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# Labor Problems and Labor Administration in the United States During the World War

By

GORDON S. WATKINS, PH.D.

Assistant Professor of Economics  
University of Illinois

## PART I

Nature and Analysis of the Problem





## PREFACE

The principal aim of this study is to present statistical and other informational data concerning the numerous labor problems that arose in the United States during the recent war, and to outline the development of war labor administration. The data were gathered during the war period and the study was completed shortly after the cessation of hostilities. No pretense is made to discuss the developments that have taken place in the period of reconstruction, except where it has seemed necessary to add data to round out certain phases of the presentation. The conclusions in the final chapter were formulated in the light of the war experiences of the United States and, altho the months subsequent to the signing of the armistice have uncovered developments that may seem to invalidate some of the conclusions regarding the future relations of capital and labor, the author is still of the opinion that his analysis has adequate basis in fact and that future developments will sustain his conclusions.

This opportunity is taken to express the writer's appreciation of the very valuable criticisms and suggestions made by Professor John A. Fairlie of the University of Illinois, who has read the manuscript. The author is especially indebted to his wife, Anna E. Watkins, whose constant coöperation has made this study possible.





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## INTRODUCTION

It is now a commonplace observation that the World War caused unprecedented readjustments in the political and economic organization of the belligerent powers, and in its wake left many unexpected modifications in the social structure of the civilized world. Perhaps no similarly brief period in the history of the world has been so pregnant with unique national experiences, and surely none has resulted in more far-reaching political, economic, and social readjustment. In almost every department of national life the familiar, under the pressure of innumerable exigencies of the titanic struggle for national existence, gave way to the novel both in the realm of the theoretical and the practical. We found ourselves accepting, as a *modus vivendi ad interim* at least, theories and policies that, altho not foreign to us, had not been unqualifiedly endorsed. For the student of history, whether social, political, or economic, it is much easier to think of the period of the World War in terms of revolution rather than of evolution, and to interpret the events of that time he must accordingly adjust his mental perspective.

To those interested in the development of economic theory and economic policies the war period was especially rich in interesting experiences, for there was not only widespread disregard of commonly accepted economic doctrines, but a wider abandonment of customary economic practices. At every turn in the road of economic reorganization for war the freedom of the individual was restricted and the power of the state augmented. As we shall point out later, this unprecedented development of government regulation took place in all departments of our industrial organization, but nowhere was that development more interesting and, at times, more extensive than in the field of labor. The important place which labor holds in productive processes necessitated careful consideration of hitherto neglected problems of industrial relations which became more serious during the great emergency. Furthermore, altho the formulation

of a constructive labor policy and the organization of a war labor administration were slow in maturing, when final development was reached they were of more than passing interest to the student of industrial relations. That is why this study of the labor problem in the United States during the World War has been made. If the policies and methods of dealing with the labor situation during the emergency of the last few years contained nothing new and suggestive such a study would be of only historical value, but it is now generally agreed that our experiences during the war have contributed much toward the solution of the maladjustment in industrial relations and the problem of labor administration.

The purpose of this brief study is: (1) To outline the labor problem during the war; (2) to trace the main lines in the development of war labor administration in the United States; and (3) to point out the value of our war-time experiences in the creation of permanent labor policies. The first part of the essay is devoted to an analysis of the elements in the labor problem during this period, and in the second part are considered administrative methods and policies, including the adjustment of industrial disputes. In the concluding chapter are suggested the lessons that have been learned and the problems of the reconstruction period, altho most attention is directed to a consideration of the new point of view which is evidenced in the management of industry as it affects labor. For upon the spread of a more amicable and conciliatory attitude between labor and capital depends, we believe, the establishment of industrial peace.

That the United States, in dealing with the exigencies that may arise in the realm of industrial relations in future years, will be able to draw extensively upon the experiences of the war period, there seems little room for doubt. In those experiences there may be discovered the long desired solution of our labor problems, and the pattern for administrative machinery that will prove adequate for dealing with the perplexing problems of production arising out of the employment of labor. It will profit our people little to have secured the guaranty of justice and peace in international political relations if within our own boundaries we fail to establish a solid foundation for fair dealing and amicable relations in industry. In the light of the data

presented in the following pages it may be possible to formulate some definite conclusions concerning the practicability of maintaining industrial peace under normal conditions, since it was measurably guaranteed under the trying circumstances of a titanic war. The necessity and desirability of such a peace is generally recognized; acceptable and effective methods of establishing it have yet to be devised, unless these means are contained in the labor policies of the last few years.





## PART I

### Nature and Analysis of the Problem



## CHAPTER I

### ECONOMIC REORGANIZATION AND THE LABOR PROBLEM

The outbreak of the great war in the summer of 1914 unleashed the forces of one of the most efficiently organized nations the world has ever known. That efficiency of organization was characteristic not merely of Germany's military and naval establishments, but was equally true of her industrial machinery. The enemies of Germany gradually learned that in order to defeat her they must imitate her in military, economic, and political coördination. In this case imitation meant not suicide, but life. Germany's success was due largely to concentration of authority and coördination of administration in every department of her national life. However distasteful such concentration of authority and coördination of administration might prove to the more individualistic Latin and Anglo-Saxon mind and temperament, the necessity, born of war, forced readjustment to the policies of their autocratic antagonist.

The United States did not escape the necessity of economic and military reorganization for war. Active participation in the conflict brought her innumerable complex problems which she was not immediately able to solve. Three years of molested neutrality and violated sovereign rights, and the deepening premonition of our people that sooner or later we should become involved in the European conflict failed to cause very serious military and economic readjustment for the impending emergency. Industrially, however, it cannot be said that we were quite so inadequately equipped to assume the burden of war. Under the stimulus of an enormous European demand for war materials and other supplies, which resulted in a very high level of prices, our industrial machinery had quickly and feverishly reacted, and a fairly complete transition to a war basis had been effected, so that on April 6, 1917, when we finally declared war on Germany, our industries were able to assume the burden, at least to an appreciable extent. Nevertheless, a state of war soon



revealed the inadequacy of even our economic organization to meet the demands of a great emergency.

It immediately became apparent to our government that production of materials must be stimulated and even new sources of supply created; that there must be greater coördination and increased efficiency in the distribution of the necessary products; and that as a nation we must practice greater economy in the consumption of essential commodities and more rigid curtailment in the production and consumption of non-essentials. All these conditions were necessary prerequisites to successful prosecution of the war. To attain these ends, moreover, it was clear that there must be unprecedented reorganization of industry, seeming if not actual violation of cherished constitutional rights and guaranties, and the abandonment of our traditional policy of *laissez-faire*. In other words, for the duration of the war individualism must give way to an extension of governmental interference.<sup>1</sup> We were to experience, as subsequent events proved, the greatest extension of government control and regulation in the history of our people.

One fact stood out in unmistakable proportion in the experiences of the European belligerents, namely: that successful conduct of the war was largely dependent upon centralization of control and coördination of administration in industrial organization. Disregard of the common experience of other belligerents was scarcely to be expected in the United States, and thus, as in other countries, unrestricted competition and the free play of economic forces gave way in large measure to public regulation. Our primary task was to marshal all of our military and economic forces, at whatever cost to traditional methods and philosophy, for the winning of the war.

### 1. ECONOMIC READJUSTMENTS

In order more clearly to understand the meaning and appreciate the significance of labor conditions in the United States

<sup>1</sup> This statement is not intended to imply that the United States has had in recent decades a purely individualistic policy. Absolute individualism and strict adherence to the doctrine of *laissez-faire* have of necessity long since passed away, for, as Professor Henry C. Adams has pointed out in his *Relation of the State to Industrial Action*, public regulation and interference must proceed along with the advance of trade and industry under private initiative and control.

incident to the war and the labor policy of our government, it is necessary at this juncture, even at the risk of repetition of very familiar facts, to consider briefly some of the economic readjustments effected in this country subsequent to the declaration of war on Germany. A few examples of this industrial readjustment for war will be sufficient for our purpose here.

America's first official step towards industrial preparedness for war had been taken as early as August 29, 1916, when Congress passed a law providing for the creation of a Council of National Defense.<sup>2</sup> This council, however, was not fully organized until March 3, 1917.<sup>3</sup> The function of this body was the coördination of the industries and resources of the country for the national security and welfare, and the "creation of relations which will render possible in time of need the immediate concentration and utilization of the resources of the nation." Upon the outbreak of the conflict it became the particular function of the council to mobilize speedily the nation's economic resources for the conduct of the war. The objectives of this mobilization were greater production, more efficient distribution, and more economic consumption of the essential products. The imperative need was for ships, munitions, food, fuel, wool, lumber, etc. In short, the whole field of production, distribution, and consumption of commodities was demanding attention.<sup>4</sup>

To aid in the solution of these complex problems the nation summoned her business experts, and gradually the program of economic reorganization was effected. To the War Industries Board of the Council of National Defense was entrusted the task of fitting our industries for the emergency. The specific functions of this board, according to President Wilson, were as follows: (1) The creation of new facilities and the disclosing, if necessary the opening up, of new or additional sources of supply; (2) the conversion of existing facilities, where necessary, to new uses; (3) the studious conservation of resources and facil-

<sup>2</sup> Public H. R. 17498. This Council consisted of the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor, with an advisory committee of prominent business men.

<sup>3</sup> *First Annual Report of the Council of National Defense*, 1917, p. 6.

<sup>4</sup> *Ibid.* For the outline of the structure and functions of the Council see H. R. 17498, or the above report.

ities by scientific, commercial, and industrial economies; (4) advice to the several purchasing agencies of the government with regard to prices paid; (5) the determination, wherever necessary, of priorities of production and of delivery, and of proportions of any given article to be made immediately accessible to the several purchasing agencies when the supply of that article became insufficient, either temporarily or permanently; and (6) the making of purchases for the allies.<sup>5</sup>

In response to the demand for greater production and more economical consumption of food and fuel, Congress, after much debating and almost unpardonable delay, finally passed the Lever Act on August 10, 1917. This was an act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.<sup>6</sup> On the same day that the Act was passed President Wilson appointed as Food Administrator Mr. Herbert C. Hoover, who had very efficiently organized the Belgian Relief work. Mr. Hoover soon organized the Food Administration, whose efforts were to be directed to the following: Guiding trade in the fundamental food commodities so as to eliminate vicious speculation, extortion, and wasteful practices, and to stabilize prices in the staples; guarding our exports so that against the world's shortage we might retain sufficient supplies for our own people and coöperate with the allies to prevent inflation of prices; and stimulating the conservation of food in order that exports to our allies might be increased to a point that would enable them to supply their own armies and feed their people during the war.<sup>7</sup>

On August 23, 1917, Harry A. Garfield, president of Williams College, was chosen by President Wilson, acting under the authority of the Lever Act, to head the Fuel Administration. Mr. Garfield set the following tasks for the Fuel Administration: To secure the largest possible production of fuel; to guarantee a just price to the producer and a reasonable one to the consumer; to eliminate wasteful consumption of fuel; to secure a more effi-

<sup>5</sup> *Official Bulletin*, March 6, 1918, p. 1.

<sup>6</sup> Public — No. 41 — 65th Congress (H. R. 4961).

<sup>7</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, September, 1917, p. 67. Washington, D. C.



cient distribution of fuel supply; and to enforce adherence to these regulations.<sup>8</sup>

Under authority of an Act of Congress, approved August 29, 1916, making appropriations for the support of the army for the fiscal year ending June 30, 1917, and for other purposes, it was possible for the government to make the necessary reorganization in the country's transportation facilities. Under authority of Section 1 of that Act the President, in time of war was empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same to the exclusion, as far as may be necessary, of all other traffic thereon for the transfer and transportation of troops, material, and equipment for such other purposes connected with the emergency as may be needful or desirable.<sup>9</sup>

After the failure of a pooling scheme in which the railroads sought, by eliminating wasteful competition, to reorganize their facilities for more efficient service, it became evident that the government would sooner or later have to assume control of the railroads. Under proclamation dated December 6, 1917, President Wilson stated that through the Secretary of War, Newton D. Baker, the government would take possession and assume control of the railroads at twelve o'clock noon on December 28, 1917, and that this would include control of all roads and equipment, but that for purposes of accounting this possession and control would date from twelve o'clock midnight, December 31, 1917. In his explanation of this action the President pointed out that the order would increase efficiency in the conduct of the war, and that centralized organization and coördination sooner than private control and operation would win the war. William G. McAdoo was appointed Director General of Railroads.<sup>10</sup> Mr. McAdoo's first statement as Director General was that "The operation of the railroads as a thoroly unified system is of fundamental importance to the success of the war."<sup>11</sup>

<sup>8</sup> H. A. Garfield, *Task of the Fuel Administration*, published by the U. S. Fuel Administration, September 6, 1917, pp. 3, 4.

<sup>9</sup> Public — No. 242 — 64th Congress, H. R. 17498.

<sup>10</sup> *Official Bulletin*, December 27, 1917, p. 1.

<sup>11</sup> *Ibid.*



It was the opinion of many persons that ships would win the war; and it was generally recognized that, if we were to provide our allies with foodstuffs and other necessities, an American merchant marine must be built to overcome the submarine menace. To this end the United States Shipping Board, organized under an Act of Congress approved September 7, 1916, was empowered to regulate carriers by water engaged in foreign and interstate commerce of the United States and to establish and develop a merchant marine.<sup>12</sup> Pursuant to the authority vested in it by section 11 of the Act, the board on April 16, 1917, organized the Emergency Fleet Corporation capitalized at \$50,000,000. This corporation was organized to construct under contract vessels for United States commerce; to control production and inspection of work on such vessels; to provide for new plants and plant expansion; to supervise the completion of requisitioned vessels and operate commandeered yards; to purchase, inspect, and arrange for shipments of shipbuilding materials; and to adjust all legal questions affecting contracts and labor.<sup>13</sup>

In addition to these examples of economic readjustment occasioned by war, the list might be extended to include the organization and functions of the War Risk Bureau of the Treasury Department, through which the government became the largest insurance company in the world;<sup>14</sup> the War Trade Board, organized to regulate imports and exports and to prevent trading with

<sup>12</sup> 39 Stat. L., 728, 729.

<sup>13</sup> *Emergency Fleet News*, February 28, 1918, p. 6.

<sup>14</sup> The entire life insurance written by all stock and mutual companies, and fraternal orders, associations, and societies in the United States during the year 1917 was about \$6,000,000,000. In the first six months of its operation the War Risk Bureau had written insurance for more than 1,700,000 soldiers, sailors, and nurses for a grand total of \$14,000,000,000, with an average valuation of \$8,500. The government was several hundred per cent the largest insurance company. *Official Bulletin*, April 17, 1918, p. 1. The first year the bureau handled over 8,000,000 individual applications for insurance, allotments, and allowances, and it cost the government only \$1,500,000 to write \$36,250,000,000 of insurance. *Chicago Tribune*, November 10, 1918. Between October 6, 1917, and April 1, 1920, the bureau had written individual policies numbering up to 4,616,598, representing a total amount of insurance of \$40,182,535,500. Premiums between these two dates amounted to \$325,000,000, and the claims payable amounted to \$1,100,000,000. *Letter from the Treasury Department, Bureau of War Risk Insurance, to the author, April 22, 1920.*

the enemy; the Finance Corporation, the function of which was to control the fields of credit and capital issues and prevent too severe drafts upon the nation's financial resources by unnecessary and non-essential expansion of industrial enterprises under private direction. But sufficient illustrations have been cited to fulfill our purposes here, namely, to point out that the trend of industrial reorganization for the stupendous emergency was characterized by concentration of authority and control, and co-ordination of administration. Throughout the broad field of production and distribution of essential war commodities public regulation supplanted the free operation of the economic law of supply and demand. That this new policy of concentration of control, coördination of administration, and extension of government regulation was necessary under the circumstances there is little room for doubt.

## 2. LABOR PROBLEMS

In the above program of industrial readjustment, however, there was very slight recognition of the serious labor problems that ordinarily accompany the condition of forced production incident to a state of war. Altho the labor problem is not likely to assume a very different aspect in a time of war from that which characterizes it in times of normal production, nevertheless in a time of war its several elements take on a more serious and intense character. The difference is not one of kind but of degree, and this condition calls for more flexible and more adequate machinery of control and adjustment.

A casual glance at the labor situation in the United States during the recent crisis will show, we believe, that the labor problem consisted in: (1) An insufficient supply of workmen, skilled and unskilled, to meet the increased demand for labor resulting from the feverish stimulation of production. This labor shortage was made more acute by virtue of (a) the falling off in immigration which in normal times had been a primary source of unskilled workmen, and (b) the unprecedented withdrawal of millions of workingmen from industry to fill the ranks of the army and navy. (2) A conspicuously great variation in the scales of wages paid in different industries in the same territory, and still more in establishments in different sections of the country. (3) A great increase in labor turnover, due partly to the economic fac-

tor of competition among employers for laborers, which resulted in special wage inducements and consequent labor migration, and partly to certain socio-economic conditions, such as inadequate housing and transportation facilities, that were inevitable wherever rapid industrial expansion took place. (4) An increase in the volume of industrial unrest due to the usual causes, namely: the desire of laborers to organize and secure recognition of the union, the necessity of demanding higher wages to meet the rapidly rising cost of living, and the growing belief among workmen that eight hours should constitute a day's work and that such work should be performed under safe and sanitary conditions.

These usual causes were magnified by the realization on the part of the workingmen that, on account of the shortage of labor, their efforts were indispensable in the successful conduct of the war (a condition that makes a state of war an opportune time for the enforcement of labor's demands), and the prevalence among laborers of the conviction that employers were making unjustifiably huge profits out of the unfortunate international débâcle. (5) Bad distribution of the labor supply due to the absence of adequate governmental machinery for the bringing together of the jobless man and the manless job, and the transfer of workers from non-essential to essential industries. (6) A tendency toward decreasing labor efficiency which was due, in part, to the greater independence of workmen who knew that discharge was unlikely to follow the discovery of "loafing on the job;" and, in part, to the fact that the higher rates of wages enabled the men to accumulate sufficient surplus to encourage idling a day or so each week. (7) A tendency to break down the legal safeguards built around labor, especially in the case of women and of children. (8) A spirit of coöperation and solidarity among the laboring forces, growing out of the conviction that labor should be given a larger voice in the control of industrial conditions and in the determination of the economic and political policies of the nation.

Granting that the above analysis approximates a fair degree of accuracy, one can say without fear of exaggeration that the labor problem was one of the most important that confronted our government in its industrial reorganization for war. The funda-



mental rôle played by labor in the production of war materials necessitated, as a preliminary step in the execution of the nation's war program, formulation of a definite war labor policy and the creation of adequate executive, judicial, and administrative machinery for handling whatever exigencies might arise in the labor situation. A satisfactory war labor program, however, was not evolved immediately, and there was current much severe criticism of the government for what was characterized as its dilatory methods in dealing with this important problem. The following excerpts from a leading newspaper will suffice to reveal the nature of this criticism.

Any manufacturer could have told the government that the labor problems would have to be settled at the outset if our war program was to be carried on without constant interruption and delay. Far-seeing statesmen, with the example of England close at hand, could have devised a policy that would at the same time safeguard the rights of labor and insure maximum production.<sup>15</sup>

The real trouble is that for ten months, ever since the United States entered the war, the Government at Washington has had no labor policy, no central organization for dealing with the infinite variety of labor problems which have arisen.

Meantime, for lack of a labor policy and of a unified plan of handling labor problems the situation has grown steadily worse.<sup>16</sup>

Such criticism was not confined to the daily press, for many serious students of the labor problem voiced similar opinions, and as late as November, 1917, one of these pointed out that: "No system of general adjustment or governmental control has yet been put into operation for dealing with strikes which may arise, indeed have arisen in mines, lumber camps, machine shops, and factories, where munitions and supplies are being produced for the conduct of the war."<sup>17</sup>

It must not be inferred from these criticisms that the government had no labor policy during the early months of the war, for, through the Department of Labor and its subsidiary bureaus and certain adjustment commissions, it was doing much to relieve the situation. The difficulty lay in the absence of centralized control and coördinated administration in dealing with the

<sup>15</sup> *Chicago Tribune*, February 17, 1918.

<sup>16</sup> *Ibid.*, February 3, 1918.

<sup>17</sup> Louis B. Wehle, *Quarterly Journal of Economics*, Vol. XXXII, (November, 1917), p. 132.



labor problem. It will be recalled that in almost every other important phase of industrial reorganization for war a large degree of concentration and coördination had been effected. When the United States entered the war there were only a few governmental agencies authorized to deal with labor matters, and even these were inadequately prepared to handle the serious labor problems that followed in the subsequent months. The Department of Labor was not in sufficiently intimate touch with the production departments of the government, such as the Quartermaster's department and the Ordnance department, to enable it to render the most efficient service in the emergencies that arose, and this may have been the cause for the development by those departments of independent methods for the solution of their own labor problems.

During the early months of our active participation in the war the opinion was current in labor circles that too little attention was being paid to the solution of labor problems incident to the war, and too little recognition given to the rights of labor in the determination of policies of economic readjustment. It was the conclusion of these men that "In order to safeguard all the interests of the wage-earner organized labor should have representation on all agencies determining and adjusting policies of national defense."<sup>18</sup> Samuel Gompers, president of the American Federation of Labor, was a member of the Advisory Council and chairman of the Committee on Labor of the Council of National Defense, but outside of that it can hardly be said that labor was given much recognition and representation on the numerous boards and committees that sprang into existence to effect our economic reorganization for war. On June 27, 1917, Mr. Gompers wrote the Council of National Defense relative to the demands of organized labor for more active participation in the formulation and administration of important national, state, and local boards having to do with special war work. Labor desired representation co-equal with all other interests. "These boards and committees," Mr. Gompers pointed out, "are now composed entirely of business men . . . who control the placing and expenditure of millions of the nation's money. As a

<sup>18</sup> *Report of the Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor, 1917, p. 77.*

matter of precaution, to prevent any charge of discrimination or suspicion of scandal, representation of all citizens contributing to the national fund ought to be on the boards or committees. War contracts must not be allowed an opportunity for private gains and the accumulation of war profits. As a matter of justice and democratic principle representatives of employees as well as of employers ought to determine national economic policies."<sup>19</sup>

Little representation had been given to labor in the determination of policies that involved its own interests, except in the regulation of conditions in the coal mines. By the middle of November, 1917, however, labor's demands for representation had been granted and it was given a place on most of the important national, state, and local boards that had to do with industrial reorganization for war.<sup>20</sup>

Representation of organized labor on the various administrative committees did not solve the complex labor problems that were rapidly taking form and assuming an increasingly serious aspect. In fact no adequate substitute had been devised for the much needed coördinated government policy. This desired co-ordination was not inaugurated until we had been at war almost a year. The analysis of labor conditions that finally made imperative the creation of adequate administrative machinery, and the examination of the development of methods and policies of war labor administration are the tasks outlined in the subsequent chapters of this study.

<sup>19</sup> Quoted in the *American Labor Year Book*, 1917, p. 11.

<sup>20</sup> *Report of the Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor*, 1917, p. 81.

## CHAPTER II

### THE ATTITUDE OF AMERICAN LABOR TOWARD THE WAR

The war labor problem in the United States, the genesis of which has been suggested in the foregoing pages, was the product of two major sets of conditions. There were, first, certain economic and social conditions in American industry which even in normal times had proved a source of irritation to the laboring class, and which, under the abnormal circumstances of war-time, assumed a far more serious aspect. Furthermore, there were many trying economic phenomena arising out of the struggle itself. These economic and social elements in the labor problem are considered at greater length in later chapters. We are concerned here primarily with the second major group of conditions, namely: the mental reactions of the so called proletariat towards the war. A brief analysis of this psychic element and its relation to economic conditions is necessary as a preliminary step to an examination and clear understanding of the war labor problem in its more specific aspects.

The rank and file of the working class did not appear to accept the outbreak and continuation of the World War with any degree of equanimity or approval, until strenuous efforts had been exerted by the various governments in belligerent countries to justify their participation in the conflict. This was as true of the United States, whose purpose in entering the war was heralded as purely unselfish, as it was of the other nations whose benevolent intentions were less clearly defined. The hostile attitude toward the war which was evidenced among the working class was due apparently to the dissemination within its ranks of the socialistic and syndicalistic doctrine that all wars are capitalistic in origin and purpose; that commercial rivalry is the basic cause, the *sine qua non* of international struggles. The economic and commercial rivalry, which developed *pari passu* with colonial expansion among the great powers during the closing years of the nineteenth and the opening years of the twentieth



eth centuries, had focused the attention of the masses upon the resultant burdensome expenditure for military and naval armaments, and the outbreak of the World War strengthened this conviction among the more radical groups in human society. As the war continued, this belief in the commercial character of all such conflicts gained adherents, despite espionage and sedition laws which aimed directly or indirectly at the suppression of all propaganda likely to embarrass the government's war program. Autocratic and democratic governments alike faced the necessity of crushing this revolutionary philosophy which from time to time was responsible for the interruption of production and even threatened complete disruption of essential war industries.

In this, as in many other experiences common to the warring powers, the United States had its share. Our entry into the war brought to light a decided lack of enthusiasm for the struggle, especially among the great mass of workers. This indifferent, if not unfriendly, attitude toward the nation's action was due in part to the widespread propaganda of enemy agents who with untiring and insidious efforts sought to paralyze America's war preparations, and to the dissemination of anti-war philosophy by sincere adherents of the creeds of socialism and syndicalism who saw in war the breakdown of internationalism and further strengthening of the power and authority of the capitalistic class. There was current, of course, the belief that enemy agents worked out their plans through these radical groups of internationalists.

### 1. THE SOCIALIST PARTY AND THE WAR

The attitude of the so-called radical groups toward the war was clearly expressed in the declaration by the Socialist Party of the United States, which reads in part as follows:

The Socialist Party of the United States, in the present grave crisis, solemnly reaffirms its allegiance to the principle of internationalism and working-class solidarity the world over, and proclaims its unalterable opposition to the war just declared by the government of the United States.

Modern wars as a rule have been caused by the commercial and financial rivalry and intrigues of the capitalist interests in the different countries. Whether they have been frankly waged as wars of aggression or have been hypocritically represented as wars of defense, they have always been made by the classes and fought by the masses. Wars bring wealth and power to the ruling classes and suffering, death, and demoralization to the workers.

Our entrance into the European war was instigated by the predatory cap-



italists in the United States who boast of the enormous profit of seven billion dollars from the manufacture and sale of munitions and war supplies and from the exportation of American foodstuffs and other necessities.

We brand the declaration of war by our Government as a crime against the people of the United States and against the nations of the world.<sup>1</sup>

In addition to the above, the majority report of the St. Louis convention recommended, among other things, "Conscious, active, and public opposition to the war, through demonstrations, mass petitions, and all other means within our power."

Altho it is generally conceded that enemy propaganda was partly responsible for the antagonistic reaction of labor to the war, a scientific analysis of labor unrest must seek a satisfactory explanation of labor's state of mind in a complexity of causes. Doubtless enemy propaganda was one of the basic causes of disruption of industry, but there was ample evidence of the fact that unscrupulous employers were overworking this explanation in an attempt to conceal from the public eye the more fundamental and permanent industrial conditions which in the final analysis constitute the primary cause of industrial conflict in time of war as in time of peace. One need but examine the situation in the Arizona copper mines, as analyzed in the report of the President's Mediation Commission, in order to conclude that not one but a plurality of causes produced the seeming disloyalty on the part of the workers.<sup>2</sup> The commission, after an exhaustive study of labor troubles in western states during the autumn of 1917, concluded that it is to uncorrected specific evils, and the lack of a healthy spirit between capital and labor due partly to these evils and partly to an unsound industrial structure, that we must attribute recent industrial unrest. "Sinister influences and extremist doctrine may have availed themselves of these conditions; they certainly have not created them."<sup>3</sup>

In any social analysis of the reaction of the lower strata of industrial society in America toward the war two conditions must stantly be kept in mind, namely: the heterogeneous character of our population, especially in recent decades, and the undesirable conditions that for many years past have prevailed in Amer-

<sup>1</sup> From the Majority Report adopted at the St. Louis Convention of the Socialist Party, April 7-14, 1917, and ratified by referendum.

<sup>2</sup> See Part II, pp. 154-155.

<sup>3</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 25.

ican industries. It is a familiar fact that since 1882 approximately eighty per cent of our immigration has come from southern and eastern Europe, whereas previous to that time fully eighty per cent of our immigrants came from northern and western Europe. It has been repeatedly observed that the earlier immigration brought to us an intelligent, thrifty, skilled, and home-seeking group of people, while the latter has brought to us a heterogeneous mass of illiterate and unskilled persons who differ radically from us in language, temperament, and economic, political, social, and cultural ideals, and who, in a large number of cases, seek not a permanent home but a source of larger income which will enable them to return in seeming affluence to the lands from whence they came. Accustomed to oppression and unschooled in the responsibilities of democratic citizenship, the greater measure of freedom proffered by the New World unleashes emotions and passions long suppressed and encourages free expression of vaguely formulated ideas and as vaguely comprehended ideals. To expect unified patriotic reaction from this differentiated racial and linguistic composition is to look for the impossible in social and psychic phenomena, and such loyalty was not readily forthcoming during the war. The immigrant is not wholly to blame for his lack of devotion to American institutions, for a definite plan of Americanization of aliens is as yet only in its infancy. We have been content to exploit him for economic and political ends. In our industries he has been called by a number, and in our community life he has been nothing more than a "dago" or a "hunkie."

Equally responsible for the absence of a desirable patriotic reaction among the masses were the conditions of employment in American industries which, altho better than industrial conditions in many foreign countries, still are far removed from that state of perfection of which the immigrant dreams as he turns his face westward to the land of wealth and affluence in the New World. There is much room for improvement in our industrial conditions, and it is not strange that a vast number of our workers found little cause for that loyalty which a land of real democracy should inspire. A glance at brief statistical data will make plain what is meant. A Chicago slaughter-house in 1912 paid eighty-two per cent of its workers less than twenty cents an

hour, and the average working week consisted of thirty-seven and one-half hours. Fifty-five per cent of the men received a weekly wage of \$6.37. In the steel industry in the United States in 1910 twenty-nine per cent of the employees worked a seven-day week with a twelve-hour day, and forty-three per cent worked a twelve-hour day for six days a week. About fifty per cent of the workers — unskilled — received less than eighteen cents an hour. Eight per cent of the workers earned less than fourteen cents an hour, and twenty per cent less than sixteen cents an hour. In the same year (1910) not one of the twelve basic American industries paid the average head of a family within one hundred dollars a year of the minimum required for family subsistence, and two-thirds of the twelve paid the heads of families less than \$550 a year. Half of the wage workers' families in the United States had in 1916 an income below the requirements for subsistence.<sup>4</sup>

For some years much has been said of the unequal distribution of wealth in America, and the workers, knowing the facts regarding this inequality, have often listened eagerly to socialistic and syndicalistic reformers. The United States Commission on Industrial Relations observed: "The conviction that the wealth of the country and the income which is produced through the toil of the workers is distributed without regard to any standard of justice is as widespread as it is deep-seated. It is found among all classes of workers and takes every form from the dumb resentment of the day laborer who, at the end of a week's back-breaking toil, finds that he has less than enough to feed his family while others who have done nothing live in ease, to the elaborate philosophy of the 'soap-box' orator who can quote statistics unendingly to demonstrate his contentions. At bottom, tho, there is the one fundamental, controlling idea that income should be received for service and for service only, whereas, in fact, it bears no such relation, and he who serves least, or not at all, may receive most."<sup>5</sup> Among the highest paid workers such as the railroad engineers and conductors, glass blowers, certain steel mill employees, and those engaged in a few of the building trades there has been an approach to a living wage, but this is not true of millions in other occupations. The same investiga-

<sup>4</sup> Parker, Carlton H., *Atlantic Monthly*, Vol. 120, pp. 659, 660.

<sup>5</sup> *Final Report of the Commission on Industrial Relations*, 1916, p. 30.



tion showed that from one-fourth to one-third of the male workers eighteen years of age and over, in factories and mines, were earning less than \$10 a week; two-thirds to three-fourths were earning less than \$15 a week; and only about one-tenth were earning more than \$20 a week. Lost time for any cause was not considered in these figures. From two-thirds to three-fourths of the women workers in factories, stores, and laundries, and in industrial occupations generally were working at wages of less than \$8 a week; approximately one-fifth earned less than \$4 a week; and nearly one-half received less than \$6 a week. Even more unsatisfactory were the earnings of children.<sup>6</sup>

An examination of the income tax returns for ten months of 1914 showed that there were in the United States at that time, 1,598 fortunes yielding an income of \$100,000 or more a year; that there were 44 families with incomes of \$1,000,000 or more, whose members perform little or no service but whose aggregate incomes, totalling at least \$50,000,000 a year, were equal to the earnings of 100,000 wage earners at the average of \$500.<sup>7</sup> Statistics of income for the calendar year 1917 issued by the United States Treasury Department, Commissioner of Internal Revenue, throw further light upon the subject of incomes in this country. The following is a simple summary of the findings of the department:<sup>8</sup>

<i>Income classes</i>		<i>Simple distribution</i>	
		Number in each class	Per cent. of total
\$ 1,000 to \$ 2,000.....		1,640,758	47.25
2,000 to 3,000.....		838,707	24.16
3,000 to 5,000.....		560,763	16.15
5,000 to 10,000.....		270,666	7.79
10,000 to 25,000.....		112,502	3.22
25,000 to 50,000.....		30,391	.87
50,000 to 100,000.....		12,439	.35
100,000 to 150,000.....		3,302	.10
150,000 to 300,000.....		2,347	.07
300,000 to 500,000.....		559	.02
500,000 to 1,000,000.....		315	.013
1,000,000 and over.....		141	.007
Total .....		3,472,890	100.00

<sup>6</sup> *Ibid.*, pp. 31, 32.

<sup>7</sup> *Ibid.*, p. 32.

<sup>8</sup> *Statistics of Income, 1917*, Treasury Department, Commissioner of Internal Revenue, 1919.



Comparing the statistics of the above summary for 1917 with the data for ten months of 1914, it is seen that whereas in the 1914 period there were 44 families with incomes of \$1,000,000 or more, the number of persons who received incomes of that size in 1917 totalled 141, an increase of about 320 per cent. The statistics for 1917 indicate that in that year there were 6,664 persons receiving incomes of \$100,000 or more, of whom 3,302 were receiving incomes of \$100,000 to \$150,000 and 2,347 were receiving incomes of \$150,000 to \$300,000.

Professor W. I. King has estimated that the poorest class of our population (those who possess little or no property except furniture, clothing, and personal belongings) constitute sixty-five per cent of the people and own only about five per cent of the wealth; the middle class, who constitute thirty-three per cent of the people, own thirty-five per cent of the wealth; the rich, who constitute two per cent of the population, own sixty per cent of the wealth. Professor King divides the middle class into the lower middle class or those having perhaps a thousand dollars worth of property, and the upper middle class or those having from \$2,000 to \$40,000 worth of property. The rich he classifies as those who have wealth amounting to \$50,000 or more.<sup>9</sup> These figures imply that less than 2,000,000 people own twenty per cent more of the nation's wealth than all the other 98,000,000. The largest private fortune in the United States is estimated at \$1,000,000,000, which is equivalent to the aggregate

<sup>9</sup> See King, W. I., *The Wealth and Income of the People of the United States, 1915*, Chapter v.

Dr. King's conclusions (which have been frequently quoted) are based on data as to the value of estates probated in Massachusetts and six counties in the southern part of Wisconsin for certain years. The assumption is made that conditions in these states are typical for the whole of the United States; and as there are no records for from two-thirds to three-fourths of the men dying, a round sum is assumed as the average for this large proportion of the total number taken into consideration. How far estimates which depend on assumptions of this kind may be taken as clearly indicative of actual conditions may be open to serious question. The census estimates of wealth indicate that the average wealth per family in Massachusetts has been a good deal more than for the United States as a whole, and more than is indicated by Dr. King's data. It is also probable that residents of Massachusetts own a considerable amount of property in other states, which is not taken into account in the census statistics, and would increase further the total and average wealth of Massachusetts residents.

wealth of 2,500,000 of the so called "poor" class, who own on the average about \$400 each.<sup>10</sup>

In presenting statistics of income and wealth it is necessary to warn the reader that as yet we have in this country no adequate and satisfactory method of measuring accurately the distribution of wealth, and data so presented must be looked upon as estimates rather than as exact determinations.

Government statistics of income, however, show that wealth tends to concentrate in the hands of a few. Excessive profits during the war increased both the bulk and the number of large fortunes. Sufficiently reliable statistical data concerning wealth and income are available to warrant the conclusion of a close student of the labor problem that: "It is a conventional economic truism that American industrialism is guaranteeing to some half of the forty millions of our industrial population a life of such limited happiness, of such restrictions of personal development, and of such misery and desolation when sickness or accident comes, that we would be childish political scientists not to see that from such an environment little self-sacrificing love of country, little ethics, little of gratitude could come."<sup>11</sup>

Modern behavioristic psychology, in its analysis of the peculiar state of mind evidenced by seemingly irresponsible individuals who accept eagerly the class philosophy of such social groups as the Industrial Workers of the World, cannot fail to discover a basic causal relationship between the economic conditions described above and the spread of radicalism. We do not mean to imply that these anti-social traits have no basis whatsoever in the hereditary equipment of the individual. It is generally recognized by modern social psychologists that many persons are by virtue of temperament susceptible to suggestions of any form of radicalism and anti-social philosophy and activity. This state of mind can be explained partly in terms of hereditary characteristics, but it would seem that its explanation must be sought more in the social, economic, and political environment in which it is manifested than in peculiar physical processes of metabolism. Brief consideration of the quantitative character of the common labor groups in American industry will give a little different approach to the psychosis of the mass of workers in rela-

<sup>10</sup> *Final Report of the Commission on Industrial Relations*, 1916, p. 33.

<sup>11</sup> Parker, Carlton H., *Atlantic Monthly*, Vol. 120, p. 662.

tion to their reaction to a national emergency like the recent war.

It has been estimated that in 1910, of the 30,091,564 male workers in the United States who were listed as breadwinners, approximately 10,400,000 were engaged in that unskilled labor from which is recruited the migratory class that swell the ranks of the Industrial Workers of the World.<sup>12</sup> It is further estimated, moreover, that of about 35,000,000 men, women, and children engaged in gainful occupations,<sup>13</sup> 13,000,000 are engaged in occupations that lend themselves to the formation of trades-unions; that of these 13,000,000 approximately 3,000,000 are organized, leaving about 10,000,000 outside the pale of trades-unionism.<sup>14</sup> It is not so difficult to understand the absence of patriotism and a profound sense of loyalty on the part of these millions of workers when one recalls that they constitute the nation's uneducated and unskilled labor whose wages often fail to guarantee even the requirements of subsistence, whose hours and conditions of employment do not conduce to health and efficiency, and who are forced to accept these wages, hours, and conditions because of ignorance of the labor market, lack of intelligent leadership, and the disastrous competition arising out of the actual or potential supply of their own kind which has made successful organization and collective bargaining impossible. Compelled to bargain individually with the employer this mass of unskilled workers has suffered the inevitable consequences — injustice and exploitation.

Here, then, was fertile soil for the seed of radicalism — a group of minds representing every nationality and temperament in the melting pot, susceptible to the concept that war is born of commercialism and is designed to make cannon fodder of the masses and idle rich of the bourgeoisie. It was not strange that these people, so well acquainted with the sinister power of what they term industrial autocracy, should see in war no rainbow of promise for the oppressed proletariat of the world. To teach them the deeper significance of the great struggle between autoc-

<sup>12</sup> Parker, Carlton H., *Atlantic Monthly*, Vol. 120, p. 659.

<sup>13</sup> Most estimates put the total number of gainfully employed persons at 40,000,000. The number of organized workers in the United States today is probably nearer 5,000,000 than 3,000,000.

<sup>14</sup> Secretary of Labor Wilson, *United States Employment Service Bulletin*, July 31, 1918, p. 6.



racy and democracy, between the philosophy of "Might is Right" and the principle that right makes might was no simple task. The task was the more difficult because the masses were less interested in political democracy than in industrial democracy, and because the overthrow of the political autocracy was of far less importance to them than the banishment of industrial autocracy. They did not hesitate to point out that even in democratic America there is a foe more dangerous to the proletariat than the Kaiserism of Potsdam ever could be — industrial despotism. The only war in which they are interested is a class war, and for them that war will continue regardless of the form of political government, until international industrialism is established and the proletariat succeed the capitalistic class in the ownership and control of the instruments of production.<sup>15</sup>

To fulfill successfully its great part in the war the United States needed the full coöperation of the skilled and the unskilled workers. The possibility of enlisting their support was decidedly remote, however, so long as there was prevalent among them the idea — which was not without some foundation — that the war was being made a pretext for widespread profiteering and was producing enormous profits for business enterprisers. To counteract the anti-war philosophy and to enlist the workers' coöperation the government found it necessary to place before them the fundamental issues of the war. Speaking of this matter sixteen months after we had entered the conflict, Secretary of Labor Wilson stated that: "one of the first things we had to deal with . . . was to change that attitude of mind [that all wars are capitalistic in character] on the part of the wage-workers of the country, first through the great leaders of the trades-union movement, and then to the rank and file. . . We had to carry that story to these people through the West, the Middle West, the Far West, and the Pacific Coast — in order to offset the philosophy that they [the I. W. W. leaders] were preaching." <sup>16</sup>

<sup>15</sup> See the preamble to the Constitution of the Industrial Workers of the World; the Manifesto of the Socialist Party, 1919; the Manifesto and Program of the Communist Party of America, 1919; and the Program of the Communist Labor Party of the United States, 1919.

<sup>16</sup> *U. S. Employment Service Bulletin*, July 31, 1918, p. 6.

## 2. LABOR AND PRODUCTION

As a result of the radical ideas that were permeating the ranks of labor, and of certain undesirable conditions of employment, the production of essential war supplies was repeatedly interrupted. At a conference of shipbuilders and shipworkers called by the National Shipbuilding Labor Adjustment Board in Philadelphia several months after we entered the war, a representative of a large shipbuilding company stated that the men were loafing in the yards; that his company was five months behind in turning out government contracts because the men would not work. The only solution he thought was for the government to give the shipyards military protection to serve, of course, as a sort of *vis a tergo*. To this suggestion of military aid a representative of labor retorted that we are not living in Russia.<sup>17</sup> This criticism of labor inefficiency was merely the echo of the general denunciation of labor voiced in newspapers and trade journals. It was said that the workmen remained at their jobs for a six day period or only long enough to accumulate sufficient amounts to enable them to idle for extended periods, and that the ten per cent bonus paid under the authority of the United States Shipping Board to men working six days a week was, therefore, not producing the desired results.<sup>18</sup> Labor's policies and methods were considered the greatest menace in the country<sup>19</sup> and, due to the insistence of the unions in taking advantage of the situation to urge an eight-hour day "and other measures calculated to reduce rather than increase the output," the weekly per capita production of skilled labor was said to have steadily declined following our entry into the war.<sup>20</sup>

The above criticisms of labor's policies in war-time were voiced by representatives of the employing class who may have unduly denounced labor's methods and policies. For this reason some may question the validity of their attacks upon labor. But even impartial observers of the labor situation during the early months of the war concluded that the spread of strikes and general industrial unrest was embarrassing to the cause which the

<sup>17</sup> *Iron Age*, Vol. 101 (No. 3), p. 235.

<sup>18</sup> *Ibid.*, Vol. 101 (No. 5), pp. 332, 333.

<sup>19</sup> *Ibid.*, Vol. 101 (No. 8), p. 496.

<sup>20</sup> *Ibid.*, Vol. 101 (No. 5), pp. 359, 360.

nation had championed. The President's Mediation Commission, whose work is described in detail elsewhere in this study,<sup>21</sup> in its investigation of the labor situation in the West during the early months of our active participation in the war found that effective conduct of the nation's war program was suffering needlessly because of: (1) interruption of work due to actual or threatened strikes; (2) purposed decrease in efficiency through the "strike on the job;" (3) decrease in efficiency due to labor unrest; and (4) dislocation of the labor supply.<sup>22</sup> The commission, however, attributed the disruption of production, not to any wilful disloyalty or un-Americanism on the part of labor, but to very serious and fundamental and unremedied but remedial defects in our industrial system. There is no reliable statistical proof of conscious inefficiency on the part of labor during the war, but personal observation of industrial and construction work, especially in the construction of army cantonments, indicated that "soldiering on the job" was a common practice.

Whatever the cause—whether conscious disloyalty on the part of labor, or certain fundamental deficiencies in our industrial organization—the fact remained that the nation's war work was being retarded, if not disrupted, because of labor difficulties. The declaration of war seemed a signal for a general presentation of labor's demands for shorter hours, higher wages, recognition of the union, better condition of labor, etc. At one time railroad employees filed with the Railroad Wage Commission a demand for increased wages aggregating \$500,000,000, or about one-half of the operating income received by the roads in the fiscal year 1917, and this involved increases for the various groups of laborers of from twenty to sixty per cent.<sup>23</sup> The efficiency of the shipyard employees of the country was said to have been reduced about thirty or fifty per cent because of purposeful idling.<sup>24</sup> Strikes had become so general and menacing that early in March, 1918, a bill was introduced in the House of Representatives making it a crime for workmen to conspire to prevent the production of war materials, thus forbidding strikes in munition plants. This measure was passed by a vote of 255 to 50,

<sup>21</sup> See Part II, pp. 150-155.

<sup>22</sup> *Official Bulletin*, February 11, 1918, p. 14.

<sup>23</sup> *Iron Age*, Vol. 101, (No. 6) p. 392.

<sup>24</sup> *Ibid.*, Vol. 101, (No. 7) p. 450.



but later proved unacceptable because of certain amendments insisted on by labor advocates which made it a feeble instrument in suppressing strikes. However, a bill known as the Sabotage Act, entitled "An Act to punish the wilful injury or destruction of war materials, or of war premises and for other purposes" was signed by the President on April 23, 1918. Like the previous measure this Act imposed a maximum fine of \$10,000 or imprisonment of not more than thirty years, or both, for wilful injury or destruction of war material, war industries, or war utilities.<sup>25</sup> According to the Department of Justice, this was the most important and sweeping of all war statutes relative to hostile or anti-war activities.<sup>26</sup> Many other measures were introduced and some were passed which were designed directly or indirectly to prevent industrial violence and syndicalistic propaganda.

Among the important measures designed to prevent the spread of disloyalty, one which organized labor feared might be aimed indirectly at its several functions was Senate Bill 4471 introduced by Senator Walsh of Montana, on May 2, 1918, and passed by the Senate on May 6, 1918.<sup>27</sup> It declared unlawful associations purposing by physical force, violence, or injury to bring about any governmental, social, industrial, or economic change in the United States, and prescribed punishment for persons engaged in the activities of such associations, and for other purposes. The measure provided that any association, organization, society, or corporation, one of whose purposes or professed purposes was to bring about any governmental, social, industrial, or economic changes within the United States by the use, without authority of law, of force, violence or physical injury to person or property or threats of such injury to accomplish such change for any other purpose, and which, during any war in which the United States is engaged, should by any means prosecute or pursue such purpose or professed purpose, or should teach, advocate, advise, or defend the same, should be declared to be an unlawful association. Any persons who acted or professed to act as officers or representatives of such association, or wrote,

<sup>25</sup> Public No. 106, 65th Congress, second session.

<sup>26</sup> *Official Bulletin*, April 26, 1918, p. 3.

<sup>27</sup> *Report of the Proceedings of the Thirty-eighth Annual Convention of the American Federation of Labor*, 1918, pp. 121, 122.

published, or spoke anything in defense thereof, or who contributed anything as dues or otherwise should be punished by imprisonment for not more than ten years or by a fine of not more than \$5,000, or by both such fine and imprisonment. Even a person who granted use of premises for assemblage of persons who planned any governmental, social, industrial, or economic change was to be punished by imprisonment of not more than one year, or a fine of not more than \$500, or both.

The sponsor of the above measure took care to explain that it was not intended in anywise to affect the legitimate organization of labor.<sup>28</sup> The formulation of the measure, however, was doubtless aimed at the organization and activities of the Industrial Workers of the World, the Nonpartisan League, and similar organizations which were decidedly active in the State of Montana — the home of Senator Walsh — and other western states. About that time the hanging of Frank Little, a labor agitator in Butte, Montana, caused some consternation in the ranks of American labor, and led to many demonstrations against the revival of the "illegal, coercive" methods of the Vigilantes and Loyalty Leagues.

### 3. LABOR CONSCRIPTION PROPOSED

A member of the British Labor Commission which visited the United States in 1917 stated that if there had been one-eighth of the labor troubles in Great Britain that were current in the United States, his country would have been forced to conclude a disgraceful peace with Germany.<sup>29</sup> That the magnitude of labor unrest in this country commanded the attention not only of foreign observers but of our own statesmen and government is evidenced both by legislation designed to remove any conditions likely to embarrass our war program, and by widespread agitation for labor conscription. The almost incessant stream of strikes and the prevalence of sabotage propaganda led to a demand by employers and politicians, and quite generally by the press, for legislation providing for conscription of labor during the period of the war. Among the ardent supporters of labor conscription were Senators Sherman of Illinois, Nelson of Min-

<sup>28</sup> *Ibid.*, p. 122.

