Escaping the dole

BY ARTHUR B. ADAMS

Why are we experiencing a severe business depression with many industries closed down and more than 6,000,000 workers unemployed? The principal reason that this situation exists is because consumers' money incomes have not been large enough to permit them to purchase at prevailing prices the goods which were produced and offered on the market. We overexpanded many industries and piled unsold goods in the market. We increased our capital equipment and our power to produce goods faster than we increased consumers' money income which is used to purchase the goods we produce.

The money proceeds from the net production of industrial society (the national money income) is distributed in two streams: the first stream is the income going to property owners in the form of royalties, bonuses, interest, rents, and profits which are paid for the use of property and for managerial ability; the second is the stream of income which is paid to workers in the form of salaries or wages for personal effort in production. The larger part of the money income paid to property owners is spent for reinvestment in new capital. Practically all of the money income paid to workers is spent for consumption goods and services. The part of the national money income going to workers is not large enough to enable them to buy at prevailing prices the consumers' goods which are placed on the market; so unsold goods tend to pile up. The part of the national money income going to the property owners is so large that these owners have overexpanded many industries and overcapitalized practically all of them.

The relative purchasing power of consumers must be increased and the relative purchasing power of investors must be decreased. The only way to remedy the situation permanently is to divert a larger percentage of the national money income to wage and salary receivers and a smaller percentage of it to profit receivers and receivers of other incomes from property. Such a change in the distribution of the national money income can be brought about by increasing the wages per hour and decreasing the hours of labor per day for laborers, or by decreasing prices of commodities and retaining the present wage scale with fewer hours per day for laborers. By effecting such a change in the distribution of the proceeds from production we can keep our industries operating constantly.

It is possible to bring about a temporary recovery of business by creating sufficient artificial purchasing power to support the market for goods. This may be done through the inflation of bank credit, the expansion of installment buying, or artificial stimulation of export trade through additional foreign loans. Such a business recovery would be temporary, and would lapse into a state of depression as soon as the artificial stimuli have spent their force. The only way to bring about a permanent improvement in the national economic situation which we now face is to increase the relative purchasing power of consumers.

Should we, through artificial means, succeed in bringing about a temporary recovery of business, it is inevitable that soon we shall have another severe business depression unless we increase the relative purchasing power of consumers.

England was forced to adopt the "dole" system partly because her business leaders refused to accept lower profit margins by paying laborers high wages or by selling their goods in the domestic market at lower prices. If the English capitalists had been willing to pay out larger incomes to laborers they could have operated their industries at greater capacity which in turn would have reduced the number of unemployed people in England and possibly avoided the dole system. But, rather than submit to a change in the distribution of the national money income the business leaders of England permitted their domestic market to decline and their industries to operate on part time; this resulted in a large army of unemployed. These idle laborers demanded that they be supported by the government. Through taxation of the English people the government has since the world war paid in doles to the unemployed a large share of the national money income.

From the standpoint of national progress and prosperity the dole system is very objectionable. It tends to pauperize the unemployed laborers and thus destroy their initiative and ambition. It necessarily limits the quantity of production in the country and thus presses down the standard of living of all classes. It entails very heavy taxes upon the middle class as well as upon the very wealthy, thereby greatly reducing the standard of living of the people of the middle class. The middle class is heavily taxed largely because of the obstinacy of the capitalists in refusing to accept lower profit margins. On the other hand, because of the idle factories and heavy taxes, the capitalists have been forced to accept lower rates of profit anyway, and the nation has the dole system to boot.

Because of the fact that about forty per cent of the goods produced in England are for export, the country is in a different economic position from that of the United States where only about twelve per cent of the domestic production is for export. England is also a free trade country where the English producer must sell in the domestic market in competition with foreign goods. Again, the English manufacturers have not made the technological progress the American manufacturers have made in developing mass production. For these reasons, business was not as profitable in England as it has been in the United States, and the English manufacturer is less able to raise wages or lower prices than is the American manufacturer.

I trust that this vicious dole system will never be forced upon the United States. I fear, however, that should this business depression continue or should we have another one soon we will be forced to give government doles to the unemployed. We shall be able to avert its occurrence if our business leaders are big enough to see the necessity of accepting lower profit margins and paying higher incomes to laborers. By making the proper adjustment in the distribution of our national money income, the capitalists themselves would fare much better than they could under the vicious dole system. All classes of people in this country would be benefited if the necessary adjustments in the distribution of the national money income is made so that we may escape the English dole system.

