



EMPLOYMENT STABILIZATION IN OKLAHOMA

John B. Ewing, Norman

During the present depression the low point in the indices for employment and payrolls in manufacturing in the United States was reached in March, 1933, with payrolls about one-third of their 1926 level and employment rolls about one-half of that year. In Oklahoma the low point was also reached last March with payrolls a little more than one-half of their 1925 level and employment rolls almost three-fourths as great. Since March the indices show steady improvement especially for the oil industry in Oklahoma and the steel industry for the United States. There seems to be more unemployment at the present time, however, than in 1931 when the indices for employment and payrolls in the state and nation were about the same as present levels.

In the explanation of high unemployment for the country and the state at a time when the indices show so much improvement we must recall first, that there has been an increase in population since the base year 1926 and 1927; second, the indices are for manufacturing and industry. Many from the agricultural ranks have joined the unemployed. The peak for the demand for labor in agriculture was reached in 1910 according to the Hoover Committee on Social Trends. Since that date and especially during depression farm laborers and entrepreneurs have rapidly joined the ranks of the unemployed. New industries have absorbed some of these newcomers to the industrial field but it has been difficult to find when a general lag in the payrolls and purchasing power existed.

What are the opportunities for stabilization of employment? (1) Employment guarantee and reserve systems have an important relation to stabilization. When these are in operation employers put forth every effort to dovetail employment, supplement sidelines and develop new activities in order to keep their reserves intact and profit margins secure. About 225,000 workers are covered by these plans in 1932 in the United States. Reserve systems have not been adopted by any Oklahoma firms but a number have put forth many efforts to stabilize.

(2) Through expansion of the free employment office system jobless men can be told about opportunities for work. Oklahoma has had a

valuable experience with these offices. At the present time offices are located in Oklahoma City, Tulsa, Muskogee and Enid. These offices have been largely for unskilled workers but with funds obtained from the federal government under the Wagner-Peyser Act, Commissioner Murphy has opened an office for white-collared workers. Federal aid for more complete statistical data on unemployment has also been made available.

(3) Some progress in our attack on the employment problem may be made through the process of keeping certain groups off the labor market. By old age pension systems it may be possible to keep older age groups from the competitive labor market. By compulsory school attendance laws and encouragement through scholarships and aid younger people may be enabled to obtain more training and be kept off the labor market.

(4) Shorter hours of work and higher wages help in stabilization by furnishing more employment an opportunity to spend and the wherewithal to make the purchase. Indirectly a step is taken in redistribution of wealth by diverting a part of the income to wages which had hitherto gone to profits.

(5) It is believed that about one-third of our unemployed will be placed back in employment during the winter months by the Civil Works Administration. Many will be employed under the public works program. If the shock to the public debt is absorbed it is probable that the method will be continued but every method will be used to stabilize and thereby reduce the total expenditure. It will be recognized that insofar as relief, public works, civil construction and the like is paid for through taxation from the higher income brackets in accordance with the "ability to pay" principle, it is a step toward the redistribution of wealth. Indirectly it maintains purchasing power and in this way is a factor in stabilization.

(6) Finally we should note that new industries should be developed. If once again we could have all of the workers employed with good wage, theoretically unemployment could be held to low levels because demand would equal supply in the long run. Some good results will be obtained along this line from the public and civil works program.