<sup>29</sup> Quoted by Senator Nelson at a meeting of the Senate Commerce Committee, December 26, 1917. *Chicago Tribune*, December 27, 1918.

nesota, Bankhead of Alabama, Smoot of Utah, and Fall of New Mexico. These statesmen predicted that conscription of labor would be effected in the United States before the war ended; that if conscription of labor was not provided for by law it must be done as a military measure; otherwise the United States would go down to defeat in the war and our boasted liberty would amount to nothing.<sup>30</sup>

The essence of the argument advanced by labor conscriptionists was that conscription of labor constitutes no greater violation of individual rights than does compulsory military service under the selective draft law. To this contention — admittedly having some logical basis — those who opposed it retorted that conscription of labor must be accompanied by a similar conscription of wealth.

From a complexity of causes, including the absence of a well defined governmental war labor policy, the labor situation was assuming a very serious aspect, but those persons who were directly responsible for the execution of the nation's production program were not favorably impressed with the suggestion for labor conscription. Their attitude was based on: first, the position that conscription of labor would logically necessitate a similar conscription of wealth; and, second, the ground that compulsory drafting of workers would be inexpedient and impracticable, for it would arouse the resentment of the labor forces and result in marked decrease in labor efficiency, if not in open rebellion. Mr. Raymond B. Stevens, vice-chairman of the United States Shipping Board and treasurer of the Emergency Fleet Corporation, stated to the members of the Senate Commerce Committee at its meeting on December 26, 1917, that altho the corporation would soon need 300,000 additional laborers to complete its program during 1918, he was sure that American labor would do more for the country if it were not coerced than it would "with a bayonet at its back," for the latter policy would instigate a general uprising of labor.<sup>31</sup> The chairman of the Shipping Board, Mr. Edward N. Hurley, a few months later — March 26, 1918 — in his address before the National Marine League at New York, expressed a similar opinion,<sup>32</sup> and a like

<sup>30</sup> *Chicago Tribune*, April 12, 1918.

<sup>31</sup> *Ibid.*, December 27, 1917.

<sup>32</sup> *Official Bulletin*, March 27, 1918, p. 13.



position with regard to labor conscription was voiced by Secretary of the Navy Daniels in his address before the American Alliance for Labor and Democracy at New York, February 22, 1918.<sup>33</sup>

Regarding the labor troubles that confronted the nation and the proposal for labor conscription, Secretary of Labor Wilson in his annual report stated the following:

With the coming of the war, traditional cleavages between employers and wage earners were accentuated. The Department is of course aware of proposals, more popular earlier in the war than now, to settle labor disputes by coercing wage earners. But these proposals are both unfair and impracticable. They are also widely regarded, and not without reason, as unpatriotic. It is enough to say of them here that in the view of this Department public sentiment cannot be expected to tolerate conscription of labor for private profit. Should industrial conscription become really necessary in order effectively to prosecute the war, a policy less likely to be considered one-sided would be desirable. It would seem—that is, if workers were to be conscripted for industrial purposes—that the working opportunities to which they were assigned ought to be commandeered, so as to make such workers not coerced servants but employees of the Government itself.

There is, however, no reason for apprehending a necessity for any kind of labor conscription in order to settle or prevent disputes between employers and their employees which may interfere with a vigorous prosecution of the war.<sup>34</sup>

The unmistakable opposition of leading government officials to the plan for conscription of labor, together with the united resentment of the leaders and the rank and file of labor proved sufficient barriers to its adoption, and most of the agitation for legislation along these lines died as rapidly as it had been born, altho there were many persons in private and in public life who still cherished the conviction that such a policy was necessary and just.

#### 4. THE LOYALTY OF LABOR

The general impression one receives from reading the facts and opinions presented in the preceding pages would seem to be that labor's loyalty in the war was of an uncertain if not questionable nature. Thus far the case appears to have been against labor. Can nothing be said in defense of the loyalty of that conspicuous majority of labor leaders and workers who, ostensibly at least, constitute the more conservative elements in our

<sup>33</sup> *Ibid.*, February 25, 1918, p. 7.

<sup>34</sup> *Fifth Annual Report of the Secretary of Labor*, 1917, p. 159.

laboring population? Here we shall have to examine the opinions and activities of these men, verifying them wherever possible with data and observations from unprejudiced sources.

To the student of social philosophy one of the most interesting phenomena of the war was that during the war a change of attitude was evidenced by many recognized leaders of labor, both radical and conservative. This changed point of view took place among many exponents of proletarian interests in every belligerent country. Not a few leaders in the thought and activity of the Socialist party in every country deserted the pacific position of pre-war days and vowed unquestioned loyalty to their respective governments. The Socialists of Germany were frequently accused of alliance with the autocratic defenders of the former economic and political systems, and many of the Socialist leaders of France and Great Britain supported their respective governments in the prosecution of the war. Abundant evidence exists of the validity of the observation made in a recent historical analysis that: "The Radicals and Unified Socialists rallied to the support of the government with the other parties and France presented a united front to the invader," while in Germany: "The Socialists rallied to the support of the government, and in deeper patriotism sloughed off the superficial internationalism they were so fond of professing."<sup>35</sup>

In the United States, pacifists like Clarence Darrow and socialists like Upton Sinclair, John Spargo, J. G. Phelps Stokes, and William English Walling grew militant against the jungle philosophy and activities of Prussianism. It is not to be implied, of course, that these leaders of the more radical elements of society abandoned permanently their opposition to war as a method of settling international disputes. The truth seems to be that they, like many others, found in this war a justifiable basis for the use of force to crush the enemies of democracy and justice. Furthermore, many recognized leaders, like Bertrand Russell, in England, Romaine Rolland in France, Karl Liebknecht in Germany, Hillquit, Debs, Berger, and Germer in the United States did not abandon their opposition to the war.

Outside of the Industrial Workers of the World and the faithful Socialists who never retrenched from their antagonism to the war, the officials and mass of the more conservative organiza-

<sup>35</sup> Holt and Chilton, *European History, 1862-1914*, pp. 523, 524, 529.



tions of labor in the United States claimed indisputable loyalty to the government in the great emergency, and contended that the disruption of industry was due either to enemy agents or to the radical anti-war philosophy of the American syndicalists and socialists. In an attempt to ascertain the nature of the reaction of American labor to the war a personal inquiry was sent to recognized labor leaders who are in close touch with the mental attitudes of the rank and file of labor. Without a single exception the answers expressed the belief, supported with data on liberty loan investments and other manifestations of war support, that American labor was unquestionably loyal throughout the war. The following excerpt from these replies is characteristic of them all: "There is no question that organized labor has been loyal to the Government and to our country in the present war. As a matter of fact the representatives of organized labor on March 12, 1917, nearly a month before we were declared to be in a state of war with Germany, met in Washington and declared their purpose to stand squarely in back of our Government if we were drawn into the European War."<sup>36</sup> From every state in the Union similar expressions of labor's loyalty were received.<sup>37</sup>

Samuel Gompers, chairman of the Committee on Labor of the Council of National Defense, as President of the American Federation of Labor called a special meeting of the executive council of the Federation for March 9, 1917, and also convened a general labor conference at Washington on March 12, 1917, to consider labor's attitude toward the war. At this conference, besides the executive council of the American Federation of Labor, there were present one hundred and forty-eight representatives of seventy-nine affiliated national and international unions, five unaffiliated organizations, and the five departments of the American Federation of Labor. Foremost among the resolutions adopted at the conference were the following:

We, the officers of the national and international trade-unions of America, in national conference assembled in the Capital of our Nation, hereby pledge ourselves in peace and in war, in stress and storm, to stand unre-

<sup>36</sup> Perkins, G. W., International President Cigar Makers International Union of America, in a personal letter to the author, April 19, 1918.

<sup>37</sup> Statements of liberty bond investments and other financial aid to the government made by the unions are not printed here, being considered confidential. For statistical evidence of labor's patriotism see the *Illinois Blue Book*, and similar records for other states.



served by the standards of liberty and the safety and preservation of the institutions and ideals of our Republic. . . . We, with these ideals of liberty and justice herein declared as the indispensable basis for national policies, offer our services to our country in every field of activity to defend, safeguard, and preserve the Republic of the United States of America against its enemies, whomsoever they may be, and we call upon our fellow workers and fellow citizens in the holy name of labor, justice, freedom, and humanity, to devotedly and patriotically give like service.<sup>38</sup>

Many persons, not in any way connected with trades-unionism, voiced unqualified endorsement of the loyal attitude of organized labor in America. For instance, Mr. W. A. Appleton, an Englishman who made an extensive tour of 9,000 miles in the United States subsequent to our entry into the war, observed that while here and there among both employers and employed individuals were making trouble, the vast majority of the employers, as the vast majority of workers, realized the nation's need and each was doing his share to meet it without thought of personal advantage.<sup>39</sup> Edward N. Hurley, chairman of the United States Shipping Board, was convinced that the majority of laborers in the shipbuilding industry were patriotic and, with only one exception, the leaders of the shipyard crafts generally had shown a spirit of coöperation, "ready to sink their personal differences in the common pool of patriotism."<sup>40</sup> Like observations were made by Secretary of the Navy Daniels<sup>41</sup> and President Wilson. The President, in his letter to William L. Hutchison, General President of the Brotherhood of Carpenters and Joiners of America, when the latter called a general strike in the shipyards, said: "The strike of the carpenters in the shipyards is a marked and painful contrast to the action of labor in other trades and places."<sup>42</sup>

An examination of the official and newspaper reports of national, state, and local conventions and assemblies of trades-unions revealed a marked support of the government in the war. There were some exceptions, as pointed out above, but leaders and the rank and file of organized labor rendered patriotic service to the country. In the 1917 and 1918 conventions of the

<sup>38</sup> *First Annual Report of the Council of National Defense*, 1917, p. 74.

<sup>39</sup> *Chicago Sunday Tribune*, June 9, 1918.

<sup>40</sup> *Official Bulletin*, March 27, 1918, p. 13.

<sup>41</sup> *Ibid.*, February 25, 1918, p. 7.

<sup>42</sup> *Ibid.*, February 16, 1918, p. 1.

American Federation of Labor resolutions were adopted pledging full coöperation with the government in the successful prosecution of the war. The keynote of both conventions was one of indisputable loyalty.<sup>43</sup> Samuel Gompers and other recognized leaders of labor proved of invaluable service to the nation in stimulating loyalty in the ranks. Regarding the general strike which was to voice labor's protest against the decision in the famous Mooney case in California, Mr. Gompers emphatically declared that "such an attempt either to invite or order a local or general strike is unjustifiable and dangerously prejudicial to the lives of our sons and brothers fighting in France for the safety of the home, freedom, and democracy the world over."<sup>44</sup>

Further evidence of labor's support of the nation was uncovered shortly after we declared war. In May, 1917, a convention was called in New York by the so called Workingmen's Council to consider protection of labor's interests during the war. This Council was manifestly a branch of the People's Council, an organization that seemed to be under the domination of forces not in harmony with the government and the policy declared by the authorized representatives of the people in the war. Aided by the foreign press, whose policies and activities were to further the interests of the enemies of western democracy, this Council disseminated discord and anti-war propaganda, and in this instance sought to incite unrest among the laborers of New York City. President Gompers met the Central Federated Union of New York City and exposed the danger of sending delegates to the convention called by the Workingmen's Council. The Union disapproved of the convention and formed what became known as the American Alliance for Labor and Democracy. As the activities of the Workingmen's Council were carried to other states in the mission of creating unrest, so the American Alliance heralded throughout the nation its simple declaration that:

It is the sense of this conference that it is the duty of all the people of the United States, without regard to class, nationality, politics or religion,

<sup>43</sup> See *Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor*, 1917, pp. 318, 319, and the same for the Thirty-eighth Annual Convention, 1918, pp. 86, 87.

<sup>44</sup> *Chicago Tribune*, April 23, 1918. See also *American Labor and the War*, by Samuel Gompers.

faithfully and loyally to support the government of the United States in carrying the present war for justice, freedom, and democracy to a triumphant conclusion, and we pledge ourselves to every honorable effort for the accomplishment of that purpose.<sup>45</sup>

To thwart the insidious efforts of enemy forces, the Alliance held a conference at Minneapolis in September, 1917. Among the many declarations of the conference was the following:

The Americal Alliance of Labor and Democracy, in its first national conference, declares its unswerving adherence to the cause of democracy, now assailed by the forces of autocracy and militarism. As labor unionists, social reformers, and socialists, we pledge our loyal support and service to the United States government and its allies in the present world conflict. We declare that the one overshadowing issue is the preservation of democracy; either democracy will endure and men will be free, or autocracy will triumph and the race will be enslaved. . . . We declare that the great war must be fought to a decisive result; that until autocracy is defeated there can be no hope of an honorable peace, and that to compromise the issue is only to sow the seed for bloodier and more devastating wars in the future.<sup>46</sup>

It should not be inferred from the above evidence that conservative unionism was always in complete agreement with the policies of the government, or that it at no time or place committed acts prejudicial to the national welfare. The legislative committee of the American Federation of Labor appeared before the Military Affairs committees of the House of Representatives and of the Senate and "vigorously opposed the adoption of the law which carried with it conscription of men for military service," and Mr. Gompers addressed a communication to those committees stating that the labor movement stands firmly by the voluntary principle and urging the rejection of conscription.<sup>47</sup> When military conscription was embodied in law, however, the American Federation of Labor seems not to have said or done anything to hinder its enforcement. That numerous strikes, even by so-called conservative unions, frequently endangered the nation's war program will be seen from facts recorded in the following pages. In general, however, it can be said that American labor showed decided loyalty to the government during the great war, and that wherever and whenever it became violent or restive there

<sup>45</sup> *Report of the Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor, 1917*, p. 95.

<sup>46</sup> *Ibid.*, p. 98.

<sup>47</sup> *Ibid.*, p. 112.



appears to have been industrial or larger economic conditions operating as an unmistakable cause of seeming disloyalty. We do not mean to imply that labor was at all times patriotic, for an examination of industrial disputes will show that labor was often guilty of conscious interruption of work with a view to forcing acceptance of demands not always justified in the light of prevailing conditions of employment. The evidence which we have been able to gather, however, warrants the conclusion that, while many socialistic and syndicalistic adherents unreservedly opposed our participation in the war and hindered the nation's war program whenever possible, the vast majority of American labor supported the government without reservation, and any charges of general disloyalty were as unfounded as they were vicious.

## CHAPTER III

### LABOR CONDITIONS IN RELATION TO PRODUCTION

In the preceding pages we have tried to show that: (1) the economic reorganization occasioned by the great war was characterized by centralization of control and coördination of administration, but that such centralization and coördination were not characteristic of our methods in dealing with the labor problem until almost a year after we had been at war; and (2) that the anti-war reaction on the part of a large number of workers was due to a complexity of causes, chief among which were the spread of enemy propaganda, the dissemination of the anti-war philosophy of radical forces, and certain economic conditions in American industries. We attempted to point out in this regard that an examination of the evidence led to the conclusion that the conservative workers and labor leaders of the United States were generally loyal to the government, altho there were many exceptions. In the remainder of Part I of this study it is our purpose to examine the elements in the labor problem and to analyze the causes of industrial unrest during the war period.

The nature of the labor problem in the United States during the recent war was not very different from what it has always been in normal times. We say "not very different" advisedly, for there were some elements in the war labor situation which were uncommon. The war, as novel in many respects as it was great, gave rise to innumerable strange situations and readjustments in the economic, social, and political life of participating nations, and had a marked effect upon industrial relations which constitute, in the final analysis, the labor problem. Perhaps no other war has done so much to strengthen the position of the world's common laborers and to promote the feeling of solidarity. Moreover, the indispensability of labor in the protection of national welfare and in the execution of a national program was never more fully realized. The other aspects of the problem in the recent period were the usual ones greatly magnified, due to

the extraordinary economic and social conditions incident to the war. These familiar elements were the struggle for higher wages, better conditions of employment, shorter hours, demands for recognition of the union, and the establishment of other industrial relations in keeping with the rights and conducive to the dignity of labor. But in its demands labor was more insistent than ever before. These causes of labor unrest are discussed in a later chapter. Before examining the conditions that were conducive to friction in industrial relations, it is necessary to consider the more general aspects of the labor problem that affected production.

Among the most important phases of the labor problem during the last four years were the following:

1. The supply and distribution of skilled and unskilled workers.
2. Labor migration and labor turnover.
3. Variation in wage scales and the necessity of wage standardization.
4. Housing and transportation facilities for the greatly concentrated masses of workers in war industries.
5. The need for increasing and maintaining labor efficiency.
6. Replacement of men workers by women and children, especially in war industries.
7. The tendency to break down labor safeguards.
8. The problem of industrial unrest.

There is not sufficient space within the limits of this brief study to make an exhaustive analysis of each of these several aspects of the labor problem, and only sufficient analysis will be made to form an adequate basis for scientific conclusions.

## 1. THE LABOR SUPPLY AND ITS DISTRIBUTION

A great deal of controversy and divergence of opinion centered about the question of labor shortage in the United States during the first ten months of our participation in the war. Immediately after the declaration of war by the government the representatives of the great industries, such as the steel, copper, lumber, iron, and textiles, were lamenting the deficiency in the supply of unskilled labor, and attempted to arouse the administrative officials of the government as well as public opinion to the need of removing restrictions on immigration of oriental and



other laborers. Representatives of the United States Department of Labor, on the other hand, just as emphatically maintained that no labor shortage existed for the country as a whole, and that the problem was not one of increasing the labor supply but of a more scientific distribution of the existing labor forces. This diversity of opinion between the representatives of industry and those of the Department of Labor necessitates brief examination of the facts.

(1) *Conditions Affecting the Supply of Labor.* In a period of war two conditions arise which diminish a nation's labor supply, especially of unskilled labor. There is a big decrease in the tide of immigration which in normal times furnishes a constant stream of workmen for industries, especially in countries like the United States, and a rapid withdrawal of men from the nation's industries for the army and navy. Of 20,000,000 persons engaged in gainful occupations in Great Britain at the beginning of the war, 5,000,000 were quickly taken away for the army, leaving the labor supply twenty-five per cent short.<sup>1</sup> Later the British government was forced to recall a large force of skilled workmen in order to maintain the industrial life at home. British experience caused much anxiety in the industrial circles of the United States when it became apparent that a long war was imminent and that as a consequence there would be an unprecedented shrinkage of the labor supply, especially with the passage of the selective draft law. Threatened if not actual depletion of the ranks of labor is a conceded possibility in war-time, and the fears entertained by our industrial leaders were, therefore, not without some justification. Secretary of Labor Wilson, however, attempted to quiet all apprehension of a labor shortage. Early in January, 1918, he stated that America's situation was quite different from that of England. Altho admitting that the selective draft was bound to make inroads on our labor supply and to interfere to some extent with industry, Mr. Wilson pointed out that the United States has 35,000,000 workers, of whom only 1,500,000 would be taken in the first year of the war — a number less than the total of unemployed in normal times.<sup>2</sup> Whatever comfort this explanation of the

<sup>1</sup> Secretary of Labor Wilson quoted in the *Chicago Tribune*, January 10, 1918.

<sup>2</sup> *Ibid.*

Secretary of Labor contained for the leaders of industry was almost dissipated when the Committee on Military Affairs of the United States Senate soon afterwards estimated that the government's tentative military program called for 4,000,000 men in the field and an additional 4,000,000 in the cantonments at home from which to fill depleted ranks in France.

It was believed by some that the expansion of war industries, which necessitated a large addition to the labor supply, would be counterbalanced by a corresponding contraction of non-war or non-essential industries. But the immobility of both capital and labor, coupled with the reluctance of business enterprises to slow down or postpone production of non-essential commodities, precluded any such complementary contraction in the production of goods of this character. Of course, the falling off in demand for non-essentials forced the curtailment of their production to considerable extent and so released labor for war industries, but there was little evidence of a reduction in the consumption of non-essentials sufficient to affect seriously the shifting of labor forces. On the contrary it was true that never had labor in this country been so well paid and so prosperous as during the war period, and this in itself contributed greatly to the buying power in the retail trade and tended to steady the retail markets which naturally would be affected by the restrictions of non-essential production.<sup>3</sup> We were too far removed from the scene of conflict to feel strongly the necessity of decreased consumption of non-essential commodities, and government action was necessary to curtail the production of such goods. On the whole, the demand for labor increased. American industry responded wonderfully to the needs of production and capital was readily provided for the necessary industrial expansion, but an acute situation developed in the threatened if not actual shortage of labor.

The inevitable increase in production resulted in a corresponding increase in the demand for labor, skilled and unskilled. There soon appeared feverish competition for workmen, and great inequality in wage scales resulted, giving rise to unprecedented increase in labor turnover. The problem resolved itself into the following forms: (a) Securing an additional supply of labor for war industries; (b) devising means and methods of

<sup>3</sup> See *Annual Crop Report and Business Review*, Continental and Commercial Bank of Chicago, 1918.

keeping the labor supply when once it was secured; (c) equipping and training laborers for their respective tasks in the given industry, which called for labor dilution.

The second condition affecting the labor supply was the decrease in the volume of immigration into the United States. The following statistics showing the ebb and flow of the tide of immigration during the last eight years give us a basis of comparison of the war period with the pre-war period.

TABLE I. SHOWING THE TOTAL ANNUAL IMMIGRATION INTO THE UNITED STATES, THE TOTAL ANNUAL DEPARTURES, AND THE NET ANNUAL ADDITION TO THE POPULATION FOR THE PERIOD 1910 TO 1917 INCLUSIVE <sup>4</sup>

Year <sup>5</sup>	Total No. of Immigrants Arrived	Total No. of Immigrants Departed	Net Addition to Pop- ulation of the U. S. per Immigration
1910	1,041,570	202,436	839,134
1911	878,587	296,666	582,921
1912	838,172	333,262	504,910
1913	1,197,892	308,190	889,702
1914	1,218,480	303,338	915,142
1915	326,700	204,074	122,626
1916	298,826	129,765	169,061
1917	295,403	66,277	229,126
Total	6,095,630	1,843,008	4,252,622 <sup>6</sup>

From the above statistics it will be seen that the total number of immigrants arriving in the United States during the fiscal years 1910 to 1914 inclusive was 5,174,701, or an average of about 1,034,940 a year; the total number of immigrant arrivals for the fiscal years 1915 to 1917 inclusive was 920,929, or a yearly average of about 306,976. This means an average annual decrease of 727,964 during the latter, as compared with the former period. The total number of alien immigrants that left our shores during the earlier period (1910-1914) was 1,442,892, or a yearly average of 288,578, as against a total of 400,116 for the

<sup>4</sup> Compiled from the *Statistical Abstract of the United States*, 1910 to 1917 inclusive.

<sup>5</sup> Figures are for the fiscal year in each case.

<sup>6</sup> Since this table was compiled the statistics for 1918 have been made available. During the fiscal year 1918 the number of immigrant aliens admitted was 110,618, and the departures totalled 94,585, making a net addition to our population through this source of only 16,033. *Annual Report of the Commissioner General of Immigration*, 1918, p. 55.



latter period (1915-1917), or an annual average of 133,372. That is, during the latter period there was an average yearly decrease of 155,206 in the number of immigrants who departed for their native lands. The total net addition to our population during the period 1910-1914 was 3,731,809, a yearly average of 746,361, while the total for the period 1915-1917 was 520,813, a yearly average of 173,604. This means that of the total net addition of 4,252,622 to our population for the eight year period 87.7 per cent was added in the first five years and 12.3 per cent during the last three years, a decrease of about 75 per cent for the latter period. In 1918 the number of immigrant aliens admitted totalled 110,618, while the total number of those who left our shores was 94,585, making a net addition to our population of only 16,033 through this source.<sup>7</sup> These data justify the conclusion that the United States during the war did not receive through immigration the customary or normal annual addition to its labor supply, and that this condition had a marked influence upon the problem of labor shortage in American industries.

(2) *The Labor Shortage.* The representatives of American industries whose products were necessary to successful prosecution of the war continued to warn the country of the impending if not actual labor shortage. Judge Gary, chairman of the United States Steel Corporation, in an address before the Commercial Club of Chicago, early in June, 1917, voiced the general conviction of industrial leaders. Among other things he pointed out that: (a) There existed a great need for both skilled and unskilled labor, especially the latter; (b) to the extent that workmen are lacking in number, wealth and raw materials are without value; (c) to meet this labor shortage the United States should bring a supply of workmen from the islands—Porto Rico, Virgin Islands, etc.—and from oriental countries.<sup>8</sup> Trade journals and the daily press generally expressed the same opinion, asserting that labor constituted the crux of the whole problem of production.

The first war labor survey made by the United States Employment Service covered conditions in the state of New York. It included the war industries of forty-one cities, and found a

<sup>7</sup> *Annual Report of the Commissioner General of Immigration*, 1918, p. 55.

<sup>8</sup> *Iron Age*, Vol. 101, (No. 2) p. 137.

scarcity in some and a surplus in others. Two hundred factories were visited, representing employment of 261,117 persons. Of these, 176 were calling for 34,155 workers—the call extending to June, 1918. Skilled workers were requested in three-fourths of the cases; women laborers in a little over one-tenth; and unskilled male labor in about one-seventh.<sup>9</sup> In normal times mechanical forces at the naval yards and other naval establishments aggregate about 22,000 artisans, helpers, and common laborers. In four months ending July 31, 1917, the total number increased to 35,000.<sup>10</sup> Approximately 300,000 mechanics were soon needed by the shipyards of the country.<sup>11</sup> By January, 1918, the need for common laborers was such that the United States Employment Service arranged to bring 110,000 laborers from Porto Rico and the Virgin Islands.<sup>12</sup> The Employment Service announced that American war industries were short between 300,000 and 400,000 common laborers,<sup>13</sup> and later that 500,000 were badly needed.<sup>14</sup> On July 29, 1918, John B. Densmore, Director General of the Employment Service, estimated that within the subsequent twelve months between 3,000,000 and 4,000,000 workmen of all kinds would be needed, in addition to those then engaged in war industries.<sup>15</sup> This shortage of labor was not confined to the manufacturing establishments of the country; it was felt just as keenly in the agricultural regions during the seeding and harvesting seasons of 1917 and 1918. In the West the need for farm help was so great that even the California State Development Board favored importation of experienced Chinese farmers into the state for the period of the war<sup>16</sup>—a very radical departure for a California body. It has been estimated that it took from six to ten workers in the rear to maintain one soldier in the trenches,<sup>17</sup> which, if the estimate is correct, gives some idea of

<sup>9</sup> *Official Bulletin*, January 11, 1918, p. 4.

<sup>10</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, September, 1917, pp. 74-76.

<sup>11</sup> *Official Bulletin*, May 11, 1918, p. 8.

<sup>12</sup> *Ibid.*, January 24, 1918, p. 1.

<sup>13</sup> *Daily Pantagraph*, Bloomington, Illinois, June 28, 1918.

<sup>14</sup> *United States Employment Service Bulletin*, August 6, 1918, p. 3.

<sup>15</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, March, 1918, p. 77.

<sup>16</sup> *Iron Age*, Vol. 101 (No. 2), p. 150.

<sup>17</sup> Secretary of Labor Wilson, *U. S. Employment Service Bulletin*, July 31, 1918, p. 6.

the importance of the labor supply. The problem became more serious, and during the week ending July 27, 1918, thirty-four out of forty-eight states faced a serious labor shortage of unskilled workers.<sup>18</sup>

The following statistics issued by the United States Employment Service in the spring of 1918, indicate the gravity of the problem of labor scarcity:

WAR LABOR NEEDS <sup>19</sup>

War construction .....	709,184
Army personnel, civilian workers.....	185,000
Shipbuilding .....	278,125
Housing .....	30,000
Munitions .....	878,800
Mines .....	165,916
Railways, tracks and shops.....	35,000
Farm labor .....	1,646,931
Total .....	3,928,956

Much of the need revealed in the table above was for skilled or semi-skilled workers, the supply of whom was very limited. It was pointed out by government officials that for want of necessary training the output of more than 7,000,000 of the 10,000,000 workers engaged in manufacturing industries was less than thirty-five per cent of what it could have been without speeding up or exploitation, due to the fact that the men were unfitted for the tasks to which they were assigned.<sup>20</sup> This lack of trained workmen contributed much to our war labor problem, as it does to the labor situation in normal times. For example, of 6,000 American manufacturing establishments, each employing groups of more than 250 persons, facilities for part-time instruction were not available in 300 of them.<sup>21</sup> To meet this general need for trained workers the United States Training and Dilution Service was established, while the United States Employment Service assumed the responsibility for the general adjustment of the problem of labor supply and distribution.

(3) *A Problem of Distribution.* Altho the above statistics seem to indicate a serious labor shortage, government officials

<sup>18</sup> *United States Employment Service Bulletin*, July 31, 1918, p. 9.

<sup>19</sup> U. S. Department of Labor, Information and Education Service, Bulletin on "*Employment Questions*," by Charles T. Clayton, p. 12.

<sup>20</sup> U. S. Department of Labor, Training Service, *Bulletin* No. 9, p. 3.

<sup>21</sup> *Ibid.*, p. 5.



denied that such a shortage existed for the country as a whole. After a survey of the labor needs of the country early in January, 1918, the Employment Service contended that, taking the country as a whole, there was at that time no real shortage of labor. The demand of employers seeking workmen and the number of workmen seeking employment were substantially equal. Except for temporary inconveniences every willing and able worker could be employed during the current year and the needs of industry could in a reasonable time be filled practically to 100 per cent.<sup>22</sup> The director of the service believed our problem to be one of proper distribution of the existing supply; furthermore, he believed that labor conscription was both impracticable and unnecessary.<sup>23</sup>

It was a matter of common observation that if England, France, and Germany, with several times as many laborers withdrawn for the army and navy, could still supply war materials and support to a large extent their civil populations, it was absurd to speak of a labor shortage in the United States which has so much larger laboring population and as yet had given by no means as many men to military and naval service.

The conclusions of the United States Department of Labor relative to the labor supply at the beginning of 1918 were stated by Secretary of Labor Wilson as follows:

Our problem then is one of readjustment to supply the demand for workers in those trades which are expanding rapidly, such as shipbuilding and munition factories.

At present there is a shortage of labor in some trades and a surplus in others. For instance, there is unemployment in the building trades. It is our task to make the supply equal to the demand, which will involve transportation of workmen voluntarily from one section to another, housing them in their new homes, and training the unskilled men when the skilled supply in any particular line of work is short.<sup>24</sup>

The same opinion regarding shortage of farm labor was voiced by Assistant Secretary of Labor Post, who contended that two-thirds of the farm labor shortage was imaginary and the other third could be remedied by team work, coöperation, and not so much agitation about importing Chinese.<sup>25</sup> The fact that there

<sup>22</sup> Quoted in the *Chicago Tribune*, February 28, 1918.

<sup>23</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, March, 1918, p. 78.

<sup>24</sup> Quoted in the *Chicago Tribune*, January 10, 1918.

<sup>25</sup> *Chicago Tribune*, April 17, 1918.

was no shortage of labor for the country as a whole was not much consolation to the employer of labor whose plant was not operating up to the limit of production because of a dearth of workmen. His problem was local and immediate and his need imperative. He could ill afford to wait for a national labor survey and the redistribution of labor planned by the national Employment Service. In reality, then, there was an acute labor shortage for particular industries and given localities, but for the nation no such dearth of labor existed. The ultimate solution of the problem lay in proper distribution of the supply.

## 2. LABOR TURNOVER

Labor turnover is defined as the change in the personnel of workmen resulting from the hiring and termination of employment, and is now recognized as one of the most serious problems in American industry, even in normal times. The problem assumes much larger proportions in a period of war when employment is abundant and employers are competing vigorously for workmen. Whereas, in normal times men are seeking jobs, in times of war jobs are seeking men. A labor turnover of 300 per cent per annum is quite common in normal times for many of our larger and smaller industries.<sup>26</sup> For example, six cement companies which recently analyzed their labor turnover for a period of three years reported an average of 103 per cent per annum, while a public service corporation near Philadelphia had a labor turnover of 1,100 per cent in 1916 and, altho this was exceptional, a turnover of 400 per cent is not uncommon.<sup>27</sup> Prior to the war labor turnover in the United States was said to be about 300 per cent per annum, and the number of vacancies occurring in American industry every year was estimated to be more than 100,000,000.<sup>28</sup>

The war accentuated the problem of labor turnover. Men did not stick to their employment. One Baltimore shipyard which employed several thousand men discovered that only ten per cent could be counted as a net gain to the number of employees. Many establishments which in peace times had a labor turnover of 200 to 300 per cent annually found that during the war turn-

<sup>26</sup> See article by Dr. Paul H. Douglas, *American Economic Review*, Vol. VIII (June, 1918), p. 306 ff.

<sup>27</sup> Allen, Leslie H., *Industrial Housing Problems*, Boston, 1917, p. 5.

<sup>28</sup> *United States Employment Service Bulletin*, July 31, 1918, p. 12.

over of 100 per cent a week was common.<sup>29</sup> Twenty-three hundred hull workers left one shipyard in three months in the Baltimore district, and one yard on the Pacific coast hired each day 175 new men to take the places of those leaving for other employments.<sup>30</sup> The problem was summarized by Secretary Wilson in the following words:

It is estimated that the industries of the United States employ some 30,000,000 unskilled workers. In ordinary times the labor turnover of the manufacturing establishments of the country is, on the average, 300 per cent. That means that every establishment which requires the services of 100 workers is accustomed to hire 300 workers during a single year.

Since the war this endless migration of workers has been multiplied many times. In some cities the labor turnover has gone as high as 3,000 per cent.

The production of ships and of munitions will be largely increased if the disastrous labor turnover can be eliminated and our civil man-power wisely distributed and husbanded.<sup>31</sup>

The fundamental causes of this enormous increase in the labor turnover were: (a) the great inequality in wage scales prevailing in different sections of the country, and especially in different industries within the same territory, and (b) unscientific employment and management of workmen. Inequality in wage standards was due to the unprecedented competition for laborers. Wages were especially high in shipyards and other establishments working on government contracts, such as those let by the Emergency Fleet Corporation. Other causes were the lack of proper housing and transportation facilities, and the marked tendency for colored unskilled laborers, at the approach of cold weather, to leave northern shipyards and manufacturing establishments for the South.<sup>32</sup> It was stated that the labor turnover in the Delaware River shipyard district increased in almost direct ratio to the climbing wage scale, men going from one yard to another, tempted by offers of increased pay, each employer evidently concerning himself only with progress in his own establishment.<sup>33</sup> In regard to the relation of housing facilities to labor turnover, the conclusion of a thoro student of this problem is worthy of note; namely, that: "In years gone by wages were

<sup>29</sup> *Official Bulletin*, May 11, 1918, p. 8.

<sup>30</sup> *Iron Age*, Vol. 101 (No. 5), pp. 332, 333.

<sup>31</sup> *Chicago Tribune*, August 1, 1918, and *U. S. Employment Service Bulletin*, August 6, 1918, p. 3.

<sup>32</sup> *Official Bulletin*, May 18, 1918, p. 14.

<sup>33</sup> *Iron Age*, Vol. 101 (No. 5), p. 332.



low and the cost of labor turnover was hardly considered, for there was always a long line of new men waiting for a job, and because of this excess supply of men over demand, a man was not so ready to throw up his job to seek another. He would put up with poor housing conditions for the sake of having any job at all. But in the present labor situation, with demand far exceeding supply, the workman will no longer be content with the disgraceful housing conditions he has had to put up with."<sup>34</sup> The workmen were not responsible for the wasteful labor turnover, for it was to their advantage to migrate to the center of the highest wage and best working conditions, including adequate housing and transportation facilities.

### 3. INEQUALITY IN WAGE SCALES

In the foregoing discussion of labor turnover there was suggested another aspect of the labor problem during the war; namely, the absence of wage standardization. Inequality in wage scales appeared as the basic cause of the disastrous labor migration of the war period. The complete demoralization of labor which characterized the shipbuilding industry was attributed by the representatives of the government and by private employers alike to the competition between shipbuilders and other manufacturers for workmen. There was great need for wage standardization, without which the situation promised to go from bad to worse.<sup>35</sup> The greatest variation in wages prevailed in the same section of the country, and in the same kind of occupations, as well as between various industries and different sections of the country. For instance, in a single week an industrial district near the South Atlantic seaboard offered 22 cents an hour for common labor; New England offered 40 cents an hour; the district west of the Ohio offered 50 cents an hour. Similar inequalities in wage standards prevailed in the case of skilled labor.<sup>36</sup>

It is to the interest of the wage workers always to migrate to the center of the highest wage scale. The extraordinary demand for labor during the war period, coupled with diminution in the supply, resulted in an unprecedented increase in wages. Em-

<sup>34</sup> Allen, Leslie H., *Industrial Housing Problems*, pp. 5, 6.

<sup>35</sup> *Iron Age*, Vol. 101 (No. 5), pp. 332, 333.

<sup>36</sup> *Official Bulletin*, May 18, 1918, p. 14.

ployers, anxious to secure workmen in order to fill war contracts which offered an attractive differential, entered into unrestricted competition for labor and in the process of bargaining offered special wage inducements. Labor was not at fault for obeying the motive of self-interest in migrating from one establishment to another in response to these special wage offers, for it was a rare experience for labor to be so much sought after. They were doing just what all good business men do — seeking the market that guarantees the maximum net returns. Much of the responsibility for the difficulty, however, was attributed to the wage policy of the United States Shipping Board and other government agencies, and their procedure was severely criticised by employers of labor, as is indicated by the following:

The shipbuilding industry has been brought conspicuously into view because of the extraordinary wage policy adopted by the United States Shipping Board, which has undertaken to outbid all employers, private and public, and without any attempt at standardization of rates has instituted wage scales so high as not only to demoralize the labor market, but also to induce the idling of employees to such an extent as to reduce their efficiency from 30 to 50 per cent.<sup>37</sup>

The Shipping Board not only introduced the basic eight-hour day and time and one-half for overtime and double time for Sundays and holidays, but also paid very high wages and an additional ten per cent bonus for each workman working six days in succession. These and other measures which tended to make employment in the shipyards very attractive had tremendous influence upon the labor situation in the neighboring territory and dislocated the labor supply.

The general intensive competition for workmen had the direct effect of increasing wage scales throughout industries engaged in the production of war materials. To keep the labor force intact employers were compelled to advance wages to a point approximating the standards in shipyards and other industries paying the highest figure. In the iron and steel industry of the United States there were five wage advances in two years — 1916 and 1917 — making a net increase in wages of about sixty per cent.<sup>38</sup> On August 1, 1918, the United States Steel Corporation made effective throughout its plants an additional ten per cent wage

<sup>37</sup> *Iron Age*, Vol. 101 (No. 7), pp. 450, 451.

<sup>38</sup> *Ibid.*, Vol. 101 (No. 1), p. 100.

advance which benefited 300,000 laborers. This was the seventh raise in wages granted by the same corporation subsequent to January, 1916, the seven increases aggregating seventy-five per cent. Six of these increases were for ten per cent each, and one, granted March, 1918, was for fifteen per cent.<sup>39</sup> The Bethlehem Steel Company on July 31, 1918, announced an increase of ten per cent in the general rate of wages. Between August, 1915, and August, 1918, the company granted increases totalling more than 100 per cent.<sup>40</sup> In the shipyards alone, upon the advice of the United States Shipping Board, wage advances were made during the first year of our participation in the war aggregating forty and fifty per cent, altho the wage scales were already high. This was in addition to the ten per cent bonus paid by the board to men working six consecutive days a week.<sup>41</sup> Nor will it be forgotten that after the government took over the railroads Mr. McAdoo, as Director General, on May 26, 1918, authorized an advance in wages aggregating \$300,000,000, benefiting approximately 2,000,000 workmen, and that this advance was followed by others aggregating hundreds of millions of dollars. This general advance in wages was applied to the one hundred and sixty-four roads under government control. Statistics of wage increases by public agencies and private industrial establishments might be quoted much more at length here, but they are discussed elsewhere in this study.<sup>42</sup> Sufficient data have been given to warrant the conclusion that the prevailing inequality in wage standards was due to: (a) the competition for workmen on the part of employers who were under the necessity of completing contracts on specified time, and (b) the influence of the government as an employer of labor.

#### 4. INDUSTRIAL HOUSING AND TRANSPORTATION

The great increase in the demand for labor in the shipbuilding yards and other industrial establishments producing war materials attracted large forces of laborers who flocked to the centers of quickened industrial activity to take advantage of the wage inducements offered. The concentration of so large a laboring

<sup>39</sup> *Chicago Tribune*, July 31, 1918.

<sup>40</sup> *Ibid.*, August 1, 1918.

<sup>41</sup> *Iron Age*, Vol. 101 (No. 3), pp. 204, 205.

<sup>42</sup> See pp. 95-98.



population within a comparatively short time was bound to result in indescribable congestion, for neither the government nor private industrial establishments possessed adequate housing facilities to take care of the greatly augmented labor force. The housing problem became acute. It soon became evident that men would not remain in the industries that could not furnish at once proper housing facilities for its workers and their families, and an inevitable increase in labor turnover resulted. The seriousness of the problem was tardily realized, and on October 19, 1917, the Council of National Defense appointed a committee "to investigate and report upon the extent of the housing problem in connection with workers employed on government contracts and the relation of that problem to the output of war materials." At the close of the year 1917, this committee reported that with few exceptions the government contracts for ships, guns, ammunition, and other war materials had thus far been made with little or no government provision for the housing necessities incident to a rapid and enormous increase of labor. The committee illustrated the problem by citing a New England manufacturing city in which sixteen concerns were engaged upon war contracts, and to which 10,000 additional men had flocked with practically no living quarters provided. In some plants the production of guns and other munitions was threatened to be curtailed fully one-third of the possible output within three months, unless necessary housing facilities were provided. The report of the committee warned against exaggeration of the acuteness of the situation which, altho very serious, could be remedied by means of government loans at low rates of interest to private enterprises engaged on war contracts.<sup>43</sup>

Manufacturers who for a long time have recognized the necessity of successfully solving the housing problem found themselves with a critical situation to meet in the midst of a great national emergency, and it dawned upon them that they did not possess adequate means of meeting it. In this respect the United States was less fortunate than nations like Great Britain which had behind them a large background of experimental legislation in housing. Great Britain provided for the absorption of land values arising out of the establishment of munition plants and

<sup>43</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, December, 1917, pp. 18-20.

housing developments connected therewith, and during the war and as long as the government was in possession of the land taken over for the purposes indicated no compensation was paid for land values created by governmental operations.<sup>44</sup> Similar procedure was suggested for the United States on the grounds that the conservation of the unearned increment in land for the benefit of the community is in itself the prime factor in the economic solution of the housing problem.<sup>45</sup> Many persons would not have endorsed a general governmental policy of confiscation of increased land values, even when it could be demonstrated that such "unearned" increment was due to "social" causes. It was a sound conclusion, however, that the government of the United States would not be justified in lending money at low rates of interest, even to the extent of suffering a loss, as suggested by the Housing Committee of the Council of National Defense, if the corporations or other private agencies were to take advantage of the situation by increasing rents or in any other way reaping unearned increment from rising land values due to the influx of workers.

The problem of housing the labor forces was succinctly set forth in a letter from Chairman Edward N. Hurley of the Shipping Board, to the Chairman of the Senate Committee on Commerce. Among other things Mr. Hurley pointed out that one of the most perplexing problems of the war to the United States Shipping Board, the Army, and the Navy was the lack of housing facilities for the enormously increased army of labor, and the demand for immediate action became so apparent, upon investigation, that the board decided to start immediate construction of houses at the most critical points. Ten million dollars were set aside for the erection of housing facilities in the vicinity of Hog Island, and aid was granted to the Bethlehem Shipbuilding Corporation at Sparrows Point, Maryland, to purchase 400 five and six room brick houses to care for shipyard workers. For the housing program of the Shipping Board \$35,000,000 was required; and large sums also were needed by the Army and the

<sup>44</sup> *Ibid.*, February, 1918, pp. 209, 210.

<sup>45</sup> Ackerman, Frederick L., American Institute of Architects, Washington, D. C., *Journal American Institute*, December, 1917, Vol. 5, pp. 591-622. See also *Monthly Review*, U. S. Bureau of Labor Statistics, February, 1918, pp. 210-213.

Navy, especially in connection with the construction of housing facilities in army camps. Furthermore, there was need for co-ordination and standardization of the government's housing activities in one commission for all branches of the government.<sup>46</sup> The recommendations of the Housing Committee of the Council of National Defense included a similar government program of: (a) financial aid to such industries or communities as clearly demonstrate their right to relief, preferably in the form of loans at a low rate of interest; (b) creation of an organization of reasonable permanency and authority with broad powers to conduct building operations, to deal in real estate, and to borrow and lend money; (c) distribution of government contracts for war materials in such manner as to prevent undue concentration of workers in any locality.<sup>47</sup> The government's policy of dealing with the problems of housing and transporting workers in industrial centers congested as a result of the war is stated in a later chapter of this study.<sup>48</sup> Certainly no phase of the labor situation demanded a more immediate solution, for inadequate housing and transportation facilities were among the basic causes of labor migration and unrest which imperiled production of essential war supplies.

##### 5. LABOR EFFICIENCY

The necessity of speeding up and increasing production in every possible way in order to make American effort count as potently and rapidly as might be in the war, made the government exceedingly anxious to prevent any conscious falling off in the efficiency of the laboring force in our industries. Accordingly the government was confronted with a twofold problem in this regard: (a) the elimination of all conditions of conscious and purposive decrease in efficiency or withdrawal of labor effort and, (b) the stimulation of efficiency and numerical increase of skilled or semi-skilled workers.

No time could have been more opportune than the war period for the purposeful relaxation of effort on the part of labor. American workmen were in an exceptionally strategic position

<sup>46</sup> *Monthly Review*, United States Bureau of Labor Statistics, February, 1918, pp. 205-207.

<sup>47</sup> *Ibid.*, p. 205.

<sup>48</sup> See Part II, pp. 208-210.



to practise many things which in normal times would incur dismissal. The abundance of work coupled with high wages which enabled the men to lay off more than in ordinary times was bound to affect production adversely. According to the President's Mediation Commission, which investigated conditions on the Pacific Coast, and to other sources of information, "conscious withdrawal of efficiency" and "strike on the job" characterized many essential war industries in this country.<sup>49</sup> It should be added, however, that the commission found that much of this decreased efficiency was due to the absence of proper housing and other desirable living conditions, and that improvement of industrial communities was a necessary step to make them "fit human habitations." Improvement of what may be called, for want of a better term, the social environment of industry was, then, a prerequisite to increased efficiency.

Altho the conditions of industry may have been a potent factor in the decrease of efficiency in such essential war industries as copper mining and lumbering, there is every reason to believe that under fairly acceptable or even desirable working conditions the labor force, conscious of its indispensability in carrying out the nation's war program, often took advantage of the situation to assert its independence and practised "loafing on the job" or, aided by high wages, took a "lay-off" quite frequently. Such, at least, seems to have been true in the shipbuilding industry subsequent to our entry into the war.<sup>50</sup> High wages paid in this industry resulted in idling which reduced the effectiveness of some yards thirty per cent and of others fifty per cent. Added to the high wages, of course, was the ten per cent bonus, but even this failed to have the desired effect of increasing efficiency. Men kept at their tasks for six-day periods only long enough to accumulate sufficient money to enable them to idle for extended periods.<sup>51</sup> It was a common observation that the weekly per capita production of skilled labor steadily declined in many industries after we entered the war.

Besides purposeful withdrawal of effort on the part of some skilled and unskilled workmen, other difficulties appeared in the

<sup>49</sup> *Official Bulletin*, February 11, 1918, p. 12.

<sup>50</sup> *Iron Age*, Vol. 101 (No. 3), p. 235.

<sup>51</sup> *Ibid.*, (No. 5), p. 333.

shortage of well-trained, efficient laborers to perform the skilled and semi-skilled tasks in shipbuilding and other war industries. The war revealed the woeful situation of the United States from the standpoint of a supply of technical workers to do the finer work in industry. The lack of vocational, technical schools so prevalent in European countries threatened to paralyze America's war program, and resulted in widespread demand for vocational education. At one time the shipbuilding industry was calling for several hundred thousand technically trained workers, but no one knew from whence they could be drawn. This led to the introduction of a system of labor dilution and rapid training under the direction of the United States Training Service, described later in this study.

The problem of labor efficiency, then, resolved itself into the following aspects: (1) A decrease in labor efficiency, due to (a) high wages, which enabled the men to idle; (b) undesirable working conditions and unfit living conditions, which were not conducive to health and effort; (c) the independence of labor arising out of the abundance of employment, which encouraged conscious withdrawal of effort or "soldiering;" (2) the shortage of skilled workmen to perform the more technical tasks of industry, due to the lack of a definite and adequate national system of industrial or vocational education. The remedies were: (1) Improvement of working and living conditions; (2) awakening of a spirit of loyalty and a sense of responsibility in those men who purposely loafed on the job; (3) training and dilution of labor to perform the increasing number of skilled and semi-skilled tasks.

