

UNEMPLOYMENT has plagued societies from early days to the present. A new book\* attempts to put it all together and the author believes his is the first that covers unemployment in history.

John Garraty is a Professor of History at Columbia University. He tackles his job as a study of "how the condition of being without work has been perceived and dealt with" throughout history. It is evident that it has been a pervasive condition that has troubled all societies, ancient and modern.

The pyramid building in Egypt and the bread and circuses of Rome indicate a large-scale unemployment problem. In feudal days people were more or less fixed in place but as towns grew, so did unemployment. In the 16th century in England and Europe, vagrants, beggars, loafers and thieves swarmed city and country. Thomas More had an inkling that this was caused by the enclosure of the common lands, but nobody was paying much attention. The main thing that was noticed was that this was a great nuisance. Not just stealing, but begging too was counted a crime punishable by flogging and even by death.

In the grey dawn of political economy in the 17th century, some thinkers finally concluded that a great potential for production was being wasted and that those without work ought to be put to work—but nobody seemed to have a clear idea as to how to do it.

Some public works programs were instituted and then the workhouses were started, no better than loathsome prisons. These programs always cost more than they yielded—yet they were kept up. For the idea persisted through the 19th century that the poor were inferior beings, responsible for their own poverty, and that they were not working because they were lazy. Thus it became more important to put them to work to teach them a lesson than to be productive—and ironically, they were to be kept poor lest they become strong and insolent and indulge in riotous living (that was only for the lords). One wonders why the poor and unemployed tolerated for so long being treated with such inhuman contempt.

BOB CLANCY

## Pyramids, public works and the causes of mass unemployment



Garraty provides us with a fair summary of Henry George's answer to poverty and unemployment and makes it sound plausible, then simply concludes (historically):

**"But, despite his argument that his reform would injure no class and cause no social disruption, no government dared to enact the single tax."**

In the 20th century, unemployment received increasing attention. It became virtually the world's number one problem with the Great Depression of the 1930's, and Keynes advanced his theories of deficit financing in his **General Theory**, which soon became popular. Applying Keynesian economics, one only had to watch the balance between unemployment and inflation. Economists became Keynesians and it was thought that the problem was at last solved.

But then came the 1970's. Inflation and unemployment increased together, baffling economists and statesmen and undermining Keynes. We are now said to be in the "post-Keynes era," and economic theory is currently in disarray.

Finally, in the 19th century, some thinkers looked for general causes of poverty and unemployment. There was Malthus who found the cause in the tendency of population to increase beyond the means of subsistence, and the remedy was to let the surplus die off. However, even the very poor were unwilling to "die philanthro-

pically for the greater glory of the principles of Malthus," as one critic put it; indeed they became restless and troublesome.

Other theories were advanced. Some saw the evil in the mechanization of the Industrial Revolution which put men out of work; others saw the remedy in cooperative communities in which work and wealth would be shared; and of course there was Karl Marx, who saw the evil in the entire capitalist system.

Garraty has made a significant contribution by undertaking this survey. It is hard to understand why it hasn't been done before.

The theories about unemployment and the remedies for it range through punishment for idleness, uncontrollable natural forces, public charity and state control. The only one who seems to have had the idea of abolishing involuntary unemployment by opening up natural opportunities was Henry George. Maybe we had better go back to him and start daring to apply his ideas.

\*Unemployment in History: Economic Thought and Public Policy, John A. Garraty. Harper & Row, New York, 1978. \$15.

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decentralized as possible and create the maximum degree of incentive in each enterprise. Wage increases would be determined by collective bargaining albeit to maintaining the ratio of labour costs to added value in each enterprise; enforcement would be by taxing any increase above this ratio.

I hope your readers will now have a fuller and more accurate picture of our policy and recognize that they fall within the broad tradition of Liberal economics.