

tion per employe to a degree that was very marked.

The present proponents of the idea of "business without a buyer" and those who use their theory as an argument for the five-day week would not follow Marx to the conclusion to which his pragmatic fallacy led him, a conclusion which foresaw economic cataclysm and socialism. Fortunately, both economic experience and economic theory—for the two must be one—have shown that this theory that *consumption as a whole* does not keep up with *production as a whole* is a facile but illusory explanation which distracts attention from a much less welcome fact. It is unpleasantly true that it is the failure of judgment of our enterprisers rather than an "inevitable" failure of general consumption to catch up with general production which leads to most of our unemployment and business depression. The more or less automatic operation of our price machinery will, and must, bring general consumption and general production to equilibrium, unless the value of money has some peculiarly frozen quality which differentiates it from all other economic goods. The way out is a higher standard of living, to be sure, but through the closer adjustment of production to the desires of consumers as between products. There is no way to bring equilibrium to an over-expanded textile industry, an over-expanded automobile industry, or radio industry, or any industry, except by the correction of faulty judgment in forecasting future consumption of the particular product.

The five-day week, some believe with Ford, would create more consumption. It will, if the product is one which requires time to enjoy. Scientific forecasting of consumption of motor cars would probably support Ford, and Ford can profitably make the experiment, if others should imitate him. But there is a multitude of products, and among them the most worth while, which do not require a free Saturday to use; better housing, better clothes, better food, better furniture and, above all, those things which are concerned with the shorter work-life rather than a shorter work-week—preliminary education and old age security. With this vast range of wants, does it take a diversion of an additional four hours a week from production to bring consumption of most goods into balance with production?

General production will be taken care of by gen-

eral consumption, unless our standard of living has become crystallized, our general price machinery obsolete despite recent improvements and Karl Marx's philosophy of despair true at last. The key to the problem, the theorist is tempted to propose, is the adjustment of production in particular industries to the normal, unforced consumption of the products of those industries. Continuing inflation of bank credit and installment selling will certainly increase consumer demand for a period, but the "morning after" may find us with a serious headache.

In any case, whether or not we accept the proposition that under-consumption is the cause of the present maladjustment of production, pensions as a means of providing workers with purchasing power as well as *leisure* after sixty-five will be a better remedy than *leisure* on Saturday and no purchasing power after sixty-five, if both are not possible.

A philosophy which explains why we should have more leisure now and at the same time explains away our mistakes in forecasting consumer demand, is a philosophy easy to accept. But if accepted, can it be put into effect without sacrificing the opportunity of assuring old age security for the employes concerned? The Ford illustration is not entirely satisfying. Security of employment was sacrificed, and long before old age, when Ford shut down to change models. Further, what corporation is willing to be the first to shut down its plant two days a week, not to smooth out employment throughout the year or to allow sales to catch up with ill-advised production, but to stimulate *general* consumer demand? Will not the employes of that company have the right to expect the same weekly wages as before and also some assurance of old age security? Will not the stockholders have the right to ask whether these wages can be paid and pension reserves built up on the production of five days a week?

It is not my desire to oppose the five-day week in itself. As a means of safeguarding the health of the worker in high pressure industries or assuring greater regularity in seasonal industries it is a logical solution of a serious problem. But these are also problems of the security of the man on the job. Ill health and seasonal unemployment are counterparts of old age insecurity. When no question of health or seasonal unemployment is

concerned, however, old age security takes the centre of the stage. If technological unemployment remains, should it not be solved by better forecasting and better exploration of new fields of production rather than by measures against under-consumption? But most important, it should be solved in a way which will not delay the solution of the problem of old age security.

It may be far fetched to offer another reason why industrial pensions should be preferred to the five-day week, when the latter is proposed as a cure for technological unemployment. In the past our old workers have become dependent on their children. This has meant that the middle-aged generation has been required to support both the generation preceding it and that which followed. Instead of complete training, whether liberal or technical, the new generation has had to go to work early, in many cases, to help meet family expenses. Blind-alley jobs and narrow training have resulted. When industrial changes have taken place these ill trained workers have found it hard to adapt themselves to new work. Is there not some likelihood that industrial pensions and better trained men will give us a type of worker for whom technological unemployment will hold less fear? Perhaps by the time we are profiting by pensions on a wide scale, our industrial enterprisers will have become so scientific in forecasting and so appreciative of the importance of security to the worker that technological unemployment will have disappeared.

Dr. Person proposes that the standard length of the work period should be governed primarily by the maximum amount of work, *scientifically* determined, that workers can do and thrive under, proper allowance being made for adult education, recreation, and other cultural factors. The question immediately arises, who shall be the judge of the proper allowance? The amount of labor services, and reciprocally the amount of time and energy remaining for education and recreation, are as much a part of the employment bargain as wages. Can the amount of work be determined "scientifically" by the employer when in essence the determination is based upon the economic strength of the parties to the contract? If by a five-day week, American trade unions can increase the yearly wage of their members, and provide more time for education and recreation, can we appeal to physiological maxima

to say them nay? To use the five-day week as a cure for technological unemployment and under-consumption is one thing. To use it as a means of creating a different distribution of income between profits and wages, or work and leisure is another. But if the five-day week delays measures for old age security, the agency, whether employer or trade union, which causes the delay, must satisfy society that the alternative is better.

Dr. Person states further that a substantial portion of the larger social income which results from marked increase in technological efficiency should be handled as a credit which shall be drawn upon by workers after middle age. The problem arises, who shall conserve this credit—the employer, the state, the trade union, or the individual employee? The employer may go out of business or may be tempted to dissipate the credit in unnecessary equipment and stock dividends. The state, some say, should keep out of the picture. Several trade unions have pension plans and homes for aged members. On the other hand, the individual employee is being tempted by installment selling to buy not only from last year's savings but from next year's earnings.

Since the credit is to benefit the worker as a return for his services, should not his claim be recognized in some joint arrangement? The problem suggests the solution of placing the pension rights of the employee in the employment contract, whether collective or individual. Why not allow the employee to carry with him his pension credit, wherever he is employed, a credit in a state fund or a private insurance company? By such means the problem of the employee of failing companies, the ambitious employee who seeks a better job, and the employee who sees it to his interest to use the methods of trade union bargaining, will be met. The proposal may seem distasteful but if the problem is not solved by voluntary action, is there not the likelihood that society will solve it in the way it solved the problem of workmen's compensation?

Paul U. Kellogg.* John Elliott of Hudson Guild tells a good story on himself. Among his varied activities he teaches at the Ethical Culture School, which is much given to the newer education. The effort is not to cram information down children, but to elicit what is in them. One of the boys went home

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