#### 6. WOMEN AND CHILDREN IN INDUSTRY

The necessity of increased production during the war, coupled with the withdrawal of millions of men for the army and the navy, forced upon our industries the alternative of replacing men with women and of accepting children for the common tasks which they were physically able to perform. We have already touched upon the serious tendency to break down labor safeguards which resulted from the emergency, and potential dangers which such a policy involved, especially as regards women and children.

The experience of European belligerents had demonstrated the

successful adaptation of women and children to many of the lighter mechanical operations formerly performed by men. There was general recognition of the value of women workers as an essential factor in production. It was also demonstrated that in the absence of the most stringent regulation and protection very serious results grew out of the replacement of men by women and the unwise employment of child labor. Inauguration of extended employment of women and children in industry involved several considerations, among which were the following:

(1) The extent to which women and children could assume the more difficult and heavy tasks in production without causing injuries to themselves and endangering their future usefulness in the life of the nation. Prevention of undesirable results in this regard was possible through the following precautions: (a) Prohibition of lifting excessive weights. Since handling of freight or other heavy burdens by women or children may overtax their strength, many establishments adopted a weight of twenty-five pounds as the maximum to be lifted by women. In the state of New York, for instance, there was a legal maximum of twenty-five pounds for women's work in foundries, and this maximum was also adopted by forty large industrial plants of Detroit.<sup>52</sup> (b) Protection against poisoning incident to the making of explosives and the handling of munitions. This would include every possible measure of sanitation and frequent physical examinations. (c) Regulation of hours of labor to prevent over-fatigue. As suggested in previous pages, it was necessary to exercise every care and exert every effort to maintain prevailing safeguards of labor. Prohibition of night work and excessive overtime was a necessary measure, and many states passed legislation to this end.

(2) The guaranty of equal pay for equal work where women filled positions formerly occupied by men. Such a guaranty was necessary as a prevention against the employment of women as a subterfuge to obtain cheap and exploitable labor, thus affording the unscrupulous employer an unfair advantage over his more honest and generous competitors and leading to dangerous exploitation of unorganized employees.

<sup>52</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, January, 1918, p. 59.



(3) The establishment of facilities for training unskilled women in the shortest possible time to do the mechanical tasks previously performed by men. Many establishments provided short training courses for women in so called "Vestibule Schools." The Bethlehem Steel Company paid women twenty-five cents an hour while in training, and this rate was increased as soon as the women were able to handle production work. In addition, this company established a bonus system to encourage efficiency in production. The Lincoln Motor Company, Detroit, Michigan, which was building liberty motors, also installed facilities for training women. This company found the vestibule schools so advantageous that they decided to make them a permanent feature for both men and women workers.<sup>53</sup>

(4) The provision of conveniences and comforts in order to attract and retain the right kind of female workers. Such facilities had not been previously installed by corporations for their male employees, therefore a new expense was entailed, amounting at times to \$25 per person.<sup>54</sup> Managers who provided such conveniences and comforts for their women workers asserted that this was not a large outlay in view of the results obtained in contentment. This whole movement for betterment and welfare plans in American industries received its greatest impetus from the experiences of Great Britain, especially from the investigations of the British Ministry of Munitions which revealed the futility of attempting to increase production in the absence of desirable conditions for employees, and showed that there is a definite relation between health, contentment, and output.<sup>55</sup>

Previous to the war the idea was prevalent in every country that women were neither actually nor potentially so efficient as men in operations requiring a high degree of technical skill. Such an idea was a legacy of antiquity and seldom, if ever, based upon scientific inquiry. The evidence available for the war period shows that women who entered occupations formerly held

<sup>53</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, September, 1918, p. 214.

<sup>54</sup> *Ibid.*

<sup>55</sup> See the following bulletins by the U. S. Bureau of Labor Statistics: *Welfare Work in British Munition Factories*, Bulletin No. 222; *Employment of Women and Juveniles in Great Britain during the War*, Bulletin No. 223; *Hours, Fatigue, and Health in British Munition Factories*, Bulletin No. 221.

by men proved themselves equally efficient, in some instances showing even greater skill. For example, in a British shell factory skilled men required 3.16 machine hours to bore a shell, while women with one week's practice did it in 3.6 hours and within two or three months had reduced the time to 1.25 hours, increasing output two and one-half times.<sup>56</sup> A typewriter and comptometer company declared that the slowest woman operator in point of production equalled the best man's daily production.<sup>57</sup> A small factory found that girls were turning out about seventy-five per cent of what men produced, but when completely trained they showed 110 per cent efficiency as compared with men. The Lincoln Motor Company found women not more productive than men, indeed a little slower, altho this was offset by their attention to details and the very low percentage of waste. On the other hand, one company employing 800 women concluded that the same attention and training given to each new man hired would make them as productive.<sup>58</sup>

Equally interesting information regarding women's efficiency in industry is available for the metal trades. In an investigation of 127 establishments it was found that in thirty of these women's output exceeded men's in all operations; in six it was equal in some operations and greater in others; in thirty women's work was as productive as men's; in seven it was greater in some operations and less in others; in eleven it was equal in some and less in some; and in fifteen establishments women's work was less productive than men's in all operations. A total of twenty-eight concerns either did not report or their data was not comparable.<sup>59</sup> From the standpoint of attitude towards their work and regularity of attendance women have proved themselves worthy competitors with men.<sup>60</sup> Of 111 manufacturing establishments reporting on the attitude of women towards their

<sup>56</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, September, 1918, p. 212.

<sup>57</sup> *American Machinist*, February 7, 1918, Vol. 48, p. 241.

<sup>58</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, September, 1918, pp. 212, 213.

<sup>59</sup> *War-time Employment of Women in the Metal Trades*, National Industrial Conference Board, Research Report No. 8. Quoted in *Monthly Labor Review*, U. S. Bureau of Labor Statistics, October, 1918, p. 192.

<sup>60</sup> For experiences of Great Britain see Bulletin No. 221 and Bulletin No. 223, U. S. Bureau of Labor Statistics, 1917.

work 103 stated it to be as good or better than men's, while eight considered it worse than men's. Over one-half of the women reported upon equalled or surpassed men in their regularity of attendance. However, the experience of other companies and other industries warrants the conclusion "that a higher average time loss because of absence must be counted among the unavoidable disadvantages connected with the employment of women." But this adverse circumstance has a compensatory advantage in the fact that labor turnover is smaller among women.<sup>61</sup>

Relative to the wages of women in war-time, it is worthy of note that never has there been given so much impetus to the slogan: "Equal pay for equal work without discrimination as to sex." This principle was emphasized by governmental agencies and by the spokesmen of women workers. It was one of the basic principles governing the procedure of the War Labor Board and its subsidiary representatives, and a surprisingly extensive acceptance of this policy was evidenced by industrial enterprises independent of the influence of governmental commissions or boards. In munition plants women were generally paid equal piece rates, and in many railway equipment shops there was no difference in rate whether piece or time. The principle of equal wages for equal work seemed to be more generally accepted in industries in which women were being employed for the first time, than in the establishments where they were accustomed to find employment. In the metal trades there was some variation, and this seems to have been true of many other war industries. An investigation of wage scales in 127 metal trades establishments, for instance, showed that in fifty-three women's wage rates were equal to men's; in twenty-nine the piece rate was equal but the time rate less; in twenty-four all rates were less for women. In data from twenty-one establishments this information was either not given or was not comparable. In only three out of thirteen electrical manufacturing plants were equal time and piece rates paid to men and women. One industrial establishment discriminated against women, starting them in at the rate paid to boys. Later, because of the increased labor turnover resulting from this discrimination and a series of tests

<sup>61</sup> *War-time Employment of Women in the Metal Trades*, National Industrial Conference Board, Research Report, No. 8. Quoted in *Monthly Labor Review*, U. S. Bureau of Labor Statistics, October, 1918, p. 195.



which disclosed women's productivity greater than men's, a new wage scale was devised.<sup>62</sup> The question of hours for women and children is closely related to wage rates. It was necessary in every state to prevent exploitation under the guise of patriotism or war emergency. Hours varied between eight and nine; women proved more efficient on the eight-hour schedule and on day work rather than night work.<sup>63</sup>

There are no reliable figures concerning the number of women who entered industry in the United States during the war.<sup>64</sup> It is therefore impossible to state exactly at this time to what extent women replaced men in the various industries. Some estimates have been made, however, and in a few cases investigations completed for special industries like the textile and metal trades. In this regard the United States is less fortunate than Great Britain and France, where statistics were compiled. Between July, 1914, and January, 1918, the increase in the number of women workers in Great Britain was nearly 1,500,000, and the number of women who actually replaced men is said to have been 1,400,000. In munition plants alone the number was 700,000 in October, 1917. In January, 1918, 400,000 French women were making munitions. The movement to fill industrial vacancies in the United States gained its greatest momentum between September 1, and November 1, 1918.

Previous to the war the number of gainfully employed women in the United States was about 10,000,000. Subsequent to 1915, however, an additional 1,000,000 are believed to have entered gainful occupations, especially manufacturing and clerical positions. Approximately 100,000 teachers left the schools for clerical and other positions of war work, going particularly to Washington and other Atlantic coast cities. An industrial survey of fifteen states showed that about 1,266,000 women were engaged in making war supplies in the United States in January, 1918, 100,000 of whom were manufacturing munitions. Women were placed in machine shops, automobile factories, railway repair

<sup>62</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, October, 1918, pp. 193, 214. Quoted from Research Report No. 8, of the National Industrial Conference Board, 1918.

<sup>63</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, September, 1918, p. 213.

<sup>64</sup> No such statistics were available on December 13, 1918, according to a letter of that date from the U. S. Department of Labor to the writer.

shops, the street railway service, etc. In December, 1918, the manager of the "Women's Service Section" of the Railroad Administration stated that between January and October, 1918, the number of women employed by the steam railroads had increased from 60,000 to 100,000.<sup>65</sup>

The United States Employment Service began to collect statistics of placement of women in industry after August 1, 1918. These figures were more or less incomplete for August, but the records show that during the four weeks of September 49,846 women were placed by the Service. The results for October were expected to show a "considerable increase over this number, indicating that the placement of women in industry was increasing at a very rapid rate as the war went on." With the exception of the building and construction trades, the records of the United States Department of Labor showed that women "were placed in practically every industrial occupation and especially in metal and machinery work."<sup>66</sup> A recent estimate puts the number that went into textile mills at 275,000, and 1,000 girls as employed in the seaplane factory at League Island Navy Yard.<sup>67</sup> A suggestive investigation of war-time employment of women in the metal trades was made early in 1918, by the National Industrial Conference Board. A total of 330 metal-work establishments reported. Of this number 131 employed women in manufacturing processes. Of a total labor force of 384,709, women numbered 4,831, or 12.9 per cent. It is interesting to note that women were for the most part employed in addition to men, not as substitutes for them.<sup>68</sup>

The problem of women and children in industry during the war, then, involved: (1) the prohibition of child labor except as a final resort, and then only under the most rigid public regulation as to wages, hours, and the nature of employment; (2) equal pay for equal work, without discrimination as to sex; (3) a basic

<sup>65</sup> *War-time Employment of Women*, by Margaret A. Hobbs, *American Labor Legislation Review*, Vol. 8 (December, 1918), pp. 332-338.

<sup>66</sup> No statistics were available on December 13, 1918, according to a letter of that date from the United States Department of Labor to the writer.

<sup>67</sup> *Chicago Tribune*, December 15, 1918.

<sup>68</sup> *War-time Employment of Women in the Metal Trades*, Research Report No. 8, of the National Industrial Conference Board, Boston, 1918. Quoted in *Monthly Labor Review*, U. S. Bureau of Labor Statistics, October, 1918, p. 192.



eight-hour day for women, with the minimum of overtime, night work, and Sunday work; (4) facilities for training women workers to take skilled or semi-skilled positions vacated by men.

#### 7. LABOR SAFEGUARDS

An unmistakable loss of health, output, and national effectiveness had resulted in other belligerent countries from the serious breakdown of protective labor regulations.<sup>69</sup> Furthermore, it had been repeatedly demonstrated in the experience of American industries that accidents, over-fatigue, and occupational diseases tend to increase *pari passu* with the speeding up of workers, lengthening of the working day, and otherwise breaking down protective measures designed to conserve labor.<sup>70</sup> In view of these facts it was necessary, in order to protect American labor, to exact the following conditions: (1) maintenance of all existing standards of safeguarding machinery and industrial processes for the prevention of accidents; (2) maintenance of all existing measures for the prevention of occupational diseases, and the provision of protective agencies against occupational poisonings incident to the making and handling of explosives; (3) the establishment of a basic eight-hour day wherever feasible, no extension of existing hours of employment, and one day of rest in seven; (4) periodic adjustment of wage scales to correspond with the variations in the cost of living, equal pay for equal work without discrimination as to sex, and time and one-half for overtime; (5) maintenance of all existing regulations and the introduction of new measures designed to protect women and children in industry, including maximum hours, prohibition of night work, prohibition of hazardous work, minimum wages, etc.; (6) maintenance of existing standards of workmen's compensation for industrial accidents and diseases, provision of special insurance or compensation for occupational diseases incident to the manufacture of explosives, periodical physical examinations in order to safeguard the health of workers in war industries; (7) rigid enforcement of factory and other labor laws, and the creation of joint commissions of representatives of workers,

<sup>69</sup> See Bulletin No. 223, U. S. Bureau of Labor Statistics, 1917.

<sup>70</sup> See *Fatigue and Efficiency*, by Miss Josephine Goldmark. (Russell Sage Foundation,) 1913. See also Bulletin No. 250, U. S. Bureau of Labor Statistics, 1919.



employers, and the public to draft and enforce regulations necessary to the successful execution of all measures designed to protect the interests and welfare of labor.<sup>71</sup>

Altho individuals and organizations interested in the maintenance of labor safeguards enunciated principles and made recommendations similar to the above, the tendency to repeal or suspend protective legislation grew apace during the months immediately following our declaration of war. In many of the states there was an unmistakable movement toward the repeal of laws restricting hours of work or toward giving to state officials authority to abrogate protective legislation under certain conditions.<sup>72</sup> On April 12, 1917, Vermont enacted a law allowing the Commissioner of Labor, with approval of the Governor, to suspend the laws limiting women's and children's working hours; New Hampshire, on April 19, 1917, authorized the Governor to suspend labor laws at the request of the Council of National Defense; and a similar law was enacted by the state of Connecticut, May 2, 1917. This list might be extended to include many other states in which labor safeguards were either threatened or completely broken down.<sup>73</sup>

Shortly after the entry of the United States into the war, Governor Brumbaugh of Pennsylvania wrote President Wilson relative to the wisdom of protecting the safeguards that have been built around American labor. In his reply the President said:

I think it would be most unfortunate for any of the States to relax the laws by which the safeguards have been thrown about labor. I feel that there is no necessity for such action, and that it would lead to a slackening of the energy of the nation rather than to an increase in it, besides being very unfair to the laboring people themselves.<sup>74</sup>

Yet there was a suspension of the federal eight-hour laws under authority of the Naval Appropriations Act, approved March

<sup>71</sup> See Special Bulletin No. 1, April, 1917, of the American Association for Labor Legislation, and recommendations of the National Child Labor Committee: *What Shall We Do for the Children in Time of War*, October, 1917.

<sup>72</sup> *First Annual Report of the Council of National Defense*, 1917, p. 87.

<sup>73</sup> See *Labor Laws in War-time*, Special Bulletin No. 2, of the American Association for Labor Legislation, June, 1917.

<sup>74</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, July, 1917, p. 54.

4, 1917 (Public No. 391, 64th Congress), due to the national emergency for work connected with war and contracts of the United States for national defense, and a waiver of the eight-hour day law for navy department contracts under authority of the President's order, March 22, 1917, and issued in Secretary of the Navy Daniels's order of June 23, 1917.<sup>75</sup> It should be said, however, that in the subsequent months of the war various agencies and departments of the government bent their efforts to establish and maintain the eight-hour day in industries directly operated by the government and private plants working on government contracts, and President Wilson vetoed the bill passed by both houses of Congress providing for the introduction of a nine-hour work-day for government employees. The true attitude of the departments of government toward labor safeguards was set forth in the following summary of General Orders No. 13, issued by the Chief of Ordnance, November 15, 1917:

In view of the urgent necessity for a prompt increase in the volume of production of practically every article required for the conduct of the war, vigilance is demanded of all those in any way associated with industry, lest the safeguards with which the people of the country have sought to protect labor should be unwisely and unnecessarily broken down.

It is a fair assumption that for the most part these safeguards are the mechanism of efficiency. Industrial history proves that reasonable hours, fair working conditions, and a proper wage scale are essential to high production. During the war every attempt should be made to conserve in every possible way all our achievements in the way of social betterment.

Excessive hours or unfair wages were not to be tolerated, the basic day was not to exceed ten hours, time and one-half was to be paid for overtime; Saturday half-holiday, legal holidays, and one day of rest in seven were to be granted. All necessary protection of labor against danger, together with precautionary measures for comfort and sanitation, wages comparable with the advance in the cost of living, protection of women and juvenile workers, and no child labor were to be assured.<sup>76</sup> The attitude of the departments of the national government was a powerful contrast to that evidenced by many state legislatures. The problem became serious, for our states had not yet learned the truth

<sup>75</sup> *Ibid.*, p. 55, and August, 1917, p. 148.

<sup>76</sup> *Ibid.*, December, 1917, pp. 51-53.

that in the long run a well-protected labor force is likely to be the most contented and efficient, while the exploited masses not only consciously or unconsciously become inefficient, but constitute fruitful ground for the sowing of seeds of discontent, industrial unrest, and revolutionary propaganda. It has been well stated that: "The war, which ushered in a concerted attack on protective labor legislation for women, ended by demonstrating more clearly than ever before the scientific basis of such restrictions and their necessity in the maintenance of efficiency and output."<sup>77</sup>

#### 8. INDUSTRIAL UNREST

A great national emergency like the recent war is an opportune time for the assertion of the claims of labor, since, for reasons already suggested, the supply of labor is much less than the demand. Realization of this strategic position is likely to make labor restless and to encourage vigorous presentation of its demands for shorter hours, higher wages, recognition of the union, and better working conditions, all of which in normal times are put forth with much less assurance of success. None of the belligerent countries escaped the serious problem of industrial unrest in an accentuated form, and each government constantly faced the necessity of placating or coercing the mass of laborers who took advantage of the crisis to press home their claims. Conspicuous among the many contributing causes of this widespread industrial unrest, as it appeared in the United States, were the growing independence of labor, the rapidly rising level of prices, the spread of revolutionary ideas, and the quite prevalent belief that the European war, like all others, was essentially a capitalistic venture arising out of the struggle for world markets. Before discussing these and other causes it is necessary to examine the development of industrial unrest in the United States during the period of the war.

The entrance of the United States into the war was followed by general labor unrest; strikes or threatened strikes appeared as the order of the day. "With the coming on of the war, traditional cleavages between employers and wage earners were ac-

<sup>77</sup> Hobbs, Margaret A., *American Labor Legislation Review*, Vol. 8, p. 336 (December, 1918).



centuated," stated the Secretary of Labor.<sup>78</sup> In every section of the country industrial unrest expressed in strikes or threatened walk-outs imperiled the production of essential war supplies. During the summer and fall of 1917 important war industries in the West experienced disastrous shutdowns. Trade union officials agreed that the extent and nature of the industrial unrest that was manifested in the western part of this country was the cause of deep concern to those responsible for the conduct of the nation's affairs.<sup>79</sup> Disputes were prevalent in four copper districts of Arizona in which was mined twenty-eight per cent of the copper produced in the United States, and within three months these shutdowns entailed a loss of 100,000,000 pounds of copper. Oil was another essential war product, especially for the navy, yet there was widespread unrest in the oil fields of California, which average in output 8,000,000 barrels a month or about one-third of the total output of the whole United States. In these oil fields about 18,000 men were employed.<sup>80</sup> The tie up of the telephone industry of the northwest states, which employed over 12,000 persons, greatly threatened the means of communication. The lumber industry of the Pacific Northwest, which was so essential to aircraft and ship construction and which employed 70,000 men, suffered a serious breakdown for several months during the summer of 1917, and for several months afterwards operated far below normal productivity. The labor troubles in the meat packing industry centering in Chicago threatened, late in 1917, to paralyze the entire industry employing over 100,000 men, and endangered the meat supply for ourselves and our allies.<sup>81</sup> All these cases were dealt with by the President's Mediation Commission whose work is discussed elsewhere in this study.<sup>82</sup>

Industrial unrest was not confined to any one section of the country, but characterized almost every type of industry in every section of the country. Between October, 1917, and Jan-

<sup>78</sup> *Fifth Annual Report of the Secretary of Labor*, 1917, p. 158.

<sup>79</sup> *Report of the Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor*, 1917, p. 88.

<sup>80</sup> *Official Bulletin*, February 11, 1918, pp. 9, 12.

<sup>81</sup> *Ibid.*, p. 12.

<sup>82</sup> See Part II, pp. 150-155.

uary, 1918, an examination of eighteen strikes reported in a daily newspaper disclosed the fact that 750,000 men were directly affected, and 90,000 men indirectly affected. These statistics are inadequate, for in only two of the cases were there any reports of men indirectly affected. A strike in the Lake Carriers' Association, comprising 64 vessel owners and 400 vessels, threatened to undermine completely the transportation of iron ore, coal, and other supplies on the Great Lakes, the strike being called for October 1, 1917, a critical period in our war preparation.<sup>83</sup> In Alabama 25,000 miners threatened to walk out and were prevented from doing so only by the intervention of the government. In the railroad shops of the Southwest 42,000 mechanics threatened to strike, in the shipyards over 175,000 men, and in the Pennsylvania coal mines 8,000 men, all in the summer of 1917.<sup>84</sup>

Since there has been some controversy as to whether industrial strikes increased subsequent to the entry of this country into the war, further statistics will not be amiss. During the six months from April 6 (the day we declared war on Germany) to October 6, 1917, nearly 3,000 strikes occurred in industrial establishments in the United States, according to an examination of various sources of information. This number cannot be said to include all strikes taking place within that period. A very suggestive investigation of the first six months of our active participation in the war throws light on the situation as it existed.<sup>85</sup> Reports on 1,156 strikes gave the following statistics: number of employees idle, 283,402; number of days of production lost, 6,285,519; 251,400 persons would have to work a whole month to make up the loss of production; a manufacturing plant employing 1,000 workers would have to operate for 21 years of 300 work-days to offset the loss sustained by these strikes; the average loss per worker was 22.2 days. Among the most essential war industries were the metal trades, shipbuilding, coal mining, and copper mining. These constituted 46.1 per cent of the 1,156 strikes reported, 61.8 per cent of all the workers idle, and 66.3

<sup>83</sup> *Iron Age*, Vol. 101 (No. 12), p. 745.

<sup>84</sup> *Official Bulletin*, August 29, 1917, p. 29.

<sup>85</sup> *Strikes in American Industry in War-time*, Research Report No. 3, of the National Industrial Conference Board, March, 1918, pp. 3, 5.

per cent of the work-days lost. Further statistics are given in the table below.<sup>86</sup>

TABLE II. CLASSIFICATION OF STRIKES ACCORDING TO INDUSTRIES

Industry	Establishments		Employees		Work-days	
	Affected		Made Idle		Lost	
	No.	Per cent	No.	Per cent	No.	Per cent
Total .....	1,156	100.0	283,402	100.0	6,285,519	100.0
Metal Trades.....	375	32.4	78,727	27.8	1,230,804	19.6
Shipbuilding .....	75	6.5	47,174	16.7	1,072,501	17.1
Coal Mining.....	59	5.1	31,973	11.3	939,608	14.9
Copper Mining.....	24	2.1	16,911	6.0	922,782	14.7
Textiles .....	122	10.5	20,708	7.3	434,061	6.9
Lumber .....	65	5.6	11,136	3.9	433,450	6.9
Clothing, Hats, Shoes.	59	5.1	10,396	3.8	375,081	5.9
Railroads .....	46	4.0	10,684	3.8	222,222	3.5
Miscellaneous .....	331	28.7	55,693	19.4	655,010	10.5

It will be seen from the above table that 71.3 per cent of the establishments affected might be classified as essential war industries; that of the total number of workers made idle 80.6 per cent were engaged in these essential occupations; and that of the aggregate number of work-days lost 89.5 per cent were lost by the essential industries. The effect of these strikes upon our war program during the critical period of the first half-year of our actual participation in the war can hardly be estimated.

The most adequate data on strikes and lockouts during the period with which we are concerned in this study were compiled by the United States Bureau of Labor Statistics, and set forth in the following table:<sup>87</sup>

<sup>86</sup> From Research Report No. 3 of the National Industrial Conference Board, March, 1918, pp. 5, 7.

<sup>87</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, June, 1919, pp. 303-325.



TABLE III. NUMBER OF STRIKES AND LOCKOUTS BEGINNING IN EACH MONTH, 1916, 1917, 1918

Kind of Dis- pute Jan- uary	Febru- ary	March	April	May	June	July	August	Septem- ber	Octo- ber	Novem- ber	Decem- ber	Mo. not Stated	Total
Strikes													
1916	180	289	419	604	340	310	318	247	255	192	147	174	3,678
1917	268	299	421	438	297	428	346	328	312	245	180	475	4,233
1918	180	293	301	377	284	274	269	194	140	200	237	224	3,181
Lockouts													
1916	8	5	15	13	14	3	8	5	4	4	2	24	108
1917	14	10	14	12	10	4	7	9	4	6	12	17	126
1918	8	11	10	6	6	6	5	10	...	5	10	16	104
Total													
1916	188	294	432	617	354	313	326	252	259	196	149	198	3,786
1917	282	309	435	450	307	432	353	337	316	251	192	492	4,359
1918	188	304	311	383	290	280	274	204	140	205	247	240	3,285

It will be noted from the above table that during the three years (1916, 1917, 1918) there was a total of 11,430 strikes and lockouts, of which 11,092 were strikes and 336 were lockouts. Of the 11,092 strikes 7,414 or about 67 per cent occurred during the two years in which we were at war, while of the 336 lockouts, 230 or about 68 per cent took place in that period. In 1917 there were more strikes and lockouts than in 1916; while in 1918 there were less than in either of the two preceding years.

Interesting statistics concerning the distribution of strikes is contained in the data below:<sup>88</sup>

TABLE IV. NUMBER OF STRIKES AND LOCKOUTS IN 1916, 1917, AND 1918, BY SEXES

Sex	Strikes			Lockouts		
	1916	1917	1918	1916	1917	1918
Males .....	3,042	3,434	2,345	76	99	76
Females .....	122	152	86	..	..	3
Males and Females.....	260	184	263	9	6	11
Not reported.....	254	463	487	23	21	14
Total .....	3,678	4,233	3,181	108	126	104

The statistics of the above table indicate that men only were involved in about 82 per cent of the strikes in 1916, about 81 per cent in 1917, and about 74 per cent in 1918, while women were involved in comparatively few strikes. Men only were involved in about 70 per cent of the lockouts in 1916, 78 per cent in 1917, and 73 per cent in 1918, while women were locked out by employers in comparatively few cases.

In 1916, in 2,600 strikes and 64 lockouts the number of persons involved was stated to be 1,546,428 and 53,182 respectively, or an average of 595 and 831, respectively; in 1917, in 2,174 strikes and 46 lockouts the number of persons involved was reported to be 1,193,867 and 19,133, respectively, or an average of 549 and 416, respectively; and in 1918, in 2,027 strikes and 70 lockouts the number of persons involved was said to be 1,192,418 and 43,041, respectively, or an average of 588 and 615, respectively.<sup>89</sup> This means that during the three years 6,801 strikes made idle 3,932,713 persons, and 180 lockouts made idle

<sup>88</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, June, 1919, p. 310.

<sup>89</sup> *Ibid.*, p. 311.

115,356 persons. Of the total number of persons made idle during this period on account of strikes approximately 61 per cent were out of work for varying periods during the two years in which we were at war, while of the total number of persons forced out of employment on account of lockouts during the three years fully 54 per cent were locked out during the two years of our active participation in the war.

Brief mention should be made concerning the duration of the strikes and lockouts. Of 6,368 strikes reported in 1916, 1917, 1918, 2,540 lasted from less than one to not more than seven days; 861 from eight to fourteen days; 483 from fifteen to twenty-one days; 219 from twenty-two to twenty-eight days; 76 from forty-three to forty-nine days; 201 from fifty to seventy-seven days; 216 from seventy-eight to one hundred and nineteen days; and 47 over two hundred days. No information regarding duration was reported in 1,391 cases. These statistics indicate that of the 6,368 strikes reported 3,894 or about 61 per cent ended within three weeks, while of the 174 lockouts reported 65 or about 36 per cent ended within that time.<sup>90</sup>

Of the 11,092 strikes tabulated by the Bureau of Labor Statistics during the three years (1916, 1917, 1918), 8,373 or about 76 per cent occurred north of the Ohio and east of the Mississippi; 2,018 or about 18 per cent occurred west of the Mississippi; and 701 or about 6 per cent south of the Ohio and east of the Mississippi. Of the 335 lockouts reported 230 or about 68 per cent occurred north of the Ohio and east of the Mississippi; 74 or about 22 per cent occurred west of the Mississippi; and 34 or about 10 per cent occurred south of the Ohio and east of the Mississippi. Industries having the largest number of strikes and lockouts were as follows: building trades, clothing industries, mining, shipbuilding, textile industry, metal trades, and transportation.<sup>91</sup>

The trend of industrial unrest during recent years may be seen also from an examination of the reports on the work of conciliation and mediation of the United States Department of Labor. "The number of labor disputes calling for government mediation increased suddenly and enormously with the begin-

<sup>90</sup> For complete data see *ibid.*, p. 313.

<sup>91</sup> For statistics of distribution of strikes and lockouts by industries see *ibid.*, p. 312.



ning of the war’’<sup>92</sup> and Congress, recognizing the need of dealing with the situation, appropriated and made available for 1917, \$100,000 for the mediation work of the Department of Labor. In the cases coming before the mediators of the Department of Labor from April 6, to June 30, 1917, 228,123 employees were directly affected, and 178,376 were indirectly affected; and by October 25, 1917, these had been extended to include an aggregate of 572,029 men directly affected and approximately 380,954 involved indirectly. The number of cases coming before the conciliators of the Department of Labor were as follows:

March 4, 1913, to June, 1914.....	33
1915.....	42
1916.....	227
1917.....	378
1918.....	1,217
Total .....	1,897

These cases embraced controversies in nearly every state of the Union—in exact figures 43 states, together with Alaska and Porto Rico.<sup>93</sup> For the fiscal year 1917 there were 473,734 workers affected directly, and 334,225 indirectly.<sup>94</sup> In the table below are given the statistics on mediation of labor disputes for each month during the fiscal year 1918:<sup>95</sup>

TABLE V. NUMBER OF MEN DIRECTLY AND INDIRECTLY AFFECTED IN ALL CASES COMING BEFORE THE DIVISION OF CONCILIATION OF THE UNITED STATES DEPARTMENT OF LABOR, IN EACH MONTH DURING THE FISCAL YEAR 1918<sup>96</sup>

Month	Workmen affected in all cases	
	Directly	Indirectly
July .....	159,505	68,842
August .....	122,164	38,484
September .....	98,970	96,530
October .....	64,048	66,347
November .....	53,125	145,385
December .....	46,412	115,007
January .....	126,436	103,345

<sup>92</sup> *Fifth Annual Report of the Secretary of Labor*, 1917, p. 51.

<sup>93</sup> *Ibid.*, p. 50. The figures for 1918 are from the *Sixth Annual Report of the Secretary of Labor*, 1918, p. 31.

<sup>94</sup> *Fifth Annual Report of the Secretary of Labor*, 1917, p. 51.

<sup>95</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 30.

<sup>96</sup> Compiled from the *Monthly Review*, U. S. Bureau of Labor Statistics, 1917-18.

February .....	58,069	120,455
March .....	41,644	80,931
April .....	81,348	162,734
May .....	98,951	116,926
June .....	90,670	200,671
Total .....	<u>1,041,342</u>	<u>1,315,657</u>

It will be seen from the foregoing statistics that the number of cases coming before the Division of Conciliation during the period of the war, 1914 to 1918, totalled 1,864. Of this number of disputes 1,595 arose during the time the United States was at war. In other words, about 85.5 per cent of all the cases under consideration came before the Division subsequent to our entry into the war, while 14.5 per cent were handled previous to that time. During the fiscal year 1918 a total number of 1,217 disputes came before the Division, involving 1,041,342 workmen directly affected, and 1,315,657 indirectly affected. This means that two and one-half millions of wage earners, approximately three times as many as during the preceding year, were involved in cases submitted to the Division of Conciliation; that the average number of workmen directly affected in the 1,217 disputes was about 855, the average number indirectly affected about 1,081.

These statistics are not necessarily an index to an increase in the number of industrial disputes, altho there is no reason to doubt that they express such a tendency. They show positively, however, an increasing desire on the part of employers and employees to mediate their difficulties. That this increasing tendency toward conciliation during the war period is indicative of a permanent change in the attitude of labor and capital toward the amicable settlement of their difficulties does not necessarily follow, for during the recent national crisis both parties to the industrial conflict were actuated by the powerful motive of patriotism, and in times of peace such a motive is not a dynamic factor. The total number of strikes occurring during the last four years was much greater than the statistics of the previous pages imply. Many other governmental agencies, including the production departments, were solving the problem of industrial unrest in their own way, and complete statistics on the number of disputes coming before these agencies are not available at this time. These would doubtless swell the total.

## CHAPTER IV

### ANALYSIS OF RECENT INDUSTRIAL UNREST

The economics and psychology of unionism and the labor movement are as yet vaguely understood. This lack of understanding of one of the most potent agencies in modern industrial life is due largely to a corresponding deficiency of knowledge of the conditions that have produced the phenomenon of unionism and that today constitute the greatest stimulus to its growth. The interesting but impractical schemes advanced for dealing with the problem of industrial unrest during the period of the recent war are convincing evidence of the unwillingness or inability of many persons in public and private life to comprehend the true nature of the labor problem and the phenomenon of trades-unionism. Until there is adequate comprehension of the industrial and other causes that give rise to the recurrent phenomena of labor disputes a solution of the labor problem manifested in these disputes will not be forthcoming. It is not too much to say that ignorance of the principle of causation, as it operates in the industrial system, giving rise to maladjustment in industrial relations, has been responsible for the failure to provide an acceptable means of preventing industrial conflict. The labor problem, like the broad field of economics of which it is a part, is of such general interest and touches the business of living so intimately and affects so largely the whole fabric of social relations that almost every one ventures an analysis and a solution.

At no time has familiarity with the labor problem and its solution been more generally assumed than during the four war years, and this fact may be partly responsible for the wilderness of abstraction and confusion in which the problem of industrial relations finds itself today. There is need for a more scientific approach to the perplexing phenomenon of industrial unrest. It is necessary to learn that such unrest grows out of definite, ascertainable, antecedent phenomena. Complete understanding



of these antecedents is a prerequisite to a fair consideration and final judgment of the industrial conflict. For this reason a brief analysis of the causes of recent industrial disputes is set forth in the following pages.

Examination of industrial disputes during recent years reveals two sets of fundamental causes. In the first place, there are what may be termed general conditions and, second, those which may be designated as specific conditions. By general conditions are meant those circumstances prevalent throughout the industrial system of the United States, while by specific causes are meant those conditions or circumstances which are found in particular industrial establishments and may or may not be present in other plants. Another classification that suggests itself is that of a twofold division of causes into economic and psycho-social. These economic and psycho-social elements, however, enter into almost every conceivable cause of industrial unrest. If we bear this in mind the division into general and specific conditions, even tho it be an arbitrary classification will, nevertheless, be sufficient for our purposes.

Among the general conditions responsible for recent industrial unrest are:

1. The high cost of living and the failure of wages to keep pace with the rapidly rising level of prices.
2. Inequality in wage scales as between different occupations, different establishments, and different localities.
3. The demand for a shorter work-day.
4. Faulty distribution of the labor supply and the absence of adequate machinery for securing a better distribution.
5. Distant or absentee ownership and control of industry.
6. Autocratic government of industry.
7. Inadequate machinery for settling labor difficulties.
8. The prevalence of profiteering.
9. The spread of internationalism.

Some of the more important specific causes of recent conflict in industrial relations are:

1. Inadequate housing and transportation facilities.
2. Lack of healthful and desirable social environment in industrial neighborhoods.
3. Demand for readjustment of rates of pay for overtime, Sundays, night-work, and legal holidays.

4. Discrimination against union employees, and the use of intimidation and coercion by both employers and workmen.

5. Demand for recognition of the union and the right of organization.

6. Undesirable conditions of employment.

7. Demand for a minimum wage scale.

8. The employment of women on work formerly done by men.

9. Deductions from wages to cover the cost of education, insurance, and medical aid.

10. The use of the permit system.

11. The practice of discounting orders for money advanced to employees.

12. Operation of the apprentice system.

13. Demand for specific and more frequent pay-days.

14. The polyglot character of workmen in some industries.

These two groups of conditions will be considered briefly in their relation to recent industrial disturbances.

#### GENERAL CAUSES OF INDUSTRIAL UNREST

(1) *The High Cost of Living.* The importance of the standard of living of American workmen as a factor in the determination and formulation of wage demands and other claims of labor is generally recognized by students of the labor movement.<sup>1</sup> In fact the bread and butter approach is the logical one to a clear understanding of the industrial conflict, both in times of peace and war. The war has resulted in a more general recognition of the relation of the cost of living to industrial unrest. To the plodding worker, the business of living has its genesis and goal in the satisfaction of his physical and spiritual wants here and now. Where the business of making a livelihood does not guarantee the satisfaction of these wants there is widespread discontent. When prices soar far above the level of wages the inevitable result is the spread of strikes and threatened strikes.

It is not necessary in this period of the world's history to present statistical proof of the rising cost of living, for it is a fact with which we are all unhappily too familiar. Some statistical data, however, will show more clearly the relation of rising

<sup>1</sup> *Trade Unionism in the United States*, by R. F. Hoxie, especially Chapter X.

prices to labor unrest. Rising prices are a world phenomenon at present, as they have been for some years past, and the United States has shared generously in this common experience of the world. Professor Kemmerer has stated this advance in prices for the United States during the eight years from 1910 as follows: <sup>2</sup>

#### INDEX NUMBERS OF WHOLESALE PRICES

Year	Index Number
1910.....	99
1911.....	97
1912.....	101
1913.....	102
1914.....	101
1915.....	102
1916.....	125
1917.....	178

Statistics published by the United States Bureau of Labor Statistics for the six years from 1913 show the following advances: <sup>3</sup>

#### INDEX NUMBERS OF WHOLESALE PRICES

Year	Index Number All Commodities
1913.....	100
1914.....	99
1915.....	100
1916.....	123
1917.....	175
1918.....	203

In the period from August, 1914, to August, 1918, index numbers for wholesale prices of farm products increased 120 per cent; food, etc., 80 per cent; cloths and clothing 151 per cent; fuel and lighting 89 per cent; chemicals and drugs, 107 per cent; house furnishing goods 124 per cent. All commodities showed an average increase of 101 per cent.<sup>4</sup> Summarizing the movement of wholesale prices for the period, 1914 to 1917, Professor Kemmerer says:

Comparing individual prices for December, 1917, with those for July, 1914, we find that of the thirteen items of animal products covered by the Bureau of Labor Statistics figures every one increased decidedly in price

<sup>2</sup> *The American Economic Review*, Vol. VIII (June, 1918), p. 263.

<sup>3</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, June, 1918, pp. 42-93. Figures for 1918 are for August of that year.

<sup>4</sup> *Ibid.*, October, 1918, p. 106.



during that period, increases varying from 37 per cent to 158 per cent. For vegetable products, eleven in number, the price rose decidedly for all but one (potatoes), where there was a decline of 10 per cent for the dates mentioned. Of the other ten items, the smallest increase registered was 46 per cent, and the largest 233 per cent. Of the thirteen items classified under textile and leather goods every one increased decidedly in price, the smallest increase for any item being 51 per cent and the largest 208 per cent. For the fourteen items of mineral products, every one likewise increased decidedly in price, the smallest increase being 17 per cent and the largest one being 200 per cent.<sup>5</sup>

The same trend in wholesale prices is shown by several generally accepted sources. The United States Bureau of Labor Statistics (294 commodities) shows an advance from 100 in 1913 to 175 in 1917; Annalist (25 commodities) from 100 in 1913 to 187 in 1917; Bradstreet (96 commodities) from 100 in 1913 to 170 in 1917; Dun (200 commodities) from 100 in 1913 to 169 in 1917; Gibson (22 commodities) from 100 in 1913 to 204 in 1917.<sup>6</sup>

Rising wholesale prices result in similar advances in retail prices for the principal commodities of consumption, especially those which constitute the major portion of the nation's diet, the demand for which is more or less inelastic. Food as a whole was 52 per cent higher on December 15, 1917, than on December 15, 1913, and 50 per cent higher than on either December 15, 1914, or December 15, 1915. During this four-year period corn meal advanced 108 per cent; lard 111 per cent; pork chops and potatoes, 67 per cent each; ham, 64 per cent; milk, 44 per cent; butter, 37 per cent; and eggs, 33 per cent. No article declined in price. Of 27 commodities of general consumption enumerated by the Bureau of Labor Statistics the retail price advanced from 91 per cent in 1913 to 138 per cent in 1917, for all articles combined.<sup>7</sup>

In the table below is given the trend of retail prices of food from 1913 to 1917: <sup>8</sup>

INDEX NUMBERS OF RETAIL PRICES OF FOOD

Year	Index Number
1913.....	100
1914.....	102

<sup>5</sup> *The American Economic Review*, Vol. VIII (June, 1918), p. 264.  
<sup>6</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, June, 1918, p. 98.  
<sup>7</sup> *Ibid.*, February, 1918, p. 92.  
<sup>8</sup> *Ibid.*, June, 1918, p. 146.

1915.....	101
1916.....	114
1917.....	146
1918.....	159 <sup>9</sup>

The illuminating Report of the Railroad Wage Commission throws further light upon the cost of living. This report shows that the increase in the various items of the family budget from January 1, 1916, to January 1, 1918, were as follows:

Food .....	52 per cent
Rent .....	10 per cent
Clothing .....	44 per cent
Fuel and Light.....	31 per cent
Sundries .....	35 per cent <sup>10</sup>

Weighting these advances according to the proportion of expenditure for each item for incomes of different amounts, the following increases are ascertained:

Families with incomes up to \$200.....	42 per cent
Families with incomes from \$200-\$400.....	41 per cent
Families with incomes from \$400-\$600.....	40 per cent
Families with incomes from \$600-\$1,000.....	38 per cent
Families with incomes from \$1,000-\$2,000.....	37 per cent

In the period 1915-1917, the sundry items of the workingman's budget showed advances as follows: insurance, 50 per cent; house furnishings, 40 per cent; books and papers, 50 per cent; amusements and vacations, 15 per cent; liquor and tobacco, 75 per cent; expenses connected with sickness and death, 50 per cent; and all other items, 50 per cent. Many estimates show that the purchasing power of the dollar had shrunk during this period from 29 per cent to 50 per cent, or to 71 cents and 50 cents respectively.<sup>11</sup>

The data and conclusions of the Railroad Wage Commission relative to the advance in the cost of living are verified by the special investigations of the United States Shipping Board and the United States Bureau of Labor Statistics. A comparison of the results of each investigation is given in the table below. In

<sup>9</sup> Weighted index number for 22 foodstuffs in 45 cities of the United States. *Ibid.*, October, 1918, p. 111.

<sup>10</sup> *Report of the Railroad Wage Commission to the Director General of Railroads*, April 30, 1918, p. 82.

<sup>11</sup> *Ibid.*, pp. 82, 83, 85.

column five we have averaged the percentage increases of the three studies.

TABLE VI. COMPARISON OF RELATIVE INCREASE IN SPECIFIED ITEMS OF EXPENDITURE AS DETERMINED BY THREE INDEPENDENT STUDIES <sup>12</sup>

Item	Jan. 1, 1916	June, 1916	Jan. 1, 1916	Average Percent- age increase of the studies
	to	to	to	
	Jan. 1, 1918	Feb., 1918	Jan. 1, 1918	
	U. S. Bureau of Labor Statistics <sup>13</sup>	U. S. Ship- ping Board <sup>14</sup>	Railroad Wage Com- mission	
Food .....	51%	52%	52%	51.2%
Rent .....	3%	16%	10%	9.2%
Clothing .....	46%	74%	44%	54.2%
Fuel and Light	23%	49%	31%	34.1%
Sundries .....	40%	35%	35%	36.2%

It will be seen from the above statistics that food increased 51.2 per cent; rent, 9.2 per cent; clothing, 54.2 per cent; fuel and light, 34.1 per cent; sundries, 36.2 per cent.

Later information discloses a continued advance in the cost of living. In June, 1918, the cost of living had increased about 55 per cent over the pre-war period. Data collected by the United States Bureau of Labor but not yet completely tabulated, show that in fifteen shipbuilding centers in August, 1918, the average increase over 1914 was 65 per cent. For certain cities the increase was even greater than this, as for example in New York city where the cost of living up to December, 1918, as compared with that for December, 1914, had advanced 75 per cent. In October, 1918, food showed an increase of 75 per cent over the average for 1914-1915.<sup>13</sup> Of all the major items in the family budget clothing showed the greatest increase, ranging from 125 per cent to 70 per cent over the pre-war period to August, 1918, the general advance registering between 95 per cent and 100 per cent.<sup>14</sup> Furthermore, statistics reveal a marked variation as between the various shipbuilding centers, from December, 1914, to August, 1918, according to the United States Bureau of Labor Statistics. These data are as follows: Baltimore, 80 per cent;

<sup>12</sup> Compiled from the report of the Railroad Wage Commission to the Director General of Railroads, April 30, 1918, p. 86.

<sup>13</sup> Philadelphia, Pennsylvania, Study made for the United States Shipping Board.

<sup>14</sup> Pacific Coast Study.



Norfolk, 75 per cent; Bath, Maine, 60 per cent; Philadelphia, 67 per cent; Portsmouth, New Hampshire, 67 per cent; Chicago, 65 per cent; Boston, 65 per cent; Jacksonville, Florida, 63 per cent; Portland, Maine, 63 per cent; Toledo, Ohio, 63 per cent; New York, 62 per cent; Superior, Wisconsin, 60 per cent; Beaumont, Texas, 60 per cent; Savannah, Georgia, 50 per cent; Mobile, Alabama, 56 per cent.<sup>15</sup>

Items in the worker's budget which also deserve special mention are street car fares and rents. Street car fares during the war period were raised above the five cent level in 238 cities, or for more than one-third the urban population of the United States and Canada. According to figures compiled by the American Railway Association this means a population of 11,000,000.<sup>16</sup> The area of advanced street railway rates has been greatly widened since these figures were published. This is significant when one remembers that the street railway systems of the country are so extensively used by the laboring population, especially in our industrial centers where these increases have been most marked.

Workmen who, actuated either by the motive of patriotism or the desire for higher wages, flocked to the centers of essential war industries immediately faced advancing rents. Rising rents, together with exorbitant prices of other necessities, absorbed a large part and often the entire amount of the higher wages earned in these industries. "Careful investigations have shown that rents in industrial districts have increased in some instances considerably more than two hundred per cent, and that labor turnover in war industries, because of rise in rents has actually retarded contracts sorely needed by both Army and Navy." Furthermore, these investigations showed that some landlords raised rents every time the wage scale of the community was advanced, and utterly disregarded the thought of basing their rents on a fair return on the investment.<sup>17</sup> This unpatriotic profiteering became so prevalent that it was necessary to introduce an anti-rent profiteering bill. Such a measure was spon-

<sup>15</sup> Ogburn, William F., *The Annals of the American Academy of Political and Social Science*, Vol. LXXXI, No. 170 (January, 1919), pp. 111-113.

<sup>16</sup> *Chicago Tribune*, August 18, 1918.

<sup>17</sup> Statement issued by the United States Department of Labor, September 4, 1918. Quotations are from mimeographed copy sent by the department to the writer.

sored by Representative Clark of Georgia, and was drafted at the suggestion of the Bureau of Housing and Transportation of the Department of Labor.<sup>18</sup> In general, however, there was a wide variation in the level of rents, and they rose less rapidly and the increases were not so marked as in the case of other items in the family budget. According to data given above the average advance in rents from January 1, 1916, to January 1, 1918, was 9.2 per cent. The great variation in rents is shown by the fact that in Detroit from December, 1914, to March, 1918, rents increased 380 per cent, while in Jacksonville, Florida, from December, 1914, to August, 1918, they fell one per cent.

The foregoing statistics indicate a great increase in the cost of living for the United States during the period of the World War. A fair conclusion would seem to be that the average increase in the cost of living between July, 1914, when the great war began, and November, 1918, when actual fighting ceased, was somewhere between 55 and 65 per cent. In particular communities the average advance was much greater. Examination of official and non-official studies in prices of the major items in the American family budget shows that they increased about as follows: clothing, 77 per cent; food, 62 per cent; rent, 15 per cent; fuel and light, 45 per cent; sundries or miscellaneous commodities, 50 per cent.<sup>19</sup>

Wages, the price paid for the services of labor, like the general level of prices, have also advanced during these four years. Especially was this true subsequent to our entry into the European conflict. As stated elsewhere in this study,<sup>20</sup> wages in many industries like iron and steel, shipbuilding, and munitions, advanced as much as 50 per cent and 100 per cent during the war period. Big increases were registered also for railroad employees under government control, aggregating at one time \$500,000,000. The war advances in railroad wages, as compiled by the *New York Times*, are shown as follows:

War advances in wages by railroad companies in 1916-17: To trainmen, (Adamson eight-hour law), \$70,000,000; to other employees, \$280,000,000; total advances by companies, \$350,000,000.

