

# THE EMPLOYMENT SERVICE OF CANADA

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**I**NVOLUNTARY unemployment is undoubtedly one of the most serious economic ills afflicting modern industrial nations. Not only is it responsible for a large amount of actual physical suffering, but its continued presence frequently results in a weakening of the moral strength of those subject to it, and in addition gives rise to an undesirable, yet partly justifiable, mental attitude toward the present economic system.

The unemployment problem is a complex one, and because of its complexity any single explanation of it is very inadequate. So, too, is any attempt to solve it by the application of one all-sufficing formula. The problem must be examined from various points of view, and various methods must be used in seeking its solution. Because of the great difficulties in the way of perfectly co-ordinating the various units in our economic organization, it is not likely that unemployment will ever be totally abolished; there will always be a labour reserve. But much can be done both in preventing this reserve from growing unnecessarily large, and in providing in one way or another for the economic needs of those who are found within its ranks.

In the present study no attempt will be made to discuss the underlying causes of unemployment, nor to give a comprehensive description of the numerous means that have been devised to mitigate its evils. Our primary concern will be to examine the working of an agency that has been doing a great deal of useful work in Canada in reducing its volume, and which has not received the attention from the public that it deserves. This agency is the Employment Service of Canada,

While unemployment insurance schemes may have their opponents, while the long-range planning of public works may be spoken of in disparaging tones, and while other proposals for reducing the volume of unemployment may be looked upon with scepticism or disfavour, it is impossible to conceive of any just attack that could be made against a well-organized system of free public employment offices, such as we have in this Dominion. The importance of having such a system in any industrial country is widely

recognized. Leo Wolman, a prominent student of labour problems in the United States, recently pointed out that

in the present state of the unemployment problem in the United States, the most pressing need is for a highly co-ordinated chain of public employment exchanges that would be in the position to make the maximum use of all the opportunities for employment there are.

Public employment offices were found in Canada before 1914, but it was not until the War years that the foundations were laid for the establishment of a closely-knit organization. In 1914 the Federal Department of Labour undertook a study of the unemployment problem, and as a result of its enquiry a system of unemployment offices, nation-wide in scope, was recommended. About this time an Ontario Commission on Unemployment was carrying on its investigations, the results of the Federal Department's study having been placed at its disposal. The Ontario Commission, besides favouring the establishment of public employment offices within the province, recommended a national system.

In the same year that the Commission reported, 1916, the Ontario Government passed legislation which implemented the recommendations that had been made. Other provinces followed suit: British Columbia in 1917; Manitoba in 1918; and Saskatchewan and Alberta in 1919. It is interesting to observe that the three last named provinces, taking advantage of the constitutional power which is vested in the provincial Governments for the licensing, regulation or abolition of private employment bureaus, at the same time legislated the private agencies out of existence. British Columbia took similar action in 1919.

The blows delivered by the western provinces to private employment offices were not the last and only ones that such institutions received in Canada. In 1920 Nova Scotia passed a statute prohibiting their presence in that province. In 1919 the Ontario Government, while not abolishing them, authorized a reduction in their number. According to a recent figure, only fourteen licensed private agencies were doing business in the province. In Quebec there are only seven licensed offices; and in New Brunswick, with no law to abolish them, the private agencies have almost ceased to exist because of the competition of the public offices.

It is evident, therefore, that the number of private employment offices in Canada is very small, and consequently the serious evils which may accompany their operations are greatly reduced. Some of these evils are mentioned in a statement which the present

director of the Employment Service of Canada, Mr. R. A. Rigg, made to the Select Standing Committee on Industrial and International Relations, in 1928. Referring to the Employment Service, he said this:

It affords more adequate and fairer opportunities than the private agencies were able to give. There is more honesty of purpose in its effort than has been characteristic of the agencies. There is more of a definite ambition to fit the right man into the right place. There is no intrigue between the employment offices and the foremen and superintendents on the job, which resulted in the corruption and exploitation of the worker.

