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Cutting Productivity to Create Jobs Yields a Poor Bargain for Consumer

EXPERTS say we need three million new jobs every year—jobs that don't exist now, not just old jobs filled by new people.

Proposals being made to accomplish this do not call for increased output, more work done, or more efficient operations that would benefit workers, consumers, buyers and sellers.

Plans being advanced call for producing less at higher prices, workers being paid more for doing less, increasing costs, boosting inflation, raising prices and reducing profits.

Negotiators for the United Auto Workers put across their demands for 12 more paid days to go with 33 paid days of idleness workers already receive. Who pays for this time off?

Leaders also are demanding 35-hour weeks, and four-day weeks, claiming this will create more jobs. It will not, because either scheme would put more people into the same jobs, drawing more pay for producing the same, or possibly less.

Congress failed to pass legislation this year to raise the minimum wage as demanded by labor, but unions will be back again early next year with a new bill.

The law that died this year called for \$3 an hour, with an automatic escalator clause to effectuate further increases based on percentage changes in the Consumer Price Index (CPI). As CPI mirrored inflation caused by the higher wages, the latter would spiral freely to \$5, \$10 or whatever per hour.

Minimum wage scales apply primarily to unskilled and semiskilled workers, but when these basic pay rates are raised, higher pay is needed for skilled workers to maintain

differentials. Every boost in minimum wages is an escalator for all pay scales.

The minimum wage was enacted in 1938 when the Fair Labor Standards Act cut the workweek to 44 hours. The first minimum was 25 cents an hour, raised to 30 cents for the next six years, and went to 75 cents in 1949. It reached \$1 an hour in 1955, and now stands at \$2.20 an hour.

Many argue that minimum wages have contributed to unemployment. Teenagers can't find jobs. Home-owners are doing more repair and maintenance work. Businessmen leave many small jobs undone, because they aren't worth the price of the labor.

Meanwhile, only minimal consideration has been given to relief of a problem that, if provided, could result in thousands of new jobs being created by private industries and businesses.

Under our tax structure, the government takes as much as 48 per cent of a corporation's profits before owners get any. Dividends paid to shareholders then are taxed again. In many cases, this system severely restricts funds needed for expansion.

It is no solution to unemployment to put more workers on government payrolls, unemployment benefits, "made-work projects," or welfare. These are only temporary expedients, however. They are costly and do not increase productivity or promote real prosperity.

Nevertheless, the political atmosphere is conducive to the futile philosophy of paying more and more for producing less and less until finally everybody is overpaid for producing nothing—and hardly anybody will have anything of real value.