<sup>18</sup> *Ibid.*

<sup>19</sup> An excellent non-governmental study of the cost of living is *Wartime Changes in the Cost of Living*, Research Report No. 9, National Industrial Conference Board, August, 1918.

<sup>20</sup> See pp. 62-63.

War advances in wages by Railroad Administration, 1918-19: First Cycle, (Lane Wage Board): To trainmen, \$160,000,000; to other employees, \$240,000,000; total, \$400,000,000.

Second Cycle, (Supplemental Increases): To shopmen, \$200,000,000; to trackmen, clerks, etc., \$200,000,000; to telegraphers, agents, etc., \$45,000,000; to trainmen, (April, 1919), \$65,000,000; total, \$510,000,000.

Total advances by government, \$910,000,000; total wage advances in three years, \$1,200,000,000, an average of \$600 for each employee; total wage advances since beginning of war, \$1,365,000,000, an average of \$650 per employee.<sup>21</sup>

To these and the numerous other advances in wage scales trade journals and the daily press have repeatedly called attention. Rarely, however, has precaution been taken to point out that these increases were in nominal or money wages, and that the increased volume of wages was due in part to the large amount of overtime made necessary by our war program. In many instances a comparison of money wages with real wages or purchasing power of income would have shown a less conspicuous advantage to the worker and, indeed, such a comparison would often have uncovered the decidedly disadvantageous position of the wage earner. The failure to interpret wage advances in terms of purchasing power beclouded the fundamental issues in the consideration of recent industrial unrest, and resulted in much unfounded and premature criticism of American labor. It is very necessary, therefore, before formulating any conclusions relative to the phenomena of industrial disputes, that we consider, among other things, the recent trend of wages. The statistics of the following table will throw some light on this consideration:

TABLE VII. INDEX NUMBERS SHOWING THE TREND OF UNION WAGES PER HOUR AND PER WEEK, AND RETAIL PRICES, 1913 TO 1917 <sup>22</sup>

Year	Rates of wages per hour	Rates of wages per week — full time	Retail prices of food
1913	100	100	100
1914	102	102	102
1915	103	102	101
1916	107	106	114
1917	114	112	146

<sup>21</sup> Quoted in the Weekly Letter No. 65, (April 24, 1919), The National Founders' Association, p. 2.

<sup>22</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, June, 1918, p. 146. Wage figures are for the month of May of each year.



It will be seen that the average rate of wages per hour in May, 1917, was 14 per cent higher than in May, 1913, while wage rates per week, full time, showed an average increase of 12 per cent. For certain industries, of course, the advance in wages was much greater than these data indicate. The purchasing power of union wages for the period 1913 to 1917 is set forth in the table below:

TABLE VIII. INDEX NUMBERS OF THE PURCHASING POWER OF UNION WAGES AS MEASURED BY FOOD PRICES, 1913 TO 1917 <sup>23</sup>

Year	Purchasing power of union wages measured by retail prices of food	
	Of rates of wages per hour	Of rates of wages per week — full time
1913	100	100
1914	100	99
1915	101	101
1916	94	93
1917	78	77

From the above table it is seen that an hour's wages in 1917 purchased but 78 per cent as much food as in 1913, and a week's wages only 77 per cent as much. The Bureau's figures both as to wages and prices go back to 1907, but we are concerned here primarily with the period 1913 to 1917. The decline of 22 per cent in the purchasing power of union wages per hour and of 23 per cent in the purchasing power of union wages per week, full time, indicated in the above table is significant when one recalls the suggestion made elsewhere in this study, namely, that rising prices without a corresponding advance in wages tends to create industrial unrest.

A fact which should not be lost sight of in this connection, however, is that wages advanced in the leading occupations of the United States, and that these increases were greatest, not in the organized or unionized trades, but in those in which the union movement has made little or no progress. According to a recent investigation, wages in 1917 ranged from 11 per cent to 87 per cent higher than in 1911-1912, and from 6 per cent to 105 per cent in 1917 over 1914-1915. The three industries in which wage increases were especially notable were iron and steel, bituminous coal mining, and shipbuilding. Organization has

<sup>23</sup> *Ibid.*

made practically no headway in the iron and steel industry, while in bituminous coal mining organization has long been very effective. The shipbuilding industry is partly organized and partly unorganized. It would seem, then, that there is no strong connection between organization of labor and recent wage increases. For this reason the purchasing power of recent union wages is not an index of advances in real wages. For the great mass of workmen the greatest percentages of wage increase have appeared during the war in those communities characterized as "poorly organized," due to the fact that wage levels in such communities were at a very low ebb as compared with organized communities. "Unorganized labor seems more responsive to the immediate demands of the moment than is organized labor. Its wages have tended to rise more rapidly in periods of business activity and to sink more rapidly in periods of business depression." <sup>24</sup>

An example of recent wage increases in an unorganized industry is found in farming, which has never been generally and successfully organized. Farm labor during recent years has received a general increase in pay. As a general average for the whole of the United States the advance in wages per month, with board, for farm labor in 1917 over 1916 was 24.2 per cent. The increase over 1910 was 50.3 per cent. In the average rate of wages including board, for harvest hands the increase in 1917 over 1916 was 23.1 per cent; without board, 22.7 per cent. For day labor, outside of harvest, farmers paid 23.8 per cent more, including board, and 24.7 per cent more, exclusive of board. "The general fact is that the rates of wages for farm labor increased almost one-quarter in one year and about two-fifths to one-half in seven years." <sup>25</sup>

The great disturbance in the price level resulting from a state of world war focused attention upon the relation of the standard of living to wages and industrial unrest. The major demand of striking workers everywhere was for an advance in the wage scale commensurate with the increase in prices. This situation necessitated official studies of the cost of living, some of which we have cited above. In 1907, according to Dr. R. C. Chapin's

<sup>24</sup> Hanna, H. S., and Lauck, W. Jett, *Wages and the War*, pp. 3-6.

<sup>25</sup> The President's Mediation Commission, *Official Bulletin*, February 11, 1918, p. 14.

excellent study, an income less than \$800 was insufficient to guarantee the maintenance of a normal standard, and an income of \$900 or over would probably sustain such a standard, at least as far as the physical man was concerned.<sup>26</sup> In 1914 the minimum-of-subsistence budget for New York City which was set by the New York Factory Investigation Commission was \$876. In 1915 the Bureau of Personal Service of the Board of Estimate and Apportionment of New York City estimated that the minimum budget for an unskilled laborer's family in New York was \$845.<sup>27</sup> These estimates were made before the great upheaval in prices began, which was noticeable first in the summer of 1915. Since that time numerous changes have been made in the so called "normal standards" of living. The cost-of-living division of the National War Labor Board, basing its conclusion upon data collected by the United States Bureau of Labor Statistics in 1918, showed that a family of five in a large eastern city should have an income of \$1,380 in order to maintain a minimum of subsistence. Later the board set budget of \$1,760 to cover minimum subsistence expenditures. The apportionment of a family budget in the New York shipbuilding district in November, 1918, was: food, \$607.02; clothing, \$200.07; housing, \$174.14; fuel and light, \$62.21; furniture, etc., \$43.58; miscellaneous, \$261.62. The statistics for Seattle in June, 1917, give the following apportionment: food, \$576.38; clothing, \$240.70; housing, \$211.51; fuel and light, \$73.19; furniture, etc., \$73.87; miscellaneous, \$393.45.<sup>28</sup> These data indicate that the family budget in New York in 1918 called for a minimum income of \$1,348.64; while the Seattle budget required an income of \$1,569.10. Similar minimum-subsistence budgets were compiled from other investigations, including the packing house investigation in Chicago in 1918. The same budget which necessitated an income of between \$700 and \$900 in 1907 and 1914, required in 1918 a minimum income of from \$1,300 to \$1,600. "It seems

<sup>26</sup> Chapin, R. C., *Standard of Living Among Workingmen's Families in New York*, pp. 245, 246.

<sup>27</sup> Ogburn, William F., *The Annals of the American Academy of Social and Political Science*, Vol. LXXXI, No. 170 (January, 1919), p. 115. See also *Monthly Labor Review*, U. S. Bureau of Labor Statistics, March, 1919, pp. 5, 6.

<sup>28</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, March, 1919, pp. 5, 6.



fairly clear that in June, 1918, the minimum of subsistence for a family of five living in a large eastern city was from \$1,350-\$1,400. If the cost of living since June, 1918, to the present time (November, 1918) has risen 10 per cent, then a minimum of subsistence at the present time costs about \$1,500 for a family of five in a large eastern city."<sup>29</sup> All this means that the family income in 1918 would have to increase approximately 100 per cent to guarantee the same standard of living as obtained in 1907. Income, however, did not keep pace with the level of prices, and the discrepancy between prices and income contributed most to the spread of industrial unrest during the war. This fact is attested by the numerous cases that came up for adjudication before such agencies as the President's Mediation Commission, the War Labor Board, the Shipbuilding Labor Adjustment Board, and the Division of Conciliation of the Department of Labor.

(2) *Inequality in Wage Standards.* We have already discussed the existence of inequality in wage scales as between different sections of the United States and different occupations and establishments within the same territory. It is necessary here only to point out the relation of such inequality to recent labor unrest. The increased demand for labor arising out of a state of war, coupled with the decrease in the supply of labor due to the selective draft, made it unnecessary for any laborer or group of laborers to remain in an establishment which paid a wage lower than the rates prevailing in neighboring plants. It was natural that workmen should leave the occupations and establishments in which pay was comparatively low and seek those having higher wage scales. Altho the difference between real wages was not always sufficient to repay this labor migration, nevertheless, the fact that money wages were much higher proved an effective inducement to workmen. For instance, even tho the difference in real wages was not so great as to constitute a fundamental attraction to labor, still the fact that money wages for farm labor were higher per month in 1917 for some sections of the country than for others tended to cause a conspicuous migration of farm hands. Monthly wage scales for farm labor

<sup>29</sup> Ogburn, William F., *The Annals of the American Academy of Political and Social Science*, Vol. LXXXI, No. 170 (January, 1919), p. 116.

that ranged from \$21.88 in the South Central States to \$36.23 in the North Central States west of the Mississippi River, and \$44.25 in the Western and Pacific States, with board in each case, had a decided influence upon the dislocation of the labor supply and made this kind of labor generally restive.

Another excellent example of this competition for workers and its consequent effect upon the movement of labor forces was that of the shipyards. The Shipbuilding Labor Adjustment Board fixed seventy-two and one-half cents an hour for the coppersmiths in the yards on the Atlantic Coast. The outside shops immediately offered eighty-five and ninety cents an hour and succeeded in taking seventy-five per cent of the coppersmiths out of the shipyards, which compelled the yards to sublet their coppersmith work to the outside shops.<sup>30</sup>

It is true that labor was not always financially able to migrate freely to take advantage of differences in wage rates. Labor is frequently characterized by an unfortunate immobility, and in normal times this immobility conduces to destructive competition. In a period of labor shortage, however, employers are often ready to furnish sufficient inducement and immediate financial aid to enable workmen to throw up the old job and accept a new one. Labor-stealing was excessively practiced by employers during the recent war, and this resulted in marked inequality in wage scales. This inequality encouraged workmen to force their demands for wage advances within their old establishment, for they realized that if the demand was refused ample employment at higher pay was obtainable elsewhere. In this way inequality in wages stimulated industrial unrest. It was quite generally recognized by employers and government officials that the prevailing inequalities in wage rates resulted in: (a) a great increase in labor turnover; (b) encouragement of idling and inefficiency; and (c) stimulation of industrial disputes.

(3) *Deemand for a Shorter Work-day.* It is a fact too familiar for extended discussion here that the desire for a shorter work-day almost always has been a potent factor in industrial unrest. It is necessary merely to point out that during the recent world

<sup>30</sup> Macy, Everit V., *The Annals of the American Academy of Political and Social Science*, Vol. LXXXI, No. 170 (January, 1919), p. 85.

crisis this desire received quickened emphasis, and to a remarkable extent labor, under the pressure of the emergency, was successful in securing recognition of its demand for the basic eight-hour day.

The need for increased production of materials for war purposes had the rather natural effect of intensifying the demand of employers for even a longer work-day, or at least for the maintenance of the old basic schedule of ten hours. Conscious of its indispensability in the nation's war program and of the acute shortage of workers in given occupations, labor was equally emphatic in demanding a reduction in hours of work. These two desires diametrically opposed to each other resulted in an accentuation of industrial unrest. In the United States, as in England, the demand for a shorter work-day was given great impetus by the sympathetic attitude of the government towards it. This sympathy was based on the belief that there exists a very intimate relation between an eight-hour day and efficiency in production. Just before the United States entered the war Congress, desirous of protecting the principle of an eight-hour day included in one section of the Naval Appropriations law the following provision:

That in case of national emergency the President is authorized to suspend the provision of law prohibiting more than eight hours labor in any one day of persons engaged upon work covered by contracts with the United States: Provided further, That the wages of persons employed upon such contracts shall be computed on a basic day rate of eight hours work with overtime rates to be paid for at not less than time and one-half for all hours work in excess of eight hours.<sup>31</sup>

We have already called attention to the orders issued by the Quartermaster General and the Chief of Ordnance, as well as those of the United States Shipping Board and other government agencies relative to the basic eight-hour day and other labor safeguards.<sup>32</sup>

Organized labor fully recognized that the great emergency incident to war increased the opportunity for the enforcement of the demand for a basic eight-hour day and heightened the probability of its establishment, in spite of opposition by employers. "The principle of a maximum work-day of eight hours has been

<sup>31</sup> *Naval Appropriations Act*, approved March 4, 1917 (Public No. 391), 64th Congress, Section 180.

<sup>32</sup> See p. 77.



endorsed by society and officially by the United States Government. The eight-hour day represents a standard of productivity, of living, and of conservation. By protecting the workers against over-fatigue and enabling them to sustain their highest degree of productivity and skill, the eight-hour work-day not only is an assurance that workers will make their most effective contribution to production, but they will also be more useful and honorable members of society.”<sup>33</sup>

When the war broke out and “the large contracts for war materials were being let organized labor insistently presented its case for the application of the eight-hour day to government contracts and government work.”<sup>34</sup> In response to the demand of the representatives of labor the national government endorsed the basic eight-hour day, and this endorsement was emphatically cited as one of the fundamental causes of industrial unrest, employers insisting that the attitude of the government stimulated workers’ demands for shorter hours.<sup>35</sup> Samuel Gompers is reported to have gone a step further and proposed a basic seven-hour day for the period of the war, with a view to conservation of fuel and relief of traffic congestion, which during the war constituted such grave problems to the nation. This proposal evoked great denunciation by employers and their spokesmen who insisted that “in spite of the great emergency and the necessity of maximum production, Mr. Gompers and other labor leaders have taken advantage of the situation to urge the eight-hour day and other measures calculated to reduce rather than increase production.”<sup>36</sup> (Coal miners both in England and the United States have endorsed recently the six-hour day.) Manufacturers considered labor union methods the greatest menace in our country at this period, because of their insistence upon a basic eight-hour day and higher wages, for which strikes and threatened strikes were increasingly instituted.<sup>37</sup> The President’s Mediation Commission which had been engaged in extensive work in mediation of labor disputes in the Pacific Northwest, stated in its report that one of the fundamental causes of industrial un-

<sup>33</sup> *Report of the Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor*, 1917, p. 93.

<sup>34</sup> *Ibid.*, p. 93.

<sup>35</sup> *Iron Age*, Vol. 101, No. 12, p. 782.

<sup>36</sup> *Ibid.*, No. 5, pp. 359, 360.

<sup>37</sup> *Ibid.*, No. 8, p. 496.

rest was the desire of the men for an eight-hour working day and the opposition of the employers to the introduction of such a day. "Opposition to the eight-hour day is carried to the point of binding members of an employers' association on the Pacific Coast by agreement to discriminate against such mills as introduce the change," and the opinion of the commission was that the basic eight-hour day in the Pacific Northwest was indispensable in order to assure stability of production and efficiency of output, and to obtain adequate labor supply in the face of better conditions elsewhere.<sup>38</sup>

An examination of the cases adjusted by the National War Labor Board and the investigations of private agencies shows that the demand for shorter hours has been one of the principal causes of labor disputes during the four war years, and that it is becoming an even greater and more universal cause of industrial unrest as the years pass. For instance, of 1,156 strikes investigated by the National Industrial Conference Board fully 60 per cent were either wholly or partly attributed to the desire for a shorter working day.<sup>39</sup>

(4) *Faulty Distribution of the Labor Supply and the Absence of Machinery for Better Distribution.* The fact that some industries and some localities were well supplied with workers while others were suffering from a dearth of labor was responsible for restlessness on the part of workmen, and greatly accentuated the problem of labor turnover. Where the opportunities for work are numerous labor migration tends to increase and, like a ball of snow, it increases in size the more it rolls. As the President's Mediation Commission observed:

The derangement of our labor supply is one of the great evils in industry. The shockingly large amount of labor turnover and the phenomenon of migratory labor means an enormous economic waste and involves even a greater social cost. . . . Finally, we have failed in the full use and wise direction of our labor supply, falsely called "labor shortage" because we have failed to establish a vigorous and competent system of labor distribution.<sup>40</sup>

It might be conservatively stated that migratory labor, growing out of uncontrolled instability of employment and faulty

<sup>38</sup> *Official Bulletin*, February 11, 1918, p. 12.

<sup>39</sup> *Strikes in American Industry in War-time*, Research Report No. 3, National Industrial Conference Board, March, 1918, p. 8.

<sup>40</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 25.

distribution of labor, is one of the most potent influences in augmenting industrial unrest. Migratory workmen are a restless, dissatisfied group and the longer the period of migration the greater becomes their restlessness. In time these "caravan" workers become sowers of the seed of discontent and industrial conflict.

(5) *Absentee Ownership and Control of Industry.* The evils of absentee landlordism have their counterpart in distant or absentee ownership and control of industry. The fact that the mining, oil, and lumber industries of the West are owned and controlled by persons who reside in the East has a significant bearing upon the growth of industrial unrest. This is the conclusion not only of economists but also of broadminded capitalists and government investigators as well.<sup>41</sup> Technical operation of industry tends to be left increasingly to resident managers who "fail to understand and reach the mind and heart of labor because they have not the aptitude or the training or the time for wise dealing with the problems of industrial relationship."<sup>42</sup> It is a familiar observation that the problem of industrial unrest has developed *pari passu* with the increase in size of modern industry. Wherever the intimate relationships and contact of employer and employee that characterize a small business establishment give way to the distant relationship that exists in gigantic modern industrial establishments, with their thousands of stockholders and absentee directors, there is lacking the surest basis of industrial peace, namely, frequent contact between employer and employed. "The result is that contact between owners and employees is practically impossible, and too frequently a chasm opens between them."<sup>43</sup> The situation is the more unfortunate because of the indifference of owners, directors, and managers to the importance of the labor problem, or the human factor in industry. The primary concern of these administrators in industry is profits, and they have hardly learned yet the economic value of a scientific solution of the labor problem.

(6) *Autocratic Government of Industry.* It is not a new

<sup>41</sup> See the Report of the President's Mediation Commission; also the interesting pamphlets: *Brotherhood and Representation in Industry*, by John D. Rockefeller, Jr.

<sup>42</sup> Report of the President's Mediation Commission, *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 12, 13.

<sup>43</sup> John D. Rockefeller, Jr., *Brotherhood of Men and Nations*, p. 8.



thought that American industry lacks a healthy basis of relationship between management and men. In fact it has been recognized for some time that American industry is in a very unhealthy condition as regards the relationship of labor and capital. This is due in part to the situation mentioned above — distant ownership and control — and in part to the insistence of employers upon traditional rights and their strong resistance to any efforts on the part of labor which might curtail these rights. Employers have insisted, and still insist, upon dealing with the individual employee and refuse to deal with the workmen through their union representatives. "Direct dealings with employees' associations are still the minority rule in the United States. In the majority of instances there is no joint dealing, and in too many instances employers are in active opposition to labor organizations. This failure to equalize the parties in adjustments of inevitable industrial conflicts is the central cause of our difficulties."<sup>44</sup> In the light of the present world movement for political democracy autocratic government in industry assumes an extremely unbecoming aspect, and is no doubt one of the basic causes of industrial unrest.

(7) *Inadequate Machinery for the Adjustment of Labor Disputes.* At the outbreak of the World War the United States had only one general federal agency for dealing with industrial disputes, namely, the Division of Conciliation of the Department of Labor, and few of our states had such machinery.<sup>45</sup> There was little or no opportunity for a peaceful settlement of disputes, and industrial peace was left to passionate rivalry and antagonism of divergent and competitive interests. Law gave way to force, and order gave place to strikes, boycotts, blacklists, and lockouts. A coördinated, continuous, widely disseminated system of adjusting disputes would have done much to avert this disorder.

(8) *The Prevalence of Profiteering.* Reports of profiteering in foodstuffs, clothing, and rents are too familiar to warrant detailed treatment here. The fines and other penalties imposed by the United States Food Administration, and the evidence of the

<sup>44</sup> See the Report of the President's Mediation Commission, *Sixth Annual Report of the Secretary of Labor*, 1918, p. 24.

<sup>45</sup> The United States Board of Mediation and Conciliation was created in 1913 to deal exclusively with industrial disputes on railroads.

Division of Industrial Housing of the United States Department of Labor quoted elsewhere in this study are striking testimonials of the prevalence of profiteering during the period of the war.<sup>46</sup>

The findings of the Federal Trade Commission supported the conviction of labor relative to profiteering. Altho their findings have been the subject of much controversy and dispute and the validity of their statement not unqualifiedly accepted, nevertheless, they show the trend of business earnings and certainly support the claims of labor in regard to excess profits. The commission pointed out that the net income of the United States Steel Corporation for 1917 was \$224,738,908, of which about one-tenth was applicable to interest on bonds of the corporation and the rest was available for dividends and surplus. Profits in the several mills ranged from 52.63 per cent to 109.05 per cent. In the copper industry profits for 1917 ranged from one per cent to 107 per cent on the investments; in the petroleum industry profits ranged from losses up to 122 per cent. The meat packing industry was an especial target for the commission's attack. Four of the big meat packers (Armour, Swift, Morris, and Cudahy) had an aggregate annual average pre-war profit (1912, 1913, and 1914) of \$19,000,000; in 1915 they earned \$17,000,000 excess profits over the annual average for the pre-war period; in 1916, \$36,000,000 more profit than the annual average for the pre-war period; and in 1917, \$68,000,000 more profit than the annual average for the pre-war period. During the three war years (1915-1917) their total profits reached the very large figure of \$140,000,000, of which \$121,000,000 represents excess over their aggregate annual average profits for the three pre-war years. Much of this increased profit was due to higher prices rather than to increased volume of business, the return of profit increasing 400 per cent, or two and one-half times as much as the sales.<sup>47</sup> The commission gives statistics of profits for several other industries, such as leather and leather goods, salmon canning, canned milk, coal, zinc, sulphur, and nickel, aggregating 200 per cent in some cases.

<sup>46</sup> See p. 94.

<sup>47</sup> *Profiteering*, Senate Document No. 248, 65th Congress, 2nd Session, pp. 9-13. The packers have disputed the conclusions of the Federal Trade Commission, and maintained that their profits have been only a small percentage on the aggregate business handled.

Workingmen soon awakened to the fact that whatever advances in wages they were able to secure were counteracted by similar if not greater advances in the prices of commodities and in rents. Labor generally demanded that profiteering cease, and the President's Mediation Commission concluded that until it did cease a sense of inequality and exploitation would cause labor to withhold its most productive effort.<sup>48</sup>

(9) *The Spread of Internationalism.* The last few years have witnessed a remarkable development of the spirit of universal brotherhood among workmen. International labor conferences and labor missions have been but the tangible evidence of this increasing consciousness of solidarity of interests among the men who toil in the world's industries. The growth of liberalism, and often of socialism and syndicalism, among American workmen in recent years — a growth which cannot be measured in terms of recorded membership of these respective groups — has stimulated rigid insistence upon the demands for higher wages, shorter hours, better conditions of employment, recognition of the union, and so on. In other words, industrial unrest has gathered momentum in proportion to the spread of liberalism and radical ideas, for labor received therefrom fresh inspiration for more insistent demands for industrial justice.

#### SPECIFIC CAUSES OF INDUSTRIAL UNREST

The specific conditions to which the recent spread of industrial difficulties must be attributed are the same, greatly accentuated, as have always been responsible for maladjustment in industrial relations. Under the abnormal circumstances of the great war these specific causes assumed a much more serious and dynamic character. The necessity for maximum production of every kind of essential commodity and the resultant excessive demand for labor coupled with diminution of the supply, constituted an unusually opportune time for insistence upon labor's demands and the widening of the breach between labor and capital. The consequent urgent presentation of ultimata by the workers who suddenly became conscious of a new independence and a strategic position during the war, brought into a clearer light the specific basic industrial conditions that make up the ferment in the strained relations between employers and employees.

<sup>48</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 25.



(1) *Inadequate Housing and Transportation Facilities.* Industrial expansion incident to the war was so great that in many manufacturing centers the number of workmen soon outran the housing and the transportation facilities for their accommodation.<sup>49</sup> It was at once apparent that where such facilities were lacking labor unrest and labor turnover greatly increased.

(2) *The Lack of a Healthful, Desirable Social Environment in Industrial Neighborhoods.* Isolated mining, lumber, and oil camps have too frequently been devoid of any healthful social and recreational facilities, and some entrepreneurs and capitalists have learned in recent years that there is a very definite relation between this condition and the growth of industrial problems pertaining to labor. The importance of fostering a community spirit through facilities for social, recreational, and intellectual development is receiving tardy attention as a means of allaying labor unrest. The period of the war has done much to emphasize this phase of the labor problem, and the period of reconstruction is revealing throughout the world a sincere and profound interest in socio-industrial conditions.

(3) *Adjustment of Compensation for Overtime, Night-work, Holidays, and Sundays.* The speeding up of production incident to the war necessitated an increase in overtime, holiday, Sunday, and night-work. This created among workmen a demand for readjustment of the basic standards of pay for extra work, and this demand constituted one of the several irritants in creating unrest. The awards made by the National War Labor Board and other agencies of mediation, conciliation, and arbitration generally contained the stipulation that workers should be paid one and one-half times the regular wages for all time in excess of eight hours, and double time for Sundays and holidays, except where they are shift workers. The holidays specified included New Year's, Washington's birthday, Lincoln's birthday, Decoration Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas.<sup>50</sup>

(4) *Discrimination against Union Employees, and the Use of Intimidation and Coercion by both Employers and Employees.* The prevalence of the complaint made by workers that employers

<sup>49</sup> See the *Seventh Annual Report of the Secretary of Labor, 1918*, pp. 130-136.

<sup>50</sup> See awards of the National War Labor Board.

openly or secretly discriminated against members of trades-unions was noticeable during the recent emergency. It was a basic cause of unrest in the packing industry and in the mining industry, as well as in other lines of production.<sup>51</sup> In many instances workmen testified that the opposition of employers took the form of intimidation, coercion, and dismissal. On the other hand, employers urged that union employees were intimidating and coercing other workmen into joining the union. Frequently, however, investigation revealed that the evidence was not sufficient to establish findings in regard to this matter.<sup>52</sup> Whether the basis of complaint in regard to intimidation and coercion by either side was real or imaginary, it appeared as one of the causes of industrial unrest during the war period. That discrimination against union employees was a potent cause of strikes and threatened strikes there is no room for doubt.

(5) *Demand for Recognition of the Union.* This is a familiar cause of industrial disputes, and it has received added impetus recently from the fact that governmental agencies created to deal with the problem of labor unrest have generally recognized and established the principle of the right of workmen to organize and bargain collectively. Similar recognition has been given to organizations of employers. The fundamental principles upon which the National War Labor Board was founded were conclusive on these points: (a) The right of workers to organize in trades-unions and to bargain collectively through their chosen representatives was recognized and affirmed. This right was not to be denied, abridged or interfered with by the employers in any manner whatsoever. (b) The right of employers to organize in associations or groups and to bargain collectively through chosen representatives was recognized and affirmed. This right was not to be denied, abridged, or interfered with by the workers in any manner whatsoever. (c) Employers were not to discharge workers for membership in trade-unions, nor for legitimate trade-union activities. (d) The workers, in the exercise of their right to organize were not to use coercive measures of any

<sup>51</sup> See the cases that appeared before the National War Labor Board, the President's Mediation Commission, and the Division of Conciliation of the Department of Labor.

<sup>52</sup> National War Labor Board, *Employees v. Sloss-Sheffield Steel Company, Birmingham, Ala.* Docket No. 12, p. 3.



kind to induce persons to join their organization nor to induce employers to bargain or deal therewith.<sup>53</sup> Recognition of the right to organize does not necessarily imply a willingness on the part of either employers to recognize and deal with the trade-union, or of the employees to bargain with employers' associations; consequently the demand for recognition of the union was one of the basic causes of labor troubles during the war.<sup>54</sup> Employers' opposition to trades-unions seems not to have lost any of its rigidity in some of our larger industries as a result of the war, although such opposition has decreased greatly in some parts of the country. Recent investigations have shown that direct negotiation between employers and representatives of trades-unions is not yet practiced extensively, and that in a vast number of cases there is not only no joint dealing but active opposition to labor organizations. The failure to establish collective regulation of the conditions of employment may be characterized as the central cause of our labor difficulties.<sup>55</sup>

(6) *Undesirable Conditions of Employment.* The absence of protective regulations and other labor safeguards appeared as one of the minor causes of labor disturbance during the last few years. In an increasing number of cases there seems to be a demand by workmen for such improvements as a sufficient number of sanitary drinking fountains, lavatories, lockers, and bathing facilities; and, furthermore, where such facilities already exist, that provision be made in all departments of an establishment for keeping them in a clean and sanitary condition. A recent award in a labor dispute specified minutely that: "Sanitary drinking fountains shall be installed so that they can be kept packed with ice from May 15th to October 15th of each year."<sup>56</sup> Other demands for improved conditions of work have included facilities for sitting down to work and for frequent rest periods and rest rooms, especially in the case of women and children, and regulations for the safety and protection of the health of all workers.

<sup>53</sup> National War Labor Board, *Docket No. 12*, p. 3.

<sup>54</sup> See *Strikes in American Industry in War-time*, Research Report No. 3, National Industrial Conference Board, March, 1918, p. 8.

<sup>55</sup> Report of the President's Mediation Commission, *Sixth Annual Report of the Secretary of Labor, 1918*, p. 24.

<sup>56</sup> National War Labor Board, *Employees v. National Refining Company, Coffeyville, Kansas, Docket No. 27*, p. 6.



(7) *Demand for a Minimum Wage Scale.* We have already discussed the necessity of wage readjustments caused by the recent advances in the price of commodities. We have seen that wages lagged behind prices and that this fact explains in large measure the growth of industrial disputes during the war period. Workmen demanded that wage scales be advanced to keep pace with the rapidly rising level of prices. It should be especially noted, moreover, that in addition to this demand there was rigid insistence upon the establishment of a minimum wage. Examination of the cases that came before governmental agencies of conciliation and arbitration reveals a decided tendency towards a general demand for a definitely prescribed minimum. These governmental bodies, moreover, realizing the necessity of such a minimum rate of pay, very frequently embodied it in their awards. In the case of women over eighteen years of age the guaranteed minimum was usually 30 cents an hour, and for men the minimum was generally 40 cents. When women performed the same tasks as men the rates of pay were the same for both sexes. Minimum wage rates, however, did not apply to those who by reason of old age or permanent physical incapacity were unable to perform a normal day's labor, and in the case of women under twenty-one years of age were not to be rigidly applied to inexperienced beginners or apprentices.<sup>57</sup> These regulations were in accord with the procedure in the various states that have passed minimum wage legislation, and served to prevent injustice being done to those unable to earn the legally prescribed minimum.

(8) *Employment of Women.* The replacement of men by women as a result of the war gave rise to some difficulties and led to demands for readjustments as to compensation for work done by women. There was danger of women being employed at much lower rates than were formerly paid to men for the same work. Such a practice would increase competition and tend to pull down the wages of male employees to the level paid to women. This situation, evidenced in many establishments in recent years, led to a demand for equal pay for equal work. Arbitral awards in recent cases have specified that in case women are employed on work ordinarily performed by men they

<sup>57</sup> National War Labor Board, *Employees v. St. Louis Car Company*, Docket No. 4a, p. 3.

must be allowed equal pay for equal work and must not be allotted tasks disproportionate to their strength.<sup>58</sup>

(9) *Deductions from Wages.* A practice that obtains in many industrial establishments, especially those located in remote places like some mining and lumbering camps, is the deduction from wages of specified amounts for the provision of medical attendance, school maintenance, and insurance. In some instances \$1 per month is deducted for a physician, 50 cents per month for the maintenance of a school, and \$1.25 per month for insurance. These various deductions have frequently been a source of grievance and complaint, and they constitute one of the causes of industrial unrest. A reasonable conclusion seems to be that, under the conditions prevailing in the neighborhoods in which the practice of deductions obtains, there is no other or at least no better way of providing medical service and proper educational facilities, and for this reason there is ample justification for the system, provided competent service is rendered. In the case of insurance deductions, where the charge is optional, there is little room for serious complaint, provided the men receive just compensation in case of misfortune.

Relative to the matter of deductions for these several purposes government arbitrators in a recent case concluded: "The obligation upon the company to select a physician with care and to see to the proper administration of the school fund thus created is obvious and should be strictly fulfilled. In respect to the first two charges the arbitrators find that under the conditions prevailing in the neighborhoods this is practically the only way of securing medical service and proper educational facilities. They do not find the charge for a physician unreasonable, if proper medical service is rendered. The total sum collected from all employees should secure a competent physician and surgeon and proper medical equipment."<sup>59</sup>

(10) *The Use of the Permit System.* The permit system, as a cause of industrial unrest, may take one of two forms or both. First, a company may require a workman to obtain a permit to

<sup>58</sup> National War Labor Board, *Employees v. Columbus Railway, Power and Light Company*, Docket No. 46, p. 6. See also other awards of the board.

<sup>59</sup> National War Labor Board, *Employees v. Sloss-Sheffield Steel and Iron Company*, Birmingham, Alabama, Docket No. 12, p. 3.

change employment from one mine or establishment to another owned by the same company; second, several companies in a given territory may form an agreement by which one company requires a permit from another before a workman leaving the employment of the one shall be accepted by the other. The first of these practices seems legitimate under the present system of industrial government, for a company possesses full right to jurisdiction over its several establishments. The second practice, however, is fundamentally a disguised system of blacklisting whereby an employee, for trades-union activities or other legitimate practices in keeping with his dignity as a laborer, may find himself deprived of the opportunity to work. Objection to this second system of permits would seem a well founded basis of labor dispute and is conceived as such by many persons. William H. Taft and Frank P. Walsh, the joint chairmen of the National War Labor Board, acting as arbitrators in a recent dispute concluded on this point as follows:

With reference to the permit system, we deem it proper that the company should require the workmen to obtain a permit to change employment from one mine to another mine of the same company; but we condemn any agreement, and any practice under it equivalent to blacklisting, if it exists, by which one company requires a permit from another before a man leaving the employment of one company shall be accepted by the other.<sup>60</sup>

(11) *Discounting Orders for Money advanced to Workmen.* The company store, with its fraudulent manipulation of book accounts, has long been recognized as a factor in industrial grievances. Less has been heard, however, of the practice of discounting orders for money advanced to employees. Either on account of low wages which prove insufficient to tide the workman and his family over from one pay-day to another, or because of undue extravagance or carelessness wage earners frequently find themselves under the necessity of requesting an advance on their wages before pay-day arrives. Either as a measure of discouraging this practice or of consciously exploiting the ignorant and unsuspecting laborer unfamiliar with current legal rates of interest, companies sometimes charge a 20 per cent discount for advances to employees. Gradual realization of this exploitation has led to strong protest by the workmen and has constituted a cause of malecontent. Higher wages and education

<sup>60</sup> *Ibid.*



would do much to render the practice unnecessary. Where such advances result from insufficient wages the practice of exacting a high discount certainly cannot be justified, and it is condemned by some under all other circumstances.<sup>61</sup>

(12) *The Apprentice System.* Rules of apprenticeship have always been jealously guarded by strongly organized skilled workers as an effective means of regulating the labor supply, and any encroachments upon these rules or any tendency to disregard them has been vigorously protested by the unions. It cannot be gainsaid that it is to the employer's advantage to break down these prolonged periods of apprenticeship and so undermine any monopoly of the supply of labor. The employer's task in this regard has been increasingly easy following the invention of mechanical appliances that enable unskilled and semi-skilled workmen to perform tasks which formerly required thoroly skilled and highly trained workmen. The period of the recent great war, in making necessary increased production, presented a strong inducement to disregard established rules of apprenticeship, and violation of regulations became one of the many causes of labor troubles. It often became necessary for arbitrators to include in their awards specific stipulations pertaining to apprenticeship, namely, that apprentices be given an opportunity to learn a trade, the character of work and compensation to be agreed upon by joint committees of workers and employers.<sup>62</sup>

(13) *Demand for Specific and more Frequent Pay Days.* In many of the recent industrial disputes specific demands relative to the time of payment of wages have appeared as a minor cause. Associated with the demand for a specific and regular pay-day was the demand that only a few days' pay be retained. In some establishments it is a common practice to keep back a week's or two weeks' pay. Arbitral awards in regard to these grievances usually stipulated that pay-days shall be once per week or once in two weeks on companies' time and that no more than three days' pay should be retained.<sup>63</sup>

(14) *The Polyglot Character of the Working Force.* Intelligent industrial relations can scarcely be expected to exist in

<sup>61</sup> *Ibid.*

<sup>62</sup> National War Labor Board, *Employees v. Frick Company, et al.*, Docket No. 40, p. 4.

<sup>63</sup> *Ibid.*

many American industries that have drawn the mass of their unskilled labor from the complex races of Europe. "The polyglot character of the workers adds the difficulty of racial diversities." The President's Mediation Commission in its report pointed out that in one mining camp twenty-six and in another as many as thirty-two nationalities were represented. "The industry [Arizona copper mining] contains within itself the Balkan problem on a small scale. In other camps, even where there was not great racial diversity, large numbers were non-English speaking, particularly Mexicans. The seeds of dissension among the workers render difficult their cohesion, and the presence of non-English speaking labor tends even to greater misunderstanding between management and men than in the normal American industry."<sup>64</sup> Moreover, the commission found little or no ground for the hope that this polyglot character of the working force in some American industries will soon be eliminated, for "the movement toward Americanization, so fruitful in its results in different parts of the country, has hardly penetrated into these outposts of industry. Next to nothing is done to integrate non-English speaking labor — citizens and prospective citizens — into our social life."<sup>65</sup>

Writers upon the labor problem have not always placed sufficient emphasis upon the minor conditions that conduce to maladjustment in industrial relations. Attention has been focused upon the major causes such as the demands for higher wages, shorter hours and recognition of the union, and for this reason minor irritants have too frequently been overlooked. Moreover, the period of the World War — 1914 to 1918 — intensified the demands of labor and consequently all causes of industrial unrest assumed a far more serious aspect.

Examination of the totality of causes of labor troubles during the four war years would seem to justify the conclusion that the overwhelming mass of the laboring population of the United States was generally in no sense disloyal in its insistence upon demands for higher wages, shorter hours, better working conditions, etc., but that American labor, like every other class of our

<sup>64</sup> Report of the President's Mediation Commission, *Sixth Annual Report of the Secretary of Labor, 1918*, p. 13.

<sup>65</sup> *Ibid.*

citizenship, faced the necessity of adjusting itself to the new conditions such as high prices incident to a state of war. We are learning, tho very slowly, the truth already suggested in this study, that industrial unrest is in itself a symptom and not a disease. Behind this phenomenon of discordant industrial relations lie industrial conditions that are not in keeping with the dignity of American labor and therefore are not voluntarily accepted by the vast army of skilled and unskilled workers. Removal of these conditions is the primary step towards industrial peace. All other procedure is but an attempt to deal with effects and not causes, to cure the disease after it appears rather than to prevent its development. Industrial unrest, of course, will evidence itself like any other maladjustment, in spite of precautionary measures, and for this reason machinery for settling labor disputes is very necessary and frequently very efficient. But greater energy should be expended in the elimination of those conditions of industry, such as opposition to employees, organizations, insufficient wages, a long working day, and autocratic control of industry, that are responsible for the spread of discontent among the workers. The elimination of such industrial conditions promises to be one of the most effective antidotes for bolshevism and similar revolutionary proposals that seek to overthrow the present organization of society.





# Labor Problems and Labor Administration in the United States During the World War

By

GORDON S. WATKINS, PH.D.

Assistant Professor of Economics  
University of Illinois

## PART II

The Development of War Labor Administration





## CHAPTER V

### DECENTRALIZED LABOR ADMINISTRATION

At the time of its entry into the great war the United States did not possess adequate executive, administrative, and judicial machinery for dealing with the numerous labor problems that such an emergency is likely to uncover. Consequently we were forced to learn by the slow method of experience, which at frequent intervals proved costly. The development of our war labor administration constitutes one of the most interesting chapters in the history of our industrial reorganization for war. Characterized during the first year of our active participation in the great struggle by a series of mistaken efforts and a groping in the darkness after some solution for the perplexing and increasingly threatening labor situation, the war labor administration of the United States finally crystallized into a centralized and coordinated system. Differentiated administration, however, was replaced by centralized administration only after the labor situation threatened a complete breakdown of the national war program.

The spread of industrial unrest following our entry into the war revealed the utter inadequacy of existing labor administrative machinery to cope successfully with the problem. This situation was attributed to the fact that the functions of the Department of Labor were limited by statute and incidentally by appropriations; also because each production department of the government assumed the administration of labor conditions arising in connection with its own industrial projects. Labor disputes, dislocation of the labor supply, lack of standardization of wages, inadequate housing and transportation facilities, labor turnover, etc., were commanding attention. The Department of Labor was using its facilities to the utmost, and each of the production departments of the government was attempting to devise its own ways and means of handling its own problems. Thus there was evolved a decentralized labor administration

which obtained throughout the first year of our active participation in the war. Closer examination of the prevailing situation will show the extent of this decentralization.

### 1. PREEXISTING AGENCIES

Prior to the outbreak of the war two national government agencies were functioning in the adjustment of industrial grievances — the United States Board of Mediation and Conciliation, and the Division of Conciliation of the Department of Labor. In addition the Department of Labor was attempting, through the Bureau of Immigration and the Post Office, to solve the problems of employment and unemployment.

The United States Board of Mediation and Conciliation was one of several attempts to discover some means of adjusting the recurrent controversies between common carriers in interstate commerce and their employees. Legislation for this purpose was comprised in a series of acts, beginning with the act of 1888, and including the act of 1898, known as the Erdman act, the act of 1913, known as the Newlands act, and Section 8 of an act passed in 1913 which created the Department of Labor. The act of 1888 provided, on the initiative of the President of the United States, for voluntary arbitration, compulsory investigation, and publication of the decision. This act was on the statute books for ten years, and there is no record of its application as a source of arbitration. This law was superseded by the Erdman act of 1898.<sup>1</sup> Under the provisions of this act the chairman of the Interstate Commerce Commission and the Commissioner of Labor were required, on application of either party to the controversy, to endeavor to adjust the difficulty by mediation. During the first eight years after the enactment of the law only one attempt was made to apply it, and that was not successful. Subsequently the provisions of the law were frequently involved.<sup>2</sup>

In July, 1913, the Erdman act was superseded by the Newlands act,<sup>3</sup> which provides for a Commissioner of Mediation and Conciliation, to be appointed by the President with the advice and consent of the Senate, the term of the commissioner's office to be seven years. The President is also authorized to designate

<sup>1</sup> United States, Laws 1898, C. 370.

<sup>2</sup> Commons and Andrews, *Principles of Labor Legislation*, pp. 133-137.

<sup>3</sup> United States, Laws 1913, C. 6.



not more than two other government officials, appointed with the consent of the Senate, to constitute, with the commissioner, the United States Board of Mediation and Conciliation. An assistant commissioner is appointed in the same way to assume the duties of the commissioner in case of the latter's absence or in the event of a vacancy, and to assist him in other ways. In the case of a controversy to which the law applies either party may appeal to the Board of Mediation and Conciliation, whose duty it is to seek to adjust the controversy by amicable methods, or failing in mediation, to urge arbitration. If disruption of traffic is imminent and the public interest endangered the board may offer its services as mediator. In case of a dispute over the agreement concluded through the efforts of the board, either party may require an opinion from that body. If these attempts to settle the dispute fail, a board of arbitration may be organized, composed of six or three arbitrators. Each party to the dispute chooses two members, or one member, as the case may be, and these members select the remainder. In case of the failure of these initial members to agree on a third member or members, the board designates the remainder. Upon consent of both parties the board of arbitration is given powers of compulsory investigation. The award becomes operative in ten days after filing, unless exception is taken to a matter of law upon the record.<sup>4</sup>

During the four years ending June 30, 1917, the services of the Board of Mediation and Conciliation were used in seventy-one cases. Fifty of these were settled completely by mediation; six partly by mediation and partly by arbitration; eight wholly by arbitration; three by the parties themselves; one by congressional action; and one remained unsettled.<sup>5</sup>

The act of March 4, 1913, creating a Department of Labor, provides that the Secretary of Labor shall have power to act as mediator and to appoint commissioners of conciliation in labor disputes whenever in his judgment the interests of industrial peace may require it to be done.<sup>6</sup> No appropriation was made for the expenses of the commissioners till October, 1913, and none for their compensation till April, 1914.<sup>7</sup> The first appro-

<sup>4</sup> Commons and Andrews, *op. cit.*, pp. 136, 137.

<sup>5</sup> Willoughby, W. F., *Government Organization in War Time and After*, p. 204.

<sup>6</sup> United States, Laws 1912-1913, C. 141, Section 8.

<sup>7</sup> Commons and Andrews, *op. cit.*, p. 137.



priation was \$25,000; for 1915, \$50,000 was appropriated; for 1916, \$75,000; for 1918, \$175,000.<sup>8</sup>

The function of the Mediation Service of the Department of Labor, as it is generally known, is diplomatic rather than judicial. Its powers are not mandatory nor is any disputant required to accept its good offices.<sup>9</sup> In spite of these limitations, the success of the service has been most gratifying both in peace and in war times, as is indicated by the following summary of its work.<sup>10</sup>

TABLE IX. SHOWING THE NUMBER AND THE DISPOSITION OF CASES HANDLED BY THE DIVISION OF MEDIATION AND CONCILIATION OF THE DEPARTMENT OF LABOR

	March 4, 1913, to June 30, 1914	Year ending June 30,					
	1914	1915	1916	1917	1918	1919	Total
Number of cases.....	33	42	227	378	1,217	1,780	3,667
Adjusted .....	28	26	178	248	865	1,223	2,568
Unable to adjust.....	5	10	22	47	71	111	266
Pending .....	..	5	21	42	7	13	88
Unclassified .....	..	1	6	41	66	214	328
National War Labor Board..	..	..	..	..	208	219	427

A necessary condition of the success of the Division of Conciliation was the removal of all suspicion and misapprehension concerning the neutrality of the conciliators and the purpose and policy of the division. All such misapprehension was quieted by the Secretary of Labor in his statement that: "It has been the policy of the Department of Labor not to endeavor to impose its viewpoint upon either the worker or the management in any dispute that may arise, but rather to find some basis mutually acceptable even though it may not be mutually satisfactory. In other words, the work of mediation is not a judicial work; it is not a judicial function; it is not to hear both sides and then determine the rights and wrongs of the situation, or to pass judgment and then enforce its decision. The work is diplomatic

<sup>8</sup> Willoughby, W. F., *op. cit.*, p. 204.

<sup>9</sup> See the *Fifth Annual Report of the Secretary of Labor*, 1917, p. 11.

<sup>10</sup> Compiled from the *Seventh Annual Report of the Secretary of Labor*, 1919, p. 19.

rather than judicial, and it is in that spirit the problems of conciliation in labor controversies are approached.”<sup>11</sup>

For some years prior to the war the Department of Labor had a service the purpose of which was to bring the manless job and the jobless man together, and to correlate as far as possible the employment services of other political units. Section 40 of the Immigration Act of February 20, 1909, provided for the organization within the Bureau of Immigration, at that time an integral part of the Department of Commerce and Labor, of a Division of Information to assist immigrants and other persons in securing employment. The Bureau of Immigration, including the Division of Information, was made a part of the Department of Labor under authority of the Act of March 4, 1913, which created the department. Upon its organization in 1914, the department converted the Division of Information into a general employment service to function in the placement of all kinds of labor. Sanction for this procedure was found in the Act creating the Division of Information, and especially in Section 1 of the organic Act of March 4, 1913, providing for a Department of Labor, which stipulated that: “The purpose of the Department of Labor shall be to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment.”<sup>12</sup> This reorganized employment service was called the United States Employment Service, and it functioned primarily through the Division of Information, which had been maintained as an integral part of the Bureau of Immigration.

