

## THE PROBLEM OF UNEMPLOYMENT.

Address of FREDERICK C. LEUBUSCHER,  
President of the Society to Lower Rents and Reduce  
Taxes on Homes, at the dinner tendered to the Gov-  
ernor and members of the Legislature at the Hotel  
Brevoort, New York City, on January 30, 1914.

This morning's newspapers contain long accounts of a meeting at the Mayor's office yesterday, to consider the problem of the unemployed. Those who took part in the discussion included many of our eminent officials and citizens, besides the United States Commissioner of Labor and other labor leaders. Of course our esteemed Mayor, Hon. John Purroy Mitchel, was conspicuous in the large gathering, and he took counsel with Hon. Emil Seidel, the former Socialist Mayor of Milwaukee. The Mayor stated that, according to the bulletin of the New York State Department of Labor, there were, about three months ago, 101,140 idle wage-workers out of 600,000 organized working men and women, or 16.1 per cent; and that this is a greater number of unemployed reported than in any previous year. The Mayor applied this percentage to the unorganized wage-workers, and estimated that the total number of unemployed in New York City, about three months ago, was 300,000. I venture to state that the Mayor underestimated the number of unemployed, and that they amounted to at least half a million; for organization has made it increasingly difficult for the unorganized wage-earner to procure a job. Applying the ratio of five dependents to every wage-worker, we have a total of almost three million men, women and children on the verge of want in this State, out of a population of about ten millions, or about 30 per cent.

Now what remedy was proposed for this ominous state of affairs? Charity and palliatives! Some of the eminent men and women present at this conference admitted that charity could not do much, and that, at best, "relief is like cocaine; it relieves pain but it creates a habit." Others suggested the establishment of labor exchanges. But what is the use of labor exchanges if there are not sufficient jobs? The Commissioner of Labor advised that, as the city had large undertakings to do in the near future, work should be begun at once, and that, in order to employ as many as possible, each man should be given only half a day. The trouble with this palliative (it cannot be called a remedy) is, that our city rulers have, in their wisdom, given out these large undertakings (such as the subway), to private contractors who are not in business for their health, but to make a dollar go as far as possible. In any event, a half a day for a few thousand men would be but a temporary and sorry makeshift, and will hardly scratch the surface of the problem of the unemployed.

One newspaper heads its account, "Mayor Seeks to Aid Those Out of Work." Neither this newspaper, however, nor any other, states what remedy the Mayor suggested. **The trouble with all these eminent and philanthropic men and women is that they seem to have studied only the symptoms of the problem, and not the fundamental cause.** The population of the City of New York is increasing by leaps and bounds. Every time there is an addition to the population, either by birth or by immigration, there is an increas-

ed demand for food, clothing and shelter. That demand calls for more workers to produce food, clothing and shelter. The greater the population, the more busily should men and women be employed. Instead, we find that, as the population increases so does the number of unemployed. **What is the cause of this reversal of a natural, economic law? The answer to that question is the solution of the problem of the unemployed. Everything that is eaten, everything that is worn, and everything that is built comes out of the land. All these things are produced by the application of labor to land. The labor is here and the land is here. The trouble, however, is that the labor is not allowed access to the land, except on terms dictated by the owners of the land. Often land owners will not allow access to labor on any terms, but hold land idle awaiting the time when the pressure has become so great that they can sell at a large and practically prohibitive profit. There are tens of thousands of vacant lots in this city, and hundreds of thousands of vacant acres in this State; and if labor were allowed access, the problem of the unemployed would be solved.**

A few years ago the tax books of this city showed that EIGHT families, estates and corporations owned ONE-NINETEENTH of the assessed value of the land of Manhattan and approximately ONE TWENTY-FIFTH of the assessed value of the land of Greater New York; that TWENTY-THREE families, estates and corporations, owned ONE-NINTH of the total area of the Bronx; that FIFTY-SEVEN families, estates and corporations owned

ONE-SIXTH of the total area of Richmond. Only a short time ago a real estate corporation advertised that it owns TWENTY THOUSAND lots along the lines of the proposed subways in Brooklyn. The Astor Estate owns about five hundred acres of unimproved land in the Bronx, and it has a large sign thereon reading:

**"Astor Estate. NOT for Sale."**

What does all this mean? Simply that these big estates and corporations are holding these lots idle until the increased population will allow them to unload at enormous profits. In the past ten years the land values of this city have increased one hundred and fifty million dollars annually. This is at the rate of four hundred thousand dollars a day, eighteen thousand dollars an hour and three hundred dollars a minute. So that during the ten minutes I have been talking to you these big land owners are richer by three thousand dollars. Not because of anything they themselves have done, for many of them have their homes in Europe, but simply because some babies were born, and some immigrants have arrived. From the census returns we learn that whenever the city is blessed with the arrival of a baby, the land values increase \$860. Who gets this increase? Surely not the babies themselves or their parents?

Besides the one hundred and fifty million dollars annual increase, the ground rent of the land of this city is about three hundred million dollars. The land is assessed at about five billions, and six per cent thereon (which is what the Astors and others charge their lessees), is three hundred mil-

lions. This makes an annual return to the land owners of four hundred and fifty millions. Every dollar of this four hundred and fifty millions was made by the five and a half million people of this city; for if there had been no population here there would have been no land value. Now, out of the four hundred and fifty millions—all of it, mind you, made by the people of this city, how much was taken by the people in the shape of taxes on the land? Last year it was only eighty-three millions. Suppose that the people should decide that they are entitled to the entire ground rent of three hundred millions? The result would be startling. About one hundred and ninety millions of it would be used for carrying on the government, and leave a balance of over one hundred millions every year. With this extra hundred millions a year the city could build its own subways without the aid of the traction companies, and start other great enterprises. The demand for labor would be so great that the city would have to call on the rest of the State to supply it, with the result that wages would rise.

Another tremendous effect of the people taking their own would be that the Astors and other big estates and corporations would, in self-defense, be obliged either to improve their lots or to sell them to builders. In either event, the building boom would be enormous. Thousands of new structures would be begun, employing not only laborers, masons, carpenters, mechanics, cement workers, roofers and other mechanics, but also the thousands who manufacture building materials. All these in their turn would

buy more food, clothing and other necessities, thus employing thousands of other workers. Though wages would rise, building could be more cheaply done, for if the city can get its entire income from ground rents, it would be unnecessary to tax buildings at all.

Now, we are not revolutionists. We recognize the fact that our present land system has been established for centuries, and that to overturn it at once might disorganize society. We therefore recommend a very mild first step. All we want here in this city is that land owners instead of giving us only eighty-three millions a year out of the four hundred and fifty millions they receive, should give us about twenty millions more. And we do not ask that they give us the additional twenty millions next year, but only about four millions a year for five years. Surely this is a modest request; and we make it more modest still by asking the legislature to allow the citizens of this city to vote on the question. The four millions a year will be taken off taxes on buildings, thus encouraging instead of discouraging the erection of more buildings, and the employment of more men and women. With more buildings there will be greater competition for tenants, and rents will necessarily be reduced. So that the working man and woman will not only get more employment, but their wages will go further.

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