

THE ABSURDITY OF INVOLUNTARY UNEMPLOYMENT

By John Sturgis Codman

(Being Chapter I. of Mr. Codman's able little treatise* "Unemployment and Our Revenue Problem," and reprinted with the permission of the FREEMAN, New York, the author and the publishers of the book. Succeeding chapters will appear in forthcoming issues of LAND & LIBERTY.)

Whatever may be the real or fancied diversity of interest between the so-called wage-earning class and their employers the business men of the country, on one thing at least both sides will agree, namely: that the curious and chronic phenomenon of involuntary unemployment is an unmitigated curse. Of this there can be no doubt whatever among the wage-earners who must sell their labour in a market overcrowded with competitors for a limited number of jobs; and among business men there must be few indeed to-day who really believe that the opportunity to buy labour cheap because of a scarcity of jobs, is in any way an adequate compensation for the loss of purchasing-power which follows from unemployment and the resulting low wages. When unemployment is acute and wages are low, business is usually depressed and its profits are uncertain or, all too frequently for many, entirely absent.

Assuming, then, that we can all agree concerning the baneful effects of involuntary unemployment, which, for convenience, I shall hereafter designate by the one word "unemployment"—are we not all immensely interested to discover what maladjustment of our economic system is the cause of this unnatural phenomenon? For surely it is unnatural that a man should lack the opportunity to utilize his faculties in earning a living. Theoretically, under our present form of government, every individual is free to employ himself in the production of those things which he needs, or of those things which he can exchange for what he needs; or, if he prefers, he is free to sell his labour to others in return for wages by means of which he can purchase what he needs. Practically, however, the great majority of our people have no opportunity to produce unless they can find some one to employ them, and at times there are millions for whom employers can not be found.

A vast amount of time and energy is wasted in the endeavour to secure accurate information concerning the extent, character and distribution of unemployment with a view to ameliorating it when it is acute; but it is seldom recognized that if even one able-bodied man is unable to find an opportunity to use his powers, an unnatural condition exists. When millions find themselves in such a position it is plain that the situation is unnatural to the point of absurdity.

We are accustomed to say that there is no demand for the labour of the unemployed, but all we can mean by such a statement is that no employer wants their services. We must admit that there is the same demand for the labour of every man that there was for the labour of Robinson Crusoe alone on his island, namely: the need of satisfying his own wants. Why, then, can not this demand be met?

Robinson Crusoe needed no employer. He required only that there be no interference with his use of the natural resources of the island. Here, then, in this country, where we have natural resources greatly exceeding the needs of our comparatively scanty population, where we have all the advantages of modern knowledge concerning methods of facilitating production in co-operation with our fellow-men, why should not all of us who are able-bodied and sane-minded be able to earn an independent living far better than that to which a Crusoe could aspire, instead of being periodically obliged, many of us, to walk the streets begging for an opportunity to work? Such an existence is even worse than the loneliness of a Crusoe;

for it is better to live alone, or nearly alone, as so many pioneers have done from choice, than to dwell in a society where opportunity for all to make an independent living either does not exist or is denied, and where dependence on the charity of others becomes therefore a necessity.

Let us face the question. Is the lack of economic opportunity, evidenced by unemployment for some even in prosperous times and by unemployment for millions in times of stress, a necessary concomitant of civilization; or is economic opportunity in some way denied or abridged in so-called civilized society; and is unemployment, therefore, but a symptom of economic maladjustment arising from an artificial cause and hence preventable? If we accept the former view that unemployment is natural and abiding, then we ought to revise all our theories of what constitutes virtue. It has been our habit to praise the individual who through his determination secures a job, and by his industry and ability holds on to it. But if unemployment is a natural phenomenon, ought we not instead to admire the individual who, rather than take a position which some one else could fill, would prefer to starve to death? To be sure some one must do the work or the nation can not live, and if no one else can do a certain job as well as can the reader, for example, it might be argued that he should hold that job if he can, as a matter of duty to society. But if the work can be done just as well by another, does not true altruism require him to step aside and let the other person do it? That people actually hold this view is shown by the not uncommon opinion that a person with an independent income should not render any public or private service with or without pay, or engage in industry with or without profit to himself, if by so doing he deprives some needy competitor of an opportunity.

