



THE ROYAL BANK OF CANADA

MONTHLY LETTER

HEAD OFFICE: MONTREAL, JANUARY 1951

MEN MUST WORK

THERE are two classes of unhappy workmen in the world, and by workmen we mean everyone from the president of a large corporation to the day labourer.

First, there are those who have jobs which wholly satisfy their creative and energy needs, but do not provide what they desire in the way of monetary reward or social life.

Second, there are those who work hard and earn a good living, but who have jobs which give them the "fenced-in" feeling common to persons whose ability is denied expression and whose talents are unrecognized.

In addition, of course, there are people who believe that work is something to be cut to the minimum. There are so many in this class as to give cheer to ambitious people, who find less competition than there might otherwise be.

Today's working man (and again we include everyone from the highest-salaried to the lowest-paid worker) needs more than skill and smartness. These are days when qualities of character are more important than ever before: stability, toleration, co-operation, and self-restraint. They are days when a knowledge of economic affairs is needed, not only of the family budget kind, but the kind that tells the reason for the taxes deducted from one's pay envelope.

Work has as its purpose the production of things to use and services to enjoy. Business is not a struggle for wealth that already exists, but a system of co-operation in producing and exchanging things that people want. The more things we produce, the greater choice we have of things to enjoy, and the more we will have to exchange for things we desire.

Looked at in this way, work is not a curse. The law "In the sweat of thy brow shalt thou eat bread" may be read as one of the most beneficent laws of life. It was probably because they had nothing to do that Adam and Eve became so easy victims for the tempter.

Social and political dreamers foster the fallacy that work was imposed upon mankind as a punishment. They do this because the notion breeds discontent and thereby furthers their purposes. In fact, as every thinking man and woman will admit, work is strengthening, satisfying, and a great blessing. It is essential to human happiness.

But to discharge its responsibilities work must have certain qualities. It must be honest, useful and cheerful. It was of this kind of work that all the great men of the past century spoke when they preached the Gospel of Work: liberals like Mill, socialists like William Morris, reactionaries like Carlyle, Christian socialists like Kingsley, and half-socialists like Ruskin. Tolstoi said: "It is pleasant to dream of eternity, but for an honest man it is enough to have lived his life, doing his work."

We are Making the World

Ours is a civilization that never could have been built without labour, and if it is to be sustained it must be by work which adds to life as well as maintains life. The world is not diminished, small though it may appear in the light of today's speed records in travel and communication. It is in the process of being made, and we are the makers.

Work is helpful to our minds. It is the best outlet for our anger, and the truest escape from self-pity and self-centredness. There is a very special kind of joy in rest after work. As a Vedda cave-dweller told a scientist: "It is pleasant for us to feel the rain beating on our shoulders, and good to go out and dig yams, and come home wet, and see the fire burning in the cave, and sit round it."

Work is not what it used to be. Dr. D. Ewen Cameron, Professor of Psychiatry at McGill University, describes it quaintly: "In the days of the horse plough and the coach, when candles and cloth and chairs were made in the house, when you clambered out of bed in the dark and stumbled back again when the moon came out, it was literally true that if you did not work, you did not eat." Then he goes on to say: "Working in order to

live is losing its meaning. It has not lost it yet, may never completely lose it, but the bum's claim that the world owes him a living is pretty near to paying off."

Well, in a nation like ours people are not likely to give in to living on charity. There are too many opportunities for the better life we all desire, and we have not yet receded to the thinking of the spoiled child kind, that when people demand payment for things we want they are imposing on us. We still believe that reward follows effort.

We of this generation in Canada have higher ideas than had the cave-dwellers. We feel that when we work we are fulfilling a part of earth's furthest dream, assigned to us when that dream was born. "And," says the philosopher-poet Kahlil Gibran, "if you cannot work with love but only with distaste, it is better that you should leave your work and sit at the gate of the temple and take alms of those who work with joy."

There have been people in all ages who believe that a man who can produce twice as much as another with the same effort ought to be punished instead of rewarded if he does so.

