

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.