Speed Up—Slow Down

"The men are lying down. If they don't speed up production to standard, the cost of production will be so high we won't be able to sell the cars and come out in the black." That, substantially, was the reason advanced by the Chrysler Corporation for shutting down its plant last month.

"It's impossible for the men to keep up with the pace set by the company's production standards," said the union; "It will kill them."

Both happen to be right. And they happen to be wrong, too, in that neither seeks a cause outside the avarice or short-sightedness of the other. To their common economic ignorance must be ascribed the wastefulness of the struggle between these groups.

The company's study of market conditions discloses that the public can absorb so many cars of its kind at a given price. The reports of its sales experts cannot be controverted—that an additional five percent in price would result in a disastrous reduction of sales. Ways must be found to reduce costs five percent. This is a problem for the production department. Its engineers devise shortcuts, elimination of waste motion, which will permit faster production.

But, the waste motion eliminated may have been in its nature restful to the worker, and the short cuts may have the tendency of hastening movement on the part of the workers, or of requiring more concentrated attention. All of which adds to fatigue.

To that extent both sides are right—assuming, of course, that they are honest in their arguments, that neither side has some undisclosed motive. We are interested in economics—not motives.

The union's position must be, then, that the company need not decrease its cost of production in order to sell the number of cars necessary to secure a return that will assure its solvency. To take that position it must assume that the speeding up is done only to increase the company's profits at the expense of the workers' health—the old socialistic surplus value theory. If the company is in a monopolistic position there is some plausibility in this argument; it gets all it can from the buyers of its product, and for more returns must look to its workers. In that case the only way to protect the workers from gouging is by destroying the monopoly. A strike won't do this because a monopoly can outwait the workers. No strike ever destroyed a monopoly. Every monopoly is based on a privilege granted by government; therefore political pressure on the government to withdraw the privilege is the only way.

But, if the company has no monopoly, any successful attempt on its part to increase profits must attract competition from other capital; in fact, capital, particularly in the present glutted market, flows where there is even a rumor of possible returns. More capital needs more labor, for capital without labor is as useless as a ship without motive power. Thus, increased profits in any non-monopolistic industry merely increase competition for laborers, which means increased wages; temporarily, at any rate.

Another point. Suppose the company, by some strange freak, did increase its profits at the expense of its workers. Or by any other method. How long before the monopolists from whom it buys its raw materials would grab this profit? In other words, how long does it take for rent to absorb every increase in productive enterprise?

The problem of decreasing the cost of the car without destroying the health of the worker is still the issue. Its solution lies in increasing the wage level of all workers—within and *without* the Chrysler plant—so that they can pay for cars made by men working at a decent speed. This wage level cannot be determined by the Chrysler Corporation or the union, though they could both help by intelligent application to the study of political economy.