Schemes that would make buying power easy to get without giving anything for it are prolific sources of trouble. The only real purchasing power in the markets is that of the goods and services offered there. The idea that we can continue our civilized progress if we insist on giving less and less for more and more is a dangerous fallacy.

About Being Tired

There is no denying that there is such a thing as work-fatigue. It is a safety device of nature to keep us within safe limits. The trouble is that many of us have set the safety valve to blow off under a pressure so low that our daily efficiency is impeded, and we miss many of the joys of life.

Much of the "slow down" in life is not caused by work-fatigue, but by psychological factors. Shorter hours will not help that situation. Suppose we knocked off work for all but four hours a day, and turned ourselves loose for the rest of the time to get what good we could out of a set of fine abstract nouns such as science and art, friendship and love and the contemplation of the universe. We should find them mere husks unless we pegged away at them so hard that they, too, became work.

No cheating or bargaining or smartness will ever get a single one of our wants out of nature's storehouse at half price. Our physical strength depends upon working our muscles. Our mental strength depends upon working our brains. If we want more, we must work more. As a nation, we cannot buy and consume twice as much goods as our grandfathers did unless we produce twice as much goods.

If mankind had adhered to the primitive custom of each person foraging for himself and supplying all his own wants, this fact would be clear. The man who foraged twice as efficiently as his neighbour would

have twice as much to eat. There has been no change in the law, but only in the method of foraging.

We Exchange our Work

Today we are interdependent. We have 14 million people in this land where the Indians had only a few thousands. We have split up foraging into jobs in which men specialize, but the results go into a national heap, from which each worker draws according to his contribution.

We have raised the standard of living, so that we enjoy things that would have seemed fantastically impossible to our forefathers. In his book called *Halifax, Warden of the North*, Thomas H. Raddall describes the Canada of 170 years ago as a place where there were "colonels without soldiers and squires without shoes or stockings." In 1900 the average factory worker had to work an hour and 47 minutes to earn the price of a pound of butter; today he gets it as the product of 31 minutes' work. And so with milk, clothes, and all the other necessities — and, in addition, we have electricity and radio and countless comforts utterly unknown to the Canada of fifty years ago.

Our forefathers literally *made* their living, but today we spend our working hours on some particular kind of work, for which we get money to exchange for a host of things that other people make. We have more variety because more people are producing more. We have learned the secret of the division of labour by which our energy, properly directed, develops our natural resources into usable goods in great quantity.

Everyone wants a higher standard of living. No redistribution of money or goods now existing will raise the average. Only through increased production of the things people want can our standard of living be raised.

That increased production can be brought about by the conjunction of four efforts: education, to develop greater intelligence and competence; research, to develop new products and find better ways of doing things; capital, to build and expand industries; and work.

Nothing can raise our standard of living without work. The greatest disservice to our age is any preaching, whether by sentimental humanitarians or by agitators, of the gospel of reward without effort.

Wages

The world's doers spell wages and diversion in small letters and WORK in capitals, because getting things done is their main objective. Wages and diversion must be earned. Except as it is given in charity, there is no rational way of distributing money but by payment for production or for services.

Figures collected by the Dominion Bureau of Statistics show that labour (including farmers and other self-employed workers) normally receives about 85 per cent of the national income in Canada.

There are only four places from which the money to pay still higher wages can come: increased prices, reduced taxes, corporation profits, or increased production by workers.

An increase in prices appeals to no one. The country's expenditures must be met by taxation, and the way the world is now there seems slight hope of any great reduction for some time. If all profits left after paying taxes were used, wages could be increased by only about 4 per cent, and there would be no fund out of which to finance expansion or keep machinery up to date.

The logical way to raise buying power is by increasing production per factory and per worker. This doesn't mean longer hours of work, but more efficient work, a full day's work for a full day's pay. This is the only one of the four ways by which increased wages can be paid safely.

