

THE FETISH OF FULL EMPLOYMENT

THE ECONOMIC GOAL of any nation, as of any individual, is to get the greatest results with the least effort. The whole economic progress of mankind has consisted in getting more production with the same labor. It is for this reason that men began putting burdens on the backs of mules instead of on their own; that they went on to invent the wheel and the wagon, the railroad and the motor truck. It is for this reason that men used their ingenuity to develop a hundred thousand labor-saving inventions.

All this is so elementary that one would blush to state it if it were not being constantly forgotten by those who coin and circulate the new slogans. Translated into national terms, this first principle means that our real objective is to maximize production. In doing this, full employment—that is, the absence of involuntary idleness—becomes a necessary by-product. But production is the end, employment merely the means. We cannot continuously have the fullest production without full employment. But we can very easily have full employment without full production.

Primitive tribes are naked, and wretchedly fed and housed, but they do not suffer from unemployment. China and India are incomparably poorer than ourselves, but the main trouble from which they suffer is primitive production methods (which are both a cause and a consequence of a shortage of capital) and not unemployment. Nothing is easier to achieve than full employment, once it is divorced from the goal of full production and taken as an end in itself. Hitler provided full employment with a huge armament program. World War II provided full employment for every nation involved. The slave labor in Germany had full employment. Prisons and chain gangs have full employment. Coercion can always provide full employment.

Yet our legislators do not present Full Production bills in Congress but Full Employment bills. Even committees of businessmen recommend "a President's Commission on Full Employment," not on Full Production, or even on Full Employment *and* Full Production. Everywhere the means is erected into the end, and the end itself is forgotten.

Wages and employment are discussed as if they had no relation to productivity and output. On the assumption that there is only a fixed amount of work to be done, the conclusion is drawn that a thirty-hour week will provide more jobs and will therefore be preferable to a forty-hour week. A hundred make-work practices of labor unions are confusedly tolerated. When a Petrillo threatens to put a radio station out of business unless it employs twice as many musicians as it needs, he is supported by part of the public because he is after all merely trying to create jobs. When we had our WPA, it was considered a mark of genius for the administrators to think of projects that employed the largest number of men in relation to the value of the work performed—in other words, in which labor was least efficient.

It would be far better, if that were the choice—which it isn't—to have maximum production with part of the population supported in idleness by undisguised relief than to provide "full employment" by so many forms of disguised make-work that production is disorganized. The progress of civilization has meant the reduction of employment, not its increase. It is because we have become increasingly wealthy as a nation that we have been able virtually to eliminate child labor, to remove the necessity of work for many of the aged and to make it unnecessary for millions of women to take jobs. A much smaller proportion of the American population needs to work than that, say, of China or of Russia. The real question is not how many millions of jobs there will be in America ten years from now, but how much shall we produce, and what, in consequence, will be our standard of living? The problem of distribution, on which all the stress is being put today, is after all more easily solved the more there is to distribute.

We can clarify our thinking if we put our chief emphasis where it belongs—on policies that will maximize production.