The Employment Service mapped a more vigorous and general program. The country was divided into zones, and labor exchanges were established with sub-branches in each. On June 30, 1916, there were 20 of these zones with an equal number of labor exchanges or central offices and 62 sub-branches. In addition, the coöperation of the Post Office Department was secured, which resulted in the use of post offices throughout the country as branch agencies of the Employment Service. Co-operative relations were also established with all state and

<sup>11</sup> *Fifth Annual Report of the Secretary of Labor*, 1917, p. 11.

<sup>12</sup> United States, Laws 1912-1913, C. 141, Section 1.

municipal employment bureaus, the purpose being to make the federal service a sort of clearing house and coördinating agency. At a general conference between the Department of Labor and official employment services held in 1915 it was decided to organize a joint advisory council or board to promote closer relations between all public employment services, to correlate their work, and for all practical purposes to establish a national employment system.

In 1914 the federal employment service had assumed the obligation of providing farm labor to harvest the crops. This work was carried on in conjunction with the Department of Agriculture. In 1916 a women's and children's division was created for the primary purpose of placing women and juveniles in suitable employment. The federal service was functioning quite successfully, as is manifested by the fact that during the year ending June 30, 1916, 25,640 applications for help were received, requesting 109,771 laborers, and 184,481 applications came from workers seeking employment, of whom 84,953 were referred to positions and 75,195 actually furnished with work.<sup>13</sup>

## 2. LABOR PROGRAM OF THE COUNCIL OF NATIONAL DEFENSE

The facilities of the government agencies described above were utterly inadequate to meet the problems incident to a state of war, and it was imperative that new agencies be created to assist them. Even before the United States became involved in the war, the Council of National Defense had provided for a committee on labor. Samuel Gompers, chairman of this committee, called the representatives of organized labor to meet at Washington on February 28, 1917. At this assembly resolutions were passed promising labor's support of the government. A general labor conference held at Washington on March 12, 1917, also passed resolutions pledging to the government the support of organized labor in the event of war. On April 2, 1917, the committee on labor of the Council of National Defense called a meeting of the representatives of American labor and other interests to be held in Washington for the express purpose of organization. More than 150 persons attended this conference, including representatives of leading international unions, railway brotherhoods, em-

<sup>13</sup> Willoughby, W. F., *op. cit.*, pp. 243-247.



ployers, and the general public, and welfare experts in the leading industries. The conference included a very desirable representation of the commercial, transportation, financial, and civic interests of the nation, and portended great results. A unity of purpose was developed among the different groups represented, and a permanent committee was selected with Samuel Gompers as chairman. This committee was composed of representatives of the several interests attending the conference. National committees were also organized for dealing with wages and hours, mediation and conciliation, welfare work, women in industry, information and statistics, cost of living, and domestic economy. At a conference of state governors called by the Council of National Defense in the spring of 1917, resolutions were passed recommending in the respective states committees on labor similar in scope and organization, to coöperate with the National Committee on Labor.<sup>14</sup>

*Labor Standards.* A resolution adopted at a meeting of the executive committee, Committee on Labor, and approved by the Advisory Commission and the Council, April 6, 1917, embodied a declaration of the attitude of American workmen with regard to the war. The resolution pointed out that in order to guarantee the defense and safety of the nation, and to avoid confusion and facilitate action for national defense, the following principles of conduct should be accepted: (1) Neither employers nor employees should endeavor to take advantage of the country's necessities to change existing standards, unless made imperative by economic or other emergencies, and then only after investigation and approval of the Council of National Defense; (2) state legislatures, and administrative officers charged with the enforcement of labor and health laws should make no departure from existing standards of health and welfare of workers without a declaration of the council that such departure was necessary and conduced to the national defense; state legislatures should delegate to the governor of their respective states the power to suspend or modify restrictions of labor laws when such modification or suspension was requested by the council, this power to continue for a definite period and not longer than

<sup>14</sup> *First Annual Report of the Council of National Defense, 1917*, pp. 75, 76.

the duration of the war.<sup>15</sup> This resolution was amplified later to clear up some misunderstanding which prevailed concerning the meaning of the phrase "no departure from present standards." The council pointed out that unless deemed necessary by its own action, the prevailing legal standards of hours, safety, sanitation, child labor, and woman labor should be maintained by both employers and employees; that changes in wages to meet the changing cost of living should be made only after investigation, mediation, or arbitration, and by no means should there be recourse to stoppage of work until all conciliatory measures had been exhausted.

*The Functions of the National Committees.*<sup>16</sup> To deal with the questions arising between labor and capital the council provided national and divisional committees. The National Committee on wages and hours was composed of full representation of labor organizations and capital to deal with questions of hours and wages during the war. This committee assisted in incorporating in government contracts the standards for wages and hours already established by federal legislation. The National Committee on Mediation and Conciliation, consisting of seventy-five members representing wage earners, employers, and the general public, with an executive committee of five members, was created, not to arbitrate disputes but, in every case where conciliation failed, to urge arbitration, the parties to the dispute to select their own arbitrators. This committee was further empowered to cooperate in establishing industrial peace when called upon by the Council of National Defense, its Advisory Commission, the Board of Federal Mediators, the Commissioners of Mediation and Conciliation of the Department of Labor, or state boards of conciliation. Important service was thus rendered by the committee in the settlement of industrial grievances in various parts of the country, and it removed many misunderstandings in regard to government contracts. These negotiations involved many thousands of men, including iron and steel workers, packing house employees, milling employees of Minnesota, railway men, and New England textile workers. A third national committee of major importance was entrusted with welfare work.

<sup>15</sup> *Ibid.*

<sup>16</sup> For detailed account of these committees see *ibid.*, pp. 79-81.



Care was taken of the needs of workers during and after work hours by the establishment of precautionary measures, and safeguards of health were promoted through education, coöperation of churches, chambers of commerce, fraternal societies, employers' associations, and trades-unions. Maximum production and conservation of the health and efficiency of the human machine was the objective of this committee.<sup>17</sup>

*Sectional and Divisional Committees.*<sup>18</sup> In addition to the major committees described above, the Council of National Defense sought to establish a more comprehensive system of labor administration by the creation of divisional and sectional committees to consider the following important matters: Provision of sustenance for dependents of men in the service; aid to employers in providing healthful conditions in dangerous trades and the creation of general sanitary conditions of employment; a campaign of education and advice relative to protection of workers in establishments manufacturing explosives and poisonous products; formulation of a code for factories, mills, and workshops covering essentials for proper and adequate light, intensity of light required, the shading of lamps, the distribution of light, and so on; investigation regarding the conditions producing industrial fatigue and the elimination of those conditions; consideration of inadequate and inoperative laws concerning ventilation and heating, with a view to suggesting greater care; provision for necessary and proper facilities for drinking water; prevention and control of occupational diseases; establishment and maintenance of desirable home nursing facilities. Other important matters to which these divisional committees were to give their attention included the installation of medical departments, or industrial health-service departments to care for the human factor in industry; training of highly skilled workmen for such trades as shipbuilding, as well as training of unskilled men, boys, and women to supplement skilled workmen; investigations and recommendations as to temporary or permanent housing facilities; organization of facilities and opportunities for recreation; public health education; advice on the employment of women in order to combine maximum efficiency with

<sup>17</sup> *Ibid.*, p. 80.

<sup>18</sup> For detailed account of these committees see *ibid.*, pp. 81-89.



conservation of health and labor standards; protection of unskilled workers in war industries against a lowering of existing wage scales and conditions of work.

*Labor Adjustment Boards.* Early in August, 1917, the Council of National Defense took a step toward a practical solution of the problem of industrial unrest by creating a Labor Adjustment Commission composed of nine members, three representing the government, three the employers, and three the employees. This commission was given jurisdiction over all disputes regarding wages or conditions of employment in establishments having government contracts in accordance with the eight-hour law of June 19, 1912, or March 3, 1913. The commission was given power to appoint labor adjustment committees to hear and determine such disputes as the commission saw fit to assign to them, involving less than 1,000 workers. Cases involving more than 1,000 workers were handled by the commission itself. Awards of the commission or any of the committees appointed by it were binding on employers and employees, and were made within thirty days after the case had been submitted for adjudication. Decisions were for specified periods but were not binding longer than sixty days after the end of the war. At all hearings both the employers and the workers were represented. Government contracts made under the two acts cited above include the basic eight-hour day for all employees, with overtime rates at not less than time and one-half for all hours in excess of eight. Whenever disputes could not be settled by employers and workers or their representatives in accordance with these specifications, the Department of Labor was given power on its own initiative or at the request of employers, workers, or the department whose contract was affected, to appoint a mediator. If this mediator failed to adjust the dispute the case was then submitted to the Adjustment Commission of the Council of National Defense for its adjudication, work always to continue pending decision.<sup>19</sup>

The labor program of the Council of National Defense, summarized above, was comprehensive and anticipated almost every

<sup>19</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, September, 1917, pp. 71-73.

conceivable problem that might arise.<sup>20</sup> Its main purpose was to secure maximum production, and at the same time to safeguard the interests and welfare of American workers. The weakness of the program is not difficult to discover. The multiplicity of committees were primarily investigating, advisory, or educational agencies, possessing few if any of the specific executive and administrative powers that are essential to successful labor administration. This coterie of committees, however, were very valuable as supplementary agencies to the more authoritative and powerful governmental bodies.

*Labor Committee of the War Industries Board.* Closely connected with the labor program of the Council of National Defense was the Committee on Labor of the War Industries Board. The latter Board appointed Mr. Hugh Frayne as director of the Committee on Labor, and he handled the mediation problems that arose within the Board's jurisdiction. These cases, however, were usually submitted by Mr. Frayne to other governmental agencies of mediation, altho he personally made some adjustments in an informal way.<sup>21</sup>

### 3. ACTIVITIES OF THE WAR DEPARTMENT

*Emergency Construction Adjustment Commission.* The necessity of constructing in the quickest possible time the sixteen cantonments and camps to house and train the millions of men made available for the army by the selective draft law entailed a serious labor problem. It was to be expected that contractors would proceed with the work regardless of labor union standards. Results were imperative, and in their eagerness to achieve these results government officials and contractors failed to take into consideration the possible interference by trades-unions in demanding adherence to union standards. The rapid spread of disputes and unrest soon forced attention to the necessity of incorporating into government contracts for cantonment construction definite stipulations concerning standards of wages, hours, and other conditions of employment that involved the building trades unions.

<sup>20</sup> The committee on labor alone consisted of approximately 500 persons. *Handbook of Information*, Army Ordnance Industrial Service Section, Nov. 1918, p. 4.

<sup>21</sup> *Ibid.*

The Secretary of War was soon convinced that continuous production was dependent upon the coöperation of the workmen, and that coöperation was obtainable only upon the grounds of adequate wages and proper working conditions. On June 19, 1917, Secretary of War Baker and Samuel Gompers signed a memorandum of agreement which provided that the basic standards of employment in cantonment construction should be the union scale of wages, hours, and conditions in force on June 1, 1917, in the locality where such cantonment is situated. Consideration was to be given to special conditions requiring changes in these standards subsequent to the above date. It was further provided that there should be an adjustment commission for the adjustment and control of wages, hours, and conditions of labor in the construction of cantonments. This body, originally known as the Cantonment Adjustment Commission but later called the Emergency Construction Adjustment Commission, consisted of three persons appointed by the Secretary of War — one to represent the Army, one the public, and one labor. The last member was nominated by Samuel Gompers. All adjustments made by the commission were binding on all parties. The term union standards as used in the agreement referred only to union scales of hours and wages and did not include union shop.<sup>22</sup>

The procedure under the above memorandum provided that (1) the commission should sit at Washington, unless ordered by the Secretary of War to go to the site of construction; (2) data should be secured relative to the union scales of wages, hours, and conditions in force on June 1, 1917, in the several localities where cantonments were being constructed, and through the Department of Labor the data on standards prevailing in the localities at the time of construction; (3) for each district a responsible, impartial examiner was to be appointed to act under orders of the commission; (4) in case employees and the contracting officer failed to settle the dispute the latter was authorized to issue a provisional order which was subject to the affirmation, revision, or readjudication of the Adjustment Commission; (5) whenever this provisional order was not accepted, there was to be no cessation of work, but details of the dispute and order were to be sent to the member of the commission representing

<sup>22</sup> *Ibid.*, *Appendix*, No. 3.



the Army, and a report of the matter was to be secured by a member of the commission designated by Mr. Gompers; (6) on hearing of the failure to reach a satisfactory settlement the commission immediately was to dispatch an examiner to the site of the trouble; (7) the examiner possessed authority, under orders of the commission, to mediate between the parties, and in case he failed to effect a settlement he was instructed to file a report with a recommendation to the commission. The rulings of the commission were binding upon all parties concerned, notice of the decision being sent to the contracting officer and to the spokesmen of the parties involved in the dispute. Application of the commission's award was supervised by the examiner, and he saw to it that hours, wages, and conditions of labor conformed to the rulings. The commission was empowered also to make additional regulations in order to achieve the purpose of the agreement and to decide all questions arising under it.

On August 8, 1917, the construction of aviation fields was placed under the jurisdiction of the above commission. On September 4, 1917, the construction of warehouses and storage facilities was also placed under the authority of the same commission, and on December 28, 1917, the Secretary of War directed that all construction work undertaken by the War Department during the war was to be carried out under the original memorandum of June 9, 1917, and the supplementary memorandum of July 27, 1917.<sup>23</sup> This wide extension of the jurisdiction of the commission is indicative of the acceptability and effectiveness of its work. No commission was confronted with more serious problems and none accomplished its task in a more creditable manner than did the Emergency Construction Adjustment Commission. Much of the commission's success was due to the appointment of special examiners to supervise the enforcement of its awards, for these men came in close contact with the problems at issue and performed a good service in maintaining industrial peace.

*General Orders of the Chief of Ordnance relative to Labor Conditions.* In General Orders No. 13, issued by the Chief of Ordnance, November 15, 1917, the attitude of the War Department toward the labor problem was clearly set forth in a

<sup>23</sup> *Ibid.*

group of fundamental principles that conform to the standards generally endorsed by social reformers in the field of labor welfare and legislation.<sup>24</sup> The memorandum unmistakably pointed out the intimate relation between desirable working conditions and efficiency in production, and prescribed the following: (1) Daily hours of labor not to exceed ten, and better efficiency might result from an eight-hour day; adjustment of hours to the age and sex of the worker and the nature of the employment; discouragement of excessive overtime, eight-hour shifts being the maximum in a continuous twenty-four work-day; Saturday half-holiday or, if necessary, longer hours paid for on the basis of overtime. Furthermore, the policy of resting one day in seven was recognized, and for the sake of rest and relaxation national and local holidays were to be observed. The memorandum urged: (2) precautions against dangers and provision for comfort and sanitation, including good light, adequate ventilation, sufficient heat, and proper temperature; (3) maintenance of existing wage standards in the given industry and locality, and reasonable adjustment of wage scales to the rapidly changing level of prices of the necessities of life; provision of every facility for the preservation of existing and the creation of additional methods for settling industrial controversies. (5) There was to be restriction of the work of women to eight hours, prohibition of night work, provision of rest periods, adequate time and desirable place for meals, the guaranty of a half-holiday on Saturdays, provision of seats with backs and their use permitted for women workers, and a weight of twenty-five pounds was to constitute the maximum single load lift for women employees. When women replace men tasks should be adapted to their strength, and the principle of equal pay for equal work should be applied. (6) The employment of children under fourteen years of age was prohibited by this order, and children between the ages of fourteen and sixteen years were not to be employed for more than eight hours a day, or forty-eight hours a week, and night work was forbidden. Minors under eighteen years of age were to be protected as to hours as in the case of women — limited to eight hours a day with no night work. (7) No work

<sup>24</sup> Similar orders were issued by the Quartermaster General on November 19, 1917, known as "*Circular No. 18.*"

was to be given out to be done in rooms used for living purposes or in rooms directly connected with living rooms in any dwelling or tenement.<sup>25</sup>

*Standards of Labor in the Manufacture of Army Clothing.* On August 24, 1917, the Secretary of War appointed a board of control for labor standards in the manufacture of army clothing. The function of this board was to execute the regulations of the Quartermaster General relative to the "maintenance of sound industrial and sanitary conditions in the manufacture of army clothing, inspect factories, see that the proper standards are established on government work, pass upon industrial standards maintained by bidders on army clothing, and to act so that just conditions prevail." The report of this committee which was submitted to the Secretary of War, August 18, 1917, recommended among other things that contracts should contain provision for the eight-hour law of June 19, 1912; equal pay for equal work without distinction as to sex or race; the right of collective bargaining; employment of no persons under sixteen years of age; strict compliance with local labor laws; completion of garments in the factory under control of employers making the contracts, whose establishments have passed inspection of a government agent. In addition the committee recommended that deference should be given to normal location of trade, and capacity and equipment of manufactories. In all cases contracts should be granted to centers of industry with avowed preference for manufacturers who operate under collective agreements, which also include machinery for adjustment of industrial disputes, and who have a good record for compliance with local labor laws.<sup>26</sup> The provisions outlined in the recommendations of the committee were incorporated in the government contracts for the manufacture of Army clothing; they included an eight-hour work-day, compliance with state labor laws and regulations, right of collective bargaining, amicable adjustment of industrial grievances, a minimum wage scale, licensing of premises and sanitation inspection, compliance with the provisions of the Federal Child Labor Law of September 1, 1916, and non-transfer of contracts.

<sup>25</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, December, 1917, p. 51.

<sup>26</sup> *Ibid.*, October, 1917, pp. 30-33.



The above form of contract was approved by the Secretary of War and the Quartermaster General. The War Department in announcing the new form of agreement was confident that: "The grievances which have arisen in the past in connection with the performance of clothing contracts will be entirely removed by the enforcement of this contract, and decent industrial standards not only established but also enforced by the Government. The Department feels that there will be no justification for any delay hereafter in the delivery of clothing for our soldiers."<sup>27</sup>

*Harness and Saddlery Adjustment Commission.* Other endeavors of the War Department to solve the problems of labor, especially the element of industrial unrest, included the creation of the Harness and Saddlery Adjustment Commission whose duty it was to fix wage rates for employees in all those factories supplying leather goods and harness and accessories, but not to include shoes.<sup>28</sup> On September 26, 1917, an agreement was entered into between the government and the representatives of the leather manufacturers and leather workers whereby there was created a National Harness and Saddlery Adjustment Commission composed of four members, of whom two were appointed by the Secretary of War to represent the public, one by the manufacturers, and one by the United Leather Workers International Union.<sup>29</sup> One of the members of the commission was designated by the Secretary of War as chairman. Each member, including the chairman, was entitled to one vote, and a majority of votes governed in all cases. The duties of the commission were to adjust all existing and future disputes as to wages, hours, and conditions of labor under government contracts, and to prescribe regulations for enforcement of decisions. Awards were binding on all parties concerned. The agreement was to remain in force during the war period, no interruption of work on government contracts was to be allowed, manufacturers were to be compensated when wage scales increased under the agreement, wage standards were not to be less than those in effect

<sup>27</sup> *Ibid.*, p. 31.

<sup>28</sup> *Handbook of Information*, Army Ordnance Industrial Service Section, November, 1918, p. 8.

<sup>29</sup> *Report of the Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor*, 1917, pp. 86, 87.

in the community, and the same rates of wages were to be paid for union and non-union labor.

*Arsenals and Navy Yards Commission.* In addition to the above there was established, under the authority of the Secretary of War and the Secretary of the Navy, the Arsenals and Navy Yards Commission, with Assistant Secretary of the Navy Roosevelt as chairman. This commission had jurisdiction in all cases that could not be settled by representatives of the Army and Navy. Major B. H. Gitchell, of the office of the Secretary of War, had charge of wage adjustments in the arsenals, while adjustment in the Navy Yards were handled by Louis McHowe, confidential assistant to the Assistant Secretary of the Navy. The work of these commissioners was so successfully accomplished that there was never any need for reference to the Commission.<sup>30</sup>

#### 4. SHIPBUILDING LABOR ADJUSTMENT BOARD

Maximum production in the shipbuilding industry during the war was of the utmost importance, on account of the increasing menace of enemy submarines. The necessity for increased production, however, did not prevent the spread of industrial unrest and disputes, the increase of labor turnover, and the conscious withdrawal of efforts in the shipyards on the Atlantic, Pacific, and Gulf coasts, and on the Great Lakes. To solve these and other serious problems of labor the Emergency Fleet Corporation of the United States Shipping Board established the Shipbuilding Labor Adjustment Board and other conciliatory agencies.

The Shipbuilding Labor Adjustment Board was instituted by agreements entered into on August 29, 1917, and December 8, 1917, by the Navy Department, the Emergency Fleet Corporation, and certain labor leaders. This board dealt exclusively with adjustments of wages, hours, and conditions of labor in the construction or repair of those shipbuilding plants for which funds were provided by the United States Shipping Board Emergency Fleet Corporation or the Navy, and in the construction or repair of ships carried on under contract with the Emergency Fleet Corporation, exclusive of work done in the Navy Yards.

<sup>30</sup> *Handbook of Information*, Army Ordnance Industrial Service Section, November, 1918, p. 12.

The board consisted of three persons, one appointed jointly by the Emergency Fleet Corporation and the Navy Department; one representing the public, appointed by the President of the United States; and one representing labor, appointed by Samuel Gompers.<sup>31</sup> In fact, Mr. Gompers nominated two members, one to represent the metal trades in all disputes concerning the construction of shipyards and steel ships, and one to represent the trades primarily concerned in the construction of wooden hulls. In the event that both of these trades were involved in a dispute the two members would determine which one should sit in the conference, or if they failed to agree in this matter Mr. Gompers made the selection. Representatives of employers and employees of the production plants in which grievances arose were given the right to sit with voting power as associate members of the board. In all controversies in private plants in which there was also construction for the Navy Department, the Navy Department was represented by the Secretary of the Navy or a person designated by him to sit with voting power as a member of the board. In case of a tie when the board was so constituted, the decision was left to the Secretary of War as chairman of the Council of National Defense or to some person appointed by him.

The construction plants coming under the jurisdiction of the board were geographically districted. In each district the contractors and the representatives of international labor organizations concerned in the construction work selected a person or persons to act as examiner or examiners in the said district, or the board itself selected these officials in case it seemed advisable, or if the above parties could not agree. All disputes with reference to wages, hours, or conditions of labor were reported by the district officer of the Emergency Fleet Corporation to the board and to the district examiner.

The Adjustment Board was instructed to use as basic standards the wage rates prevailing in the district in which the dispute arose, provided such wage rates had been established through agreements between employer and employees and were accepted as equitable. Consideration was given, however, to any circumstances arising after such wages, hours, or conditions were estab-

<sup>31</sup> *Memorandum for the Adjustment of Wages, Hours, and Conditions of Labor in Shipbuilding Plants*, United States Shipping Board, p. 1.



lished, and which seemed to call for changes.<sup>32</sup> In the absence of such an agreement between employers and workmen, as in a new industrial district, the standards introduced in districts having similar living conditions and cost of living were established. It was wisely provided that the board should keep itself fully informed as to the relation between living costs in the several districts and their comparison at specific intervals. This latter provision was generally adopted by the numerous boards and commissions in dealing with the labor situation.

The decisions of the Shipbuilding Labor Adjustment Board were made retroactive, and at any time after six months had elapsed following ratification of the agreement or final decision by the board the questions could be reopened by it for readjustment, upon request of the majority of the craft or crafts concerned, provided it could be demonstrated that there had been a general and material increase in the cost of living. The board's decisions were final and binding on all parties within these prescribed limits, altho either party possessed the right of appeal to a Board of Review and Appeal consisting of three members named jointly by the United States Shipping Board Emergency Fleet Corporation and the United States Navy Department, and three named by the President of the American Federation of Labor.<sup>33</sup>

The accomplishments of the Shipbuilding Adjustment Board should be noted.<sup>34</sup> The principal characteristics of the decisions of the board in cases that arose in shipyards on the Atlantic, Pacific, and Gulf coasts and on the Great Lakes were: (1) the establishment of a uniform national scale of wages for all skilled trades and the adjustment of wage standards to meet the increase in the cost of living. For example, the average increase in the cost of living on the Pacific Coast from October, 1917, to October, 1918, was 20 per cent, and the board in applying this average

<sup>32</sup> *Ibid.*, p. 2.

<sup>33</sup> *Ibid.*, p. 3.

<sup>34</sup> For the greater details of the operation of the Board the reader is referred to the following: *Decision as to Wages, Hours, and other Conditions in Pacific Coast Shipyards by the Shipbuilding Labor Adjustment Board*, October 1, 1918, and the *Decision as to Wages, Hours, and other Conditions in Atlantic Coast, Gulf and Great Lakes Shipyards by the Shipbuilding Labor Adjustment Board*, October 1, 1918.

increase to the basic daily wage of \$5.25 established by an earlier decision, made the new basic wage \$6.30 or 78¾ cents an hour, while for the Atlantic Coast, Gulf, and Great Lakes for the eight months from December, 1917, to August, 1918, the cost of living advanced 15 per cent and the basic hourly rate of 70 cents was replaced by a new rate of 80½ cents. In the interests of uniformity and the prevention of labor unrest and turnover the basic hourly wage rate for the principal skilled crafts was made 80 cents. No such uniform scale was made for common laborers, but the wages were advanced as much or more than increases in the cost of living. (2) Payment of transportation expenses of employees incurred in going to and from their work in the shipyards.<sup>35</sup> (3) Organization of shop committees for the adjustment of grievances between management and labor, especially where no joint agreement between shipyard owners and labor organizations had been effected. The organization and work of these committees is worthy of note. The employees of each craft or calling in a shop or yard selected three of their number to represent them as members of a shop committee. Each member served for a term of six months and was selected by majority vote through secret ballot, in such manner as the workers directed. Vacancies for an unexpired term were filled by ballot, and out-going committee members were eligible for reelection. The chairman of each shop committee was a member of a joint shop committee, which by ballot selected five of its members to act as an executive committee to represent it in conferences with the superintendent or higher officials of the company. The district examiner was authorized to pass upon the validity of the election of a shop committee in case a protest was filed, and to supervise a new election when such an election seemed to him necessary. When a grievance arose it was taken up by the craft or laborers' committee with the foreman or general foreman. Failing an adjustment, the craft or laborers' committee took the matter up with the superintendent, and if deemed necessary by the committee it selected a special representative to assist it in the conference with the superintendent or higher officials. In

<sup>35</sup> *Decision as to Wages, Hours, and Other Conditions in Atlantic Coast, Gulf and Great Lakes Shipyards, by Shipbuilding Adjustment Board, October 1, 1918, p. 1-3.*

case the dispute concerned more than one craft, the matter was negotiated through the joint shop committee, first with the superintendent and then, failing a settlement, with the higher officials of the company. In these conferences the joint committee of the crafts had the right to call in a special representative to assist it. Whenever this conference failed to effect a settlement of the grievance, the matter was submitted to the district examiner. To prevent discrimination against duly elected committeemen, it was provided that in case such a committeeman was found to have been discharged without just and sufficient cause, after due investigation by the committee, he was reinstated with full pay for all time lost. Other phases of the board's awards included the prohibition of discrimination against union or non-union men, weekly payment of wages, prompt payment on withdrawal from employment, provision of medical aid, provision of adequate toilets, washing facilities and drinking water, and prevention of reduction in wages of individual employees.<sup>36</sup>

#### 5. ADJUSTMENT OF LABOR DISPUTES IN LOADING AND UNLOADING SHIPS

The importance of prompt and uninterrupted action in the loading and unloading of vessels is too obvious to need emphasis here. All our efforts in prosecuting the war would have been futile had our machinery broken down at this point. To assure the dispatch of vessels from our Atlantic, Gulf, and Pacific ports, therefore, it was necessary to find adequate means for the adjustment of grievances over wages, hours, and other conditions of labor in this field. During the latter part of August, 1917, an agreement was reached and announced by the United States Shipping Board, the Secretary of War, the International Longshoremen's Association (numbering about 150,000 members on all coasts), the Secretary of Labor, the President of the American Federation of Labor, and the Chief of Shipping Operations. This agreement provided for a national commission to consider and adjust all disputes arising in connection with loading and unloading of vessels in Atlantic, Gulf, and Pacific ports. The terms of the agreement which was formally assented to by the United States Shipping Board and the International Longshore-

<sup>36</sup> *Ibid.*, pp. 7-10.



men's Association included the following provisions: (1) The union scale of wages, hours, and conditions in force August 1, 1917, in a given port was to constitute the basic standard. (2) All differences in a particular port were to be adjusted by a local commission when possible. This commission was appointed in each case by the national commission mentioned above, and consisted of one member representing the Shipping Board and the War Department, one nominated by the Longshoremen's Association to represent labor, and one nominated by the carriers to represent the shipping interests. In each case an appeal could be made from the decision of the local commission to the national commission. (3) Consideration was to be given to the necessity of changing standards to meet the changes in the cost of living. (4) There was to be no interruption of work pending the action of the local commission or the decision of the national commission. (5) The decision of the national commission was to be binding on all parties concerned.<sup>37</sup>

#### 6. RAILWAY BOARDS OF ADJUSTMENT

Railroads have been aptly described as the arteries of national life. Should these arteries cease to function even for a brief time national existence is threatened and individual activity paralyzed. The labor situation on American railroads has been extremely acute at no infrequent intervals, and one of these critical periods was during the great war, especially before the government assumed control of the roads. Labor unrest did not subside with the enactment of the Adamson eight-hour law, but gathered momentum with the demands for higher rates of wages to cover the increasing cost of living.

To settle all controversies arising over wages, hours, and other conditions of labor on the railroads, the United States Railroad Administration formulated a definite policy and provided machinery of adjustment. Boards of adjustment were organized by agreement between representatives of the Railroad Administration and the "big four" brotherhoods—engineers, conductors, trainmen and firemen, and enginemen. Railway Board of Adjustment No. 1 consisted of eight members—four selected by the regional directors of the lines and compensated by the

<sup>37</sup> *Report of the Proceedings of the Thirty-seventh Annual Convention of the American Federation of Labor, 1917, pp. 85, 86.*

railroads, and one each by the chief executive officer of each of the railroad brotherhoods and compensated by them. Railway Board of Adjustment No. 2 consisted of twelve members — six selected by the regional directors and paid by the roads, and one each by the chief executive of the International Brotherhood of Electrical Workers, Amalgamated Sheet Metal Workers' International Alliance, Brotherhood of Railway Car-men of America, International Brotherhood of Blacksmiths and Helpers, International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America, and International Association of Machinists.<sup>38</sup>

The boards of adjustment just described met in Washington at stated times each month and continued in session until all matters before them were considered. Subdivisions of the boards were provided for to conduct hearings and pass on controversies when properly submitted at any place designated by the boards, but such subdivisions were not authorized to make final decision, these decisions being reserved for the consideration of each of the boards as a whole. The boards were authorized to adjust disputes over the application of the eight-hour law, formerly cared for by the Commission of Eight. The question of wages and hours was generally left to the Railroad Wage Commission, but matters of dispute arising from interpretations of wage agreements, not including matters passed upon by the Railroad Wage Commission, were decided by the adjustment boards. Differences arising between management and employees on the respective roads, regarding the incorporation in existing agreements of wages and hours fixed by the Director General of the Railroads, were decided by the boards, subject to review by the Director General. Personal grievances or controversies arising under interpretation of wage agreements, and all other disputes between officials of the railroads and their employees, when failing of adjustment by the local authorities, were submitted to the Director of the Division of Labor of the United States Railroad Administration who in turn presented the case to the appropriate Railway Adjustment Board for consideration and decision. In all cases coming before these boards both parties were

<sup>38</sup> For detailed account of these boards and their functions see *United States Railroad Administration Bulletin*, No. 4, 1918, pp. 46-49, 100-103.

accorded representation. A majority vote of the board in each case was necessary for final decision, and, if impossible to secure a majority vote, the final determination rested with the Director General. All agreements became effective upon their approval by the Director General, and continued in force for the duration of the war, and thereafter, unless a majority of representatives of the railroads or of the employees desired to terminate the agreement, in which case thirty days formal notice was necessary. The Director General, however, possessed the power to terminate all agreements at his own discretion, upon serving similar notice.<sup>39</sup>

#### 7. THE RAILROAD WAGE COMMISSION

Previous to the establishment of the above boards of adjustment the Director General had, on January 18, 1918, in his General Order No. 5, provided for the organization of a Railroad Wage Commission.<sup>40</sup> When Director General William G. McAdoo assumed control of railway operation in the United States on December 28, 1917, he was confronted with serious labor troubles expressed in terms of demands for higher wages and general improvement of working conditions. The commission which he appointed to handle the situation consisted of Franklin K. Lane, Secretary of the Interior; Charles C. McChord, member of the Interstate Commerce Commission; J. Harvey Covington, Chief Justice of the Supreme Court of the District of Columbia; and William R. Willcox, of New York. The function of this Commission was to "make a general investigation of the compensation of persons in the railroad service, the relation of railroad wages to wages in other industries, the conditions respecting wages in different parts of the country, the special emergency respecting wages which exists at this time owing to war relation between different classes of railroad labor." The commission was instructed to begin its work immediately and to recommend in general terms changes in compensation of railroad employees which seemed to it necessary. This investigation was facilitated by the order of the Director General instructing offi-

<sup>39</sup> *Bulletin No. 4*, United States Railroad Administration, 1918, pp. 46-49, 101-103.

<sup>40</sup> Railway Adjustment Boards No. 1 and No. 2 were established on March 22, 1918, and May 31, 1918, respectively. *Ibid.*, pp. 46 and 100.



cers, agents, and employees of the roads to furnish upon request all information required.<sup>41</sup>

The report of the above commission is a noteworthy document, the result of comprehensive and intensive study of the general labor situation on the railroads of the United States, together with a general study of the experience of Great Britain and France.<sup>42</sup> Many of the major suggestions made by the commission were embodied in and made effective by General Order No. 27 of the Director General, issued March 25, 1918. This order provided for an annual increase in wages aggregating about \$300,000,000, the adoption of the basic eight-hour day, special rates of pay for overtime, equal pay for equal work when women perform tasks similar to the ones performed by men, protection of the health and lives of employees, equal pay for colored employees doing the same service as white workers, and the establishment of a board of railroad wages and working conditions. The Director General in creating the Board of Railroad Wages and Working Conditions stated that the problem of doing justice to the 2,000,000 railroad employees of the country could not be settled and disposed of by one decision or order and for this reason a permanent board of investigation and administration was necessary.<sup>43</sup> This statement takes cognizance of a principle long desired but not until recently instituted in programs and policies of labor administration in the United States, namely, the inadequacy of temporary commissions and boards, and the necessity of providing permanent commissions. Permanently organized and continuously operating labor boards are one of the most necessary prerequisites to a successful solution of industrial unrest and other serious labor problems in the United States.

The functions of the Board of Railroad Wages and Conditions were outlined by the Director General as follows: To investigate all matters presented by railroad employees or their representatives affecting (1) inequalities as to wages and working hours, whether of individuals or classes of workers; (2) conditions arising from competition with employees in other indus-

<sup>41</sup> *Bulletin No. 4*, U. S. Railroad Administration, 1918, p. 25.

<sup>42</sup> See *Report of the Railroad Wage Commission to the Director General of Railroads*, April 30, 1918.

<sup>43</sup> See *General Order No. 27*, U. S. Railroad Administration, May 25, 1918.

tries; (3) rules and working conditions for the several classes of employees, either for the country as a whole or for different parts of the country. In addition, the board was empowered to hear and investigate other matters affecting wages and conditions of employment referred to it by the Director General. It should be noted, however, that the board was solely an advisory body and all its recommendations were submitted to the Director General for his determination.<sup>44</sup> This was the essential weakness of the board. Had it been clothed with final disposition of cases and authority to enforce awards and findings, its success could have been greater.

#### 8. LABOR POLICY OF THE FUEL ADMINISTRATION

The development of a comprehensive plan of labor administration in the United States was bound to include the Fuel Administration, whose work was so intimately related to the production and distribution of one of the most essential commodities. In July, 1918, a conference was held at Washington between Mr. Garfield, fuel administrator, and the officers of the United Mine Workers of America, at which an agreement was made whereby all questions relating to mine labor were to remain under the jurisdiction of the Fuel Administration.<sup>45</sup> A bureau of labor was established, to which all problems pertaining to mine labor were to be referred. Certain fundamental principles were accepted to govern the settlement of all controversies that might arise. In the main, these principles were the same as those outlined by the War Labor Board, which are summarized elsewhere in this study.<sup>46</sup> A rule, peculiar to the mining labor situation, provided that the so called automatic penalty clause then in force was to be accepted as a primary principle by the mine workers in collective bargaining during the war, and was to be included in all agreements as a prerequisite to any advances in the fixed prices granted by the Fuel Administration to the mine operators. The penalty clause here referred to developed out of the President's Orders of October 27, 1917, which provided that miners who struck without cause would be fined \$1.00 a day

<sup>44</sup> *Ibid.*, p. 24.

<sup>45</sup> *Official Bulletin*, July 25, 1918, p. 13.

<sup>46</sup> See pp. 165, 166.

each, and mine operators locking out their employees would be fined \$2.00 a day for each man not working.<sup>47</sup>

The labor policy of the Fuel Administration was created only after most serious difficulties had arisen at frequent intervals. Mine workers everywhere were restive. For this situation the mine operators themselves were partly responsible, because they did not hesitate to bid against each other in their eagerness to obtain workers. This competition encouraged labor turnover and greatly decreased the productivity of the mines. In an attempt to remedy this situation Mr. Garfield issued a warning against the payment of bonuses in any form as being a violation of the spirit of the agreement made by the operators and the miners with the President. He urged that such practices cease, and threatened that if the payment of bonuses continued he would assume that the prices of coal were too high and would order a reduction.<sup>48</sup> Moreover, it had been necessary frequently for the administrator to exert pressure on both miners and operators to prevent a shutdown of the mines. For instance, in October, 1917, when the question of coal prices was being considered, Mr. Garfield warned the miners of the southwestern district in the following words: "There are evidently some who fail to understand the gravity of the situation and who do not hesitate to advocate strikes at the present time as a means of forcing the government to at once decide whether the wage increase agreed to at meetings recently held at Washington by the operators and miners of the Central District should justly be covered by an advance in the prices fixed by the President. . . . If either the operators or the miners attempt to bring pressure upon me to reach a decision, I shall postpone it and use whatever powers are necessary to compel the production of coal to meet the country's needs."<sup>49</sup> Similar warnings were given the mine operators in Oklahoma.<sup>50</sup>

## 9. UNITED STATES BOARD OF MEDIATION AND CONCILIATION

When the government assumed control of the railroads on December 28, 1917, it took over less than 200 of the 2700 railroads

<sup>47</sup> *Commercial and Financial Chronicle*, December 1, 1917, p. 240.

<sup>48</sup> *Official Bulletin*, August 6, 1918, p. 7.

<sup>49</sup> *Commercial and Financial Chronicle*, October 20, 1918, p. 1586.

<sup>50</sup> *Ibid.*, December 1, 1917, p. 2139.



in the United States.<sup>51</sup> Obviously the agencies described above were not sufficient to deal with the multiplicity of labor troubles that were evidencing themselves on the various transportation systems throughout the country during the war. The controversies that arose on the railroads not under government control were, therefore, taken care of by the United States Board of Mediation and Conciliation, created under the authority of the Newlands Act of 1913, to have jurisdiction over labor disputes in connection with common carriers in interstate commerce.<sup>52</sup> During the period of the war this board was more active than it had been since its inception, and it accomplished greater results.

#### 10. THE PRESIDENT'S MEDIATION COMMISSION

The problem of industrial unrest became so acute in the western states during the summer of 1917 that Samuel Gompers in a conference with President Wilson urged government interference and action — a somewhat unusual suggestion for a leader of American organized labor who generally frowns upon government interference. The President soon appreciated the gravity of the situation, and requested the Council of National Defense to give the matter its earnest and immediate consideration with a view to devising some means of dealing with the problem. This has been characterized as the first concrete evidence during the war of an attitude toward the labor problem on the part of the President himself.<sup>53</sup> In response to the President's request the Council made a counter proposal that the President appoint a commission to investigate the conditions in the western and Pacific coast regions, and to adjust, if possible, the many grievances that had arisen there. The necessity of government interference was obvious to organized labor which feared possible developments of a radical nature. Labor's conception of the situation was plainly expressed in the following words at the annual convention of the American Federation of labor:

The extent and nature of industrial unrest that has been manifested in the western part of this country has been the cause of deep concern to those responsible for the conduct of the nation's affairs. This unrest has a back-

<sup>51</sup> *Handbook of Information*, Army Ordnance Industrial Service Section, November, 1918, p. 12.

<sup>52</sup> United States Laws, 1913, C. 6.

<sup>53</sup> Wehle, Louis B., *Quarterly Journal of Economics*, XXXII (February, 1918), p. 335.

ground of discontent growing out of industrial and social conditions. . . From Washington, Montana, Idaho, Michigan, New Mexico, Arizona, and other places come reports that wage-earners and representatives of the organized labor movement were illegally arrested, denied the rights of free citizens, and in some cases driven out of the state or locality. The most audacious of these invasions of the rights of free citizens were the deportation of wage-earners and others from New Mexico and Arizona. . . In Arizona the deportation of over a thousand people from the state was a part of the tactics to defeat a strike that was in progress. Over 10,000 Mexican copper miners were on strike for the right to organize.<sup>54</sup>

*Appointment of a Mediation Commission.* Accepting the above statement as fairly descriptive of Mr. Gompers's presentation of the western labor situation, President Wilson was bound to realize the necessity of a speedy solution, especially in view of the important relation of the copper mining industry to the nation's war program. Accordingly, in a memorandum for the Secretary of Labor, September 18, 1917, the President, expressing a deep interest in and concern over the labor troubles in the West and stating his desire to have formulated some kind of working agreement for the future, appointed a labor commission. This commission, known as the President's Mediation Commission, consisted of William B. Wilson, Secretary of Labor, Colonel J. L. Spangler, of Pennsylvania, Verner Z. Reed, of Colorado, John H. Walker, of Illinois, and E. P. Marsh, of Washington. Felix Frankfurter of New York acted as secretary to the commission.<sup>55</sup> Thus constituted the commission left Washington, September 30, 1917, to carry out its mission of personal mediation, going direct to the field of grievances.

*Duties of the Commission.* The duties of the Mediation Commission were defined by President Wilson as follows: (1) To visit in each instance the Governor of the State, advising him of their position as personal representatives of the President in an endeavor to lend sympathetic counsel and aid to the state government in the development of a better understanding; (2) to deal with employers and employees in a conciliatory spirit with a view to the settlement of disputes and the formulation of an agreement that would guarantee a maximum of output; (3) to learn the real causes of discontent on the part of either labor

<sup>54</sup> *Report of the Proceedings of the Thirty-seventh Convention of the American Federation of Labor*, 1917, p. 88.

<sup>55</sup> *Official Bulletin*, September 21, 1917, p. 1.

or capital, or both; (4) to improve labor conditions in the Pacific Northwest; (5) to report to the President from time to time such information as may require immediate attention.<sup>56</sup> The method of approaching the problem was to consist of personal conferences with employers, employees, and state officials.

*The Problem.* The task that confronted the commission was not a simple one. Disputes were prevalent in four copper districts of Arizona in which is mined twenty-eight per cent of all the copper produced in the United States. During the summer of 1917 there were widespread strikes and shutdowns for three months, entailing a loss of 100,000,000 pounds of copper. The oil fields of California, averaging an output of 8,000,000 barrels a month, or about one-third of the total output of oil for the United States, were the scene of unprecedented labor unrest. In the states of California, Oregon, Washington, Idaho, and Nevada the telephone industry was tied up, there being about 13,000 employees involved in the disputes. The lumbering industry, the products of which were sorely needed for the nation's aeroplane program, suffered a breakdown of several months during 1917, and afterwards operated below normal productivity. Disputes in this industry involved 70,000 men.<sup>57</sup> Controversies in the packing industry centering in Chicago, threatened at an early date to paralyze the entire meat industry of the United States because of the idleness of 100,000 employees that would result from a general strike.

*Report and Recommendations.* In its investigations the commission discovered that the causes of the widespread labor unrest consisted of: (1) The absence of safeguards against strikes, such as boards of investigation, conciliation, and arbitration. "In place of orderly process of adjustment workers were given the alternative of submission or strike." (2) Distant ownership of industries. Western industries are owned and controlled largely by eastern capitalists who entrust the operation of establishments to salaried managers who fail to understand the point of view of the workmen. (3) The desire of the workers to organize and bargain collectively instead of individually as in the past, and the relentless opposition of employers to collec-

<sup>56</sup> *Official Bulletin*, Sept. 21, 1917, p. 1, and Feb. 11, 1918, p. 9.

<sup>57</sup> *Ibid.*, February 11, 1918, pp. 9, 12.



tive action. (4) The demand of the workers for the basic eight-hour day, which was also opposed by the employers. Employers that did introduce the change in the work-day suffered discrimination by employers' associations. (5) A general demand for higher wages commensurate with the rise in the cost of living. (6) Autocratic control of industry which prevents labor from having a voice in the determination of working conditions. Other causes of industrial unrest included abnormal labor turnover due to the prevalence throughout the West of a migratory laboring population, the polyglot character of the working class which made unification and coöperation among them very difficult, the spread of the philosophy of international solidarity and other socialistic doctrines, and unhealthy social conditions in the camps.<sup>58</sup>

In a period of five weeks the commission disposed of two hundred and fifty disturbances in industrial establishments, and continued its work for several subsequent weeks with equally satisfactory results. Among the results of the commission's work were the submission of all disputes to a United States administrator or conciliator if employers and employees failed to reach an agreement; provision of a channel of communication between the men and employers by organization of a committee free from the company's influence, to consider all agreements; recognition of the right of workmen to organize, protected by the prohibition of any form of discrimination against union men; reemployment of strikers except inefficient workers and those guilty of seditious utterances.

Among the recommendations made by the commission the most notable were the guaranty of some form of collective relationship between management and men; the elimination of profiteering; the establishment of continuous administrative machinery for the immediate and scientific adjustment of disputes; the adoption of the basic eight-hour day, except for emergencies in war industries; a unified labor administration in the United States to replace the existing decentralized administration; the surrender by labor of all practices conducive to the withdrawal of maximum efficiency; constructive education of both parties to

<sup>58</sup> *Official Bulletin*, February 11, 1918, pp. 10-13.

the industrial conflict in order to guarantee a national solution of disputes and other serious labor problems.<sup>59</sup>

*The Bisbee Deportations.* Consideration of the work of the President's Mediation Commission would be incomplete without some reference to its investigation of the Bisbee deportations. No other incident in recent years, outside of the Mooney case, has proved more irritable to organized and unorganized labor forces than the deportation of workmen from the Warren district, Arizona, to Columbus, New Mexico, on the morning of July 12, 1917. The sheriff and an armed force of deputies numbering about two thousand men rounded up 1,186 workers and deported them, according to the report of the commission submitted to the President on November 6, 1917. The authorities at Columbus refused the deportees permission to stay, and the train carried them back to the desert town of Hermonas, New Mexico, a nearby station. The men were without adequate food, water, and shelter for two days, having been abandoned by the guards and left to shift for themselves. The situation was immediately brought to the attention of the War Department and on July 14, the men were escorted by troops to Columbus, New Mexico, where they were maintained by the government until the middle of September.<sup>60</sup>

According to the report of the Mediation Commission the deportations were carried out under the authority of the sheriff of Cochise county, and had been planned at a meeting of citizens on the night of July 11, 1917, participated in by the managers of the Copper Queen Consolidated Mining Company and the Calumet and Arizona Mining Company. There was evidently no consultation of the United States attorney in Arizona, nor of law officers of the state or county, nor of any legal adviser whatsoever. Rather were attempts made to conceal news of the deportations by control of the Bell company's local telephone offices and the telegraph lines.

The reason advanced for the deportations was that officials and citizens believed the strikers were threatening violence and injury to persons and property. The commission, however, found that this belief had "no justification in the evidence in

<sup>59</sup> *Official Bulletin*, February 11, 1918, pp. 10, 12.

<sup>60</sup> *Ibid.*, November 17, 1917, p. 6.



support of it presented by the parties who harbored it," and no such fear had been communicated to the Governor or other authorities, either state or federal, by those who planned the deportations. "The deportation was wholly illegal and without authority in law either state or federal." Governor Campbell of Arizona stated that "the constitutional rights of citizens and others have been ignored by processes not provided by law, viz., by deputy sheriffs who refused persons admittance into the district and the passing of judgment by a tribunal without legal jurisdiction, resulting in further deportations." So called "Vigilance Committees" or "Loyalty Leaguers" were dissolved at the request of the Governor. It was claimed that the strikers were a dangerous group of enemy aliens, but this contention is not supported by the Army census which was taken at the time. According to this census 199 of the men deported were native born Americans, 468 were citizens, 472 were registered under the selective draft law, and 433 were married. Of the foreign born 82 were Serbians, and 179 were Slavs. There were only a few Germans and Austro-Hungarians, other than Slavs.

