

him that, although the movement for shorter hours has been delayed by the armaments race, it remains, as Mr. Ramadier said, a necessity, because the essential causes which are making for shorter hours continue to operate. I was glad to note that Mr. Lambert-Ribot at the close of his interesting speech did not quarrel with this conclusion, as he recognized that shorter hours are a necessary consequence of technical progress.

"As I pointed out in my report, when the pace of the armaments race begins to slacken, 'the tendencies making for a reduction of hours will have been accentuated rather than diminished. The problem will not only remain, but its solution will have become more urgent. Hence, although there is a temporary pause due to the tremendous drive for the production of war material in most of the principal industrial countries, there is no reason for supposing that the movement towards shorter hours has been arrested or reversed.' A good deal of evidence has been adduced to support this conclusion during the debate.

"It appears to be generally admitted that the intensification of production and the fatigue which results from it have generated an instinctive movement towards shorter hours. Mr. Moston has shown that the forty-hour week is working successfully in New Zealand. Miss Perkins has explained how the reduction of hours by collective agreement is likely to be reinforced by Federal legislation in the United States. Mr. Ramadier has shown that the difficulties to which the forty-hour week has given rise in France have been considerably exaggerated, and with the necessary adaptations will no doubt be overcome. Mr. Culley has told us that the forty-five hour week has become general in Australia, largely owing to the adoption of the Forty-Hour Week Convention by this Conference; while Mr. Lowe, though an opponent of the forty-hour week, considers the establishment of a forty-five hour week in his own trade in Ireland as a matter for congratulation.

"All the evidence goes to show that shorter hours are not merely desirable in themselves, but that they constitute one of the essential methods of meeting technological unemployment. That does not mean, however, that the widespread unemployment produced by trade depression can be successfully coped with simply by reducing hours. To avert such depressions it is necessary, as Mr. Harriman, American employers' delegate said, to maintain the purchasing-power of the people by a proper distribution of the national income and by securing a correct balance between productive capacity and effective demand. But, although the tendency towards the reduction of hours is inherent in the whole development of modern industry, it can hardly be denied that the competitive piling up of armaments is hindering its rapid realization in a number of countries. You can have excessive armaments or you can have social progress, but in the long-run you cannot have both. To say this is not so much pessimism as an economic platitude.

"Mr. Hallsworth, British workers' delegate, took me to task for suggesting that the manufacture of armaments may produce any good whatever. I entirely sympathize with him in his dislike of the diversion of national resources to the production of arms. But it can hardly be contested that large-scale expenditure on armaments does create employment and stimulate the demand for raw materials for the time being. Economically and socially, works of public utility would no doubt be vastly preferable; and the apprehensions which have been frequently expressed by business men and economists are sufficient to indicate that the ultimate consequences of excessive expenditure on armaments may be very serious. In the long-run, as Mr. Knob, Hungary employers' delegate, says, armaments must reduce living standards, and to that extent the appearance of prosperity which they produce is artificial. Both he and Mr. Watt emphasized that nothing is more important than planning to prevent the slump which exaggerated expenditure on armaments may be expected to produce in the future. It is unfortunate that the resolution presented by Mr. Watt, Mr. Chu, and other delegates from the workers' group proposing that the Office should make an inquiry into this matter could not be discussed under the Standing Orders. I should like to assure them, however, that this is not a matter which the Office is neglecting. It has already published two articles on the subject in the International Labour Review, and they may be certain that the study of the question which has already been begun will be continued. I will see what can be done to initiate the study suggested in the second paragraph of the resolution.

"There is, moreover, one aspect of this question to which reference has been made by Mr. Ernest Brown, Minister of Labour, Britain, Sir Firozkhan Noon, Indian Government delegate, and other speakers which deserves particular attention. One of the outstanding characteristics of the last depression was the collapse of agricultural prices. It is impossible to see how the great agricultural countries in America, Asia, or Eastern Europe can maintain their consumption of industrial goods unless they can obtain a reasonable return for their foodstuffs and raw materials. This is an essentially international problem. Unless the great consuming countries of Western Europe and North America can maintain their purchases of rubber, tin, wheat, sugar, coffee, tea, wool, cotton, and so on, it is idle to expect any