There are two remaining observations to be made about wages. Sir Andrew Caird said, and many other successful men have said it in different words, "The work that has paid me best is the work I have done for nothing."

The young man eager to succeed in life (and the older man seeking advancement) is cheating himself if he concentrates on wage rates and hours. The man with desire for success in him knows that what he earns in future years will not be determined by schedules of hours and wages, but by the value he gives.

The second observation is that workmen should not lose sight of the personal income problems of their employers. The decimal points in all the boss's accounts may be one or two places to the right of anything in the workman's bank book, but, as *Fortune* remarked in an article "fiscally speaking, the boss is slowly going down the drain." Income tax, profits tax, social welfare payments, and support of an increasing number of good causes — all these, added to the generally higher cost of doing business, impose a burden that is very heavy.

About Dignity

There are certain principles to be observed by both employers and workers if they are to have reasonable satisfaction out of work.

Employers need to remember that an elementary demand among mankind is for maintenance of dignity. The dignity of man is just as important within the factory cafeteria as it is in an exclusive city club.

Dignity of workers may be maintained when employers praise generously, give credit publicly when credit is due, unbend in the presence of employees so as to raise the employees' self-esteem, judge justly and not hastily, and accept criticism with appreciation.

Employees owe it to themselves to choose among the occupations open to them the one in which they can best serve, and they owe it to their employers to do

their best in it, to develop and preserve a working discipline, to guard against letting their emotions run away with their working sense, and to avoid, as they expect their superiors to avoid, shop politics.

It is often a bit of silly social pride that makes people unhappy in their work. Brain workers and muscle workers are equally important in keeping the wheels turning. No matter how magnificent may be the city planning done by architects and ivory tower dreamers, no city beautiful will ever arise unless there are men to use their hands on pickaxes and trowels, on the throttles of steam shovels and bulldozers.

There is no room for snobbishness in a good society. We need to beware of the growth of manners of thought that will tend to ruin us. Like the Polynesian chiefs who, because it was a matter of good form, refused to carry food to their mouths with their own hands. They starved. Or like the King of France whose story is told by Veblen in *The Theory of the Leisure Class*. In the absence of the functionary whose duty it was to shift his master's seat, this king sat uncomplaining before a huge fire and allowed his royal person to be toasted beyond recovery.

Labour can be made truly dignified, not by the bogus exaltation of the worker by Communism, but by workers themselves evaluating a man for what he is, and his usefulness to society. The man who coaxes a street car safely and competently through city traffic, the man who sweats in a Saskatchewan grain field, the man who tends a great machine which produces goods it would take a thousand slaves to make, the girl who operates an elevator or types letters, or sells in a store — all these are contributing their share to the life and productiveness of the country.

A word of warning should be issued. There is such a sin as that of being over-busy, though it is not a very common form of transgression. Working is only part of life, and one should not become so eager in pursuit of his job that he sacrifices everything else to it.

We will live longer and better if we surrender ourselves to some of the other claims of life, even to the point of being, once in a while, foolish about the use to which we put some of the hours left over for our free disposal. Perhaps like Rousseau, who, when he became modestly provided for, got rid of his watch with the singular reflection that now he did not need to know what time it was.

Neither the nature nor the amount of our work is accountable for the frequency and the severity of our breakdowns. Their cause lies rather in the absurd feelings of hurry and having no time, in breathlessness and tension, in worry and anxiety. We need to cultivate an inner harmony between the work which is necessary to our survival and the other things of life such as enjoyment of our family and development of our intelligence.

Who is the Producer?

Production has been mentioned several times. It is the keynote of national prosperity and it is necessary to individual happiness. A producer is a person who creates a commodity of usefulness, or who helps to

bring it into existence in usable form. The farmer, the railroad man, the food processer, the wholesaler and the retailer, all are producers, because they get food from the ground and prepare it for use and carry it to where it is wanted.

Land and natural resources and money produce nothing usable by man unless men and women apply their work to what nature offers. If you go to some Utopia, however fertile its valleys may be, and however crowded its hills with timber, and however filled its depths may be with coal and iron and gold and oil, you will not have even the necessities of life unless you work.