The commission recommended to the President that steps be taken to stop all illegal practices and denial of rights safeguarded by the Constitution and statutes. On account of the fact that many persons subject to the selective draft law were refused reëntrance to the district there was sufficient ground for action by the Attorney General of the United States. Furthermore, the interference with interstate lines of communication justified action by the Interstate Commerce Commission. These recommendations were adopted by the President and it was emphatically urged that such actions should by Act of Congress be made criminal under Federal law.<sup>61</sup>

The data of the preceding pages indicate the multiplicity of boards and commissions and the plethora of principles that were constructed to help solve the increasingly serious labor problems that were arising throughout our industrial life during the first year of our participation in the world war. The fundamental defect of this new labor administration was, as already suggested, its differentiation of organization and decentralization of

<sup>61</sup> *Official Bulletin*, November 17, 1917, pp. 6, 7.



control. Each agent and department of the government was a law unto itself in handling the labor situation; this resulted in much duplication, positive waste of money and effort, and general dissatisfaction among both employers and employees. This decentralization ignored the conspicuous tendency of recent years to centralize labor administration in industrial commissions, — bodies having comprehensive administrative functions and powers for marshaling independent agencies into a well organized and centrally directed whole. The much desired efficiency in labor administration during the war was not possible without greater correlation of effort.

## CHAPTER VI

### COÖRDINATION IN LABOR ADMINISTRATION

The facts set forth in the preceding chapters suggest that in spite of our industrial development and efficiency in production, the United States up to the second year of our participation in the war possessed no adequate administrative and judicial machinery for dealing successfully with the serious problems that from time to time arose in the sphere of industrial relations. We had formulated no definite set of principles and evolved no comprehensive labor policy. A year of unprecedented unrest was necessary to demonstrate to the government that a decentralized labor administration could not bring relief. The conviction gradually spread among government officials, representatives of employers and of employees, and the general public, that uniformity of methods, concentration of control, and coördination of administration in handling labor was just as necessary to national productive effort as were similar policies in the field of fuel, food, ships, and munitions production. Summing up the situation Mr. Felix Frankfurter, chairman of the War Labor Policies Board, stated: "Since the outbreak of the war, the United States Government has come to be the greatest single employer of labor in the country. . . . But it has had no operating policy with regard to the plants as a whole. Each one has been operated individually as a separate enterprise, quite apart from others and, so far as the labor supply has been concerned, in active competition with the others."<sup>1</sup> A more elaborate interpretation of the situation was given by the Secretary of Labor in the following words:

Never before in history was it so essential as now for a government at war to have a central labor administration and a consistent labor policy. . . . Last fall it became apparent that in order to prosecute the war efficiently the government should have a central labor administration to take

<sup>1</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, July, 1918, pp. 25, 26.

care of problems not only of conciliation but of many others matters of concern to both laborers and manufacturers of war materials. Questions of apprenticeship, of dilution of labor, of standards of safety and sanitation, of employment of women in industries formerly occupied exclusively by men, and of wages paid to women; problems of housing; of recruiting and placing labor — all needed, and still need, adjustment to the present emergency. . . .

Up to a recent time the labor questions most vitally connected with the business of turning out the materials for war have been handled by a number of agencies. The Ordnance Bureau has taken care of its own interests, the Shipping Board has concerned itself with its own production, and so on. When it came to matters of labor, each section managed its own affairs; each had its own adjustment commission; and as a result there were as many policies for labor problems as there were purchasing agencies. Outside of them all the Department of Labor has tried to survey the whole field and coöperate everywhere. . . . Each bureau was charged with the responsibility of showing results in its own field. It had to fight its own battles, to look out for its own interests everywhere.

There was a strike in a large munitions plant last fall and mediators from four departments of the government at once stepped in, each with different orders and a different policy for settling the dispute. Only the good sense of the mediators themselves enabled them to get together and bring about a satisfactory settlement.

Moreover, these various producing bureaus of the government, acting independently, began to compete against one another for skilled workmen, increasing the costly and inefficient labor turnover as men kept moving from job to job for higher pay.<sup>2</sup>

### 1. THE GENESIS OF THE NEW LABOR POLICY

In response to the general demand for more efficient administration of labor conditions President Wilson early in January, 1918, inaugurated a new labor administration. In a memorandum to the Secretary of Labor on January 4, 1918, he outlined a comprehensive program designed to provide machinery for effective mobilization of labor, its standardization in all war industries, equitable adjustment of industrial disputes, and co-ordination of action between the departments of the government in matters pertaining to labor. This program was the result of a series of conferences on the subject of a labor policy, held under the direction of the Council of National Defense and the Department of Labor.<sup>3</sup> The express purpose of these confer-

<sup>2</sup> *Saturday Evening Post*, June 22, 1918.

<sup>3</sup> The President's Mediation Commission in its report had also suggested the necessity for centralized administration.



ences was to create uniformity of administration among the several agencies dealing with the discovery, distribution, and housing of the labor force and otherwise adjusting the labor situation. The need was not only for new agencies but also for more intimate relation and coöperation between the existing ones. The government already possessed administrative machinery for meeting many difficulties in the situation, among which agencies were the United States Board of Mediation and Conciliation, the Division of Information in the Bureau of Immigration, through which the Employment Service operated, the Division of Mediation and Conciliation, and the Bureau of Labor Statistics. An extension of the functions of these bodies, however, and the creation of new agencies were necessary antecedents to the training of workers, the priority of labor demands, the dilution of labor, the standardization of conditions of employment, the protection of living conditions (including housing and transportation), and the provision of publicity.<sup>4</sup>

The war labor administration that grew out of the above conferences and which President Wilson requested the Secretary of Labor to organize may be briefly outlined as follows: (1) A means of furnishing an adequate and stable supply of labor to war industries. The execution of this part of the program would involve: (a) an efficient system of labor exchanges; (b) a successful means of training workers; (c) a method of determining priorities of labor demand; (d) facilities for dilution of skilled labor. (2) Machinery for the immediate and equitable adjustment of labor disputes in accordance with the principles agreed upon between employers and employees, in order that there might be no cessation of work. This would necessitate successful methods and means of dealing with demands for increase in wages, shorter hours, and better conditions of employment. (3) Administrative machinery for the protection of labor safeguards in the production of war materials, such as the welfare and safety of women and children, and industrial hygiene. (4) Agencies for improving living conditions, such as housing, transportation, recreation, and education. (5) An investigating body to gather and present data collected through various existing

<sup>4</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, February, 1918, p. 77.

governmental agencies or by independent research, such data to furnish the basis for effective executive action. (6) An information and education division with the function of promoting sound public sentiment, the interchange of information between the several departments of labor administration, and the development of local agencies in industrial establishments for the purpose of carrying out the national labor policies.<sup>5</sup>

The organization of the above labor administration program was no mean task, and the Council of National Defense suggested that the Secretary of Labor summon to his aid as advisers and administrators a well balanced corps of experts representing capital, labor, and the general public, to assist in the formulation and execution of labor policies, with a view to introducing greater uniformity and coördination. Furthermore, if necessary, congressional action was to be sought in establishing the new plans. The Secretary called to his assistance an advisory council of seven persons representing the three groups of interests named above.<sup>6</sup> To assure unity of action among the several departments of the government, the War and Navy Departments and the Shipping Board were given representation on the council.

The appointment of the Advisory Council was announced on January 16, 1918, and it immediately began its work of coördinating labor administration. On January 28, 1918, a program of organization had been completed and was approved by Secretary Wilson on the same day. This program provided recognition and extension of the existing organizations within the Department of Labor and for additional services and means of

<sup>5</sup> *Ibid.*, p. 78.

<sup>6</sup> This council was comprised of the following persons: Ex-Governor John Lind of Minnesota, as representative of the public and chairman of the council; Mr. Waddil Catchings of New York and Alabama, president of the Sloss-Sheffield Steel and Iron Company, and Mr. A. A. Landon of Buffalo, New York, general manager of the American Radiator Company, as representatives of the employing interests; Mr. John B. Lennon, ex-president of the International Tailors' Federation, and Mr. John J. Casey, former United States representative from Pennsylvania, as representatives of labor. Miss Agnes Nestor, president of the Chicago Women's Trade-Union League, was designated as representative of the interests of women workers. Professor L. C. Marshall of the University of Chicago was chosen as economist to the council. *Monthly Review*, U. S. Bureau of Labor Statistics, February, 1918, p. 77.



correlation of effort between the various departments of the government in matters relating to labor conditions.<sup>7</sup> In addition to the Division of Conciliation, the United States Employment Service, and the investigating bureaus of the Department of Labor, six supplementary agencies were created as follows: (1) A Conditions of Labor Service to administer working conditions in industrial establishments, including safety, sanitation, etc. (2) An Information and Education Service to promote sound public sentiment and provide appropriate local machinery and policies in industrial plants. (3) A Woman in Industry Service to correlate the activities of various agencies dealing with matters pertaining to women workers. (4) A Training and Dilution Service to provide a supply of skilled workers. (5) A Housing and Transportation Service. (6) A Personnel Service.<sup>8</sup>

The creation of these new agencies did not do away with the several industrial service sections of the Ordnance bureau, the Shipping Board, the Quartermaster department, and other successful departmental bodies discussed in the preceding chapter. The objective was rather to supplement and especially to correlate and centralize the endeavors of these numerous services, and to make the Department of Labor a sort of clearing house for them. Moreover, it was found necessary to modify the original program and to add other agencies as conditions demanded, as, for example, the organization of a Division of Negro Economics, the Civilian Insignia Service, and the Investigation and Inspection Service. The advantages of the new system were set forth as follows: (1) It would guarantee immediate operation of effective administrative machinery by using already existing efficient personnel in the several bureaus; (2) it would conform to accepted theories of business administration for it involved necessary centralization of control with wise decentralization of administration by agencies which come in touch with the problems at issue; (3) the plan would in no way inflict limitations upon the freedom of the Department of Labor in creating necessary supplementary agencies; (4) there would be definite location of responsibility and power for decisions, for these were to

<sup>7</sup> See diagram, p. 173.

<sup>8</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, February, 1918, p. 79.



rest with the Secretary of Labor; (5) the plan would be flexible in that it would permit consolidation of agencies under the direction of the Department of Labor.<sup>9</sup>

## 2. WAR LABOR CONFERENCE BOARD

At the time of his approval of the program submitted by the Advisory Council (January 28, 1918), the Secretary of Labor requested the managing director of the National Industrial Conference Board, a federation of employers, and the president of the American Federation of Labor to constitute a war labor conference board for the purpose of formulating and concluding agreements upon definite principles and policies for the government of the relations between capital and labor.<sup>10</sup> This board was subsequently appointed.<sup>11</sup>

*The Purpose and Recommendations of the Board.* The appointment of the Labor Conference Board was an attempt to bring employers and employees to a fuller appreciation of their mutual interests and to impress upon the minds of each group that prejudice and bitterness must give way to harmony of action and coöperative endeavor in the common task of maximum production, without which the war would inevitably be lost.<sup>12</sup> Among the important questions demanding attention were a basis for wage determination, strikes and lockouts, piece work

<sup>9</sup> *Ibid.*, pp. 79, 80.

<sup>10</sup> *Ibid.*, April, 1918, p. 104.

<sup>11</sup> The personnel of the National War Labor Conference Board was as follows: Ex-President William H. Taft, and Frank P. Walsh, ex-chairman of the United States Commission on Industrial Relations, representing the public. L. F. Loree, New York City, president of the Delaware and Hudson Railroad Company; C. Edwin Michael, Roanoke, Virginia, president of the Virginia Bridge and Iron Company; Loyall A. Osborne, New York City, vice-president of the Westinghouse Electric and Manufacturing Company; W. H. Van Dervoot, East Moline, Illinois, president of Root and Van Dervoot Engineering Company; B. L. Worden, New York, vice-president of the Submarine Boat Corporation, representing the employing interests; Frank J. Hayes, Indianapolis, Indiana, president of the United Mine Workers of America; William L. Hutchison, Indianapolis, president of the United Brotherhood of Carpenters and Joiners of America; William H. Johnston, Washington, D. C., president of the International Association of Machinists; Victor A. Olander, Chicago, representative International Seamen's Union of America; T. A. Rickert, Chicago, president of the United Garment Workers of America, representing employees.

<sup>12</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, April, 1918, p. 103.

prices and price fixing, elimination of improper restrictions on output, the need for dilution of labor, discrimination against union and non-union workmen, admission of union agents to industrial plants, adjustment of industrial disputes, the right of workers to organize and bargain collectively. Upon the calling of the first session of the board by the Secretary of Labor, Ex-Governor Lind, chairman of the Advisory Council, said regarding its possibilities: "Tomorrow's conference may easily prove one of the most significant developments in the history of America's participation in the war. In a sense it is unprecedented in American industrial history."<sup>13</sup> Certainly no recent event should do more to hasten industrial peace and to demonstrate the possibility of such a peace than this convocation of representatives of labor and capital for the purposes of consideration of their mutual interests and common difficulties.

On March 29, 1918, the War Labor Conference Board submitted a unanimous report of its decisions to the Secretary of Labor. The recommendations of the board provided for the creation of a National War Labor Board consisting of an equal number of members and selected in the same manner and by the same interests as had chosen the conference board itself. The new board, whose functions are outlined below, was in general to consider all controversies arising between employers and employees with a view to guaranteeing uninterrupted operation of industry and maximum production of war materials. Two things were necessary: (1) Some sort of truce must be declared between labor and capital during the continuance of the war, and (2) some category of employment standards must be set forth and agreed upon by both sides, so that productive industry could continue without cessation.

### 3. THE NATIONAL WAR LABOR BOARD

The National War Labor Board which had its inception in the recommendations of the War Labor Conference Board was appointed by the Secretary of Labor and was comprised of representatives of employers, employees, and the public.<sup>14</sup> The ap-

<sup>13</sup> *Ibid.*, p. 104.

<sup>14</sup> The personnel of the board was the same as that of the War Labor Conference Board. Mr. W. Jett Lauck acted as secretary to the board. See p. 162.

pointment of the board was approved and affirmed by President Wilson in his proclamation of April 8, 1918, in which he summarized its powers, functions and duties.<sup>15</sup>

*Duties and Powers of the Board.* The duties and powers of the National War Labor Board were outlined in the report of the War Labor Conference Board, March 29, 1918, and the Proclamation of the President of April 8, 1918. These duties and powers may be summarized as follows: (1) Settlement by mediation and conciliation of every controversy arising between capital and labor in the field of production essential to the conduct of the war. (2) Exercise of the same jurisdiction in all other fields of national activity, where stoppage or threatened cessation of production would be detrimental. (3) Provision, by direct appointment or otherwise, for committees or boards to sit throughout the country where disputes arise, so that settlement may be effected where and whenever possible by local mediation and conciliation. In case of the failure of these local boards to effect a settlement the parties were to be summoned by the national board. (4) In case the efforts of the national board should fail to settle the dispute, as a last resort an umpire could be appointed. For the appointment of an umpire unanimous agreement among the members of the board was necessary, but if such an agreement could not be reached he was to be drawn from a list of ten suitable and disinterested persons nominated by the President of the United States. On July 12, 1918, the President announced the names of ten persons who were to act as umpires.<sup>16</sup> (5) The board was vested with the power to alter its methods and practice in settling disputes, as experience suggested. (6) Regular meetings of the board were to be held at Washington but it could convene at any other convenient or necessary place. (7) No cognizance was to be taken by the board of disputes between employers and employees in any field of industrial activity where by federal law or by agreement there already existed means of settlement which had not been invoked.<sup>17</sup>

<sup>15</sup> *Proclamation of the President of the United States, April 8, 1918, creating the National War Labor Board.*

<sup>16</sup> *Official Bulletin*, July 15, 1918, p. 1.

<sup>17</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, May, 1918, pp. 55, 56.



The board was authorized to appoint a secretary and to create necessary clerical organization. Subsequent to its creation, the board provided for the appointment of alternates, each member being privileged to name one permanent alternate who had the power to act and vote in behalf of the principal, during the latter's absence.<sup>18</sup> Upon application to the Secretary of Labor the board was given the privilege of using the machinery of mediation and conciliation of the Department of Labor, thus introducing one of the many changes that led to coördination of administration. Furthermore, the action of the War Labor Board could be invoked, in respect to controversies within its jurisdiction, by the Secretary of Labor or by either party to the dispute or an authorized representative of either party. Consideration of such controversies, however, could be declined by the board if their character and importance did not in its opinion warrant such action. Employers and employees were given equal representation on all the committees of the board's own members appointed to act in general or local matters, and in local committees. The representatives of the public presided alternately at successive sessions of the board as agreed upon between themselves.<sup>19</sup>

*Principles and Policies to Govern Industrial Relations.* For the purpose of guiding the National War Labor Board in its considerations of industrial disputes a set of fundamental principles and policies was formulated by the War Labor Conference Board. These principles included the following provisions: (1) The abandonment of strikes and lockouts for the duration of the war. (2) Full recognition of the right of both employers and workers to organize in their trade unions and associations respectively and to bargain collectively through their chosen representatives. This right was in no way to be denied, abridged, or interfered with by either side, and all discrimination for legitimate activities with such organizations was forbidden. In addition, workers in their collective action were to refrain from the use of coercive measures either in inducing persons to affiliate with the union or in forcing employers to bargain. (3) In union shops the union standards of wages, hours,

<sup>18</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 99.

<sup>19</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, May, 1918, p. 56.

and conditions of labor were to be maintained, while in establishments employing union and non-union workers the *status quo* was to be maintained, allowing the utmost freedom in joining or refraining from membership in the union. This provision, however, did not prevent the board from improving conditions as to wages, hours, and conditions of labor when deemed necessary, nor was there to be any relaxation of labor safeguards. (4) When employed on tasks ordinarily performed by men, women were to be given equal pay and were not to do work disproportionate to their strength. (5) The basic eight-hour day was to apply in all cases where existing law required it, while in all other cases hours were to be determined with due regard to the needs of the government and the welfare of the workers. (6) Under all circumstances the maintenance of maximum production was to be assured. (7) In fixing wages, hours, and conditions of employment due regard was to be paid to standards prevailing in the localities affected. (8) Recognition of the right of all workers, including common laborers, to a living wage, such a minimum to insure health and reasonable comfort to the worker and his family. (9) Information concerning the available supply of labor and its effective distribution was to be secured from the Department of Labor.<sup>20</sup>

The above operating principles and policies contributed much to the splendid success that attended the efforts of the National War Labor Board. Not only were they comprehensive in character, touching upon almost every problem that might arise in industrial relations, but they were also reasonable in that due cognizance was taken of the rights, welfare, and interests of the three parties involved in any industrial controversy — employers, employees, and the general public. Furthermore, they incorporated the basic standards of employment set forth by social reformers in the field of labor problems.

*Method of Presenting Complaints.* Any person who desired to present an issue between employers and workers was required to do so by written statement of the specific grievance and to designate his own post office address and the address of the persons or corporations involved in the dispute. A similar state-

<sup>20</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, May, 1918, pp. 56, 57.



ment was necessary when employers and employees themselves presented a complaint. Controversies in which the Secretary of Labor invoked the action of the board, together with documents transmitted by him, were filed by the secretary of the board. In case any other board than the National War Labor Board possessed jurisdiction in any case filed with the secretary, the plaintiff was so informed by him and he reported the disposition of the case at the following meeting of the National War Labor Board. It was the duty of the secretary to digest all cases presented and bring them to the prompt attention of the board for action.<sup>21</sup> The cases that came before the board have been carefully digested and published.

*Procedure for Hearing and Adjusting Disputes.* In all controversies between employers and employees two members of the National War Labor Board, one from the employers' side and one from the side of the employees, were appointed to act for the board, the members in each case being named by the joint chairmen at the instance of the respective groups of the board. These two members constituted what was known as a section of the board to hear and adjust cases assigned to them. If these sections failed to effect a settlement it was their duty to summarize and analyze all the facts in the case and present the same to the board with necessary recommendations. Local committees in any city or district could be appointed by the board to act in cases arising locally. In the selection of these local committees, associations of employers, organizations of employees, and other local interest groups were entitled to make recommendations to the board. In localities where no permanent local committee had been appointed sections of the national board were authorized to make temporary appointments.<sup>22</sup>

If after due deliberation and effort through the various agencies named above the National War Labor Board found it impossible to settle a controversy, the board itself then convened as a board of arbitration to decide the dispute and make an award, if a unanimous decision could be reached. In case such unanimity could not be secured the board selected an umpire

<sup>21</sup> See *Report of the War Labor Conference Board*, March 29, 1918, summarized in the *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 100-104.

<sup>22</sup> See *Report of the War Labor Conference Board*, March 29, 1918.



who sat with the board, reviewed the issues and rendered his award. The umpire was a last resort always, and was appointed only after a unanimous vote of the board deemed such an appointment necessary. If the board failed to reach a unanimous agreement regarding the choice of an umpire he was drawn by lot from a list of ten "suitable and disinterested persons," nominated by the President of the United States.<sup>23</sup>

In compliance with the principles of settlement of industrial disputes set forth in the President's proclamation of April 8, 1918, the National War Labor Board heard appeals in the following cases: (1) Where there had been violations of the principles of the President's proclamation relative to uninterrupted production; (2) where employers failed to put into effect or employees refused to accept or abide by an award of any board of settlement; (3) where it became necessary to determine questions of jurisdiction as between government boards. The National War Labor Board was not empowered to hear appeals from the decision of "regularly constituted boards of appeal, nor from any other board to revise findings of fact."<sup>24</sup>

*What the War Labor Board Accomplished.* The operation and results of the board's efforts deserve consideration. During the seven months of its work under war conditions the War Labor Board had unprecedented authority and success in enforcing its awards. This success was the more remarkable because the board itself was non-statutory in character and its decisions not enforceable by law. The fundamental principles upon which this new agency of industrial peace was founded were essentially democratic and contained none of the repressive force of law. "What was desired was not an order imposed from above or without but a solemn contract by both parties voluntarily entered into," hence "the necessity for employers and employees to agree upon their own law and their own judges."<sup>25</sup> Up to October 31, 1918, in only four cases was the board unable to reach a unanimous agreement upon awards and decisions,

<sup>23</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, May, 1918, pp. 55, 56. See also the *Report of the War Labor Conference Board*, March 29, 1918, appended to the published dockets of the National War Labor Board.

<sup>24</sup> *Monthly Review*, U. S. Bureau of Labor Statistics, June, 1918, p. 56.

<sup>25</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 99, 100.

and on three occasions only during the war period were its awards not willingly accepted and applied.<sup>26</sup>

The first resistance to a decision of the board occurred in a dispute between the Western Union Telegraph Company and a group of its employees who had joined the Commercial Telegraphers' Union. The employees accused the company of denying them the right to organize, and of discharging members of the union which, of course, constituted a violation of one of the basic principles upon which the War Labor Board was established. The company was instructed against such discrimination but refused to abide by the award and recommendation made by the board and, as a consequence, the facts were laid before President Wilson by the Secretary of Labor, and on June 11, 1918, the President communicated with both the Western Union Telegraph Company and the Postal Telegraph Commercial Cable Company which had been accused of similar violations. In his communication the President urged acceptance of the recommendations of the War Labor Board and the latter company immediately acknowledged the necessity of subordinating private to public interests and accepted the award. The Western Union Company, however, refused to comply and denied the right of the board to enforce the decision, whereupon President Wilson appealed to Congress for authority to take over the telegraph and telephone lines. Authority was granted and these utilities were placed under the control of the Postmaster General who immediately stopped all discriminatory practices against union employees.<sup>27</sup>

A second case of refusal to accept the award of the War Labor Board occurred at Bridgeport, Connecticut, where early in September, 1918, a group of organized employees expressed dissatisfaction with an award and ceased work. Ninety per cent of the workers at Bridgeport had accepted the award and to the ten per cent who stopped work President Wilson wrote a letter in which he urged acceptance of the decision and return to work. He threatened government interference which would result in withdrawal of draft exemptions based on industrial grounds. The striking workers acceded to the request of the President,

<sup>26</sup> *Ibid.*, pp. 104, 105.

<sup>27</sup> *Ibid.*, pp. 105, 106.

accepted the award, and resumed work. The Smith and Wesson Company, of Springfield, Massachusetts, refused to accept the instructions of the War Labor Board against continuation of discrimination between organized and unorganized workers. Again the President announced that the decision of the board must be upheld, regardless of the attacks that might be made upon it. The company refused to abide by the award on the grounds that it was contrary to the traditional policy of the plant. On September 13, 1918, therefore, the President directed the Secretary of War to commandeer the Smith and Wesson establishment and to operate it thereafter for the government.<sup>28</sup>

The work of the National War Labor Board is one of the remarkable accomplishments of our industrial readjustment for war, and it has done much to produce historic and desirable changes in industrial relations. It demonstrated the practicability of an amicable settlement of industrial grievances by a democratically constituted body representing capital, labor, and the public. Furthermore, it secured the adoption and enforcement of principles in the government of industry which a century of agitation had failed to procure. The limits of this study do not permit a complete analysis of the awards and findings of the board, but a brief consideration of these is necessary in order to appreciate the value of this great agency of industrial peace. Recognition of the right to organize and to bargain collectively, together with rigid enforcement of these rights in prohibiting discrimination against union employees, was probably the most important change in industrial relations that has ever been effected by a governmental agency in the United States. Workers were given free choice in selecting shop committees from among their number, free from any ulterior influences, to represent them in negotiations with employers, and the employers were instructed to meet with these committees for the purpose of adjusting grievances involving wages, hours, and other conditions of work.

Reinstatement with back pay for lost time was the penalty for discharging a man because of union activities. On the other hand employees in exercising the right to organize were strictly

<sup>28</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 106. See also letter of the President to the striking employees of Bridgeport, Conn.



forbidden to use coercive measures of any kind for the purpose of compelling individuals to join the union, and no compulsion on the part of the unions was permitted to force employers to bargain with them. The *status quo ante* was maintained in regard to recognition of trade unions, the board sustaining the right of employers to refuse to deal with the union during the war where such negotiation had not been tolerated before the war, and upholding the right of unions to continued recognition by employers who had previously given such recognition.

Accepting the principle that the worker is entitled to a wage sufficient to maintain his family and himself in reasonable comfort, the War Labor Board, after studies in the cost of living, set a minimum wage for male workers which generally approximated 42 cents an hour, and for women workers approximately 32 cents an hour. These minima differed with the cost of living in different localities, but an attempt was made, as in the case of the shipbuilding districts, to approach uniformity in order to prevent migration of labor. When increases in wages so increased the cost of production as to threaten discouragement of business enterprise, the board suggested to the proper rate making agency that an advance in rates be permitted, as in the case of street railways. The rapidly changing level of prices caused the board to allow a review of awards and findings at intervals of six months upon request of either party to the compact.

The eight-hour day was recognized in principle and was generally incorporated in the awards of the board, altho the nine-hour day was sometimes allowed. The rights of women in industry were rigidly safeguarded with respect to wages, health, and general welfare. In all cases equal pay for equal work was an accepted principle of the board's decisions.

Effective enforcement of awards was made possible by the provision for trained examiners who conducted public hearings, where both sides were given an opportunity to submit data having to do with the questions involved. It was the duty of these examiners to summarize and analyze the data so presented and to report to the board. Examiners were also assigned to supervise the application of awards and to interpret in behalf of the board those points which were not clear and to which both par-

ties failed to agree. These examiners rendered valuable service in organizing the shop committees that were so largely responsible for the establishment of industrial peace. The importance of the work of the National War Labor Board cannot yet be fully appraised, for the effort it put forth will continue to bear fruit for some time to come. It is clear, however, that in defending the principle of just and proper conditions, the right of organization and of collective bargaining, a minimum comfort wage, and communication between management and workers through shop committees allowing rational consideration of grievances, the board has made a significant contribution, not only toward the winning of a war for democracy, but also toward the solution of perplexing industrial problems and the realization of what promises to be the next great step in social progress — the democratization of industry.<sup>29</sup>

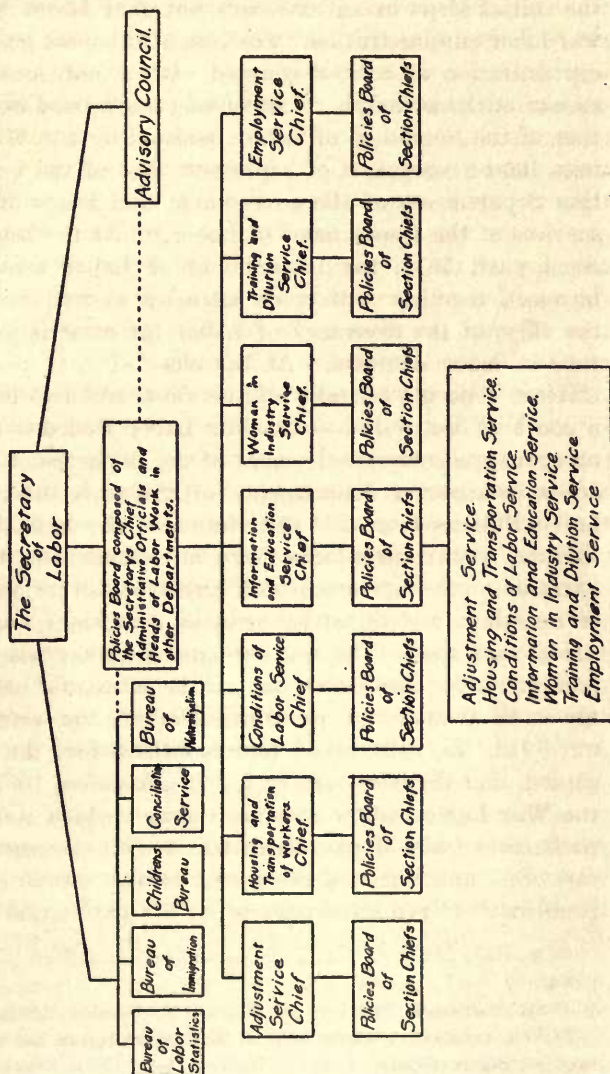
There is no better index of the value of the work performed by the War Labor Board than the cases it adjusted. Its efforts were comprehensive and constructive, altho not always acceptable to both parties concerned. To October 1, 1918, the offices of the board considered 531 controversies, of which 266 were still pending. Awards had been made in 44 cases; 136 cases had been referred to other governmental agencies; 2 were withdrawn; 30 were settled; 9 were settled without intervention of the board; jurisdiction was denied in 8 cases; and 32 were dropped or suspended.<sup>30</sup> By November 11, 1918, when the armistice was signed, 83 awards had been made, and by the middle of February, 1919, the number of findings announced totaled 198, involving 34 industries scattered over 35 states. The number of cases that had entered on the docket up to April 15, 1919, aggregated 1,244, only 33 of which had not been disposed of in some way. Of this number of cases, awards were issued in 394; agreements or dismissal were reached in 428 cases; and 389 were referred to subsidiary agents having original jurisdiction.<sup>31</sup>

<sup>29</sup> Fifty shop committees had been organized by February, 1919. See *Shop Committees in Action*, by William L. Stoddard, *The Survey*, Vol. XLII, No. 1 (April 5, 1919), pp. 28-30. This number has been greatly increased since that date.

<sup>30</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 105.

<sup>31</sup> *The Survey*, Vol. XLII, No. 5 (May 3, 1919), p. 192. The National War Labor Board passed out of existence at the end of the fiscal year 1919.

*Coordination of War Labor Administration, Providing for Centralization of Control in the Department of Labor with Decentralization of those Agencies which are in close contact with the problems arising.*





#### 4. COÖRDINATION OF THE WORK OF THE DEPARTMENT OF LABOR

The creation of the War Labor Conference Board and the resultant organization of the National War Labor Board were only the initial steps in an extensive program of reorganization for war labor administration. The aim of this vast program was the centralization of control coupled with a judicious decentralization of administration. Control was centralized under the direction of the Secretary of Labor, assisted by the War Labor Policies Board comprised of representatives of the various production departments of the government and heads of bureaus and services of the Department of Labor.<sup>32</sup> At the beginning of the fiscal year, 1918, the Department of Labor consisted of four bureaus, together with such agencies as had been created in the office of the Secretary of Labor for conciliation and mediation in labor disputes. At the close of that year there were thirteen separate bureaus and services, and two boards, the one a court of last resort — the War Labor Board — and the other an agency to correlate the work of the Department of Labor with other production departments of the government — the War Labor Policies Board.<sup>33</sup> Correlation of the activities of existing agencies was the first logical step in readjustment for the administration of the increasingly difficult labor situation; the creation of necessary additional agencies as conditions necessitated was the second step. The unfortunate situation was that efficient administrative machinery had not been created before the country entered upon the prosecution of a great war. It was not until July 15, 1918, about four months before the armistice was signed, that the Secretary of Labor announced the completion of the War Labor Administration Cabinet which was a very comprehensive body of officials in touch with the numerous boards, services, and bureaus interested in the solution of our labor problems.<sup>34</sup> "Since industry is but the application of man power

<sup>32</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 63.

<sup>33</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 9.

<sup>34</sup> This cabinet was composed of the following representatives: Secretary of Labor Wilson, Labor Administrator; Felix Frankfurter, assistant to the Secretary and chairman of the War Labor Policies Board; Assistant Secretary of Labor, Louis F. Post; Solicitor John W. Abernethy; Royal Meeker, Commissioner, Bureau of Labor Statistics; Anthony Caminetti,

to raw material, the efficiency of industry was wholly dependent upon the efficiency of labor. The greatest essential, therefore, for our Government was the adoption of a central labor administration and a consistent labor policy."<sup>35</sup>

##### 5. WAR LABOR POLICIES BOARD

On May 13, 1918, the Department of Labor announced the creation of the War Labor Policies Board, with Professor Felix Frankfurter as chairman, who was also made assistant to the Secretary of Labor.<sup>36</sup> In determining wages and working conditions, in the supervision of housing and other functions, the numerous boards and agencies that existed in the production departments of the government were often in conflict regarding authority. It was highly desirable, therefore, to unify the activities of these agencies, and to bring them into coöperation. The

Commissioner General, Bureau of Immigration; Julia C. Lathrop, Chief, Children's Bureau; John B. Densmore, Director General, U. S. Employment Service; Roger W. Babson, Director, Information and Education Service; Grant Hamilton, Director, Working Conditions Service; Herman Schneider, Director, Training and Dilution Service; Ethelbert Stewart, Director, Investigation and Inspection Service; Mary Van Kleeck, Director, Woman in Industry Service; Otto M. Eidlitz, Director, Bureau of Industrial Housing and Transportation; Charles T. Clayton, Director Civilian Insignia; Samuel J. Gompers, chief clerk of the Cabinet. *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, pp. 63, 64.

<sup>35</sup> Secretary of Labor Wilson, *Sixth Annual Report*, 1918, p. 9.

<sup>36</sup> The personnel of the War Labor Policies Board was as follows: Department of Labor, Felix Frankfurter, chairman; Max Lowenthal, assistant to the chairman; Miss Mary Van Kleeck, Director of Woman in Industry Service; War Department, Dr. E. M. Hopkins, assistant to the Secretary of War; Navy Department, F. D. Roosevelt, Assistant Secretary of the Navy; Department of Agriculture, G. I. Christie, assistant to the Secretary of Agriculture, in charge of Farm Labor Activities; War Industries Board, Hugh Frayne, general organizer, American Federation of Labor; Fuel Administration, John P. White, ex-president United Mine Workers of America; Shipping Board, Robert P. Bass, ex-governor of New Hampshire; Emergency Fleet Corporation, Charles Piez, general manager; Food Administration, M. B. Hammond, Ohio State University; Railroad Administration, W. I. Tyler, assistant director Division of Operations; Committee on Public Information, W. L. Chenery, Chicago; Executive Secretary, George L. Bell, San Francisco; Industrial Adviser, H. F. Perkins, Chicago; Labor Adviser, John R. Alpine, vice-president, American Federation of Labor; Economic Adviser, L. C. Marshall, Dean, University of Chicago. *Monthly Labor Review*, U. S. Bureau of Labor Statistics, July, 1918, p. 25.

War Labor Policies Board was designed to accomplish this. As finally constituted the board represented the Department of Labor, the National War Labor Board, the Department of Agriculture, the Shipping Board, the Railroad Administration, the War Industries Board, the Fuel Administration, the Food Administration, the War Department, the Navy Department, the Emergency Fleet Corporation, the Committee on Public Information, and the American Federation of Labor. The wisdom of this intimate relation between the administrative agencies entrusted with the prosecution of the war can hardly be overestimated. It was evident that the first year of the war had uncovered many diverse policies emanating from a single government, and the inevitable result was that "the Nation, operating through different agencies, was saying and doing irreconcilable things. Each of the war policies announced by each of the branches of the administration could not be right because many of them were mutually contradictory." <sup>37</sup>

*Duties of the War Labor Policies Board.* The primary duty of the War Labor Policies Board was the consideration for war industries of all questions pertaining to wages, hours, the supply and proper distribution of labor, and the standardization of working conditions. More specifically the duties of the board included: (1) Coördination of every government agency whose activities in any way involved the employment or direction of labor; (2) centralization of the various production departments of the government in so far as these related themselves to the problems of labor, in which capacity the Policies Board exercised merely an administrative function, for its decisions were carried out by the agencies and departments represented in its membership; (3) fixation of wage standards for all industries in a given section of the country after thoro investigation of the conditions of living, including the cost of living and services, such information to be secured from organizations of workers, associations of employers, and government bureaus; (4) careful direction of the sources of labor supply, allocation of the supply according to the productive needs of the country and the priority of labor claims; (5) determination of the needs of industry with

<sup>37</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 114.



regard to housing and transportation facilities; (6) regulation of hours of labor in various industries.<sup>38</sup>

When the Policies Board reached final decisions in cases arising in industrial relations in war industries, the execution of these decisions was left directly in charge of each department represented on the board, in so far as the particular decision affected that department. As an aid to the board in formulating a set of operating principles and policies several temporary committees were selected with membership from branches of the government represented on the Policies Board. Committees were organized also to inquire into government contract clauses affecting industrial relations, to control labor recruiting, to secure exemption of skilled workers from military service, to centralize industrial statistics, to standardize wages and conditions of labor, and to provide war industry badges.<sup>39</sup>

Contrary to a general impression regarding the War Labor Board and the War Labor Policies Board, the functions of the two bodies were not identical, altho they were both integral parts of the Department of Labor. The duties of the National War Labor Board were fundamentally judicial in character. It was primarily a court of last resort and assumed no jurisdiction in any controversy between employers and employees in any field of industrial or other activity where there was by agreement or federal law a means of settlement which had not been invoked.<sup>40</sup> In all cases where the enunciated principles of the board were involved it exercised jurisdiction. The board, however, sometimes assumed legislative functions when the enunciation of a new principle to govern industrial relations was contemplated. Its findings were final and binding in all disputes between employers and employees where its principles of adjustment were in any way involved.<sup>41</sup>

The War Labor Policies Board, on the other hand, devoted itself to administrative work. It was created to determine and develop policies for a unified labor administration, and to coordinate into one consistent policy the differentiated and fre-

<sup>38</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, July, 1918, pp. 24, 26.

<sup>39</sup> *Ibid.*, pp. 24, 25.

<sup>40</sup> *Official Bulletin*, June 12, 1918, p. 4.

<sup>41</sup> *Ibid.*, June 8, 1918, p. 13.

quently inconsistent methods of important governmental departments dealing with the problems of labor that affected production, always excluding from its field of administration agreements between employers and their workers.

Altho the basic functions of these two important boards were different, the fundamental principles that governed their procedure and decisions were similar, for on July 12, 1918, the Policies Board adopted the principles laid down by the War Labor Board.<sup>42</sup> In March, 1919, the Policies Board was discontinued.

#### 6. THE UNITED STATES EMPLOYMENT SERVICE

The war activities of the United States soon gave rise to an extraordinary demand for laborers in those industries that were manufacturing large quantities of ships, munitions, ordnance, and other materials necessary to equip our military and naval forces. Excessive labor turnover soon appeared. The movement of workers from the less profitable forms of production to the "war industries" which were paying much higher wages resulted in a marked scarcity of labor in some communities. The direction of the labor supply, therefore, became an urgent need.

The recruitment and distribution of labor was administered through the United States Employment Service, which, as has been shown, was established by the Department of Labor in 1914. It will be recalled that authority for this service was derived from the statutory powers of the Division of Information in the Bureau of Immigration,<sup>43</sup> supplemented by the broader powers of the Department of Labor itself in regard to the interests of the wage earners and the advancement of their opportunities for profitable employment.<sup>44</sup> The service began in a small way with the creation of the Division of Information in 1907, and the establishment in that year of a public employment system in connection with the immigration station at New York. Later (1914) the Department of Labor entered into coöperative

<sup>42</sup> See pp. 215 ff. Also *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, pp. 65, 66.

<sup>43</sup> "An Act to regulate the immigration of aliens into the United States," approved February 20, 1909, sec. 40. Also "An Act to regulate the immigration of aliens to, and residence of aliens in, the United States," approved February 5, 1917, sec. 30.

<sup>44</sup> An Act to create a Department of Labor, March 4, 1913, sec. 1.

relations with the Post Office Department by which the facilities of both these departments were used jointly to relieve the labor shortage during the harvest season in the wheat growing states. In 1916 the service was still further extended by the creation of a Women's and Girls' Division and of a division for young men and boys. The end of the Mexican border trouble in 1917 strained the facilities of the service, because returned national guardsmen were seeking employment. Through the various branch offices scattered over the United States profitable employment was found for no less than 15,577 of the national guardsmen.<sup>45</sup>

These early experiences furnished an advantageous basis for the reorganization and expansion of the service necessitated by conditions incident to the greatest war in history. The service coöperated with the United States Shipping Board in the location of large numbers of ship carpenters, calkers, and skilled workers available for immediate employment. For this purpose a survey was made. The Department of Labor established such additional war-emergency employment offices as were deemed necessary for the recruitment of these workmen, detailed traveling field agents to locate qualified workers for the yards, and explained to the shipyard owners the way in which to derive the most help from the use of the central service organized by the Department of Labor.<sup>46</sup>

The construction of cantonments entailed the employment of a vast army of laborers. To aid in the recruitment of the necessary labor the Department of Labor secured from the War Department a list showing the location of the army cantonments and training camps to be constructed, and the names and addresses of contractors awarded the work of building them. Contractors were instructed by the War Department to inform the United States Employment Service of the number and the class of workmen required. Not only did the Employment Service recruit for this task thousands of workers — carpenters and other skilled mechanics, as well as skilled and unskilled laborers — but when the construction work was completed representatives of the service were detailed to register the names, addresses,

<sup>45</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 199, 200.

<sup>46</sup> *Ibid.*, p. 200.



and occupations of the workmen immediately so that when they were finally laid off they could be directed to the industrial plants that were in need of labor.

A serious labor shortage threatened to result in a disastrous loss of crops in the vicinity of Norfolk, Virginia, during the early part of July, 1917. Upon investigation the Department of Labor discovered that the major difficulty was inadequate transportation facilities. The trouble was called to the attention of the Food Administrator, who immediately communicated with the vessel owners. At a later conference, held in Norfolk, the Food Administration and the Department of Labor were represented jointly. The result was that two additional sailings weekly from Norfolk were obtained for the benefit of the producers in that vicinity, and loss of foodstuffs was prevented. Moreover, an additional representative was placed in the Norfolk employment office to aid in securing workers for local industries.

Centralization of the employment agencies of the country was a necessary expedient during the war. To effect such centralization the Department of Labor was willing to go to the utmost effort. Employers engaged in essential industries were bidding against one another for labor, thereby stimulating disastrous labor turnover and industrial unrest. "In consequence, wage earners engaged in very necessary war service were solicited to accept other service no more essential than that upon which they were engaged." Under such conditions it was imperative that the government, through the Department of Labor, try to centralize the work of recruiting labor under direction of public agencies. This development, however, was retarded by the fact that public agencies themselves were not united. Coördination of federal agencies with those operated by the several states and municipalities was the first requisite to success in solving this problem. Measures were taken to accomplish such coördination. "As a result, practically all the public agencies other than the Federal were united with the United States Employment Service prior to January 1, 1918. Under this arrangement many employees of the non-Federal units were designated as departmental employees at nominal consideration; in other cases the State and

municipal offices were simply absorbed and lost their separate identity."<sup>47</sup>

On June 14, 1917, the Secretary of Labor created the United States Public Service Reserve. The purpose of this organization was to be the registration of patriotic citizens who desired to offer their services to the government, either with or without compensation, and to work either directly on government enterprises or in enterprises engaged in service for the government. The reserve was empowered to make for the war industries lists of available volunteers, showing their experience and ability, and indicating the location of the persons registering. The special functions of the reserve and its activities are discussed later.

Mobilization of women for war work constituted one of the most serious labor problems incident to the great crisis, because of the danger of exploitation of unorganized workers under the guise of patriotism, and the menace of over-fatigue that speeding up of industrial machinery and personnel produced. The Secretary of Labor summarized the problem in the following words:

Even before the declaration of war it became evident that conditions demanded the use of some central agency for the mobilization of woman workers. Demands for workers from concerns holding contracts with European belligerents were extremely heavy, with the added certainty that if the United States became involved those demands would be multiplied.

In the mills and factories upon which the Government had to rely for munitions and materials of war, and upon which the civilian population must depend for its daily needs, there are nearly a million and a half woman wage earners. But notwithstanding the importance of these woman wage earners in winning the war, there was grave danger to industry, to labor, and to society unless at the very outset a discriminating control over the mobilization of woman labor in war industries was exercised. The demoralization of the labor market, due to the transformation of so large a proportion of the country's industries into manufactories of war materials and to the vast requirements of shipyards and cantonments, was accentuated by the withdrawal from industry of more than half a million men affected by the draft. The dangers to labor and life, as well as to military success lay in the overstraining of the regular workers and in an unintelligent draft of industrial recruits.

It was urgent at the beginning of the war to develop a system of assorting and collecting data involving both man and woman labor on war contracts in order to present a clear chart of the location and character of war industries and the present and prospective need for woman labor in them.

<sup>47</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 201.

This was the initial step in supplying the woman labor necessary to fill war orders under reasonable working conditions.<sup>48</sup>

At the time we entered the war the Department of Labor did not possess sufficient funds for handling the problem of women in war industries. The National League of Woman's Service, however, offered assistance in the form of adequately financed plans, and the Department of Labor accepted these on the condition that all the activities of the league affecting wage-earning women should be subject to the control of the Secretary of Labor, and that the department should have an official representative on the governing board of the bureau which the league established in Washington. The department secured from the Secretary of War and the Secretary of the Navy a list of contracts which was used by the United States Employment Service and the bureau of registration and information of the National League for Woman's Service as a basis for the mobilization of woman labor for war industries. These arrangements made possible the immediate formulation of methods and policies relative to the supplying of women for these industries. Over two thousand contracts a month from the United States government had to be assorted and collated, the holders of such contracts had to be communicated with in order to ascertain their needs for women workers, and the supply of workers had to be recruited. Under the agreement made with the National League for Woman's Service, the Department of Labor on October 1, 1917, took over the phases of the work which had been conducted by the league for the previous six months.

The successful harvesting of crops was a first essential of success in the struggle with the Central Powers. Recruiting harvest hands became one of the most important duties of the Department of Labor, beginning with the season of 1914. There was annual need for harvest hands in the wheat belt, extending from Texas through Oklahoma, Kansas, Nebraska, North and South Dakota, eastern Montana, to the Canadian border. In 1917 the Department of Labor and the Department of Agriculture cooperated under a memorandum of understanding concluded between the two departments on April 24, 1917. "With local authorities, railway officials, and other public and private in-

<sup>48</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 202.



terests these departments worked in the fields of Texas, Oklahoma, Kansas, Nebraska, Minnesota, Missouri, Iowa, Montana, and the Dakotas. Splendid results followed, not a bushel of grain being lost for lack of harvesters. Nor did the coöperation end with the American harvests. By agreement with the Canadian government the two departments extended their service across the Canadian line in aid of harvesting the wheat crops of Manitoba and Saskatchewan, in return for which Canada helped the United States to obtain extra workers for the potato crops and lumbering operations in Aroostook County, Me.”<sup>49</sup> Constant communication was maintained between the United States Employment Service and farm organizations, railway officials, and service agents in the field in order to ascertain the needs of particular communities. Eastern and middle-western states also received immeasurable benefit from the activities of the Employment Service in regard to the recruitment and distribution of agricultural labor.

*Reorganization of the Employment Service.* Long before the war students of the labor problem had urged the creation of a coöordinated and centralized system of national labor exchanges, but it took a great emergency to reveal the necessity for such a system. There was much experimentation. For ten years previous to October 15, 1917, the Employment Service was a part of a division of the Department of Labor, namely, the Division of Information of the Bureau of Immigration, with less than one hundred branches — mere desks in the immigration offices. At the time of its reorganization in the office of the Secretary of Labor on the above date it had a personnel of less than one hundred persons, and a placement of 1,000 workers a day.<sup>50</sup> On the eve of the inauguration of the first step of the government’s centralized war labor policy — August 1, 1918 — the Employment Service had more than 500 branch offices for the distribution of labor and 20,000 agents for the work of labor recruiting. It was placing at that time more than 10,000 workers a day in war industries, some of the branches placing more workers than the entire service seven months previous. When reorganization was fairly complete the branch offices constituted

<sup>49</sup> *Ibid.*, p. 205.