If unemployment be, in fact, a natural phenomenon of civilization, then the industry of the individual is not, as we have supposed, for the good of all, and our industrial system must always remain what to many it seems to be to-day, namely: a dog-eat-dog fight for opportunity; a system in which competition has come largely to mean, not the competition in service which is properly called "the life of trade," but a cut-throat fight for opportunity which can lead to nothing but selfishness and crime.

It is difficult, however, even when one faces squarely the facts of present-day existence, to believe that this curse of unemployment is natural and will always exist in greater or less degree. But if it is not natural, then it is artificial and consequently preventable.

In further proof that unemployment is an artificial and extraordinary phenomenon, let us consider in connection with it some of the glaring inconsistencies and incongruities which exist in the industrial organization of civilized society. In the first place, it may be observed that when civilized nations are engaged in wholesale destruction of lives and property, the phenomenon all but disappears. Then the services of the individual are so much in demand that governments even compel him to labour, and the need of production for purposes of destruction becomes so great that no one need be idle or feel himself to be useless, unless perchance he inquire too closely into the ultimate value to humanity of his occupation. But when peace returns, the need of the services of every one to satisfy the manifold needs and desires of all, seems no longer to exist. Gradually unemployment reappears, then becomes acute, and what some of us have the colossal effrontery to call "over-production" and "surplus products" are once again in evidence, while millions remain without proper food, clothing and shelter.

Then also, when the destruction ends and the victorious governments feel that they must have material indemnification for their losses, they at once become fearful lest the acceptance of indemnities in any form may mean unemployment for their people. Thus there begins a frantic attempt simultaneously to demand and to refuse.

* Published by B. W. Huobsch, New York. Price \$1.

The vanquished must be made to pay, but if they offer to restore the devastation in the regions of the victors, the offer is refused because it will deprive the people of the victorious countries of the opportunity to do it themselves. If goods are offered in order that the victors may the more easily and quickly restore the devastation by their own labour, this offer also is refused because it is only by producing the goods themselves that the victors can avoid or lessen unemployment. Even the offer of goods in trade, that is, in exchange for goods produced by the victors themselves, is feared, lest it injure the industries of their peoples and produce unemployment. Therefore, up go the tariff-barriers of the victorious nations. In every so-called civilized country unemployment is always so dreaded that the government fears to allow its citizens to accept freely from foreigners either services or goods.

Undoubtedly, involuntary unemployment is an absurdly artificial phenomenon and undoubtedly, therefore, it can be done away with—but how? The tendency of the times is to postpone the solution of every question while private and public agencies pile up a mass of unrelated and often unimportant statistical information by means of which the judgment of the people is confused. It is better to depend less upon statistics, which often exaggerate the importance of superficial symptoms, and to depend rather more upon the reasoning-faculties of the human mind. Then, frequently, the truth is found to be obvious and simple.

LAND REFORM

By Elyn W. David, LL.B. (Lond.) (prospective Liberal Candidate for Llandaff and Barry Division).

(From an address given at the Liberal School held at Llandrindod Wells under the auspices of the Welsh National Liberal Council on 22nd April, 1924.)

Some years ago Mr. Winston Churchill told us that "Socialism attacks capital, but Liberalism attacks monopoly." That was before Mr. Churchill acquired Mr. J. C. Gould as his tutor in political consistency and Sir Archibald Salvidge as his patron saint. But I believe Mr. Churchill was right when he said that the purpose of Liberalism was to attack and to destroy monopoly, and it is because the greatest of all monopolies still challenges all who are true to the Liberal tradition that we are concentrating our attention this morning upon the land problem in this country.

