

The Factors Governing Production

In the course of an address to the Glasgow Chamber of Commerce on the 18th October on "The factors governing production and the character of industrial policy required to improve our position," Lord Weir emphasized the abnormal position of industry to-day and uttered a warning of the evil effects that must ensue if production is not increased.

It would be folly, he said, to regard with apathy and complacency the gravity of the phenomena associated to-day with our national trade, finance, and industry. These phenomena may be defined as the continuous acceleration of the rate of increase in the cost of living, the sporadic but ever-recurring examples of unrest and discontent among our industrial community, the threatened shrinkage in the sales of our products, the impaired volume and efficiency of our production, and the gradual encroachment of foreign competition, not only in our home but also in our world markets. Such phenomena, when associated with our unsatisfactory financial position and our impaired exchange, constitute an abnormal emergency, involving a rapid approach to national insolvency and one with which must be inevitably associated with unemployment, misery, and hardship for many of our people. Nourished and stimulated by the conditions indicated, we had had imposed upon the community an active and insidious campaign of extremist propaganda, directed, not towards the amelioration of these conditions, but towards the complete overthrow of our existing social mechanism.

The maintenance of to-day's standard of living is impossible under to-day's conditions of volume and efficiency of production. No improvement in the standard of living of our people will be possible until our productivity is not only enormously increased, but is much more efficiently secured.

The first cause of our poor industrial performance is the restriction in the hours of labour, which is responsible for a reduction of not less than 12 per cent. in the gross turnover of our entire industrial world. Expressed in the form of wages it means that our annual wage bill is approximately £140,000,000 less than it might be. Expressed in another way, it means that we are losing the produce of 700,000 workers. Associated with this cause is the influence of additional restrictive regulations on overtime and night-shift working. For example, a very recent agreement between the employers and the Amalgamated Engineering Union reduces the productivity of a night-shift worker by 25 per cent. and increases the cost of all work done in a Glasgow engineering works at night by 25 per cent.

The effect of strikes, and, no less important, the threat of strikes, is sufficiently familiar to require little comment, but since the armistice there have been no fewer than 280 industrial disputes, involving about $3\frac{1}{2}$ million persons and the loss of about 44,000,000 working days.

There are only four methods of improving the volume and efficiency of our country's production, and by steadfastly keeping these in front of us a definite policy can be evolved. The four methods are:—

1. An increase in intensity of effort per operative hour.
2. An increase in the number of operative hours per individual per day.
3. An increase in the number of operative individuals.
4. A perfecting of methods, processes and organizations, thereby eliminating waste of operative hours.

Reduction in hours is a legitimate step in the progress of social reform, but it is brought into being at a time when this country cannot afford to work fewer hours, and to-day it is perfectly clear that we cannot go on working fewer hours. In a few industries the reduction is justified, but in the majority it is not. In the shipyards and in the coal-mines there is a considerable amount of preventable and avoidable absenteeism.

Lord Weir mentioned three factors, each illustrating the necessity for freedom of employment:—(1) the influence of technical progress on employment; (2) abnormal demand; and (3) the development of industrial methods and processes.

In regard to abnormal demand, there are two outstanding examples—the building trades and the iron moulding industry. To-day we are urgently in need of additional houses, and the men available to build them are walking about unemployed because employment is not free. Six months have been spent in negotiation between the Ministry of Labour and the trade unions in a matter where the national interest is paramount. In some London districts where new houses are badly required it is proposed to start relief work to provide employment. Could anything more farcical or insincere be imagined?

Trade unionism to-day obstructs the employment of the unskilled and recognizes only a dead level of the skilled, with the result that development on specialized lines for mass production to reach a world market is retarded or prevented. This handicap imposed on the directional authority produces inefficient production, with its consequential results. A vast army of nondescript labour, only in need of training and guidance to enable it to raise its standard of living, its self-