<sup>50</sup> *U. S. Employment Service Bulletin*, July 30, 1918, p. 6.

a network offering facilities for labor recruitment to every county and township in the country. In the most important agricultural and industrial sections special divisions were created to care for shipyard, dock, railroad, farm, and woman labor, with experts to determine the fitness of each worker for the particular job. A system of clearances was established between districts, states, and communities in which employers and employees, through the medium of state advisory and community labor boards and state organization committees, were given a share with other officials in the administration of the program instituted by the Employment Service. It is worthy of note that "every step of the reorganization and upbuilding process has been taken with the advice and counsel of experts in industrial management and labor."<sup>51</sup> The Employment Service soon became one of the most important government agencies for the prosecution of the war and preparation for the reconstruction period.

Such extensive reorganization and expansion could be accomplished only with the expenditure of a considerable amount of money. Prior to October 15, 1917, the United States Employment Service had been conducted as an integral part of the Division of Information in the Bureau of Immigration, as explained in the preceding pages. Consequently the funds for operation of the service came out of the appropriations of that bureau, and its officers in the field acted in the dual capacity of immigration and employment officials. The exigencies of a war period, however, necessitated the establishment of public employment exchanges as a distinct and separate branch of the Department of Labor. In order to effect this and some other changes in the Employment Service, Congress was asked to make adequate appropriation. Congress responded with an "Act making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes," approved by the President on October 6, 1917, which provided for an appropriation of \$250,000 to "enable the Secretary of Labor during the present emergency, in addition to existing facilities, to furnish such information and to render such assistance in the employ-

<sup>51</sup> *U. S. Employment Service Bulletin*, July 30, 1918, p. 6.

ment of wage earners throughout the United States as may be deemed necessary in the prosecution of the war."<sup>52</sup>

With funds available the work of reorganization was begun. Employment matters not emergent in character were continued in the Division of Information in the Bureau of Immigration, while those emergent in character were managed directly from the office of the Secretary of Labor without intervention from the Bureau of Immigration, and at the expense of the recently granted congressional appropriation. Emergency matters that came to the attention of the Division of Information were reported through the Commissioner of Immigration to the Assistant Secretary of Labor. The Boys' Working Reserve and the United States Public Service Reserve were transferred to the office of the Secretary of Labor to be supported out of the emergency appropriation.<sup>53</sup> This really was the first step in the work for the reorganization of the Employment Service.

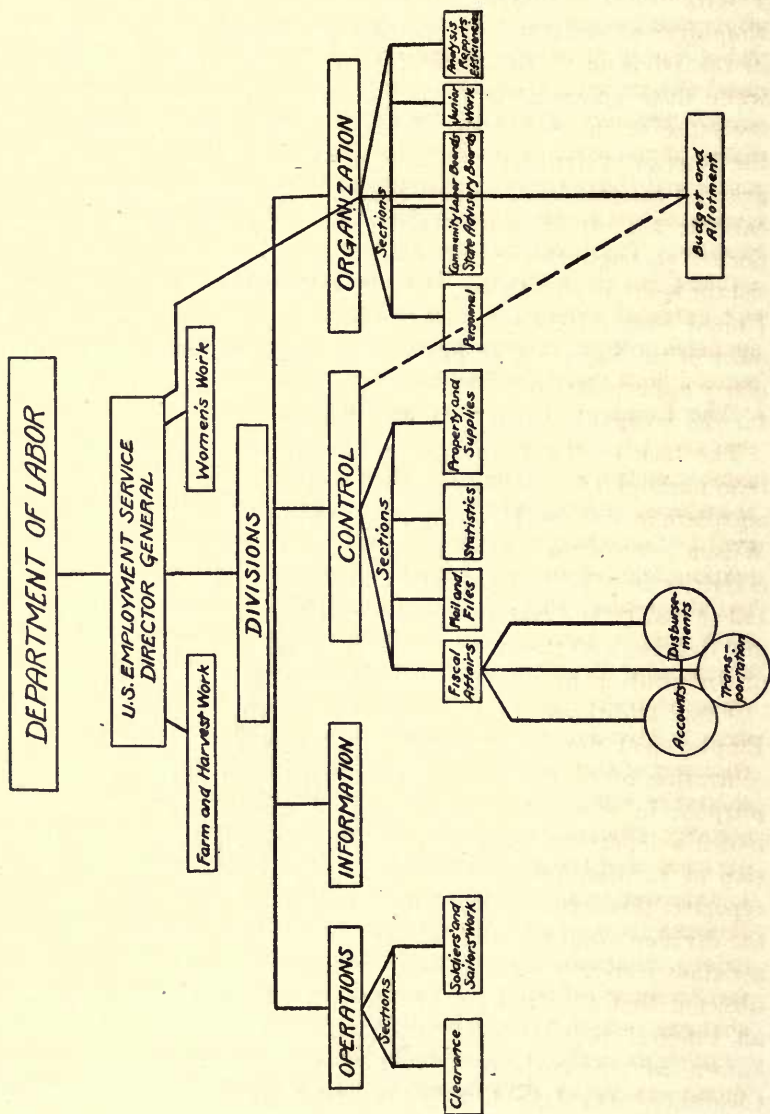
The task of the Employment Service was greater than had been anticipated, and the congressional appropriation proved inadequate to sustain the service. On December 5, 1917, President Wilson rescued the service from the alternative of restricting its activities in a critical period by allotting to the Department of Labor \$825,000 from the appropriations for national security and defense, and thus made possible the continuation of the work of distributing productive labor throughout the country.

These additional funds permitted greater expansion of the Employment Service, and it became necessary to establish concentration of control and coördination of activities. With this purpose in view, the Department of Labor on December 13, issued a departmental order providing that all work of the Division of Information, whether emergent or otherwise, should be reported thereafter to the office of the Secretary of Labor and the division should receive its instructions in the future from the assistant secretary. On January 3, 1918, the Secretary of Labor directed that the Division of Information should thereafter be an integral part of the Employment Service and should be known as the Division of Information, Administration, and Clearance. On July 1, 1918, the Division of Information was again restored to the Bureau of Immigration.

<sup>52</sup> *52d Annual Report of the Secretary of Labor*, 1918, p. 205.

<sup>53</sup> *Ibid.*, pp. 205, 206.





*Organization and Administration of the Enlarged Employment Service.* The creation of a distinct and separate employment service thus took place on January 3, 1918. The plan of reorganization set forth in the memorandum of that date provided for a director, an assistant director for field work and quasi-official bodies, and an assistant director for administrative work. The service was placed directly under control and supervision of the office of the Secretary of Labor. State, county, and municipal employment offices throughout the nation were coordinated under the authority of the United States Employment Service. This does not mean, however, that state employment services lost their identity when they became component parts of the national system. What actually happened was that these agencies were confederated with the national system, which enhanced both their prestige and their efficiency.

The Employment Service was organized with a director general and one assistant director, who with the chiefs of the divisions constituted a policies board. This board, however, was abandoned shortly after it was organized. Divisions were created to take charge of specific duties as to information, administration and clearance, woman labor, reserves, farm labor, etc. In all, seven regular divisions were provided for, namely: a Woman's Division, a Division of Information, a Division of Service Reserves which included the Public Service Reserve and the Boys' Working Reserve, a Farm Service Division, a Division of Investigation, a Statistical Division, and a Division of Service Offices.<sup>54</sup> Under the direction of these divisions the service reached out into the remotest districts of the country effecting correlation of effort between local, state, and national employment agencies. The introduction of the new system was endorsed and supported by the Council of National Defense, forty-eight State Councils of Defense, four thousand county councils, and innumerable community councils, which was striking evidence of the need for such a system of labor exchanges and of its possible development.<sup>55</sup>

Even as early as May, 1918, the problem of securing an adequate supply of skilled and unskilled labor for war industries

<sup>54</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 206, 207.

<sup>55</sup> *U. S. Employment Service Bulletin*, July 30, 1918, p. 3.

had become acute, and two special sections were created — the Skilled Labor Section and the Unskilled Labor Section. Cooperation between labor organizations and the Skilled Labor Section made possible the transfer of a large number of workers from nonessential to essential war work. Moreover, furlough from army duties was secured for many skilled workers whose services were sorely needed in emergency employments. Later, as we shall see, the Unskilled Labor Section became the exclusive agency for recruiting all unskilled workers for war industries, with the exception of labor for railroads, farms, and enterprises employing less than 100 men. Experience soon taught those in charge of the recruitment of labor that additional readjustments was necessary if the service was to perform its duties creditably.

Toward the end of June, 1918, plans were adopted providing for a system of state advisory committees, community labor boards, and state organization committees, consisting of representatives of employers, employees, and the United States Employment Service. These were to aid in recruiting unskilled labor for war industries and in the extension of the activities of the Employment Service throughout the country.

The labor mobilizing and distributing machinery of the reorganized Employment Service was effected on July 19, 1918, when two men representing employers and employees from every state east of the Mississippi met in Washington to hear details of the labor recruiting plan. The state divisions of the Employment Service sent a third member who was chairman *ex officio* of the state representatives. These three men composed what was known as the state organization committee of the United States Employment Service. A similar conference west of the Mississippi met at Denver July 25, 1918. In eleven and five days respectively, preceding August 1, 1918, each state organization committee established a state advisory board composed of representatives of employers, employees, and the Employment Service. In addition to the state advisory boards there were provided for local community boards created according to the volume of war production, transportation facilities, and other economic conditions, to be composed of representatives of local employers and employees. Industrial advisers were also provided for.



The changes introduced as a result of the conference referred to above may be summarized as follows: Abandonment of the system of thirteen districts originally established by the Employment Service, thereby making the state the unit, and gradual elimination of the district superintendencies; the centralization of responsibility for field organization in the hands of the federal directors of employment for the states; the introduction of uniform methods of office operation; and the reorganization of the administrative work at Washington into five divisions — control, field organization, clearance, personnel, and information — each in charge of a director.

The organization and functions of the state organization committees, the state advisory boards, and the community labor boards are worthy of note. The state organization committee was composed of representatives of the employing and the laboring interests of the respective states, together with a representative of the state employment service. Its duty was to assist the state director in organizing the state advisory board, and the community boards. It continued in existence only until these boards were formed.

The state advisory board in each state consisted of the federal director of employment as chairman, two representatives of labor, two of management, and two women, one of the latter to represent the workers and the other to represent the employers. The chief functions of these boards were: (1) To advise the federal director of employment in matters of policy and to aid him in selecting the members of his staff and the officers to be placed in charge of the main local offices, including the superintendents of women's divisions; (2) to recommend, when necessary and expedient, the removal of these officers; and (3) revision and approval of the apportionment among communities of their respective states of the quota assigned thereto for purposes of recruitment.

The community labor boards comprised five members, representing the United States Employment Service, local employers, and local employees. At the end of hostilities, November 11, 1918, there were 1,644 of these boards in operation. Their functions were: (1) Determination of all questions involving the recruitment and distribution of labor in the community, subject to ap-

peal by any member to the state advisory board; all decisions of both state advisory boards and community labor boards being subject to regulations issued and approved by the War Labor Board; (2) distribution of the community's quota of employees, assigning to industries and employers in non-war work the proportionate share which each should contribute to the army of workers needed by essential industries; (3) consultation of the employers' committee, represented in the community labor board, concerning the distribution and assignment of workers; (4) enjoying no executive powers, and depending upon the good will of employers and employees for its success, each community board had to encourage and develop the spirit of coöperation among these interests.<sup>56</sup>

The industrial advisers, who were selected by the Department of Labor, furnished the district draft boards information as to the need for skilled labor and the supply of such labor in each community, and assisted these boards in arriving at their decisions as to whether or not individuals were performing work necessary to the effective prosecution of the war.

Experience taught new lessons and suggested additional improvements for the Employment Service. Almost every phase of governmental regulation during the war period was characterized sooner or later by centralization of control and coördination in administration. The recruitment and placement of unskilled labor became an increasingly difficult problem as the war continued, and it was obvious to those most intimately acquainted with the Employment Service that centralization and coördination must be introduced into the control and administration of the work of recruiting and distributing labor. The War Labor Policies Board recommended that exclusive authority for the recruiting and placing of unskilled labor be vested in the United States Employment Service, in order to eliminate apparent duplication of effort and labor stealing. This recommendation was submitted to President Wilson by the Secretary of Labor on June 15, 1918. On June 17, 1918, the President issued a proclamation urging all employers engaged in war work to refrain, after August 1, 1918, from recruiting unskilled labor in any manner whatsoever, except through the United States Em-

<sup>56</sup> *Seventh Annual Report of the Secretary of Labor, 1919*, pp. 266, 267.

ployment Service, and urging all workers to respond patriotically to calls for labor issued by the service in behalf of essential war industries. The regulations concerning this new development were sent out on August 1, and are so comprehensive and important that we quote them in full:

#### REGULATIONS COVERING CENTRAL RECRUITING PROGRAM

##### I. BY EMPLOYERS IN WAR WORK

To minimize the danger of interruption to war work in effecting the change from present competitive methods of labor recruiting, the government central labor recruiting program, as heretofore announced, provides that at the outset employers may continue to hire unskilled laborers who apply for work without solicitation and that private field forces may be utilized under control of the United States Employment Service.

In order that the United States Employment Service may be as effective as possible it is highly important that all employers engaged in war work keep the local office of the United States Employment Service informed from day to day of their exact needs for unskilled labor.

The regulations which govern private recruiting are as follows:

##### *Recruiting regulations*

1. Employers may continue to hire workers who apply at the plant without solicitation, direct or indirect.

2. The Federal director of employment in each State is authorized to grant permission to employers to use their own field agents for recruiting unskilled workers under his direction and control for war industries located within the State.

3. Permission to recruit unskilled laborers in States other than the one in which the work is located may be secured from the Director General of the United States Employment Service upon the recommendation of the Federal director of employment for the State in which the men are needed. Such permission will be communicated by the Director General to the Federal directors for the States in which the labor is needed and from which it is to be recruited.

##### *Transportation of workers*

4. No unskilled labor may be transported from one State to another without authorization from the Director General, to be secured by application through the Federal director of employment for the State in which the labor is recruited. No laborers may be removed from one employment district to another within a State without authorization from the Federal director of employment for the State.

5. Employers who receive permission to transport workers from one State to another or from one district to another within any State must file a statement with the nearest Employment Service office of the number of men transferred, the wages offered, and other terms and conditions of employment promised to the men.



*No fee agencies or advertising*

6. Employers who are permitted to use their own field agents for recruiting labor must in no case use any fee-charging agency or use any agents or labor scouts who are paid for their work on a commission basis.

7. All advertising for unskilled labor, whether by card, poster, newspaper, handbill, or any other medium, is prohibited after August 1, 1918. This applies to all employers engaged wholly or partly in war work whose maximum force, including skilled and unskilled laborers, exceeds 100.

*Recruiting skilled labor*

No restrictions are for the time being placed upon employers engaged in war work in recruiting their own skilled labor, other than that they should so conduct their efforts as to avoid taking or causing restlessness among men who are already engaged in other war work, including railroads, mines, and farms, as well as work covered by direct and subcontracts for departments of the United States Government.

Federal directors of the United States Employment Service for the several States are instructed to give every possible assistance to employers engaged in war work who desire to recruit skilled labor.

Employers in war work are at present under no restrictions as to advertising for skilled labor, other than that all advertising should be designed and conducted so as to avoid creating restlessness among men in war work (as above described).

## II. EMPLOYERS IN NON-WAR WORK

Non-war industries should not offer superior inducements or in any other way undertake to compete for labor with the Government or with employers engaged in war work (as above described). Observance of the letter and spirit of this provision is necessary for the efficient prosecution of the war. Methods of recruiting and of advertising which do not offend against it are permitted.<sup>57</sup>

United States Employment Service,  
J. B. DENSMORE, *Director General*.

August 1, 1918.

Centralized labor recruiting which was inaugurated under these regulations materially reduced labor turnover, established priorities of labor distribution, and transferred unskilled workers from non-war industries to war-emergency work. Employers, labor union officials, and workers alike supported the entire program.

Thus in less than three weeks from the date of reorganization the reconstructed employment system was ready to function as the only agency for the recruiting and distribution of unskilled labor for war industries, since it was early in July that the War

<sup>57</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, pp. 267-269.

Labor Policies Board decided to establish state organization committees. To announce this labor recruiting campaign 35,000 four-minute men, movies, papers, and other agencies were used by the service.<sup>58</sup> In a short time branch offices had been established in 500 localities with a total personnel of about 3,000 paid employees. The foundation for the success of the reorganized employment program of the government had been laid on April 30, 1918, when the United States was divided into thirteen employment districts, each under the direction of a district employment superintendent. Each district superintendent's office received reports from all public employment offices within the district, kept in close touch with the employment situation, supervised the work of state directors of employment in the states comprising the district, and managed the fiscal operations of the service. Thus a broad system of labor clearances was established, making possible clearance of labor between local offices within the state through the medium of the state office and between the states within each district through the district office, while clearances between districts were provided for through the main office at Washington.<sup>59</sup> The experiences obtained under this arrangement proved an invaluable asset and contributed much to the ease with which the readjustments in the service were made, and to the subsequent success of the reorganized service.

#### *Activities of the Divisions*

With this general survey of the development, structure, and operation of the United States Employment Service, we are in a position to appreciate more fully the achievements of the several divisions that contributed to the success of the general service.

The rapidity with which readjustments were made in the Employment Service to meet new problems and an ever increasing demand for its assistance was due largely to the efficient administrative machinery of the service. The administrative structure of the Employment Service, including the divisions, was determined by the memorandum of the Secretary of Labor issued on

<sup>58</sup> *U. S. Employment Service Bulletin*, July 30, 1918, pp. 3, 4.

<sup>59</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 64.

February 22, 1918, and effective on March 1, 1918, which modified the departmental order of January 3, 1918, to which reference has been made in previous pages. The new memorandum contained the following provisions:

1. The Employment Service shall be administered by the Department.
2. There shall be a director, who shall have general supervision of all activities of the Employment Service.
3. There shall be an assistant director, who shall perform such duties as may be assigned to him by the director and shall act as director in the absence of his chief.
4. There shall be a Policies and Planning Board composed of chiefs of the different divisions, with a permanent secretary assigned to it.
5. The Division of Information shall be known as the Division of Information, Administration, and Clearance, which shall have charge of the ordinary administrative questions arising within the service, including files, correspondence, accounts, statistics, and other matters normally cared for by administrative divisions, and shall continue to conduct clearing-house operations connected with employment-exchange work. It shall also have under its supervision field work, quasi-official bodies, and service offices.
6. The other divisions will remain as at present, except the Division of Investigation, which shall be abandoned.<sup>60</sup>

(1) *The Public Service Reserve.* The United States Public Service Reserve has been called the recruiting arm of the Employment Service. It was in charge of a national director, and in each state there was a federal director of the reserve, who in most cases was the same person who held the position of federal director of the Employment Service. The reserve supplemented the employment offices with 15,000 enrollment agents, who reached "down into the smallest village and hamlet to tap potential supplies of wage earners." These agents assisted greatly in the recruitment and the distribution of labor for the more essential supplies of wage earners." These agents assisted greatly in to fill special positions for whose services a heavy demand was imminent.

When the reserve was first organized by the Secretary of Labor on June 14, 1917, its activities were confined to the indexing and classifying of applicants at Washington for governmental service. In this way numerous governmental departments were furnished with thousands of men, chiefly of the

<sup>60</sup> *Sixth Annual Report of the Secretary of Labor, 1918, p. 208.* The accompanying diagram of the organization of the service is from the *Seventh Annual Report of the Secretary of Labor, 1919, p. 279.*



highly skilled types, such as engineers, technical experts, and skilled mechanics. Even heads of governmental departments organized for war-emergency work were selected from lists furnished by the reserve. Among the achievements of the Public Service Reserve the following are most noteworthy: over 1,500 aviation motor mechanics enlisted within three weeks, in January and February, 1918, for service overseas; over 4,500 railway men listed for induction and enlistment into the Division of Military Railways; 470 for the Tank Corps; 472 as towermen for the Navy; all kinds of civilian help for the Ordnance Department. Up to June, 1918, the reserve had registered and indexed more than 300,000 men of various skilled and unskilled trades. In appraising the work of the Public Service Reserve the Secretary of Labor stated: "Undoubtedly production has been appreciably increased and efficiency improved by its ability to furnish on short notice men of almost any qualifications."<sup>61</sup>

(2) *The Boys' Working Reserve.* As a branch of the Employment Service the United States Boys' Working Reserve had charge of the mobilization and placement of boys between the ages of 16 and 21 in civilian war work. From the date of its organization, April, 1917, the boys' reserve fulfilled a useful function in recruiting juvenile workers to maintain food production, which threatened to break down on account of the withdrawal of 3,000,000 to 4,000,000 adults from productive enterprises. Besides conserving the labor of farm boys for the farm, the reserve during 1918 enrolled approximately 250,000 boys of high-school age, chiefly for agricultural work under direction of the agricultural division of the reserve. An illustration of the achievements of the boys' reserve is found in the fact that in Illinois 21,000 boys worked on the farms; in Connecticut, 10,000 boys helped to care for the largest crops in the history of the state; in New York, 12,000 boys rendered invaluable service on farms; in Indiana, 15,000 boys helped to cultivate the soil and harvest the crops.<sup>62</sup> In Michigan, Georgia, Oregon, California, and other states special crops which were jeopardized because of lack of labor were rescued by lads who enlisted in the boys' re-

<sup>61</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 210.

<sup>62</sup> *Ibid.*, p. 211.

serve, and the country was thus assured of its supply of apples, beets, berries, cherries, apricots, plums, and grapes.<sup>63</sup>

Voluntary enlistment, physical examination, and preliminary instruction were among the features of the reserve's activities in the several states. Central training camps were financed by state councils of defense or private subscription, while the boys' transportation expenses to and from the camps were usually paid by local communities from which the boys were taken. The pay received by the boys varied from \$1.00 to \$2.00 a day, and it is officially stated that the records from employers themselves show that over 95 per cent of the boys placed on farms were satisfactory workers.<sup>64</sup> In all this work the Y. M. C. A. and other constructive agencies aided materially.

By March, 1919, the boys' reserve had completed its organization with a federal state director in every state, the District of Columbia, and the territory of Hawaii; had enrolled and placed 300,000; given intensive training in farm practices and farm mechanics to more than 50,000 city high school boys; promoted many successful training camps for boys; supervised the leisure and recreational hours of these young workers; safeguarded the interests of the boys during hours of employment; and encouraged a large number of the recruits to return to complete their school work, after they had served their country on the farms.

The economic value of the services which these lads rendered to the nation in a great crisis is seen by the estimate, which is declared to be conservative, that they added a hundred million dollars' worth of food to the world's supply. The economic value to the boys themselves was significant. One-fourth of the boys in Indiana earned a total of \$1,111,722. They worked an average of 114 days each at an average wage of \$1.51 a day, exclusive of board. In Colorado, 3,500 boys earned \$609,823. In Massachusetts, 2,500 boys added nearly \$2,000,000 to the food supply in 1918, and the earnings of 600 of these boys gave an average of \$166.66. In Oregon, 1,950 boys earned \$253,778. New York City boys of whom records were kept earned \$368,938.76 net. Over 3,000 reserve boys in Texas averaged a little over 90 days' work each, and earned an average of \$1.10 a day

<sup>63</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, pp. 372, 373.

<sup>64</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 211.

net. In Oklahoma a record of 860 boys showed that in 79,537 days' work they earned \$111,198.38, exclusive of board — about \$1.40 a day net. Of 145 reserve boys in a South Dakota high school, 117 reported bank accounts with a saving of \$10,040 for the season of 1918. Actual records were used as the basis of these statistics.<sup>65</sup>

The ideals and purposes of the United States Boys' Working Reserve have been expressed by Secretary of Labor Wilson in the following words:

Reserve officials feel that the record of the year's activities can not be accurately expressed alone in terms of food production, school extension, or industrial control. The effect of the public policies of the organization upon the spirit, ideals, and social attitudes of the boys as citizens of a great Republic at war is known to be profound, but can not yet be set forth in concrete terms. The movement has been and will be guided by the principles that in dealing with adolescence the latent boy power of the Nation can not and shall not be manipulated merely as a productive mechanism.<sup>66</sup>

(3) *The Farm Service Division.* In the work of recruiting and placing agricultural labor the Employment Service functioned through the Farm Service Division, created December 13, 1917. To supervise this work a special assistant to the director general was appointed. Temporary offices were established throughout the country, especially in the states of Oklahoma, Nebraska, Missouri, Iowa, Minnesota, and the Dakotas, and a volunteer representative was selected in each county in these states to make crop reports and collect information regarding the need for farm labor. Working from the employment office at Kansas City as a center, excellent service was accomplished through these volunteer field agents. "As an evidence of the efficient manner in which this work was carried on, it may be stated that many letters have been received from chambers of commerce and individuals in the territory concerned, conveying the information that not a bushel of wheat has been lost through lack of sufficient help."<sup>67</sup> Between July 1, 1918, and April, 1919, the Farm Service Division placed 221,096 persons out of 393,933 called for. These figures do not include the thousands

<sup>65</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, pp. 285, 286.

<sup>66</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 213.

<sup>67</sup> *Ibid.*



of harvest hands recruited through the Kansas City office. The division was discontinued in April, 1919.<sup>68</sup>

(4) *The Women's Division.* The Women's Division of the Employment Service performed the important task of enlisting and placing women in essential occupations and emergency work. Recruiting was engaged in only when there were special calls for female help, or when women with special qualifications applied for positions. Subdivisions of the Women's Division were established in various localities throughout the nation, and these increased in number from 9 on January 1, 1918, to 55 on July 1, 1918, and soon to 57 separate divisions. These divisions were established by the creation of new offices or absorption of state, municipal, or other public employment offices. Data for the last six months of the fiscal year ending June 30, 1918, indicate the excellent work that was being done by this division through its local agencies:

Month	No. of persons placed
January .....	9,667
February .....	7,074
March .....	7,758
April .....	17,442
May .....	22,344
June .....	19,127
Total .....	83,412

While these placements for the most part consisted of women for industrial and domestic work, many women were placed in high-grade clerical and secretarial positions. On April 1, 1918, the Employment Service incorporated into the Women's Division the Women's Collegiate Section, which took charge of calls for women with special qualifications.<sup>69</sup>

The centralized policy and decentralized operation principle which led to the establishment of the War Labor Policies Board and the Woman in Industry Service in May and June, 1918, respectively, resulted in the abandonment of the Women's Division. The purpose of this change was to enable the states and localities to handle their own problems of recruiting and placing women in industry in the way that seemed best to those who

<sup>68</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, p. 289.

<sup>69</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp 214, 215.

were in immediate contact with conditions. A woman assistant to the director general of the employment service was appointed to take charge of all matters concerning the employment of women, and in the administrative offices at Washington sections were created to supervise the work connected with the employment of women farm laborers, professional women, juvenile workers, reference information, publicity, interstate clearance, and the like. Moreover, a large number of the general offices of the Employment Service were handling both male and female labor in small cities. On November 11 women's divisions were operating as separate agencies in 40 states, with a variation in number from one in Arizona and Vermont to 20 in Illinois and 46 in New York. Women workers were represented on more than 500 community labor boards, and nearly 368,000 women were reported placed by the United States Employment Service during the ten war months of the year 1918. This number was equal to approximately 13 per cent of all placements made during that period. During the fiscal year ending June 30, 1919, about 739,013 women workers were reported placed.<sup>70</sup>

(5) *The Negro Division.* The Negro Division was created by an amendment to the organization of the United States Employment Service, as provided for in a memorandum of the Secretary of Labor dated February 22, 1918. The purpose of this division was the more complete and efficient utilization of colored workers. This work was in charge of a chief of division, acting in conjunction with and partly under the supervision of the director of Negro economics.<sup>71</sup>

(6) *Special Services.* The problem of proper employment of longshoremen made imperative some kind of machinery for eliminating the inefficient and wasteful use of that type of labor. Conferences were held in New York, at which representatives of the Department of Labor, the longshoremen, the Army, the Navy, the Shipping Board, the Railroad Administration, and the ship owners, agreed that an elastic pool of dock labor should be provided. Consequently the Stevedores and Marine Workers' Division was organized and supervised by the United States

<sup>70</sup> *Seventh Annual Report of the Secretary of Labor, 1919*, pp. 271, 272, 287.

<sup>71</sup> *Sixth Annual Report of the Secretary of Labor, 1918*, p. 215.

Employment Service. Distribution of labor so as to promote the greatest efficiency was the primary purpose of the new division. In New York seven branches of the division were established, while other branches were located at Philadelphia, Baltimore, Norfolk, Newport News, Charleston, S. C., Mobile, New Orleans, Galveston, Boston, Portland, Buffalo, Seattle, and Duluth. The success of this service is evidenced by the fact that the port of New York increased its efficiency at least 30 per cent.<sup>72</sup>

Another special problem which called for particular attention was the shipyard labor for Puget Sound yards. In January, 1918, the Employment Service and the Emergency Fleet Corporation established a central office for the distribution and recruitment of labor for these shipyards.

(7) *Mining Division.* The recruitment and placement of mine labor was assigned to the Mining Division of the United States Employment Service. The executive officers of this division were selected from representatives of mine operators and mine workers who were thoroughly acquainted with the mining industry and its labor problems. A shortage of mine workers arose on account of the abnormal demand for coal and metals and the drafting of large numbers of mine workers for military service. Through the coöperation of the officers of the United Mine Workers of America the division secured the names of 15,000 practical miners, engaged in non-war work, who were available for transfer to essential or war-emergency duties. The majority of these men were induced to give up more lucrative and remunerative positions to enter the mines in patriotic service to their country.<sup>73</sup>

(8) *War Placements of the Employment Service.* Some idea of the magnitude of the task which the Employment Service had to perform may be gathered from the statistical data that is available concerning its activities. Reports were not always obtainable, so statistics do not give a complete story of the achievements of the service. Nor, indeed, can its accomplishments be measured in terms of placements. Its influence upon the production of food and materials, and in building up the morale of our adult and juvenile working force can not be esti-

<sup>72</sup> *Seventh Annual Report of the Secretary of Labor, 1919, p. 276.*

<sup>73</sup> *Ibid.*, 274.



mated. During the eleven months of its wartime operation on a reorganized plan — January, 1918, to November, 1918 — the United States Employment Service took care of the following registrations, applications, references, and placements:

TABLE X. SHOWING THE NUMBER OF REGISTRATIONS, APPLICATIONS, REFERENCES, AND PLACEMENTS MADE BY THE UNITED STATES EMPLOYMENT SERVICE DURING THE PERIOD JANUARY TO NOVEMBER, 1919, INCLUSIVE <sup>74</sup>

Month	Registra- tions	Help Wanted	Referred	Reported Placed
January .....	82,353	80,002	62,642	51,183
February .....	92,452	92,594	70,369	58,844
March .....	144,156	177,831	118,079	100,446
April .....	195,578	320,328	171,306	149,415
May .....	206,181	328,587	179,821	156,284
June .....	246,664	394,395	221,946	192,798
July .....	282,294	484,033	250,152	217,291
August .....	555,505	1,227,705	500,510	395,530
September .....	531,226	1,476,282	513,662	362,696
October .....	594,737	1,588,975	606,672	455,931
November .....	744,712	1,724,943	748,934	558,469
Total .....	3,675,858	7,895,675	3,444,093	2,698,887

It will be seen from the above table that the calls for help that came to the Employment Service exceeded the number of persons registered with the service, the number of persons listed being only about half as large as the number called for by employers. Of the 3,444,093 persons whom the service referred to employment 2,698,887 or about 78 per cent were reported to have been placed. There is every reason to believe that if statistics had been carefully and accurately kept in each case taken care of by the service the record of placements would be much more gratifying than the excellent achievements already cited.

(9) *Summary of the Post-war Activities of the Employment Service.* The Employment Service did not have the opportunity to slow up its wartime activities when the armistice was signed on November 11, 1918. The demobilization of the army and navy entailed the serious problem of placement of labor. Of necessity the termination of hostilities resulted in the discontinuance of some of the war branches of the service and the

<sup>74</sup> *Ibid.*, p. 275.

cancellation of regulations governing centralized recruiting. Moreover, control over the recruitment and distribution of unskilled labor was withdrawn. The wartime problem was reversed. Whereas the service had been burdened with the task of finding men for jobs, the end of hostilities brought to it the task of finding jobs for men. The abandonment of huge war contracts forced the release of thousands of wage earners within a short time, and as soon as a mass of returned and demobilized soldiers and sailors added to this number the problem became extremely difficult.

Cancellation of war contracts was bound to react unfavorably on the labor situation. To avoid disastrous results from this source the War Industries Board coöperated with the Department of Labor. On November 20, 1918, instructions were sent out to all federal directors of the Employment Service under the provisions of which a survey in 122 cities was made, and weekly reports of labor conditions in those industrial centers were sent to the War Industries Board. Information secured in this way furnished the basis for cancellation of war contracts by the board, acting as the agent of the government.<sup>75</sup> Needless to say, these steps had much to do with the prevention of serious unemployment and its attendant problems which abrupt cancellation of war contracts would have precipitated.

The demobilization of the military and naval forces contained even more possibility of serious effects upon the labor market than could have resulted from the sudden cancellation of war contracts, since demobilized soldiers and sailors could not so easily locate the opportunities for employment. As a precautionary measure the Employment Service called a conference of the representatives of national welfare organizations and government bodies concerned with demobilization to meet in Washington on December 2, 1918, for the purpose of outlining a program for assisting soldiers, sailors, and war workers in finding employment. A plan was adopted whereby a central board was formed at Washington, with a representative of the Department of Labor as chairman, consisting of numerous governmental and welfare organizations. Immediate steps were taken to establish throughout the country bureaus for returning soldiers and

<sup>75</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, p. 276.

sailors. More than 2,000 of these bureaus were organized. In addition, the Employment Service placed its representatives at demobilization camps and supplied information concerning employment in this country to service men at the embarkation camps and on board transports.

Soon the Employment Service established the following sections: The Junior Section, for the purpose of giving vocational guidance to boys and girls between the ages of 16 and 21; the Handicap Section, which dealt with the placement of persons handicapped by age or some other physical disability; the Professional and Special Section, which had as its function the placement of highly trained persons, such as the engineer, the executive, or the teacher.<sup>76</sup>

In August, 1918, it was estimated that for the fiscal year ending June 30, 1919, about \$14,801,382 would be required to carry on the work of the Employment Service. This estimate was based upon the assumption that the war would continue for the period of another year at least, and that about 1,000 branch offices and a personnel of 6,000 employees would be necessary. Only about \$4,634,325.92 was asked for finally. Post-war activities resulted in the expenditure of an amount exceeding the appropriation of \$5,500,000 which had been made for the current year's work. Consequently, a deficiency appropriation was asked and was included in the "Third Deficiency Appropriation Act, 1919," which was voted on favorably by the House of Representatives on February 22, 1919. This carried an item of \$1,800,000 for the Employment Service work until July 1, 1919. The Senate failed to pass this measure, and the service was deprived of much needed funds. The Department of Labor communicated with President Wilson, who was on his way to France, with the hope of securing from the President an allotment from funds appropriated for the national defense and safety. The President was unable to grant the request on account of the fact that this appropriation was practically exhausted. Thereupon, the Department of Labor notified the federal director of the employment offices in each state to reduce the organization to a skeleton, beginning March 22. Assistance from state and municipal authorities and community organiza-

<sup>76</sup> *Ibid.*, pp. 276, 277.



tions was so generous that in place of reducing the number of employment offices, which the Employment Service was able to maintain out of its own funds from March 22 to July 1, to 56, the number of offices kept in operation during that period was 490. In a special session of Congress, May 19, 1919, appropriations for deficiency items were recommended, and the Employment Service received \$272,000, available at the beginning of the next fiscal year.<sup>77</sup>

In spite of financial troubles the United States Employment Service did admirable work in the trying months immediately following the cessation of hostilities. Between November, 1918, and June, 1919, inclusive, the service interviewed at the various camps and on the transports approximately 2,055,985, out of a total of 2,561,894. Of the number interviewed 706,509 were in need of assistance, of whom 115,096 were referred directly to employers, and the remainder to bureaus. In addition to this number, a total of 16,360 were registered by the Emergency Fleet Corporation, the United States Merchant Marine, and the United States Railroad Administration. Between December 1, 1918, and June 28, 1919, the number of service men registering for employment totaled 517,902, of whom a total of 321,077 were placed.<sup>78</sup>

(10) *Summary of Employment Statistics.* The activities of the United States Employment Service from January, 1918, to June, 1919, inclusive, are shown in the statistical data that have been compiled, altho, as already suggested, the true value of the service cannot be thus measured. In the period under consideration the Employment Service received calls for 12,104,184; it registered 7,133,831; referred 6,470,516 to positions; while 4,976,320 persons were reported placed. This means that in a period of eighteen months about 91 per cent of the persons registered with the service were referred to positions, and of these about 78 per cent were placed. Approximately 10,000 persons were placed in jobs of all kinds each day during this period, without any expense to the employers and at the expense of only \$1.34 per placement. It is estimated that the saving in fees to the persons directed to employment by the federal gov-

<sup>77</sup> *Seventh Annual Report of the Secretary of Labor, 1919*, pp. 277, 278.

<sup>78</sup> *Ibid.*, p. 292.

ernment in coöperation with states and municipalities aggregated fully \$10,000,000, while many millions more were saved for the nation through increased hours of labor due to reduction of labor turnover and the rapid placement of unemployed workers.<sup>79</sup>

The nature of the employment secured by the service ranged from common labor and domestic service to high-salaried professional and technical workers. "It was not uncommon for an \$1,800 examiner to place a \$15,000 engineer or executive." Farm recruitment was, of course, one of the chief accomplishments of the service. Common-labor placements constituted about 23 per cent of the total of slightly under 5,000,000 persons placed, while the other 77 per cent comprised skilled labor and other workers qualified for special positions. Women constituted 20 per cent of the total number of persons placed, and "many a woman has found in the Federal Employment Service a gateway to the industrial, commercial, or professional life she has desired to enter. Large numbers of college-trained women have used the service, which has been working in conjunction with alumni associations throughout the country."<sup>80</sup>

## 7. OTHER ADMINISTRATIVE AGENCIES

### *Woman in Industry Service*

Some of the most serious labor problems of recent years, especially during the war period, have arisen out of attempts to use women workers effectively in various processes of production. So intimate is the relation between woman and the future welfare of the nation that it is now generally recognized that especial care must be exercised in safeguarding the physical and moral interests of women engaged in industrial work. Profits rather than the welfare of the workers are likely to be uppermost in the mind of the entrepreneur, and for this reason it has become increasingly necessary for the state, through the exercise of its police power, to establish necessary safeguards. The announcement of the inclusion in the draft of all men between the ages of eighteen and forty-five years forced the attention of the government and employers to the problem of replacing men workers in industry by women.

<sup>79</sup> *Ibid.*, p. 293.

<sup>80</sup> *Ibid.*

To deal with this aspect of the labor problem during the war the Woman in Industry Service of the Department of Labor was organized early in July, 1918, with Miss Mary Van Kleeck as director, and Miss Mary Anderson as assistant director. The duties of this service were summarized as follows: (1) Consideration of all general policies with respect to women in industry and advice to the Secretary of Labor regarding the principles and policies to be followed; (2) coöperation with the several divisions of the Department of Labor in matters pertaining to women in industry; (3) collection of data and the useful tabulation of these data for distribution when of particular interest and help to those concerned with the problems of women in industry; (4) establishment of relations with the governmental departments and divisions and voluntary agencies in so far as these related themselves to or were interested in the subject of women in industry.<sup>81</sup> Altho this statement of the duties of the Woman in Industry Service presumes that the service was organized primarily to determine policies concerning women in industry, it has performed administrative functions and has co-operated extensively with state departments of labor in matters involving women workers.<sup>82</sup>

The War Labor Policies Board adopted, and all production departments of the government approved, certain principles governing the work of the Woman in Industry Service. According to these principles women might be placed in essential occupations easily filled by them, such as cashier, clerk, and accountant positions; they were prevented from entering occupations, such as service in barrooms and saloons, mines, and smelters, which are unfit for them on account of moral and physical conditions; the introduction of women into hazardous industries such as those using industrial poisons must be guided by standards as to health, comfort, and safety established by the War Labor Policies Board and those already defined by the United States Government and state departments of labor; due regard must be given to regulation of hours, night-work, and over-time when women are placed in new occupations such as street rail-

<sup>81</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 67.

<sup>82</sup> For details of the organization of the service see *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 116-122.



way service, public messenger service, and elevator service; recruiting of mothers of young children must be discouraged; the possibility of hiring women must not be made a pretext for unnecessary displacement of men; employers were urged to seek the aid and advice of the Woman in Industry Service as to methods of introducing women workers and the establishment of required working conditions.

Two things were desired relative to the employment of women in essential industries, namely, the most efficacious application of woman labor, and the protection and conservation of the health and welfare of women workers. The necessity of guaranteeing these two conditions led to the organization of agencies in the government to study the problems underlying the employment of women and to advise the industries regarding hours, wages, and proper working conditions. To these ends, the Ordnance department organized as part of its Industrial Service Section a women's branch with representatives in every district office of the department and in the arsenals employing women. The United States Railway Administration established a women's section in its Labor Division. Then, of course, with the introduction of coördinated war labor administration the Woman in Industry Service began its work as a part of the Department of Labor, its peculiar functions being to advise the Secretary of Labor on all matters affecting the employment of women and to coöperate with all those agencies concerned with the production of war materials in so far as their problems involved the employment of women.<sup>83</sup> The principles cited above and the organization of woman in industry divisions in the several production departments of the government will prove a valuable asset to the nation even after return to normal conditions.

In order to secure coördination in policies and practices in dealing with the problem of woman in industry the Secretary of Labor authorized during the war the formation of a Council on Women in Industry, a discussional group composed of representatives from all federal agencies having organized work related to problems of women workers. At the beginning of the

<sup>83</sup> See "Federal Policies for Women in Industry," by Miss Mary Van Kleeck, *Annals of the American Academy of Political and Social Science*, Vol. LXXXI, No. 170 (January, 1919), pp 87-94.

fiscal year 1920 the title of the Woman in Industry Service was changed to the Women's Bureau. The continuation of this branch of the Department of Labor is a testimony of its success and value during the war.

*Bureau of Industrial Housing and Transportation*

We have already touched upon the problem of housing and transporting workers attracted by high wages to the centers of war industries. Recognition of the seriousness of this problem led to the establishment in February, 1918, of the United States Bureau of Industrial Housing and Transportation as a part of the Department of Labor. Thus for the first time earnest attention was given to a problem which, even before the war, had assumed a perplexing aspect. European countries had long since created remedial measures, but the United States was slow to act. The newly created bureau operated through the United States Housing Corporation of the Department of Labor. This corporation was incorporated under the laws of the State of New York, in June, 1918, the capital stock amounting to one thousand shares of \$100,000 each, 998 of which were held by the Secretary of Labor for the government. The expenditure of \$110,000,000 appropriated by Congress for housing war workers, not including the \$60,000 set aside for this purpose by the United States Shipping Board, was placed under the direction of the Housing Corporation.<sup>84</sup> This corporation endeavored to solve the housing problem by: (1) making available housing facilities through carefully conducted investigations in particular communities where the need was great; (2) connecting through improved transportation those places where labor was in demand with the communities that possessed surplus housing facilities; (3) encouraging and aiding private capital to build; (4) assisting in the proper distribution of the labor supply and the placing of war contracts in such a manner as to avoid congestion; (5) constructing and operating of houses, apartments, and dormitories; (6) registering vacant houses and rooms and commandeering dwellings not otherwise in use.<sup>85</sup> The organization of the bureau included the following divisions: Architectural,

<sup>84</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 69.

<sup>85</sup> *Ibid.*, February, 1919, p. 248.

Construction, Engineering, Fiscal, Homes Registration and Information, Industrial Relations, Legal, Operating, Real Estate, Requirements, Surveys and Statistics, Town Planning, and Transportation.

By the end of October, 1918, allotments for house construction had been provisionally made for 76 cities in need of additional facilities to shelter war workers on army and navy contracts; 26 developments were under construction, involving an expenditure of \$37,306,778.88, estimated to house 9,000 families aggregating 45,000 individuals. Up to October 10, financial allotments had been made for 50 projects. Allotments for projects where work had not already been contracted for represented on that date an estimated expenditure of \$94,416,350. On the 26 projects then under way the estimated expenditure was \$66,560,650.<sup>86</sup> At Washington Navy Yards new construction was planned as follows: 14 apartment houses, 8 stores, 14 two-story dormitories, and one mess hall — a total of 37 buildings with a housing capacity of about two thousand persons. In the city of Washington 12 dormitories, 2 cafeterias, 2 administration buildings, and 2 infirmaries — a total of 18 buildings with accommodations for approximately two thousand people were constructed; and additional facilities planned included 10 dormitories, 28 apartments, 1 administration building, 1 infirmary, and 1 cafeteria — a total of 41 buildings to house 2,800 persons. Financial allotments for Washington exceeded the \$10,000,000 appropriated by Congress for this purpose. In addition to the above, 116 houses in Washington alone were requisitioned by the bureau.<sup>87</sup>

On November 11, when hostilities ceased, the United States Housing Corporation had under consideration 94 housing enterprises and projects. For 60 of these contracts had been let, and plans had been completed for contracts in 25 cases. In the case of seven plans were in preparation or had been ordered, while in the case of four projects construction had been postponed. With the signing of the armistice 54 projects were abandoned and 15 were curtailed, while 25 were proceeded with as planned. It was estimated that it would require \$45,000,000

<sup>86</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 131, 132.

<sup>87</sup> *Ibid.*, pp. 134, 135.



to complete the 25 projects which were under way.<sup>88</sup> By May 19, 1919, construction contracts to the extent of \$4,517,897.92 had been almost completed, work was under way on contracts valued at \$27,843,226; contracts to the value of \$25,111,794.79 had been canceled at an approximate cost of \$5,224,477.81. There were canceled without loss projects to the value of \$5,706,614.27, and projects to the value of \$275,000 were taken over by the Army. Contracts amounting originally to \$63,454,532.98 had been reduced to a final cost of \$40,782,288.43.<sup>89</sup>

### *Labor Adjustment Service*

To the Division of Conciliation and Labor Adjustment Service was entrusted the important task of mediation and jurisdiction over the settlement of strikes, lockouts, and other manifestations of maladjustment in industrial relations. There was already in existence a large force of conciliators, and the National War Labor Board constituted a court of last appeal. These facilities reinforced by those introduced with the Labor Adjustment Service did much to prevent the spread of strikes and lockouts during the emergency. Nearly two and one-half millions of wage earners, or about three times as many as during the preceding year, came within the peace-making activities of the Conciliation Division of the Department of Labor during the fiscal year 1918. Most of these cases were either adjusted outright by the division or referred to the War Labor Board. The importance of the activities of the Labor Adjustment Service may be judged from the fact that in 1918, the number of men indirectly affected in the cases handled totaled 1,315,657, and the total number directly affected, 1,041,342. In the cases adjusted and those referred to the National War Labor Board, 859,239 workers were affected directly and 1,122,205 indirectly.<sup>90</sup> The development of these mediation activities is shown more in detail in the statistical data already presented in this study.<sup>91</sup>

<sup>88</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, February, 1919, p. 248.

<sup>89</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, p. 185.

<sup>90</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 30, 31.

<sup>91</sup> See p. 126.

*Information and Education Service*

The Information and Education Service was organized on July 1, 1918, under the act providing for appropriations to take care of sundry civil service expenses for the fiscal year 1918, and for other purposes, approved by the President on the above date. The purpose of the act was to enable the Secretary of Labor to acquire and diffuse information on the subjects connected with labor. The appropriation for this work amounted to \$225,000.<sup>92</sup> Mr. Roger W. Babson was director of this service. Under his direction the service endeavored to develop sound public sentiment on labor questions, to combat unsound industrial philosophies, and to present, especially to working men, the real issues of the war. In addition, it secured the exchange of information between the departments of labor administration and private agencies in industrial plants for the execution of the national labor program.<sup>93</sup> The following divisions were created under this service: Education, Information, Industrial Plants, Economics, Posters. During the reconstruction period a sixth division was added known as the Division of Public Works and Construction Department. These divisions did a comprehensive work. Material was sent out daily to over 5,000 newspapers, to magazines, and business periodicals; a staff of 19 speakers and several hundred volunteer agents addressed trade unions, clubs, chambers of commerce, and other organizations; about 1,000,000 posters were distributed monthly and displayed in workshops, about 30,000 stores, and 30,000 railway stations; committees known as government committees to promote contact between workers, their employers, and representatives of the Department of Labor were organized in over 12,000 plants, and the extension of this scheme to cover 14,000 establishments was planned.<sup>94</sup>

*Summary of Activities.* The clipping service maintained by the Division of Education covered 150 papers, with a daily circulation ranging from 20,000 to 400,000, in cities with populations from 32,000 to 5,000,000. In this way information was disseminated among an average of about 12,000,000 readers each

<sup>92</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 127.