This action of the provincial legislatures in abolishing the private agencies, or limiting their number, needed to be supplemented by constructive action, however, before the Canadian labour market could be effectively organized. The Federal Government took this necessary step in 1918. In that year it passed the *Employment Offices Co-ordination Act*, which gave that unity to the system of Canadian public employment offices which is essential to its efficient action, and which is one of its outstanding characteristics.

The Act was passed for the purpose of aiding and encouraging the organization and co-ordination of employment offices, and to that end the Minister of Labour was given certain powers which would enable him to promote the adoption of uniform methods by the offices and facilitate co-operative action among them. While the passing of the Act was not wholly responsible for the growth in the number of public employment agencies from twelve at the time the Act came into force to sixty-four in 1928, it was a most important contributing factor.

Provision was also made in 1918 for the establishment of a body to act in an advisory capacity to the Minister of Labour in administering the Act. This body, which is called the "Employment Service Council of Canada," is made up of representatives from the following public and private organizations: the Dominion Departments of Labour and Soldiers' Civil Re-establishment, the Provincial Governments, the Canadian Manufacturers' Association, the Association of Canadian Building and Construction Industries, the Trades and Labour Congress of Canada, the Railway Association of Canada, the Railway Brotherhoods, the Canadian Lumbermen's Association, the Canadian Council of Agriculture, and the returned soldiers.

This brief historical account of the Employment Service of Canada will provide us with a keener appreciation of its activities,

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and will also furnish us with a background for a study of its accomplishments. In the tables that follow, some of the most significant facts relating to its achievements are presented. The first table shows the total placements that the public employment offices made in the fiscal year ending March 31, 1928, in the various provinces.

TABLE I.  
PLACEMENTS BY THE EMPLOYMENT SERVICE, YEAR ENDING  
MARCH 31, 1928.

Province	Number of Offices	Men	Total Placements Women	Total
Nova Scotia.....	3	3,750	3,547	7,297
New Brunswick.....	3	4,142	4,241	8,383
Quebec.....	5	20,025	5,646	25,671
Ontario.....	25	101,309	34,406	135,715
Manitoba.....	3	34,920	21,797	56,717
Saskatchewan.....	9	63,340	9,604	72,944
Alberta.....	5	58,843	8,025	66,868
British Columbia.....	11	35,779	8,932	44,711
Canada.....	64	322,108	96,198	418,306
Regular.....		256,855	46,072	302,927
Casual.....		65,253	50,126	115,379

While the preceding table is largely self-explanatory, there are two points relating to it that are worthy of special note. The first of these is the large number of placements that were actually made; and the second is the percentage that were of a regular character. Over four hundred thousand workers were placed in employment during the year without the necessity of paying a fee for the service, or of running the chance of being defrauded by an unscrupulous employment agent. Of this large number almost three-quarters were placed in regular jobs, the remainder having been sent to casual employments; that is, to those employments which had a probable duration of not more than seven days. Even casual work, however, is better than none at all.

As one would expect, the numbers placed in the different industries of the country vary a great deal. We see in the next table that the largest number of placements was made in the farming industry, followed by the service industry of which the most important branch was household work.

TABLE II.

POSITIONS OFFERED AND PLACEMENTS EFFECTED, YEAR ENDING  
MARCH 31, 1928

Industry	Vacancies	Placements		Total
		Regular	Casual	
Manufacturing.....	32,758	19,028	11,780	30,808
Logging.....	49,238	44,943	340	45,283
Fishing and Hunting.....	161	122	26	148
Farming.....	144,520	131,017	3,962	134,979
Mining.....	3,879	3,537	108	3,645
Communication.....	648	418	191	609
Transportation.....	10,065	3,201	6,629	9,830
Construction and Maintenance.....	65,963	50,115	13,362	63,477
Services.....	134,216	47,028	67,765	114,793
Trade.....	14,150	3,200	10,588	13,788
Finance.....	971	318	628	946
All Industries.....	456,569	302,927	115,379	418,306
Men.....	340,649	256,855	65,253	322,108
Women.....	115,920	46,072	50,126	96,198

The two tables that have just been presented relate to the work of the Employment Service for one year only. The records for the earlier years, however, also tell a story of activity and accomplishment. It will be seen in the table that follows that for each year shown the number of workers placed in employments as a result of its efforts was large.

