foundation in September, 1930. Also sent free in reprint form.)