A recent writer has well said "The land question has been at the root of most other social questions in England ever since the Middle Ages and the uneven distribution of land throughout the centuries explains very largely the social construction of the British community to-day."* That is profoundly true.

But I do not propose to enter upon an historical survey of the land question. I am more concerned with the realities and ramifications of the problem as it confronts us to-day. I believe it is as true of contemporary England as it is true historically that the land problem is the mother of all our internal political and economic problems.

Let us examine for a moment the characteristics of an ideal land system. I think that in such a system you would find (A) a just distribution of the property in land; (B) protection from injustice for all who used the land; (C) adequate facilities for the control of land by the community whenever such control was desirable in the interests of the community.

It is usual nowadays to place all the evils of our civilization at the door of the modern industrial system. But profoundly dissatisfied as we must all be with the structure of modern society, very little study of our present day evils will show that they are by no means exclusively attributable to the injustices of our industrial system.

Many of our great social evils are in my view directly attributable to our failure to realize those three great essentials of a sound land system which I have enumerated.

To the unjust distribution of the property in land is due very largely that great inequality in the distribution of accumulated wealth which is unhappily an outstanding characteristic of modern society.

To the lack of protection afforded to town and country tenant can be attributed in a great measure agricultural depression and urban stagnation.

To the inadequate control over land enjoyed by the community we can ascribe (A) the failure of our industries to develop with greater economy and efficiency; (B) the abandonment by our municipalities of schemes for the improvement of our cities; (C) the restriction of our national services; (D) and the consequent unemployment, physical degeneration, and moral deterioration of the common people.

The method by which I suggest we can obtain a more equitable distribution of the wealth produced on the land of this country is by the taxation of land values.

The injustice of the present system is apparent to everyone. The community is hungry for land, the landowner refuses to sell until the value of that land has been increased by the community. The community creates land value, the landlord pockets it.

Let me give you an example from my personal experience. A friend of mine in search of a plot of land to build a house asked me to inquire the price of a certain field in South Wales. I made the necessary inquiries, and was informed that the field could be bought for £1,000 per acre. My friend was amazed, and told me he would talk to the agent himself. He met the agent a day or two later, and asked the price of the same land, and was told he could have it at £1,250 per acre. A day or two later another friend of mine also in search of a building site saw the agent with reference to the same land, and to his astonishment was informed by the agent that it could not be obtained for less than £1,500 per acre.

That field had gone up £500 an acre in less than a fortnight.

Yet the probability is that the rates paid in respect of that land were negligible. I say that is a scandalous state of affairs and should be brought to an end as swiftly as possible.

To-day even unemployment pours money into the pockets of the landlord. We launch schemes for the relief of unemployment. Roads are made, trees planted, railways extended, wastes reclaimed, with what result? The landlords raise the price and the rent of surrounding land and withhold land from production to obtain still greater prices as the result of the development.

Since the community creates the value, surely the community is entitled to a share in that value. "But," you say, "surely the landlord pays rates on his land? Does he not in that way recompense the community?"

Let us take an example.

A few years ago what was known as the Bellingham site was acquired by the London County Council for building. For the purpose of the sale to the London County Council the value of the site was, I believe, assessed at £50,339; for rating purposes the annual value was £490. Could anything be more ridiculous or more unjust?

Let the landlord pay a fair ground rent to the public for his land. That can be done by a very simple and direct method. There should be a valuation of the capital site value of the whole country; and this valuation should be the basis both of a national land value tax and of local rates and taxes.

This proposal has in one form or another been the policy of the Liberal party for many years. The Finance Act of 1909-10 with its Reversion Duty, its undeveloped land duty and Increment Value Duty, broke down by reason of its complexity and the legal obscurity of its provisions.

* De Montgomery. British and Continental Labour Policy.