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CONTEMPORARY  
THEORIES OF UNEMPLOYMENT  
AND OF  
UNEMPLOYMENT RELIEF

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**CONTEMPORARY THEORIES OF UNEMPLOYMENT AND  
OF UNEMPLOYMENT RELIEF**



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BY

FREDERICK C. MILLS

**Dedicated**  
TO MY MOTHER  
LILY NIGHTINGALE MILLS



## PREFACE

CERTAIN explanations of the choice and arrangement of material in this monograph are necessary.

The subject of unemployment is one which ramifies into many channels. An exhaustive survey of the field being impossible, the necessity of severely limiting the study to certain lines of investigation involved the neglect of other equally important phases of the question. So far as has been possible the work has been held strictly to a study of theories as to the causes of the modern phenomena of unemployment and as to the methods by which unemployment can be prevented or relieved. Facts concerning the extent of unemployment have been touched upon only where they have a bearing upon either of these two subjects.

Though the paper has been prepared primarily to present present-day theories, its scope has been slightly enlarged so as to include, on the side of theory, a brief statement of the treatment of the subject of unemployment by the classical economists, and, on the side of practical relief, as representing the working-out of certain theories, a summary of the treatment of the able-bodied poor under the English Poor Law. A brief compendium of the course of tramp and vagrancy legislation in the various states of the United States is also included. It was felt that without some such foundation the study of contemporary theories would have been too far divorced from practical relief and from previous economic thought.

With the exception of some early study by Henry C. Carey, Francis A. Walker, Henry George and a few relief administrators, the subject of unemployment is one that has only recently attracted attention in the United States. The course of recent opinion in this country on this subject has been largely influenced by continental and, especially, by English thought. It is in the latter country that scientific method has been most effectively applied to the study of this problem. This exposition begins, accordingly, with a treatment of the development of English practice and of present English theories on the subject.

The method adopted for the arrangement and presentation of the material involve the breaking-up of the complete theories advanced by the various writers in order to present their various views on each of the main theories that are held today. This arrangement sacrifices the possibility of comparing the views of one authority, as a unified whole, with those of another; but it makes possible the full presentation of each of the main types of theory without the repetition and disorganization that would result from the full statement, in chronological order, of the complete program of each thinker considered.

The definitions given to the term "unemployment" by the various authorities cited vary widely, some using it to cover merely the involuntary idleness of able-bodied workers, others cloaking under it all idleness, whatsoever its cause or nature. The limiting extent to which certain authorities apply the term is indicated in the consideration of their theories. Throughout this paper, however, unless otherwise noted, the term is used in a broad sense; in the writer's opinion the vagrant and other types of "unemployables" are legitimate elements of the



problem of unemployment, even though the social or industrial cause be one step further removed than in the case of the temporarily unemployed wage earner.

The inclusion in the present paper of a study of French and German theories has not been possible. Important contributions to the subject have been made by continental students and by continental practice. It is hoped that it will be possible to make such a survey at some time in the future.

The writer desires gratefully to acknowledge his indebtedness to those who have aided him in the preparation of this monograph. Professors Carl C. Plehn and Jessica B. Peixotto of the University of California have given helpful advice and criticism. Sincere thanks are due Professor Henry R. Seager of Columbia University for valuable assistance in the revision of the manuscript and in the preparation of proof. To Professor Carleton H. Parker of the University of Washington the writer stands deeply obligated for the enthusiasm which he has contributed to the performance of this work.



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