

UNEMPLOYMENT AND TECHNOLOGY

By C. H. Stowasser

In my readings of the Australian Humanist Magazine I have noticed that a considerable number of writers express the fallacy that technology creates unemployment. Both history and theory contradict this fallacy.

In England, before the industrial revolution, when technology was negligible, there was a greater percentage of unemployment than after. During the Great Depression of the early thirties unemployment reached 35%, yet technology had only reached a fraction of the present level. Japan, a highly technological nation, has far less unemployment than countries with a low level of technology.

Theory tells us that a man's desires are unlimited. When he has satisfied some desires, he seeks to satisfy others, so any manpower released by technology could be used to help satisfy these desires. In observable terms it is crazy to say that technology creates unemployment when it is obvious that there are hundreds of basic desires not yet satisfied by the mass of people. For example, the unemployed in our society could be totally absorbed if we satisfied just one of these basic desires, the production of decent houses for all.

If technology was put to its fullest use and if the wealth thus produced was fairly distributed, it would be unnecessary for anyone to work for more than a couple of days per week in order to obtain a comfortable income. The present unemployed would be quickly absorbed in keeping the machines going the rest of the week. By work and wealth being shared out sensibly, there would be plenty of work for all.

Barriers

There are two great barriers to the full expansion of technological potential and a fair distribution of wealth. These barriers are:—

(1) The ever increasing prices and rents that private owners can obtain for the use of land, and the fact that it is easy for owners to hold land out of use.

(2) A taxation system that punishes people in every possible way when they are productive, but makes them pay no revenue, or the minimum of revenue, to the nation when they leave valuable land and property lying idle or use it badly.

These two barriers have been the basic cause of poverty and unemployment in all societies where people have been able to own and occupy land without paying rental revenue to the nation for the privilege. In all such societies, now and in the past, 5% of the nation has owned 80% and more of the nation's wealth — this wealth being mainly in the form of land values.

All production depends on access to land and so long as landowners are able to occupy it without paying rental revenue to the nation for the privilege, it is inevitable that competition between intending users will put the wealth of the nation in the hands of a few.

Revenue Switch

The solution to this problem is radical but simple. Abolish all taxes that stifle production and raise prices. Collect rental revenue from all land, whether used or not, on the basis of site values. Those who put their property to good use should pay no more than those who leave it idle

or use it badly. In this way production would be encouraged to the full and the barriers to production broken. The demand for labour would exceed the supply and the consequent competition for labour would ensure that each person received the full fruits of his labour. Wealth would be fairly distributed and the barriers removed that prevent people from satisfying desires whether they be for more material goods or for more leisure.

Some people would argue that under such a system some would get wealthier than others through working harder and would then be able to exploit others. Not so. As long as people cannot use their wealth to buy land and monopolise it they cannot be in a position to exploit others. The processes explained above ensure all people equal access to land at all times. The extra wealth of some cannot lead to the exploitation of others as long as the above conditions exist. All wealth produced is of benefit to all since manufactured wealth must be exchanged. The more that is produced and exchanged the better off we all are. Cartels and marketing boards that deliberately withhold goods from the market to keep up prices can function only if others who want to produce and sell are denied access to land.

Why Robbery?

If one person has twice as much wealth as another because he has worked twice as hard — why should he be robbed of any of this wealth by the State? Why should anyone be robbed of the fruits of his labour, i.e. earned income, through income tax or any other form of taxation robbery?

An excellent book on the above Technology and Unemployment issue is R. Giles', "Technology, Employment and the Industrial Revolution", published by William Brooks.