<sup>93</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 69; *Seventh Annual Report of the Secretary of Labor*, 1919, p. 162.

<sup>94</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 128-130.

day. Its staff of special writers contributed to magazines and newspapers, and the facilities of the division were placed at the disposal of all persons desiring information for personal use or for publication. Special agencies were also used, including the Carnegie Institute, the Military Intelligence, the American Educational Association, the Federal Board for Vocational Education, the Signal Corps of the War Department, and the Red Cross. The Information Division through its efficient staff of speakers, and a volunteer speaking force of 400, contributed much to the upbuilding of an industrial morale, the stimulation of production, the reduction of labor turnover, and the promotion of industrial peace. Fifty of the volunteer speakers alone reported that they had delivered 1,200 addresses for this purpose, their message reaching business men, employers, and workers. They emphasized the need of a new vision in industry. To carry this message more intimately to the industrial workers and employers the Industrial Plants Division was organized on July 5, 1918. Its plan of organization proposed the establishment of war industries committees to encourage production, reduce absenteeism and tardiness, eliminate unnecessary labor turnover, and promote patriotism. The Division of Economics was largely an advisory body. It summarized policies and decisions that were made by the various labor adjustment agencies, compiled the experience of Great Britain in solving her many labor problems, and made recommendations to other divisions that sought advice in these things. The Poster Division did much to maintain the national morale, distributing from 700,000 to 1,000,000 posters monthly.

Hostilities ceased at the time of the year when unemployment is most pronounced. To meet this situation the Department of Labor made every effort to promote certain industrial activities that had been more or less dormant during the war period, especially public construction works and private building. The Information and Education Service was used to encourage building and buying. The Division of Public Works and Construction Development was created to supervise such activities as were related to building and consequently to employment. A conference of economists was called to discuss these important problems, and an investigation of economic conditions was made.



About 26,000 questionnaires were sent out to determine the amount of building suspended during the war and the reasons why this work was not resumed subsequent to the signing of the armistice. Approximately 7,000 replies were received, and these showed a total amount of suspended building operations of \$2,000,000,000. Of this amount more than two-thirds was for public works and the remainder for private construction.<sup>95</sup>

A home-owning campaign was instituted. Campaigns were projected in 92 cities and were well organized in 78. Correspondence was conducted by the Department of Labor with nearly 2,000 cities. A special bill was drafted and presented to Congress providing for a system of banks to be known as Federal Home Loan Banks. It involved the building and loan associations of the country, 7,269 in number, with a total membership of 3,838,612 and total assets of \$1,750,000,000. To advance loans more abundantly to home builders was the primary object of this scheme.

The Department of Labor, through its Information and Education Service, was active in other ways, endeavoring to solve the labor problems of the reconstruction period. Of special interest was the sending to Europe of a commission of representative employers for the purpose of ascertaining the following facts: (1) The attitude of employers toward problems of labor with special reference to their idea of adjustment of disputes; (2) the views of the working classes and the attitude of the labor leaders; (3) the methods and plans of governments to allay labor unrest. Among other subjects of interest the commission investigated the shop-steward movement, the Whitley plan for joint standing industrial councils, unemployment insurance, health insurance, hours of labor, housing, minimum wage, and compulsory arbitration.

The valuable report of this commission is summarized as follows:

1. Employers in Great Britain generally recognize the desirability of bargaining collectively with labor.
2. Employers nearly all agree that collective bargaining should always be undertaken between associations of employers and the regularly established well-organized trade-unions.
3. Most employers freely recognize the right of labor to organize; they

<sup>95</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, p. 168.

regard organization as greatly contributing to the stability of industry. Some large manufacturers declare that they wish to see every workman within the unions, so that they must all come under organization control. Others feel that 100 per cent organization might lead to dangerous types of universal strikes and lockouts. The more conservative employers appear to make no effort to help along organizations of labor, merely dealing with such organizations when they appear on the scene.

4. Employees in Great Britain are divided into sentiment shading from those who want to maintain the trade-unions along the regularly established so-called "constitutional" lines to ultraradical socialists.

5. Employees are nearly a unit, however, in expressing opposition to the use of force. The most radical desire "now" a complete overturning of the present social structure, but usually admit on close questioning that "now" may mean many years. They want to "start" now. Practically none appear to approve of a sudden change, as in Russia.

6. Employees of the ultraradical type look askance at collective bargaining and organizations of labor and capital. They freely express the view that they do not wish harmony between employees and employers, since harmony would help to continue the present system of society.

7. Employees of the more conservative type . . . are largely in accord with employers in the desire (1) to head off labor unrest at this period; (2) to strengthen the unions by holding members under control; (3) to increase production for the sake of the nation, workmen included — with no restriction on output except as it affects the health of the worker; (4) to leave control of business policies in the hands of those managing the business.

8. Government officials appear to be uniformly of the opinion that the Government should function in labor unrest only as an absolutely last unavoidable resort. On the other hand, they maintain the right of the Government to step in when necessary in order to protect public interests against minorities which try to force their terms upon the people.

9. In general the Government, and most employers and conservative employees, appear to be agreed:

That the spirit of coöperation between capital and labor is highly desirable.

That the spirit of conciliation is important for the benefit of the employer in stabilizing his business and for the benefit of the employee in preserving his regularly organized unions.

That in collective bargaining the right-minded employer will not attempt to return to the pre-war industrial era, and that the right-minded employee will not attempt to crowd his demands to the point at which the stimulus for private business enterprise will disappear.

The spirit of a genuinely better new (and not novel) era is thus being fostered by widely varied elements of Great Britain's industrial system.<sup>96</sup>

<sup>96</sup> *Ibid.*, pp. 171, 172. The members of this commission were: E. T. Gundlach, Chicago, chairman; R. J. Caldwell, New York; Dor E. Felt, Chicago; William H. Ingersoll, New York; Eldon B. Keith, Brockton, Mass.;

The Information and Education Service, under the direction of the Secretary of Labor, arranged a conference of governors and mayors on March 3, 4, and 5, 1919. At this conference there were present the chief executives or their representatives from 47 states, 22 governors attending in person; mayors from 184 cities; and representatives of municipalities from 41 out of the 48 states. The purpose of this conference was to consider means for facilitating industrial readjustment in the reconstruction period. Steps were taken to make this conference a permanent institution.

### *Training and Dilution Service*

As suggested elsewhere in this study, the war made manifest the dearth of skilled labor in the United States, and we were forced to adopt a policy of intensive training in order to meet the demand for technically trained workers. To devise and execute a program for providing a supply of skilled workers the Training and Dilution Service of the Department of Labor was created under authority of the War Labor Administration Act, which appropriated \$150,000 for this work. Mr. Charles T. Clayton was appointed director of this service. Its duties were to ascertain the best methods used in industrial establishments for training workers to do specific kinds of work; to discover the need for such training; to provide information on this subject to industrial managers and employees; to inspect the operation of training schemes and make a report concerning them; to provide for dilution of labor if necessary, with a view to turning over to unskilled laborers a large part of industrial processes formerly performed by skilled workmen; to promote special training wherever necessary; and to coöperate with the United States Employment Service in all of this work.<sup>97</sup>

The Training and Dilution Service as instituted on July 16, 1918, constituted of the following divisions:<sup>98</sup> (1) Planning Division, having charge of all studies with regard to ways and

R. R. Otis, Atlanta, Ga. Dr. Royal Meeker, Commissioner of Labor Statistics in the Department of Labor accompanied the commission as economic adviser, and Mr. B. M. Squires, a commissioner of conciliation in the Department of Labor, as statistician.

<sup>97</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 124.

<sup>98</sup> The name of the service was later changed to "Training Service."



means of training and dilution, and conducting these studies through the Training, Research, and Information Sections; (2) Administrative Division, comprising Personnel and Accounts, Statistics and Reports, Correspondence and Files Sections, and fulfilling the functions indicated by the names of these agencies; (3) Training Division, including a field service with a chief, and superintendents in each of twelve districts throughout the United States, whose duties were to stimulate production of war materials by organizing vestibule training departments in industrial plants and to encourage industrial training in public schools in connection with plans provided by the Federal Board for Vocational Education; (4) Dilution Division, whose functions included the study of needs of industrial plants for competent, skilled workers, and the ascertaining of the available supply by the aid of the United States Employment Service. In addition, this division made special studies of hygienic fitness of factories for the dilution of labor, through co-operation with the Public Health Service.<sup>99</sup>

The nation's need for workers with special training may be gathered from the fact that during the nineteen months of our active participation in the war 1,000,000 persons were examined for civil service positions and 400,000 were actually supplied for governmental work. The number of civilian employees in the District of Columbia increased from 35,000 to 95,000; the civilian forces of the Navy and naval stations increased from less than 21,000 to more than 100,000, and in government ordnance plants from 11,000 to about 40,000.<sup>100</sup> Everywhere the need for trained workers was great and the supply scarce. The investigations and work of the Training Service did much to revive interest in vocational education and industrial training in the United States.

The operation of the service, including methods of field work, may be summarized as follows: (1) Visiting employers who were in need of higher average output; (2) explaining industrial training; (3) analysis of plant operation; (4) preparation of plans for introducing training adapted to the special needs of

<sup>99</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 124, 127.

<sup>100</sup> *The Annals of the American Academy of Social and Political Science*, LXXXII, No. 171 (March, 1919), p. 100.

the plant under consideration; (5) assisting the employer in selecting his own personnel to supervise the training. On June 30, 1919, 359 companies had training departments; 67 training departments had been discontinued; 247 establishments were requesting information and advice concerning training work; and 125 companies were preparing to install training systems. The greatest service rendered by the Training Service consisted in the plans it designed and disseminated in behalf of plants desiring training methods. It was thus a clearing house of information for industries.

The experience of the Training Service taught the nation the lesson that any system of industrial training designed for the United States must include the following elements: (1) A clearing house of methods and experience; (2) a staff of well-trained experts to study and analyze the special problems of particular industries; (3) classification of results and the dissemination of knowledge thus gained; (4) frequent conferences of representative employers and representative labor officials to discuss the general aspects of industrial training and efficiency.

The value of a Training Service to a country, especially to the United States, has been well expressed by the Secretary of Labor in the following passage:

The experience of the service indicates that out of the 10,000,000 wage earners now employed in American factories, probably three-fourths are not properly qualified for their chosen occupations. This great body of seven and a half million workers today has no recourse for education suited to its needs. With workers stumbling along from day to day, oppressed with a sense of inferiority and hampered in ability to produce the goods the Nation needs and to earn the wages they must have to live, industrial unrest is not surprising. It is the duty as well as the privilege of the Nation to meet the need for industrial education by showing employers how to establish adequate training schools for the workers. No single remedy can be found for industrial unrest; its causes are complex. But no element in its causes is larger or more important than the feeling of denied opportunity that oppresses the worker who knows that his knowledge of his work is insufficient, and who charges that denial upon a society that ignores his situation and will not give him even advice and suggestions.

The sum of the findings of the United States Training Service is that labor wants an open way to self-development, a real opportunity for self-advancement, and that through a system of practical industrial training, intensive but thorough, lies more of such opportunity than in any of the present accepted types of education.<sup>101</sup>

<sup>101</sup> *Seventh Annual Report of the Secretary of Labor, 1919, p. 161.*

### *Working Conditions Service*

Throughout this study emphasis has been placed upon the necessity of supervising working conditions, which under the demand for increased production during an emergency are very likely to become intolerable. It was imperative that there be provided machinery for safeguarding conditions of labor in the production of war materials. Under the War Labor Administration Act, approved July 1, 1918, Congress appropriated \$45,000 for the establishment of a Working Conditions Service. English experience had demonstrated the wisdom of providing supervisory power to prevent over-fatigue and the consequent undermining of health and efficiency. In the United States the laws of several states provided for safeguards along these lines and the various production departments of the government had, of their own accord, instituted strict regulation of working conditions under government contracts, but all this effort lacked uniformity of method and centralized control.

The duties of the Working Conditions Service in regard to war industries were the examination of working conditions, determination of standards, formulation and interpretation of regulations, establishment of the best and most adequate means of adoption and application of these rules, and coöperation with state authorities in all matters pertaining to conditions of employment.

Early in August, 1918, this service was finally organized with Mr. Grant Hamilton as director. Administrative policies were executed by the following divisions: (1) The Division of Industrial Hygiene and Medicine, coöperating with the United States Public Health Service. The functions of this Division were to provide medical preventive methods, to maintain the health of workers, to reduce occupational diseases, and to discover health hazards with a view to reducing labor turnover. (2) Division of Labor Administration, the duties of which consisted in studying the general problems of labor administration, including scientific management, fatigue, auditing; prevention of regimentation and promotion of individual initiative; and, finally, examination of "the attitude and policies of management toward employees and the personal relations between employers and employed." (3) Division of Safety Engineering, coöperat-



ing with the Bureau of Standards in the formulation of standards for mechanical safety.<sup>102</sup> The service offered to industries a consultant coterie of specialists in employment management, industrial relations, sanitation, ventilation, illumination, medical supervision and service, and accident prevention.<sup>103</sup>

### *Investigation and Inspection Service*

The War Labor Administration Act appropriated the sum of \$300,000 for the maintenance of an Investigation and Inspection Service. This service was established and ready for work about August 15, 1918, under the direction of Mr. Ethelbert Stewart. The duties of this service included coöperation with the other services of the Department of Labor in matters pertaining to methods of inspection, investigation, and examination of employment conditions, but did not include mediation or expert training activities. It was really organized to serve the other branches of the Department of Labor, and was equipped with a sufficient staff of inspectors and examiners to handle the work of inspection and investigation for those branches. To October 15, 1918, 156 investigations and inspections had been made in compliance with requests from other services.<sup>104</sup> A corps of about 50 investigators and inspectors was employed for this purpose. Numerous other investigations were made prior to the dissolution of the service on June 30, 1919.

### *Division of Negro Economics*

The war made imperative the expenditure of every effort to enhance the efficiency of all groups in our population, and focused immediate attention upon elements in industrial unrest to which as a nation we had been indifferent. These problems of inefficiency and unrest were nowhere more perplexing than among the negro element in our population, comprising over one-tenth of our people and constituting about one-sixth of those gainfully employed. Race prejudice in relation to labor turnover and unrest is only now beginning to attract attention. Mal-

<sup>102</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, p. 138.

<sup>103</sup> The Working Conditions Service was discontinued at the end of the fiscal year 1918-1919, because of the failure of Congress to appropriate funds for its maintenance.

<sup>104</sup> *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 122, 123.

adjustment between the colored and white groups of our population has penetrated the lines of industrial relations, and there is little doubt that the efficiency and skill of the black man have been suppressed as a consequence. Whatever of creative impulse and initiative lie dormant in the African race have not been given free play in American industrial life any more than in American political, social, and intellectual life. Comprehension of this situation was instrumental in the establishment of a Division of Negro Economics in the Department of Labor. This action was the direct outcome of a series of conferences held by the Advisory Council. Dr. George E. Haynes was appointed by the Secretary of Labor to the position of director of Negro Economics whose function it is to advise the Secretary on matters pertaining to the negro wage earner in relation to industrial and agricultural production, and the promotion of coöperation between the two races.

To realize the purposes for which it was organized, this Division has promoted the establishment of coöperative committees of white and colored citizens in states and localities where labor problems arise out of the relation between the races. The administration of policies was delegated to a staff of state supervisors of negro economics, who worked in intimate coöperation with the federal state directors of the United States Employment Service. Many conferences were held in North Carolina, Georgia, Kentucky, Ohio, Florida, Mississippi, and Illinois, for the purpose of enlisting the aid of numerous local and state fraternal, religious, and governmental organizations. In seven states, state negro workers advisory committees, composed of representative negroes and coöperating white citizens, were appointed up to October 1, 1918,<sup>105</sup> and the appointment of similar committees was under way in five additional states.<sup>106</sup> Also county and city committees had been appointed in seven of these states and were planned for several others. State supervisors of negro economics, along with special agents coöperating with the federal state directors of the United States Employment Ser-

<sup>105</sup> These states were, Florida, Georgia, Mississippi, North Carolina, Ohio, Virginia, and Kentucky.

<sup>106</sup> These states were Illinois, Michigan, Missouri, Pennsylvania, and New Jersey.

vice, had been appointed in eleven states.<sup>107</sup> No other step of recent decades has promised to be so constructive in increasing the industrial efficiency of the negro and in promoting more amicable relations between the two major races of the North American continent. The provision for such a division was not merely a matter of economic expediency but of social justice, for a race that constitutes so large a part of our population and has contributed so much to the economic and military effectiveness of the nation in a great emergency like the recent war is entitled to representation in that department of the government whose function it is to advance the welfare of the nation's workers.

### *Civilian Insignia Service*

The work of this service was purely incident to the war, but recognizes a principle worthy of wider application in peace-time production, namely, the value of a recognition of merit as an incentive to production and industrial good will. Under the direction of this service war industry badges for excellence in industrial work were distributed. These badges were awarded to civilians employed at least four months in certain essential war industries which conformed to requirements prescribed by the government, and adopted as a part of their government contracts the principles of the War Labor Board as announced in the President's Proclamation of April 8, 1918. For employment beyond four months additional recognition was given.<sup>108</sup>

### *Commission on Living Conditions*

During October, 1918, the Secretary of Labor appointed a Commission on Living Conditions.<sup>109</sup> It was the particular function of this commission to discover where bad living conditions were a factor in impeding production of necessary war materials and to devise ways and means of improving such conditions.<sup>110</sup>

<sup>107</sup> These states included Mississippi, Florida, Georgia, North Carolina, Ohio, Virginia, Illinois, New Jersey, New York, Alabama, and Missouri. *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 109-111.

<sup>108</sup> *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 68.

<sup>109</sup> The members of this commission were: Mr. John R. Richards, Mr. J. Horace McFarland, Mrs. Eva W. White, Mr. John A. Voll, and Miss Edith Rockwood.

<sup>110</sup> *Seventh Annual Report of the Secretary of Labor*, 1919, p. 186.



The first meeting of the commission was held on October 12, 1918. Conferences were called in which several departments of the government took part, including the War Department, United States Housing Corporation, and other government agencies that related themselves in any way to the problem of living conditions. At this conference ways and means of making a survey of conditions were considered. It was found that the lack of recreational facilities in war industrial communities was one of the most important problems demanding attention. The Playground and Recreation Association of America was asked to assume charge of the task of coördinating and stimulating local agencies in war industrial communities to meet the needs of the workers.

In Washington the commission secured the use of the Emergency Hospital for war workers suffering from influenza after the first epidemic had passed, assisted the War Camp Community Service in a program for recreation for government employees, suggested the organization of a Federal Workers Social Service for the purpose of studying the working and living conditions of government employees, sponsored government hotels, and assisted many communities in solving problems of living conditions. The Commission on Living Conditions was really an adjunct of the United States Housing Corporation and was financed out of the allotment of \$25,000 set aside by that corporation for the purpose of investigating and improving living conditions.

*Summary.* The outstanding features of this coördinated war labor administration are worthy of mention. Unlike the regulatory measures devised for the control of food, fuel, finance, and trade, our labor administration was created largely without the authority of statute. This non-statutory character was a desirable feature, for it permitted a great degree of flexibility and elasticity in effecting the readjustments made necessary by the conditions of the great emergency. Another characteristic of this labor program was the method used in enforcing the awards and findings of such bodies as the National War Labor Board. Threats to cancel contracts made by the government or to commandeer the plants of recalcitrant employers who refused to accept and abide by the awards constituted an effective means of

enforcing decisions. During the war this indirect, non-statutory compulsion was made possible by the amenability of industrial management and workers to public opinion, and especially because of the advantageous relation of the government to production as a great employer of labor in its own plants, and as the large purchaser of products during the crisis.

The new war labor administration program resulted in centralization of control with decentralization of administration by agencies in intimate touch with the labor problems that arose in industry; continuation, under a coördinated administration, of the industrial sections of the production departments of the government, thus eliminating duplication of effort and conflict of authority; flexibility of organization that allowed prompt readjustment to the exigencies that appeared; protection of existing labor safeguards; formulation, adoption, and enforcement of fundamental regulatory measures designed to promote the welfare of labor and maintain industrial efficiency; mitigation of the evils accruing from industrial unrest by the elimination of the causes of such unrest; and the promotion of a better understanding between management, labor, and the government.

## CHAPTER VII

### CONCLUSION

What have the experiences of the last few years taught the United States concerning the important problem of industrial relations and labor administration? The consensus of opinion is that much has been learned which will enable us to approach more scientifically and to deal more successfully with these problems in the future. There have been significant changes in the thought of the world regarding the multiplicity of industrial problems involving labor and their solution. The postulate of August Comte that ideas rule the world or throw it into chaos was never more clearly demonstrated than during the recent crisis. Especially is this true in regard to the relations between labor and capital, and the numerous elements in the productive process as these relate themselves to the human factor in production. In analyzing the labor problem of war-time we were forced to readjust our perspective and that readjustment possesses a fair degree of permanence. Before considering the most important lessons that have been learned about industrial relations and labor administration during the war it is necessary to summarize the tendencies outlined in the foregoing pages.

Summarizing our study it may be said that: (1) In its program of economic readjustment for the exigencies of war the United States, like other belligerent nations, found it necessary and expedient to abandon its customary policy of *laissez-faire* and to adopt in its stead a policy and program of extensive governmental interference and regulation. This new policy was characterized by concentration of control and coördination of administration. (2) Concentration of control and correlation of administrative activities were not extended to include the ways and means of dealing with the multiplicity of labor problems that grew in magnitude, until we had been in the struggle for almost a year. During the first year of our participation in the war our labor policy, in so far as we possessed one, was decen-



tralized and heterogeneous in respect to methods of control and administration. (3) Industrial unrest during the war was due to two sets of causes, the one set general in character and found in American industry as a whole, while the other group, more specifically tho not exclusively, was operative in particular industrial establishments. These two groups of conditions, it will be recalled, included the high cost of living, absentee ownership of industry and autocratic government of industrial plants, inequality in wage standards, faulty distribution of labor and the absence of governmental machinery to effect desired redistribution, inadequate machinery for the adjustment of industrial grievances, prevalence of profiteering, the spread of radical philosophies, the movement for a shorter work-day, insufficient housing and transportation facilities, discrimination against union workers and opposition to all forms of collective bargaining, unfavorable conditions of employment, the demand for a minimum wage scale and increasing wages, as well as some minor causes. (4) American labor, generally speaking, was loyal to the government and contributed greatly to the successful prosecution of the war. Labor's policy was not always unselfish. In fact there were many evidences of a selfish attitude, but most of the seemingly disloyal conduct on the part of workers was traceable to enemy propaganda or to bad industrial conditions, chiefly the latter, for enemy agents merely took advantage of an existing industrial situation to spread disloyalty. (5) With the development of a centralized and coördinated labor administration founded upon the broad principles of social and economic justice, the problem of labor unrest and other acute industrial difficulties were solved with unprecedented success. To this success the broadmindedness and patriotism of the representatives of management, employees, and the government contributed greatly.

#### 1. SOME RESULTS OF THE WAR THAT AFFECT INDUSTRIAL RELATIONS

With the above summary in mind we may return to a consideration of the lessons which the United States has learned in dealing with the various elements in the labor problem during the great emergency. If the war has resulted in any constructive effect upon industrial society it has certainly demonstrated

the possibility and practicability of harmonious relations and earnest coöperation between the parties to industry — capital, management, labor, and the government. For the first time in the annals of American industry, management and labor throughout the entire country accepted certain fundamental standards of work and convened in joint conferences for the purpose of considering their grievances and adjusting their difficulties on the basis of these principles and standards. These joint conferences were common in particular establishments before the war, but the history of conciliation and mediation during the recent war shows that they were never so numerous nor characterized with so much rationality and amicability as in this critical period. This intimate association of the representatives of management and capital with the representatives of labor has done much to modify the harsh opinion each group of interests has held concerning the other, and should contribute materially to the elimination of the antagonism that has characterized modern industrial relations and disrupted industrial peace. Workers have learned that employers are men of like passions as themselves, actuated by the same motives not only for economic gain but for fair dealing and social and cultural progress, not blind to the rights of labor nor indifferent to justice for the proletariat. On the other hand, employers have discovered that workers possess a keen sense of justice and fair play, a large measure of rationality, a profound respect for the rights and deserts of that superior managerial ability without which the production of wealth could never have attained nor continue its present efficiency, and that they respond readily and generously to a proper appeal.

Labor and capital have finally appeared to each other in a truer light than formerly. Labor is gradually being looked upon as something more than a marketable commodity to be bought and sold in obedience to the operation of blind economic laws or the higgling and manipulation of powerful bargainers. It is seen that labor is inseparable from the laborer who possesses the qualities, rights, and dignity of a human being in a civilized community. To buy labor cheaply is to obey the powerful economic motive of self-interest, but many employers have learned that this is but to sacrifice human welfare and to disregard the

human factor in industry, and that in the long run cheap labor may prove to be expensive labor, not only for society but for the employer himself.

Likewise, capital has appeared in a truer light. Altho different from labor in that it is divorceable from its owner, capital, nevertheless, is but a collective designation for the capitalists — a group of human beings having all the attributes of humanity and not necessarily selfish. The capitalist like the laborer is, in the last analysis, a complex of human interests, and a fuller understanding of the motives and impulses that actuate his fellows may be relied upon to guarantee a fuller measure of industrial fair play and justice. Class hatred and the so called class struggle have been softened under the war-time practice of bringing capital and labor closer together and a fuller understanding of each other has narrowed the breach that for years has been widening.<sup>1</sup>

Is this changed point of view a temporary phenomenon, an impulse growing out of loyalty to the nation in a great emergency, or does it presage a permanent change in the perspective and psychosis of the parties to industry? There is disagreement concerning the answer to this query, some holding that the new attitude is a permanent by-product of the war while others believe it will pass away with the return to peace and the post-war struggle for markets and profits. This much can be said: The prevailing sentiment of the press, the platform, the pulpit, and the representatives of the commercial and conservative labor interests of the country, as well as of students of the labor problem, is that the time was never more opportune for the reconciliation of labor and capital and these parties to industry seemed never more desirous and willing to understand each other and to establish conditions of permanent peace.<sup>2</sup> This changed attitude is

<sup>1</sup> The writer is cognizant of the fact that radical forces in the United States, as in Europe, have not surrendered the doctrine of class war and that expropriation of the property owning class is widely advocated, but there is abundant evidence of more conciliatory spirit in industrial relations and of a desire to establish democratic government of industry, both on the part of capital and of labor.

<sup>2</sup> The widespread industrial unrest that has appeared in the United States subsequent to the war may seem to deny the validity of this conclusion, but it is still true that all parties to the labor controversy are striving to discover a permanent basis for harmony.



not universal, but there are many indications of its prevalence.

A second result of the war pertaining to industrial relations is that it has made very clear the magnitude of the community's interest in the industrial system, particularly in the personal relation in industry and the conditions of employment. The absolute dependence of national security and progress upon both hand-workers and brain-workers has been clearly demonstrated during the recent international cataclysm, and this fact has stimulated the interest of the community in the conditions of work and service. Society is directly or indirectly a party to every industrial compact, for the production, exchange, and distribution of wealth are in a large measure determined by existing economic and political institutions which have their basis and sanction in law. Whatever one may think of the present economic and political systems, he cannot gainsay that they have legal sanction, and in a democracy like ours it is commonly assumed that law is the expression of the will of the majority. Admittedly, legal institutions and the statutes upon which they rest may be out of joint with the thought and philosophy of the present, but the machinery of democratic government affords an opportunity for orderly readjustment when the will of the majority so demands. Just as it is the duty of a democratic government to register and obey the will of the majority, so also is it obliged to protect existing personal and property rights and other institutions until such time as these institutions and rights, in the process of social evolution which is the barometer of the collective will, shall be modified or abandoned. This does not mean that it is the duty of the government to countenance the abuse of personal and property rights; rather should it prevent such abuse. It is one of the peculiar functions of government to maintain law and order in industry and in fulfilling this obligation the state becomes an active participant in the industrial process.

Industrial organization is not independent of and divorceable from the general societal organization. The industrial process is but one phase of the larger social process which, viewed in its totality, constitutes what is commonly known as the life of society. For this reason maladjustment in wealth-producing and wealth-distributing machinery has serious effects upon the entire

social structure, and industrial strife involves not only the interests of the direct parties to the labor contract, but the peace, welfare, and progress of society as well. It has long since been recognized that conditions of wealth-production and wealth-distribution, such as wages and hours of labor, sanitation, ventilation, lighting and other factory and mine equipment, have a direct influence upon the public health, national efficiency, and welfare, and in order to protect its general interests the state, through the exercise of its police power, has legitimately regulated industrial conditions. The period of the world war has done much to emphasize the necessity of these protective measures and to justify the action of the state, not only in prescribing regulations that conduce to the general welfare, but also in formulating principles that will maintain law and order in industry and guarantee permanent industrial peace. There is reason to believe that the future will witness greater rather than less activity on the part of the state as a party to industry. It would seem, however, that whereas the state in providing regulatory legislation in the past has placed the emphasis upon punitive measures, the tendency now is to introduce voluntary corrective regulations by educating the employer on the economy and efficiency of protective standards in industry.

Increased activity of the state as a party to industry does not mean nor express a tendency towards collective ownership and operation of the instruments of production, as is feared by some, but rather does it indicate a deeper interest on the part of the community in one of the most important phases of its collective life — the production and distribution of wealth. It is sometimes stated that we have measurably solved the problem of production of wealth, and that all that remains to usher in social and economic justice is an equitable solution of the problem of distribution.<sup>3</sup> We are becoming more and more convinced, however, that many aspects of the problem of production, especially those involving the personal relation or human factor in industry, are just beginning to receive attention. In other words, although we have measurably solved the general problem of the

<sup>3</sup> See Professor E. C. Hayes' pamphlet: *The Social Control of the Acquisition of Wealth*, p. 127. (Reprinted from the publications of the American Sociological Society, Vol. XII, 1917.)

mechanical or technical side of production, the psychology underlying human relations in industry is as yet vaguely understood. Fuller comprehension of these psychic elements is a necessary prerequisite to maximum efficiency in production.<sup>4</sup>

American industry is replete with demonstrations of this truth.<sup>5</sup> Welfare schemes of various types which are being widely introduced into American industry are manifestations of the increasing desire of our industrial managers to understand more clearly the impulses and motives that enter into production. As Professor Irving Fisher has suggested, industry as heretofore conducted has balked the fundamental instincts of the worker, and in order to secure maximum production the basic instincts of self-preservation, self-expression, self-respect, loyalty, love of home making, worship, and play must be satisfied.<sup>6</sup> Industrial management must learn that it is not sufficient to give free play to the instinct of workmanship or the so-called creative impulse, but that it is necessary also to satisfy the acquisitive instinct. If the laborer is to be induced to put forth his best efforts on production he must first be guaranteed a just share in the division of the product. The second condition is the necessary prerequisite of the first, for without a guaranty of a fair division of the product the worker will not exert his best efforts in producing that product. This is fundamental to a clear understanding of the instinctive basis of industrial organization and operation. In the past the entrepreneur has been concerned chiefly with technical problems of organization and systematization of industry in relation to production; the future will witness greater emphasis upon the human element in productive processes. This new appreciation of the human element

<sup>4</sup> See F. S. Lee, *The Human Machine and Industrial Efficiency*; O. Tead, *Instincts in Industry, A Study of Working-Class Psychology*; H. Marot, *Creative Impulse in Industry*.

<sup>5</sup> Among the conspicuous examples of the consideration of the human factor in industry are the following: Sears Roebuck & Co., Montgomery Ward & Co., The International Harvester Co., The Colorado Iron and Fuel Co., The Ford Motor Co., Hart, Schaffner & Marx, The American Rolling Mill Co., The Harris Trust and Savings Bank of Chicago, and the Standard Oil Co., of New Jersey.

<sup>6</sup> See Professor Fisher's paper, "Humanizing Industry," the *Annals of the American Academy of Political and Social Science*, Vol. LXXXII, No. 171 (March, 1919), pp. 83-90.



in industry is born of the desire for increased efficiency in production and of the newer conception of human values. It is a change that will alter the type of industrial management. "Heretofore the Chief Executives of important industrial corporations have been selected largely because of their capacity as organizers or financiers. The time is rapidly coming, however, when the important qualifications for such positions will be a man's ability to deal successfully and amicably with labor."<sup>7</sup> The war has emphasized the necessity of this new basis of selecting the managers of industry.

A third result of the war affecting the labor problem is the discovery of the fundamental weakness in our national labor policy and the creation of a new labor administration. The old, decentralized, heterogeneous labor policy and administration was forced, under the pressure of a great emergency, to give place to a policy of uniform standards, concentration of authority, and coördination of administrative agencies. With the Labor Policies Board and the War Labor Board at the apex of our war-time labor administration, there was little left to be desired in the way of efficient organization. These two bodies, the former essentially administrative and the latter primarily, though not solely, judicial, were responsible for the efficient manner in which our labor problems were solved during the second year of our participation in the war. What is to become of this new policy and administration now that the war is over? There is a general demand for the continuation of these war labor agencies that have served the country so acceptably, altho there developed some opposition to the War Labor Board, many manufacturers contending that the board "failed to be impartial, judicial, or conciliatory," and was really "a labor surrender board." Notwithstanding this criticism, however, a good majority of employers endorse the establishment of a national labor board, properly constituted, legally created, and vested with adequate authority to enforce its decisions.<sup>8</sup> It was folly to abandon this new labor administration. The United States is in great need of such important agencies as the Labor Policies Board, the War Labor Board, the Federal Employment Service, the Woman in In-

<sup>7</sup> John D. Rockefeller, Jr., *The Personal Relation in Industry*, p. 7.

<sup>8</sup> *American Industries*, Vol. XIX, No. 9 (April, 1919), p. 9.

dustry Service, the Industrial Training Service, the Working Conditions Service, and the Inspection and Investigation Service. For, as a noted student of the labor problem has remarked, "it is with respect to labor policies and their administration more than aught else that the old order in Industry must give place to a new."<sup>9</sup>

A fourth by-product of the war is the definite formulation and general acceptance of certain basic principles and standards of industrial conduct.<sup>10</sup> The introduction of uniform standards for American industry as a whole has filled a long felt need in labor administration. For some decades uniformity has characterized this country's standards for trade and transportation enterprises. Anti-trust legislation embodied in such laws as the Sherman Act of 1890 and the Clayton Act of 1914, together with the creation of the Interstate Commerce Commission in 1887 and the subsequent extension of its powers, is evidence of an attempt to prescribe uniform regulations for competitive business enterprises with a view to preventing unjust practices. Labor standards in the United States, however, have lacked uniformity both as to the different states and different industries within the same state. In recent years the creation of state industrial commissions has done much to introduce desired uniformity in labor standards within the respective states, but until the development of war labor administration no uniform regulation existed for the nation as a whole.<sup>11</sup> An exception is found in the Federal Child Labor Law of 1916, which has been declared unconstitutional by the Supreme Court of the United States. The lack of uniformity in labor standards has made difficult the prohibition of child labor, the establishment of minimum wage scales, reasonable hours of employment, and other improved conditions of work. Each state feared that in passing regulatory legislation its industries would suffer in competition with the industries of the more backward states which would refuse to provide desirable standards. During the war uniform regulations were laid

<sup>9</sup> King, W. L. Mackenzie, *Industry and Humanity*, p. 179.

<sup>10</sup> See Chapters V and VI.

<sup>11</sup> Unfortunately Congress has not seen fit to make permanent such excellent agencies as the War Labor Board, the reorganized United States Employment Service, etc., etc., so return to normal conditions will find us again without adequate machinery for labor administration.



down for all industries in any state or territory of the United States that were working on government contracts. Continuation of these uniform standards through adoption by all the states would do much to solve many of the perplexing labor problems that are likely to arise. Such adoption has been urged in the multiplicity of reconstruction programs advanced by trade, financial, and labor associations in this country and abroad, and a program of international labor standards has been formulated by the committee on labor at the Versailles Peace Conference.<sup>12</sup>

## 2. THE FUTURE RELATIONS OF LABOR AND CAPITAL

A deluge of literature has appeared on the problems of reconstruction, and the labor problem has received generous treatment.<sup>13</sup> Running through all these treatises and reconstruction suggestions there is a note of anxiety. Nations have feared the period of reconstruction almost as much as they feared the war, because of the rapidity with which radical political and industrial movements have swept over Russia and Central Europe and, to some extent, over England and France.<sup>14</sup> It is no small task to divert the energies of a nation from the channels of organized destruction incident to a great international conflict into the avenues of peaceful pursuits, and there may well be some apprehension concerning the outcome of readjustment. The United States cannot forget the seriousness of conditions

<sup>12</sup> For such programs see *Problems of Reconstruction*, published by the American Association for International Conciliation, New York City; *The Reconstruction Program of the American Federation of Labor*; Report of the Employers' Industrial Commission of the United States Department of Labor on British Labor Problems; Revised Covenant of the League of Nations, Article 23, The Peace Treaty between the Allies and Germany; *Reports on Reconstruction from English Sources*, published by the United States Shipping Board Emergency Fleet Corporation; *Annals of the American Academy of Political and Social Science* (January and March, 1919), Vols. LXXXI and LXXXII; *Reconstruction Program of the British Labor Party*; *Labor and Reconstruction in Europe*, by Elisha M. Friedman.

<sup>13</sup> See bibliography appended to this study.

<sup>14</sup> Concerning recent developments in these movements in the United States see the following articles by the writer: "The Present Status of Socialism in the United States," *Atlantic Monthly*, December, 1919, and "Revolutionary Communism in the United States," *American Political Science Review*, February, 1920.



following the Civil War, and has expected a similar experience during the present period. Thus far, however, no very critical situations have arisen here, although there are perplexing problems. A period of readjustment subsequent to a state of war is always fraught with uncertainties. The necessity of maximum production during war-time results in an atmosphere of certainty and optimism in business life. Prices are high, profits large; wages, interest, and rents climbing; business is sure of returns, labor is certain of employment. With the cessation of hostilities, however, certainty gives way to uncertainty, optimism to fear. Demands upon industry decline, armies are demobilized, thus creating a surplus of labor, and the wheels of industry slow down. Numerous problems arise, not the least important of which center about labor. Redistribution of the labor supply, prevention of unemployment, adjustment of wages to prices, regulation of immigration, and the elimination of industrial unrest are but a few of the problems which the beginning of the readjustment period has uncovered in the United States.

One of the most important problems of the reconstruction period is the establishment of conditions conducive to industrial peace. One of the results of the war is the new dignity of the laboring forces of the world. Never has so much deference been paid to the will and desires of labor, and at no time has the mass of workers taken so keen an interest in the destinies of nations and claimed so great a voice in the determination of national and international policies. Samuel Gompers, in his address at Laredo, Texas, put it thus: "The time has come in the world when the working people are coming into their own. They have new rights and new advantages. They have made the sacrifices and they are going to enjoy the better times for which the whole world has been in a convulsion."<sup>15</sup> Everywhere labor representatives are presenting new and greater demands, and many defenders of the *status quo* fear the unleashing of disintegrating forces. Bolshevism, with its reign of terror and anarchy producing disorder and chaos, has forced the utmost precaution in handling the labor problem. A strong desire prevails to eliminate conditions that lead to industrial unrest and revolution.

<sup>15</sup> Address before the International Labor Conference at Laredo, Texas, November, 1918.

Compared with the confusion and the general state of affairs in Europe, the United States is experiencing few serious difficulties in industrial relations. The proletariat of America has suffered less exploitation and is more intelligent than the masses of the Old World, and this condition constitutes our safety valve in the reconstruction period. The wrongs that infest American industrial life can be remedied through the intelligent use of our present machinery of democratic government. We have problems, very serious ones, pregnant with uncertain consequences. The radical labor movement is gaining strength among the unorganized groups, which constitute the majority of our gainfully employed population, and to some extent in the ranks of organized labor. A labor leader recently stated that many members of local unions have been carried away by the doctrines of bolshevism.<sup>16</sup> Similar observations have been made by other labor representatives. Conservative labor forces are refusing to accept a reduction in wages without reference to the level of prices, and are demanding general establishment of the eight-hour day and other reforms. Moreover, American labor's reconstruction programs contain definite demands for legislation making it a criminal offense for employers to interfere with the rights of employees to organize, for laws limiting the tasks of women workers, establishment of public ownership of public utilities, removal of all restrictions on free speech, abolition of child labor, prevention of unemployment, restriction of immigration, democratic control of industry, etc.<sup>17</sup> American labor, like labor the world over, is demanding greater freedom and larger economic, political and cultural opportunities.

How will American capital accept these larger demands of labor? Will employers persist in their opposition to collective bargaining, a shorter work-day, minimum wage scales, abolition of child labor, etc.? With the great lesson of coöperation which the war has taught us, it is difficult to believe that the strong

<sup>16</sup> Mr. William McHugh, acting president of the Printing Pressmen and Assistants' Union, at the annual convention of American Newspaper Publishers' Association, New York City, April 24, 1919.

<sup>17</sup> See the constitution and platform of the recently organized Labor party of Cook County, Illinois, and the State Labor Party, published in the *New Majority*, January, 1919; also the *Reconstruction Program of the American Federation of Labor*.

individualism which has often been the basis of our laws and the chief determinant of our political and industrial policies will continue to prevail in industrial relations. Nevertheless, our traditional adherence to absolute liberty of action will not pass out of existence immediately. Many employers will still insist upon the right to run their business as they please, and will resent all efforts of organized labor and of the government to infringe upon that right. Limitations are repugnant to the typical American mind — this is the psychology underlying our industrial situation. Business enterprises resent restrictions whether imposed by the state or by labor organizations. Labor is equally resentful of limitations imposed by capital and management. This likemindedness in the matter of personal liberty is largely responsible for the unpleasant relations that frequently arise between capital and labor. The truth is that both capital and labor have recognized and defended their constitutional guaranties and so called natural rights without taking cognizance of the fundamental obligations and responsibilities that the possession of these rights impose. Happily, there are numerous evidences of a new conception of rights in regard to industrial relations, one which discards the postulate that rights are absolute and accepts the interpretation of their relativity. This new interpretation<sup>18</sup> promises to be the guiding spirit in our post-war readjustment of industrial control. If it can be made the working philosophy of industrial relations, as it is being made the ruling principle for international political relations, much will have been done to eliminate the causes of unrest and revolution.

In his address at Rome, January 3, 1919, President Wilson stated: “. . . after all, what the world is now seeking to do is to return to the paths of duty, to turn from the savagery of interests to the dignity of the performance of right,” or, “In other words, our task is no less colossal than this: to set up a new international psychology, to have a new atmosphere.”

In these expressions the President has suggested for the political relations of the nations what has long been necessary

<sup>18</sup> We do not mean to imply here that the conception of the relativity of rights is generally new, but its application to industrial relations is of recent origin.



in the relations of management and labor, namely, a turning away from the savagery of self-interest and the possession of a new mental attitude, a new psychology, conducive to an atmosphere of mutual trust and confidence, which are the foundations of coöperation and progress. To change men's activities it is first necessary to change their ideas of conduct. Insistence upon absolute rights must give place to recognition of the rights of other members in society and the prerogatives of the group. So long as capital refuses to appraise properly the dignity and rights of the laborer and workmen fail to take cognizance of the rights of capital and management, we shall have industrial warfare, more continuous and more destructive than international conflicts. As already suggested, there are numerous signs of a new appraisal of human values in the industrial process, and capital and labor are more and more clearly seen as collective terms for bodies of human individuals with continuously increasing wants, cumulative aspirations, and varying emotions, desirous of greater satisfactions here and now but not necessarily forgetful of the desires of others. This widening circle of wants and desires is the parent of discontent and ambition, and these in turn are the antecedent phenomena out of which a conflict of interests develops in the sphere of industrial relations as in the world of international political relations.

These are days of a new and broad evolution of the rights of nations, especially of the weaker ones, and the tendency is toward the guaranty of independence and full sovereignty for all peoples capable of self-determination and self-government. Democracy is the dynamic of present day political and industrial philosophy and action. It has been prescribed for a world suffering from conflicting political ambitions and for the prevention of war. Everywhere this new sovereignty of democracy is being proclaimed — it is the crystallized thought of what men proclaim as a new era. Something akin to this sovereignty of democracy in political relations must be established in the government of industry. Industrial conflict is a symptom of the disease of self-interest in the operation and management of industry, and the remedy would seem to lie in democratic control of the conditions of employment. Conservative labor forces in the United States deem it "essential that the workers should

have a voice in determining the laws within industry and commerce which affect them, equivalent to the voice which they have as citizens in determining the legislative enactments which shall govern them,"<sup>19</sup> and it is "of paramount importance that Labor shall be free and unhampered in shaping the principles and agencies affecting the wage-earners' condition of life and work."<sup>20</sup> It is no alarmist view, but rather a simple statement of fact, that confusion and discontent are threatening revolution and that abuses tolerated yesterday will be intolerable tomorrow, for awakened peoples are in reality conscious of a new hope for a larger freedom. If America is to avoid the spread of bolshevism and other forms of anarchistic radicalism in the ranks of her forty odd millions of gainfully employed persons, a co-equal voice in the government of industry is a necessary prerequisite. This is the conclusion not only of the representatives of labor and capital in the United States but also of other advanced nations.<sup>21</sup>

No better analysis of the problem of industrial relations and the necessary readjustment along the lines of democratic control of the conditions of employment has been given to us than the following conclusion of the President's Mediation Commission:

Broadly speaking, American industry lacks a healthy basis of relationship between management and men. At bottom this is due to the insistence of employers upon individual dealings with their men. Direct dealings with employees organizations is still the minority rule in the United States. In the majority of instances there is no joint dealing, and in too many instances employers are in active opposition to labor organizations. This failure to equalize the parties in adjustments of inevitable industrial contests is the central cause of our difficulties. There is a commendable spirit

<sup>19</sup> *Reconstruction Program of the American Federation of Labor*, p. 2.

<sup>20</sup> *Ibid.*, p. 15.

<sup>21</sup> For methods of introducing democratic control of industry see the following: *The Personal Relation in Industry*, *The Colorado Plan*, and *Brotherhood of Men and Nations*, by John D. Rockefeller, Jr.; *Man to Man — the Story of Industrial Democracy*, by John Leitch; *Report of the Employers' Industrial Commission of the U. S. Department of Labor on British Labor Problems*; English Reconstruction Reports, including the *Whitley Committee Report*, *Memorandum on the Industrial Situation After the War* (Garton Foundation); *Reports of the Conferences of Plymouth and Cornwall*; *Report of Inquiry as to Works Committees*, by the Minister of Labor; *The Shop Committee*, by William Leavitt Stoddard.

throughout the country to correct specific evils. The leaders in industry must go further, they must help to correct the state of mind on the part of labor; they must aim for the release of normal feelings by enabling labor to take its place as a coöperator in the industrial enterprise. In a word, a conscious attempt must be made to generate a new spirit in industry.<sup>22</sup>

This new spirit which is being generated in industry is doing much to eliminate unrest, radicalism, and revolutionary tendencies, and to usher in a new era in industrial relations. Out of the better understanding between capital and labor which this new point of view should develop there will inevitably come a higher participation by labor in the determination of the conditions of employment and in the fruits of its toil.<sup>23</sup> This will make unnecessary a dictatorship by the proletariat and put an end to the autocracy of capital. Autocratic management of industry, whether by labor or capital, is undesirable; democracy is the only solid foundation of permanent industrial peace.

Generally speaking, then, the experience of the United States in dealing with the important problems of industrial relations during the world war suggests the following remedies: Continuation of centralized and coöordinated labor administration; <sup>24</sup> adoption and application of uniform principles and standards to guide administrative agencies in regulating the conditions of employment; the introduction of democratic government in industry with a special plan of representation adapted to the needs and conditions of given industries and establishments; <sup>25</sup> provi-

<sup>22</sup> Sixth Annual Report of the Secretary of Labor, 1918, p. 24.

<sup>23</sup> The writer does not mean to imply that democratic control is the final solution of the labor problem, but he does believe that such control is the next step in the evolution of industrial relations.

<sup>24</sup> Coördination of labor administration should not involve the concentration of control in the hands of the federal government, but rather correlation of effort between the administrative agencies within each division of government—local, state, and national—and further correlation and coöperation between the federal, state and local governmental bodies in matters that concern labor administration. State and local arbitration boards, employment services, etc., can coöperate to mutual advantage with the federal agencies in meeting successfully the problems that arise.

<sup>25</sup> This does not involve state ownership of industry and industrial management by the workers as suggested by the Guild Socialists. Conservative labor forces in America are asking merely for a voice in the determination and regulation of conditions of employment, and it is in this latter sense that we have used the term "industrial democracy."



sion for giving to labor a share in the excess earnings of industry; free play for the creative impulse in industry; and the generation of a new spirit between management and labor — a spirit of coöperation, democracy, and good-will.<sup>26</sup>

<sup>26</sup> These measures have been dealt with in preceding pages, see Chapters v and vi.

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DURING THE WORLD WAR

BY

GORDON S. WATKINS  
Assistant Professor of Economics  
University of Illinois

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THE DEVELOPMENT OF WAR LABOR ADMINISTRATION

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