TABLE III.

PLACEMENTS EFFECTED, FISCAL YEARS 1920-1928.

Year	Men	Placements Effectuated	
		Women	Total
1928	322,108	96,198	418,306
1927	320,306	94,463	414,769
1926	319,558	90,597	410,155
1925	328,334	84,491	412,825
1924	285,359	80,773	366,132
1923	376,801	85,751	462,552
1922	316,386	77,136	393,522
1921	277,792	77,964	355,756
1920	365,292	80,520	445,812

One of the outstanding merits of the Canadian system is its facilitation of the geographical mobility of labour. This it accomplished largely through its co-ordinated nature, with its six provincial clearing houses, at Montreal, Toronto, Winnipeg, Regina,

Edmonton, and Vancouver, and its two inter-provincial clearing houses at Winnipeg and Ottawa. The low transportation rates which the Canadian Pacific, the Canadian National and a number of the smaller railways grant also aids this movement. Any *bona fide* applicant for work who wishes to accept employment at a distant place, where no local workers are available, and whose fare is more than \$4.00, receives a reduced rate of 2.7 cents per mile. This means that those who take advantage of the special rate are travelling more than one hundred and sixteen miles.

The circumstances under which workers are thus moved for considerable distances render the practice on the whole economically sound, since it means that a more effective use is being made of our labour supply. Costs incidental to this transference are more than counterbalanced by the benefits, both individual and social, resulting from it.

In Table 1 it was seen that 418,306 placements were made in the fiscal year ending March 31, 1928. It is interesting to observe that of the workers thus placed more than half, or 217,246, were placed at jobs outside the centre where the employment office responsible for their placement was situated. Not all these, of course, went such a long distance as would enable them to take advantage of the low transportation rate. A very considerable number actually did benefit by it, however, as the next table shows. Most of these workers went to employment within their own province, or in a contiguous province, although a few travelled much farther.

TABLE IV.  
CERTIFICATES ISSUED FOR SPECIAL TRANSPORTATION RATE, YEAR  
ENDING MARCH 31, 1928.

Issuing Province	Que.	Ont.	Man.	Sask.	Alta.	B. C.	Total
Quebec.....	930	1,632	.....	.....	.....	.....	2,562
Ontario.....	190	7,235	188	38	5	.....	7,656
Manitoba.....	8	3,941	4,731	3,117	194	4	11,995
Sask.....	1	4	375	3,718	115	4	4,217
Alberta.....	.....	.....	58	733	4,781	30	5,602
B. C.....	.....	2	17	305	859	1,712	2,895 <sup>1</sup>
Total.....	1,129	12,814	5,369	7,911	5,954	1,750	34,927 <sup>1</sup>

<sup>1</sup> In addition, there were 7,318 certificates issued in British Columbia for a special harvest rate to Alberta and Saskatchewan, the recruiting of harvesters in British Columbia for the Prairie Provinces being entirely in the hands of the Employment Service.

That the Employment Service is finding work for large numbers of our unemployed, is evident. But at what expense to the country is it performing this task? Do the results justify the expenditure?

The *Employment Offices Co-ordination Act* provides that the Federal Government is to pay to each of the provinces an amount proportionate to the expenditure of each toward the total expenditure of all the provinces for the maintenance of employment offices. This federal subvention, however, is in no case to be more than one half the amount expended by the provinces. The allotments have varied a little, and for a number of years they were increased by supplementary votes, but since the fiscal year 1923-1924 they have been \$150,000 annually. This grant reimburses the provinces to the extent of approximately one third of their expenditures.

The total expenditure, therefore, is not large. It is amply justified by the results. The Employment Service is performing a valuable function at a very reasonable cost. It is doing much to lessen the amount of involuntary unemployment; and although there are definite limitations on what it is possible for our public employment offices to accomplish, it must be admitted that their contribution to the handling of the unemployment problem is most worthy of our recognition, interest, and encouragement.