

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

UNEMPLOYMENT—THE SOCIAL PARADOX.

(For the Review.)

By CHAS. A. GILCHRIST.

Unemployment seems to be a more pressing problem than ever before. To many of us it is a very real personal issue, and to others it is of such vital interest that much of the current literature is discussing it.

Stop and consider for a moment the significance of unemployment in the light of our most simple intuitions—of all that we naturally associate with the idea of work.

The natural inference to be drawn from a condition of a general reduction of work, is that men are finding it possible to produce what they need with less labor. The condition seems to imply that labor saving machinery is at last beginning to save labor and that the cry of efficiency is also having its effect. Poverty and its long train of attendant evils must disappear and men will be free to enter more and more into that broader life that comes with leisure. An ever increasing number of men will be able to travel, study, to romp with their children, to ride in their own motor car, to delve into art, music and literature—and best of all, men will learn how to play. The ethical evils which now attend the idleness of those who do not have to work, will disappear, for all in like measure will be relieved of the necessity of working. Work—economic work—will decline, while economic leisure will gain, but activity will go on. Being blessed with “over production” there will be more time for consumption—an art now frowned down because so few understand it. Production on lines far broader than the economic will doubtless go on, although it will not be for the purpose of keeping the wolf from the door. But to paint a state like this resembles a sick man considering the things he would do if he were to recover. That consideration is not quite pertinent, for whatever he would do after recovery, he knows the tendency of regained health is for his good. So we are certain that whatever new problems might confront us in the social state we have been imagining, the tendency of a general reduction of economic work

with its accompanying increase in economic leisure, is always for the better.

Such is the natural inference.

Nothing of the kind, however, can be inferred. Indeed, the social state we picture as a result of a general reduction of work is diametrically opposed to the picture we have drawn. The inference people do draw is not the natural inference. And therein lies the paradox, why, in spite of the insatiable and righteous desire of mankind to economize labor, we look upon increase of work and employment as a good.

The answer to this question comes with the recognition of the most vital of social questions which is now so manifest in that "ground swell" of social unrest; and which is being so generally apprehended by all sympathetic and thinking people. Why, in spite of a century of the most marvelous advance in the productive power of labor that the world has ever seen, should the great mass of men be condemned to compete for wages which give but the barest living? That some great fundamental injustice exists in society, and distorts the distribution of wealth to the most unheard of extremes, is now so generally recognized that it is not necessary to turn to current articles on unemployment to see evidence of it. We know, when we reflect, that men want work only because there has been withheld from them in some unaccountable but persistent way, so much of what they produce, that nothing ever remains to them for consumption in a period of economic idleness—a period which otherwise should be the sweetest and fullest time in life. We know that men are forced to compete for "wages of bare subsistence" because the alternative, self-employment, is in some way denied them. It is not my purpose here to add anything to what is being said as to the cause and remedy for this, but only to point out the curious inversion of ideas which is the outcome of that injustice—that inversion—which makes us look upon economy of labor in our daily personal life as good, while in the general social life of the nation we look upon work as a boon, and upon the class who "furnish employment" as a class of public benefactors.

So insidious is the advance of this inverted idea into the minds of people, that it might be called a popular illusion. It is not true that men want work. It is not true that he who furnishes employment is by that act a benefactor. What men want is the result of work. And what, pray, is employment that it should become the property of a few, to be served out by their grace as a dole? These are not fine distinctions or vague generalities, they are distinctions which, if not carefully drawn, distort our most fundamental intuitions in regard to economic and social questions. They do this because they draw our attention from the vital cause of the social unrest to its superficial aspects. They draw our attention from treating the disease to nursing the symptoms. That men should cry for work is incongruous; it is a symptom of something profound. That some should give employment in the sense of employment in general being theirs to give, seems to be too true; but it is nevertheless preposterous and unnatural.

Here are a few examples of this mental inversion that so often comes when we pass from a survey of our personal benefits to those of society.

If I spill paint upon the floor, it "makes work," but I regret the circumstance. Yet the heavy fall of snow in New York City, even though it were an enormous obstruction to traffic, was regarded by many as a public boon since its removal would at least furnish employment. Certain public buildings were—in the course of a discussion—being condemned as useless and the remark was finally added, "well at any rate their destruction will furnish employment to a whole army of men." But would the man who felt like that about the public buildings consider for a moment, the idea of furnishing himself employment by constructing with his own hands, a garage, for example, along impracticable lines?