Canada has much wealth in her natural resources, but none of it is of any use unless we apply human effort to its production. Even in a tropical climate where fruit ripens luxuriantly, you would starve unless you made an effort to pick it. This is a state of affairs that no Act of Parliament can change.

Production is helped by machinery. During the past half century we have found ways of multiplying our output of goods. Men's work has been lightened by the invention of tools driven by power, and much of the work women did fifty years ago by hand is now done by electric or gasoline motors.

Modern machinery, tended by skilled operators, has made possible a rapid increase in volume of production, and raised the general standard of living to a point which was unthought of to the workmen of not many generations ago.

We Cannot Go Backward

All is not rosy in this new world, because new problems have arisen as we have found answers to the old ones. The danger in this twentieth century is that we may bomb ourselves back to aboriginal poverty, not that we shall reach that state because of our industrial machinery.

Some persons, including Karl Marx, claimed that the increasing mechanization of industry would, by lowering the demand for labour, result in gradual decline of the real wages of the working class. These people predicted that unemployment would increase. Well, "real wages" means the buying power of what a man gets for his work, and what a man earns in wages buys a great deal more today than his predecessor was able to buy at the beginning of the century, and because of machinery he doesn't have to work so hard to get it. As for employment, there never were more people employed in Canada than today, and industry is just able — in some cases not able — to hold its own in meeting the demand for goods.

However, the machine age has undoubtedly subordinated the individual. Childish though it may be to think of going back to the personal satisfaction of hand work, it remains true that much has been lost. There is a more particular satisfaction for the person who has slowly and clumsily made a whole piece of cloth single-handed, than for ten persons who have made a thousand pieces of cloth between them in the same time by the aid of cunning machines which they half understand.

It cannot be helped. We can no more go back, at this point in the life of Canada or of the world, to be like the solitary potter, Omar Khayyám, wetting his clay for himself in the market place, than middle-aged men can recall at Christmas time the lusty appetite for turkey and pudding they enjoyed in childhood.

Canada's Needs

The essential of prosperity in Canada is a high national income distributed with some regard to the importance of the contribution made by individuals toward production of the goods we need for use and for export. This country will remain great and prosperous by working efficiently, not by following a formula for going slow and easy.

Today we are trying, as in our early days, to raise the standard of living of all our people. It is an effort which involves not only the increase of earnings but the increase of goods available for purchase with those earnings. In addition, we must produce commodities for sale abroad, because it is from sales abroad that we derive a third of our national income. Then, too, we need to make capital goods — the machinery and plant with which to make more consumer goods.

All in all, we have a big job of producing to do. If we combine our great stores of natural resources with wise government and hard work, there is no reason on earth why Canada should not go on to bestow upon her own people, and people in other lands too, great and growing benefits.

Our Personal Prospects

That is the national outlook. As to our personal prospects, it is likely that at some time or other every man and woman has sat down to formulate a personal philosophy of life. High in the list of desirable things, certainly, was the somewhat nebulous word "happiness."

Happiness means many different things. Some seem to blossom in doing nothing in particular, but they are in the minority and are properly regarded with disfavour or pity. The law of life is action, and we are driven by a biological need for activity.

Ella Wheeler Wilcox was better known for her love songs than for deep philosophy, but she wrote one line which stands as a warning and guide post: "The fault of the age is a mad endeavour to leap to heights that were made to climb." We urgently need to realize that every step forward requires energy, and it is step by step, and not on magic carpets, that we shall attain fruitful happiness.

There was no necessary curse on Adam in the matter of work. He went out of Eden, as C. E. Montague says in one of his lectures, with Rome and Athens, Venice and Constantinople to build. Adam had, if he chose, all the rest of the world to turn into gardens where people could knit in the sun. He had workshops to build wherein they could produce implements, food and playthings. It was a blessing so far as it went, says Montague, "whatever mess the poor fellow may have since made of his chance."