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## CHAPTER I

### THE PROBLEM

#### **The Nature of Modern Migration.**

In significant respects, the great migratory movement to the United States in recent decades differs from earlier migrations. The migration of the semi-barbaric races which conquered the countries of southern and western Europe was a concerted, hostile movement of whole peoples, moving as military or political units. Likewise the early colonization of the Western Hemisphere by European peoples was largely by organized groups or under direct political authorization and for governmental purposes.

In contrast, the European emigration of recent history has been essentially a peaceful phenomenon of individual and family movement, although attaining an enormous scale which has given it a significance at least comparable to any of the earlier movements.

The motives for this movement of millions of people must be sought in the conditions which lead the individual to break established ties and risk a new start in a strange country. These motives, as well as the effects of the resulting migration, are as varied and complex as human life itself, and the minute details could be ascertained only by examination of the histories of the individual migrants. But general tendencies are more significant than an unwieldy mass of detail; and, because of the great numbers involved, significant major tendencies can best be discovered by the use of the statistical methods suitable for the quantitative analysis of mass phenomena. Accordingly, this monograph presents the results of a quantitative analysis of migratory movements.

While it is a part of a comprehensive coordinated program of investigation of the fundamental problems of migration, the present report is restricted primarily to the results of one phase of a survey of the economic causes and effects of migration, with particular regard to the supply of labor in the United States.

#### **Migration and the Supply of Labor.**

\* The significance of the problem of the relation of immigration to labor supply and the desirability of subjecting it to a close analysis

is suggested by incidents which took place in the years 1920 and 1921. In hearings before the House Committee on Immigration and Naturalization in April, 1920, it was testified that "there is a labor shortage in practically every industrial activity. It amounts to not less than that of 5,000,000 men. In addition there is a dearth of agricultural labor and of domestic servants to an extent difficult of calculation." And it was urged that under the circumstances, "a policy looking to the exclusion of the immigrant would hamper and curtail our natural development and lead to a world-wide calamity."<sup>1</sup>

Within a few months after the above testimony was given, it was obvious that industry was entering a depression period, and in September, 1921, the President's Conference on Unemployment met in Washington to consider measures for the relief of from "four to five million unemployed resulting from the business slump of 1921."<sup>2</sup>

It seems a far cry from circumstances which could by anyone be interpreted as indicating a shortage of at least five million men to a condition where, in contrast, the numbers of unemployed are estimated in terms of millions. It would appear desirable that a more definite connotation should be given to the terms "labor supply" and "labor shortage," and that particular consideration should be given to the relation of the business cycle to the validity of estimates of surplus or shortage in the supply of labor. Such, in part, is the purpose of this study.

### The Long-Time and Short-Time Points of View.

In seeking to determine the relation of migration to the demands of industry for man-power, a distinction may well be made between what may be appropriately designated, respectively, as the long-time and the short-time points of view. From the long-time point of view we are concerned with the relatively permanent adjustments in industry which are hampered, furthered, or necessitated by changes in the volume of immigration. To treat this phase of the

<sup>1</sup>Statements included in a memorial adopted at the National Conference on Immigration, and submitted to the House Committee by Mr. Marshall. *U. S. Immigration and Naturalization Committee* (House) Hearings, 66 Con., 1-3 Sess., 1919-1921, p. 38. This estimate of 5,000,000 shortage was apparently obtained by computing the net immigration which would have taken place if the 1914 rate of immigration and emigration had continued, and making an additional allowance for the shorter hours in industry in recent years.

<sup>2</sup>National Bureau of Economic Research, *Business Cycles and Unemployment*, Foreword by Herbert Hoover, p. v.

subject adequately it would be necessary to determine the extent to which migration has dominated the direction and the amount of industrial growth in the United States—that is, the extent to which the major changes in our industrial development and occupational distribution have been closely related to changes in the volume, type, or geographical distribution of immigration and emigration.

Even more significant would be an inquiry into the readjustments which may in the future be set in motion by modifications in the volume or type of migration. Will a decrease in the annual accession of laborers from abroad set in motion significant readjustments in industrial tendencies? Will the vacuum created by restricting immigration stimulate internal migration of the negro, intensify the country-to-city movement, or lead to a better utilization of the available man-power through improvements in methods of organization and administration or through more effective labor-saving devices? Or, if none of the above developments is adequate to enable industries to maintain the customary rate of progress, must we see a check to industrial advancement? All these are fascinating questions worthy of intensive and sustained research, and it is hoped that we may in subsequent reports give attention to these phases of the problem. The present study is made from what we have designated as the short-time point of view.

### **Migration and Business Cycles.**

The queries we have just suggested are concerned chiefly with long-run tendencies. Equally significant is the relation of migration to those fluctuations in industrial activity which mark the various stages in the business cycle or accompany the round of the seasons.

In recent years the attention of students of economic affairs has been focused upon the phenomena of the business cycle, with its alternating periods of prosperity and depression, and the accompanying pendulum swing of employment from an apparent shortage of labor to severe unemployment or a relative surplus of labor. It is in this undulation of employment conditions that the most obvious and tangible instances of labor surplus and labor shortage arise. Demand for labor, like demand for any commodity, means demand for a given quantity at a given price. Supply means supply at a given price. Labor shortage and labor surplus, consequently, are relative terms, to be interpreted in terms of relation to demand at the prevailing wages. Obviously, however, if due allowance is made for

changes in the level of prices, there is a relative labor shortage when employers are unable to hire laborers at wages which have been customary; and likewise a labor surplus when workmen, able and willing, are unable to find employment at what has been the prevailing wage.