Removing snow from the streets of New York is productive employment only because it is not in the power of man to prevent its fall. Had no snow fallen, society would have been by that much the gainer. Just to the extent that the public buildings are useless, are the wages of those who work on them a charity from the taxpayers. Do we solve our problem when we support labor on charity, deluding it into the idea that it is doing something worth while?

In those instances where work is recommended for its own sake, that is, in spite of its failure to be fully productive, the employment so undertaken involves two evils. First, it degrades the employed into the position of a child who must have "work for idle hands," and is not fully responsible for the product. Secondly, it befogs the mind of the employer to the real issue, the restoration of labor to its right of self employment.

There are some excellent illustrations of this tendency of thought that were discussed recently in the *Outlook*, where the question was raised, "Is it right to stop buying books, thereby increasing the already desperate plight of printers and publishers, in order to send more money to the widows and orphans of the war?" And speaking of ways to retrench, "As a concrete example of what should not be done," various societies are instanced, "which have announced that all banquets and dinners will be foregone for this year and the money thereby saved turned over to various relief funds." It was "pointed out that such action worked hardship on a large class of waiters, caterers and florists; that it was hardly fair to ask a waiter to donate so large a portion of his wages to charity."

When we cease to want books for any reason whatever, be it a saving for charity or a disinclination to read, it is right to stop buying regardless of the effect upon printers and publishers. If this is not so, then the same idea carried to greater length would place some responsibility upon us to be sick occasionally in order that doctors should not lack employment and so be reduced to "desperate plights." The reference to banquets and dinners is a particularly good one since waiters, caterers and florists are producers of things that can most readily be dispensed with when retrenchment becomes

desirable. Contrary to the sentiment quoted, it would seem to be a "concrete example" of a very good way to retrench, for if retrenchment must throw some workers out it is certainly well to begin with workers in those employments that administer to luxury. More than this: In both of these instances the specific purpose of retrenchment is to assist relief funds, that is, it is not to curtail consumption but merely to change its form. Just so far as the demand for books and banquets is impaired the demand for food stuffs and other articles needed by the suffering will be augmented. Just to the extent that booksellers and waiters are thrown out of employment, food and clothes producers will be offered employment. In the language of political economy, employment is being transferred from less productive to more productive forms—a process that is going on and must constantly go on in all growing communities. This is not to say that in hard times there is not a net reduction in consumption as well as in employment, but the cases here quoted are not instances of it.

The idea expressed in the last instance that a waiter in being discharged thereby "donates" a portion of his wages to charity is a novel one.

"Work for works sake" blinds us in our vision of real causes. It is like trying to raise the level of the ocean by damming a bay, where we do in fact raise the level of all we immediately see and touch, but produce an infinitesimal and widely extended and reverse effect upon the ocean at large. The "furnishing employment" idea as a social reform, if it means anything at all, implies that the employer consciously sets aside to a greater or less extent, the usual consideration of getting the greatest return for the least output. To the extent that it is reform at all, it implies employment not fully productive—employment that would not otherwise have been undertaken. We must all have deep sympathy for the motives of those who would better hard times by "furnishing employment," but such action can have no effect in alleviating hard times in general, and must produce a reverse effect by diverting us from the true problem of restoring to men those rights which not only make self employment possible as an alternative to wage working, but which raises wages through the simultaneous reduction in competition in the labor market. Were it easier for labor to employ itself, employers would be called upon to bid against each other to get labor. Instead of the phrase "furnishing employment," we would have the phrase "furnishing labor." The feeling of obligation would be the other way. This does not necessarily mean that men would employ themselves, for in so doing the advantage of production on large scales would be lost, but enough would turn to self employment to equalize the labor market and make employment and self employment equally attractive.

