

UNEMPLOYMENT: CAUSES AND REMEDIES

BY

GEORGE WHITEHEAD

F.R.ECON.S.

*Author of "The Unfair Sex"; "Bernard Shaw Explained";
"Psycho-Analysis and Art," etc.*

LONDON

JOHN BALE, SONS & DANIELSSON, LTD.

83-91, GREAT TITCHFIELD STREET, W.1

—
1933

UNEMPLOYMENT:
CAUSES AND REMEDIES

Previous Works by Mr. George Whitehead

Bernard Shaw Explained
An Easy Outline of Psycho-Analysis
A Reasonable View of God
Jesus Christ : Man, God or Myth ?
Spiritualism Explained
Religion and Psycho-Analysis
Psycho-Analysis and Art
Towards a Better World
The Road to Health : An Outline of Eugenics
Birth Control : Why and How
The Unfair Sex : The Truth About Woman
The Evolution of Morality
A Modern Outline of Evolution

PREFACE

IN consequence of certain views expressed without equivocation in this volume, I fully expect to be assailed by a barrage of abuse from those friends of Labour whose support takes the form of demanding conditions so impracticable that the attempt to satisfy them has led to hundreds of thousands of persons being thrown out of employment.

As I am not a politician haggling for votes, I can view with comparative fortitude the spleen displayed towards all who venture to utter unpalatable truths to a democracy which has been fed on flattery and bribes until any attempt to treat a social disease as one would treat an individual complaint results in the investigator, analysing causes and effects with a view to a removal of the evil, being regarded as almost inhuman.

The physician who refrained from drawing attention to foolish habits and vices which were undermining the health of his patient because he was afraid of hurting his feelings would be a bad doctor, as would also the practitioner who hesitated to advise amputation or to administer nasty medicine when these obnoxious remedies were essential to recovery.

Wages that are too high in relation to the work done, preventing the sale of the product, or State mollicoddling which undermines the morale of the producers, are analogous to intemperance in dancing, eating, drinking, smoking or drug-taking, or refraining from exercise, and living muffled up in an unduly heated or asphyxiating atmosphere which undermines the health of the patient. An unpalatable social regimen, nasty physic, and in some cases social surgery, may be as essential to national recovery as unpleasant discipline and a change of habit are frequently necessary to the recovery of the health of the individual.

On the other hand, while administering whatever unpopular treatment is regrettably necessary, there is no curative value in a pessimistic attitude on the part of the doctor, who may indeed kill the patient if he over-stresses the gravity of the malady. Especially is this the case with victims of nervous stress where the confidence has been previously undermined by alarmist quacks.

Even if the social doctor cannot emulate the method of the late Emile Coué, who effected cures by persuading his patients to declare repeatedly (and to believe the declaration) that every day they got better and better, he might at least refrain from depressing the patient by telling him either that his malady is inevitable as a result of the introduction of new machinery, or that in any case a cure will not be possible for another ten years, which are two of the disastrous contributions made recently by Mr. Neville Chamberlain. These depressing statements, in addition to undermining the confidence of the unemployed patients, were, needless to say, seized upon by Socialist quacks who gleefully took the opportunity to push forward their own dubious nostrums.

Another patient, the British taxpayer (altogether too patient) will not derive much satisfaction from a recent statement by Mr. Baldwin, that before taxes can be reduced conditions must improve, which is equivalent to saying that before the victim recovers from loss of blood he must continue to be bled.

And finally must be rejected the contradictory prescription of a Fleet Street specialist, Lord Beaverbrook, who vociferously proclaims the need for higher wages and a restoration of all the "cuts" imposed by the National Government, while at the same time demanding a reduction of taxation. How the Government can increase its expenses while reducing its receipts is not revealed by this practitioner.

In the following work I have tried to avoid the extremes of pessimism or inflated optimism. As candidly as the gravity of the situation, and the dearth of candour upon the part of political statesmen afraid of losing votes has warranted, I have set down what appears to me as a correct diagnosis of the problem. And if my candour is emulated by others, or leads to some improvement in our general handling of unemployment and allied problems, I will bear up as manfully as may be against the inevitable charges of those lovers of democracy whose humanity is displayed by their encouragement of Pyrrhic economic victories which prevent multitudes of Britons from earning their daily bread.

June 12, 1933.

G. W.

CONTENTS

CHAPTER	PAGE
I. THE MAGNITUDE OF THE UNEMPLOYMENT PROBLEM... ..	1
II. HISTORICAL BASES OF UNEMPLOYMENT ...	7
III. PRE-WAR CAUSES OF UNEMPLOYMENT ...	17
IV. UNEMPLOYMENT FROM 1920 TO THE WORLD SLUMP OF 1929	31
V. CURRENCY AND THE CRISIS OF 1931 ...	40
VI. OVER-POPULATION AND UNEMPLOYMENT ...	67
VII. EMIGRATION	96
VIII. THE THEORY OF UNDER-CONSUMPTION ...	104
IX. FOREIGN TRADE	130
X. RATIONALIZATION	150
XI. WHY COSTS ARE HIGH: HIGH WAGES AND SHORT HOURS	170
XII. LABOUR'S INCREASING PROPORTION OF THE NATIONAL INCOME	211
XIII. WHY COSTS ARE HIGH: THE BURDEN OF TAXATION	233
XIV. WHY COSTS ARE HIGH: THE BURDEN OF SOCIAL SERVICES	253
XV. WHY COSTS ARE HIGH: DOLE ANOMALIES AND ABUSES	276
XVI. WHY COSTS ARE HIGH: WAR DEBTS AND REPARATIONS	303
XVII. THE COST OF ARMAMENTS	328
XVIII. PROTECTION <i>VERSUS</i> FREE TRADE	353
XIX. THE DRAWBACKS OF PUBLIC WORKS SCHEMES... ..	380
XX. REMEDIAL PROPOSALS SUMMARIZED	402
INDEX	430