This monograph is devoted primarily to consideration of these short-period aspects of the relation of migration to labor supply, in an effort to determine whether migration tends to intensify or to minimize the intensity of the business cycle and particularly whether that phase of the business cycle most directly and obviously inimical to human welfare—the unemployment phase—is rendered more or less severe in its effects because of migratory movements.

### The Questions for Solution.

The objects of our inquiry may be conveniently summarized in the following questions to which answers are sought in the analysis set forth in the subsequent chapters:

1. To what extent do cyclical and seasonal fluctuations in migration correspond, in time and degree, with fluctuations in industrial activity, particularly as measured by employment or unemployment?
2. What noteworthy variations in cyclical and seasonal fluctuations appear when migrants are classified by sex, prior occupation, race, or country of origin?
3. What is the relative influence of the "push" or the "pull" upon fluctuations in migration; that is, are such fluctuations primarily determined by changes in the country of emigration or in the country of immigration?
4. What is the economic significance of the ascertained tendencies?

### The Conflicting Interpretations.

A scrutiny of the scientific and popular literature of immigration reveals diverse interpretations of the effect of migration upon the fluctuations in employment which may, for the sake of brevity, be designated as the "safety-valve" and the "maladjustment" theories of migration.

Those who advance the *safety-valve theory* look optimistically upon the effect of immigration and urge that the coming and going of the alien immigrant and the alien emigrant are so timed that

they lessen the inequalities in employment due to seasonal and cyclical variations in industrial activity. The immigrant, they say, comes and goes as he is wanted, aiding us when the need for men is greatest, departing to his native country when jobs are scarce.

*The maladjustment theory.* On the other hand, those who take a more pessimistic view urge that migration fails to synchronize well with the seasonal and cyclical fluctuations in industry and to that extent increases unemployment in dull seasons of the year and in periods of industrial depression. They suggest that when industry begins to slacken, immigration continues, and even if it decreases in volume, the change comes too slowly to aid materially in the improvement of employment conditions.\* Furthermore, it is suggested, the very fact that a new supply of labor is available in times of industrial expansion is a vicious influence in that it enables the employer to enlarge the scope of his operations readily, and by this very expansion increases the intensity of the subsequent depression.<sup>3</sup>

As usual in such cases, there is doubtless some element of truth in both points of view—that which stresses the susceptibility of migration to employment conditions, and that which stresses the imperfections of such adjustments. The relative credence to be given to these conflicting interpretations can be determined only by close scrutiny of the ways in which the tide of migration ebbs and flows with seasonal and cyclical changes in industrial activity.

### Summary of the Contents of Succeeding Chapters.

The first of the following chapters is devoted to a sketch of the major features of immigration into the United States, partly to indicate the reasons for the selection of the elements to which special attention is given and the reasons for the methods of analysis which are applied, and partly for the convenience of those readers who have not given close attention to the character of immigration into this country in recent decades. This chapter can be scanned quickly by the reader who is familiar with the major features of immigration to the United States.

To facilitate the study of the relation of migration to employment conditions, it is necessary to have before us a picture of the alternations in prosperity and depression during the period covered by our analysis. Accordingly, in the third chapter, we turn to a

<sup>3</sup>See the argument by Professor Gustav Cassel to the effect that immigration aggravates the severity of depressions, *The Theory of Social Economy*, Vol. II, pp. 545-547.

\*Cf. Director's footnote "a", p. 120.

survey of the pertinent information concerning industrial conditions and particularly concerning employment. The hurried reader who is interested primarily in conclusions and little in method may find it advantageous to skip this chapter on employment indices (Chapter III) and proceed directly to the comparisons between industrial conditions and migratory movements.

With these preliminary pictures of the nature of the immigrant stream and of employment conditions before us, we proceed, in Chapters IV to VI, inclusive, first to a survey in broad outline of the cyclical movement in migration, then to a more detailed analysis of the movements of migration, particularly in the decades since 1890, there being for this period, especially during the years immediately preceding the Great War, a relative abundance of detailed monthly data concerning migration.

In Chapter VII attention is turned to differences in the cyclical movements of selected elements in migration, in order to ascertain the relative extent to which employment conditions affect the movement of immigrants as compared with nonimmigrants, of males as compared with females, or of workers as compared with those immigrants having no occupation.

The question naturally arises as to whether the economic conditions which influence migration to the United States are primarily those of the country of immigration or whether the alternations of prosperity and depression in the country of emigration may not exercise an equally strong influence on the time and volume of migration. Hence Chapter VIII is devoted to a consideration of peculiarities in the fluctuations of immigration from leading countries and to changes in economic conditions in those countries, as bearing on the relative power of the "push" or the "pull" in determining changes in the volume of migration.

While the cyclical aspects of migration are of most significance for the purposes of this study, it is also pertinent to inquire concerning the degree to which the seasonal distribution of migration harmonizes with the seasonal distribution of employment in those industries in which large numbers of immigrants are employed. Chapter IX is devoted to such a survey.

In the concluding chapter, we bring together the significant relations and conclusions developed in the earlier chapters.