In order to put into effect the change in the distribution of our national money income, our business leaders must realize the necessity of the acceptance of a smaller rate of profits; they must be willing either to pay higher wages or accept lower prices for their products. To create the necessary number of jobs, (TURN TO PAGE 363, PLEASE)
The Sheplers have a long record of newspaper service in Oklahoma, and the sons of the father are worthy carrying on his traditions. Fred and Ned Shepler, both Sooners, are the publishers of the «Lawton Constitution» which their father, the late John N. Shepler published. Ned Shepler, ex ’18, editor of the «Lawton Constitution» was recently honored by newspaper men of the state by election to the presidency of the Oklahoma Press Association.

A successful son of a successful father. That's Ned Shepler, the new president of the Oklahoma Press association. For 31 years his father, the late John N. Shepler was an active journalist. He spent 17 years in newspaper work in Oklahoma, and when he died in 1919 Ned became editor of his paper, The Lawton Constitution. Since then he has been making a name for himself.

Any unwary person dropping into the office of The Lawton Constitution wanting to know the answer to some question about the newspaper profession could in most cases get the answer from Mr. Shepler, an editor who was born and bred in newspaper work. For the past eleven years he has been editor of the paper left to him and his brother, Fred.

From his childhood spent in the various newspaper offices of his father, beginning on the old Milan Standard in Milan, Missouri, through the journalism course at the University of Oklahoma, to the editorship of the state's leading newspapers he has lived close to his profession.

From Missouri his father moved to Pawnee, Oklahoma where he died and the family lived in Pawnee until 1910 and then moved to Lawton, where the Constitution was purchased. Ned was graduated from Lawton high school in 1915 and in the fall of that year he entered the university, enrolling in the school of journalism. In the university he was a member of Sigma Chi social fraternity and Sigma Delta Chi, professional journalism fraternity. He was managing editor of the Oklahoma Daily in his last year in school. Before he had time to complete work for his degree he left school and entered the army. Fred had received his degree from the University of Oklahoma in 1915. Upon his discharge from the army in December, 1918 he became city editor of his father's paper. Five months later his father died and he became editor, which position he has held ever since.

Since his early youth he has been an interested attendant at Oklahoma Press Association meetings and in later years a participant in the activities of the association. When Hutton Bellah disappeared from the state in 1929 he was vice president of the association. Members began to look for someone to take his place as an officer. Mr. Shepler was chosen. He was made second vice president, from which he was graduated to the presidency.

He was married in September, 1922 to Miss May Barnes. They have one daughter, Shirley Joan, who is seven years old now.

**President of state editors**

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they must put into effect shorter hours for laborers. Also, the national government can do much through legislation and administrative policies to bring about the necessary changes in the distribution of the national money income. Such legislation should be along the following lines:

1. Revision of the anti-trust acts to provide for more stringent regulation of industrial combinations and trade associations.

2. Federal incorporation of business enterprises and the regulation of security issues by corporations so as to eliminate stock watering, stock dividends, stock bonuses, and cash bonuses to officers and directors.

3. High taxation of the larger individual incomes and the revival of the excess profit tax for corporations.

4. Revision of the national banking law so that commercial banks will have their activities confined largely to making commercial loans rather than making call loans and loans on securities.

5. Revision of the tariff so as to lower the absurdly high tariff rates, and permit the importation of foreign goods at reasonable prices.

6. Reduce the amount of farm land by having the government purchase large blocks of poor farm lands to be converted into national forests.

Through administrative policies the federal government could bring about the limitation of production in certain industries where there is an evident physical overproduction of commodities, such as in the cases of wheat, cotton, and petroleum. The limitation of oil production should be brought about for the purpose of conserving natural resources. Through the attitude of the national administration recalcitrant business leaders can be forced to accept the principle of higher income to consumers and lower rates of return to capital.

Now is the time for us to change the flow of our national money income so that we may escape the dole system. It is to the interest of all classes to make the change now. If we wait until unemployment forces it upon us, we might not be able to throw it off by effecting the necessary change in money income.