

UNEMPLOYMENT

By Rt. Hon. J. C. Wedgwood, D.S.O., M.P.

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We talk so much of "giving" work and "finding" work that people may well get to think that work is wanted for itself. This false conception of the problem is responsible for many of the false theories—protection, for instance. What is really wanted is not work, but the results of work.

It has been truly stated that our world society may be compared to a pillar composed of all the useful productive workers supporting a load consisting not only of the idlers, but also of all those who are doing useless or parasitic work. It is well to be quite clear that we do not improve matters by increasing the load of useless parasitic work—putting the unemployed to dig up with hand spades fields which might be ploughed, or employing estate hands to trim the carriage drive.

An allied misconception is that the State can create work—even useful work. The State, by taking the taxpayers' and ratepayers' money, can, of course, by spending that money in certain ways, direct production into certain channels—schools, roads, houses, etc. People are no doubt employed on this new work, but the taxpayer or ratepayer has no longer the spending of the money—the chance of employing other people in making the goods he wants. One form of production may be more useful than the other, but the sum total of *immediate* employment is not affected. If the State production is carried out on credit the result is the same; there is the less credit for other productive enterprise.

But the object of employment must be to produce and distribute useful goods. If the only sort of employment we want to increase is useful productive work, then we must make it (1) *easier to produce*, and (2) *easier for the public to consume*. It is not enough that goods by being easier to produce should be cheaper, if at the same time wages fall and the consumer cannot consume the goods produced.

While all productive work consists in converting nature by labour into goods, and all such work must depend in the first place upon the access of labour to land, yet in modern production three elements are required—land, labour and capital.

There is no easy road to make capital cheaper, the supply of capital must be increased, more wealth must be produced, and a larger proportion of the wealth produced must be reserved for the production of more wealth. Taxes on capital restrict the production of capital. This was recognized when Mr Neville Chamberlain allowed machinery and farm buildings to be exempted from local rates. Wastefulness in private life can be discouraged, instead of the entirely false gospel that the more money you spend the more employment you "give." Above all let us remember that capital itself (which bulks so large in the discussion) is created by labour out of land. These two other elements are really vital.

Labour: No one, with the importance of the Home market in view, wants to reduce wages. All want to see a larger output, with less exertion and a larger return to labour. What few realize is that *ca'canny* is instinctive so long as there are not sufficient opportunities for employment. If you limit the amount of production that may be done, you are bound to get the workers anxious to spread out the jobs. But why limit the opportunities of production? This brings us to the third element—Land.

By land we mean all the raw materials provided by

nature. If we really want more productive work, we must want to cheapen land—we must want to reduce the price to be paid before labour can get at the raw materials and start work, whether that work be making goods or making capital. This obstruction in the use of land is the real barrier between labour and work. Every reduction in the height of the barrier makes opportunities for employment easier, makes the production of goods and capital cheaper, makes the instinct of *ca'canny* less insistent, reduces the cut-throat competition among the workers, raises wages and thereby produces consumers for the goods. To cheapen land and break down the barrier, I know no better way than by the taxation and rating of Land Values and the exemption from taxation of capital and the results of human labour.

DO THE WORKING CLASSES PAY RATES?

On Thursday, 17th May, Sir Edgar Harper addressed a meeting of the Battersea Labour League at 449, Battersea Park Road, on the question "Do the Working Classes Pay Rates?" There was a good attendance, the small hall being crowded. The speaker pointed out that the statutory definitions of annual value for rating definitely excluded rates, while weekly rents as definitely included them. Thus the worker who held on a weekly tenancy paid rates along with his rent, and if he were a yearly tenant he paid them to the rate collector. In either case he had to bear the burden of the rates. The contrary opinion prevalent during the past 30 years or more had led the workers to support large municipal expenditure, giving employment to labour. The consequence had been an enormous increase in the burden of rates which the workers, in common with all other house-occupiers, had to bear.

He went on to contend that there was a more important question than the one set down for discussion, and that was whether rates were levied on a fair basis. He showed how the present system of rating all improvements (especially buildings) made on land was a severe discouragement to the erection of houses and all other buildings and that the total exemption of unused land from rates encouraged the holding-up of land for excessive prices, and led to unemployment, concluding by advocating the rating of land values as the only practicable method for relieving industry from the burden of rates and for bringing all unused land into the market at reasonable prices.

An animated discussion followed, in the course of which many varying opinions were expressed. Alderman Chesterman contended that, inasmuch as the workers now could only obtain a bare subsistence wage, while all the rest of the profits of industry went to the capitalist, the burden of rates must fall wholly on the latter. In his reply, Sir Edgar pointed out that the bringing of all land into the market at reasonable rents and prices would enable those workers who chose to employ themselves instead of working for an employer. This would inevitably raise the wage-level all round, since employers would then have to compete for labour, instead of labourers competing for employment.

A vote of thanks to the speaker concluded the debate.

Dr W. Black Jones is to be complimented on his letter to the *Brecon and Radnor Express* of 26th April on the recent debate in Cardiff: "That the prosperity of agriculture as well as of other industries can only be secured by land value taxation. Dr Jones, as a member of the audience, reviews the arguments of the two leaders in the debate, and has issued his letter as a special leaflet for general distribution.