When I employ labor I do not fully need, the good I do is concentrated within the field of my every day vision, but the degradation to labor at large is spread over the whole body politic. The sentiment of charity is the most beautiful of all sentiments, but under these circumstances the charity is

administered under false pretences. Those instances where employment is held over a dull period, or instances where a personal attachment enters in, as often happens where one has an affection for a servant—are not instances of work for work's sake, for a little reflection will at once show that employment is there most fully productive. Unemployment is, of course, simply a more acute form of poor employment—it is the next step to starvation wages. Wages in general can never be raised until workers have the power to compel their increase and this power resides in the right of all to equal benefits from the use of the earth, a right now effectually denied by the institution of private property in land. Could we devise a way to restore this right, the evils we associate with non-employment would automatically disappear, for the distribution of wealth is to society what the vital functions are to the body—we may consciously give these functions a free field, but we may not consciously direct their workings.

But we are beginning to touch the question we promised not to touch. Without it our argument has been destructive rather than constructive, and to that extent undeniable without being convincing. But those who do see light in the great social question will be able not only to see, but to sympathize with our point of view. They will see that we are only clearing a bit of ground for reconstruction, that we are only insisting that men must be just before they are charitable.

We have pointed out that unemployment is but the next step to poor employment. Even when unemployment does not exist, the greater part of the people are living on "wages of bare subsistence." To touch effectively the evils of unemployment minimum wages at all times must be higher, very much higher, not ten per cent. or fifty per cent., but several times higher. Then unemployment will be a boon, a needed rest, a time for spiritual growth, not for some people, but for all the people. And the raising of wages carries with it a corrolary—the reduction of fortunes. If we believe there is injustice in the distribution of wealth, it is futile to look for remedies for poverty that do not have an accompanying effect upon riches. If some have less than is just, others are getting more than is just. We are too much in the habit of looking upon great fortunes as justifiable objects of ambition—as if it were possible to attain them by any fair means. Such is not the case, for in the last analysis a fortune is simply an inordinate lien upon the labor of the country—inordinate in the sense of commanding far greater service than the recipient could possibly give in return. We may agree with that school of economists which says that land and natural resources as well as the products of labor are wealth; or we may agree with their adversaries who say that wealth is solely the product of labor—but in either case the possession of wealth has ultimate value solely because it can buy the products of labor, that is, command the service of others. If I have title to a mountain of iron ore, or a strip of Manhattan Island, I have a fortune, not because I can consume those things but because they give me the power to demand the service

of men without return. There is no just way to acquire wealth except to give an equivalent of work for it, and it is not within the power of a human being to give an equivalent of work for what is in these days considered a fortune. These things we must fight tooth and nail. The fight against poverty is one with the fight against riches, for they are co-relatives.

When Christ said, "It is easier for a camel to pass through the eye of a needle than for a rich man to enter the kingdom of heaven," He simply put in the emphatic form of Eastern metaphor a statement of fact as coldly true as the statement that two parallel lines never meet. And so it is utterly impossible in this, or in any other conceivable world, to abolish unjust poverty without at the same time abolishing unjust possessions. This is a hard word to the softly amiable philanthropists who, to speak metaphorically, would like to get on the good side of God without angering the devil. But it is a true word nevertheless." (pp. 307, *The Science of Political Economy*, by Henry George).

BOSTON'S UNCOLLECTED NATURAL INCOME.

ITS NATURE, ITS AMOUNT, AND WHAT BECOMES OF IT.

(For the Review.)

By JOHN S. CODMAN.

It is pretty generally assumed that a city like Boston has little or no income essentially its own, and that it must, therefore, resort to the taxation of its citizens in order to pay its expenses. But is this assumption correct?

Are there not certain values in Boston, as in every community, which are directly due to the presence and activities of Boston's population and to the manner and amount of its expenditures public and private; but of which no part can be attributed to the presence or activity of any one individual or group of individuals? If so, do not these values clearly constitute a natural source of revenue for Boston which should be exhausted before the taxation of individual wealth be resorted to?

The above questions must be answered in the affirmative; and if we then inquire into the nature of the rental value of land exclusive of improvements, or "ground rent" as it is usually called, we shall see that it is a value such as has been described above.

The ground rent of any piece of land is the sum which annually is paid or willingly would be paid, for possession of the bare land alone, and it does not include anything paid for the use of buildings or other improvements upon the land. It is obviously, then, a value due, not to any effort upon the part of the owner or user of the land, but to the size and character of the