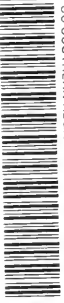


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DECEMBER, 1919

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LABOR PROBLEMS AND LABOR ADMINIS-
TRATION IN THE UNITED STATES
DURING THE WORLD WAR

BY

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PART II

THE DEVELOPMENT OF WAR LABOR ADMINISTRATION

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

By

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Assistant Professor of Economics
University of Illinois

PART II

The Development of War Labor Administration

Dept of Economics 5/31/66

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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 coördinated 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 1898.¹ 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.²

In July, 1913, the Erdman act was superseded by the Newlands act,³ 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

¹ United States, Laws 1898, C. 370.

² Commons and Andrews, *Principles of Labor Legislation*, pp. 133-137.

³ 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.⁴

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.⁵

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.⁶ No appropriation was made for the expenses of the commissioners till October, 1913, and none for their compensation till April, 1914.⁷ The first appro-

⁴ Commons and Andrews, *op. cit.*, pp. 136, 137.

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

⁶ United States, Laws 1912-1913, C. 141, Section 8.

⁷ Commons and Andrews, *op. cit.*, p. 137.

priation was \$25,000; for 1915, \$50,000 was appropriated; for 1916, \$75,000; for 1918, \$175,000.⁸

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.⁹ 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.¹⁰

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		Year ending June 30,					Total
	30, 1914	1915	1916	1917	1918	1919		
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

⁸ Willoughby, W. F., *op. cit.*, p. 204.

⁹ See the *Fifth Annual Report of the Secretary of Labor*, 1917, p. 11.

¹⁰ 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.”¹¹

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.”¹² 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

¹¹ *Fifth Annual Report of the Secretary of Labor*, 1917, p. 11.

¹² 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.¹³

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-

¹³ Willoughby, W. F., *op. cit.*, pp. 243-247.

employers, 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.¹⁴

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

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

the duration of the war.¹⁵ 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.*¹⁶ 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.

¹⁵ *Ibid.*

¹⁶ 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.¹⁷

*Sectional and Divisional Committees.*¹⁸ 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

¹⁷ *Ibid.*, p. 80.

¹⁸ 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.¹⁹

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

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

conceivable problem that might arise.²⁰ 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.²¹

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.

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

²¹ *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.²²

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

²² *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, 1917.²³ 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

²³ *Ibid.*

group of fundamental principles that conform to the standards generally endorsed by social reformers in the field of labor welfare and legislation.²⁴ 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

²⁴ 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.²⁵

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.²⁶ 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.

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

²⁶ *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."²⁷

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.²⁸ 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.²⁹ 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

²⁷ *Ibid.*, p. 31.

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

²⁹ *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.³⁰

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.

³⁰ *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.³¹ 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-

³¹ *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.³² 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.³³

The accomplishments of the Shipbuilding Adjustment Board should be noted.³⁴ 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

³² *Ibid.*, p. 2.

³³ *Ibid.*, p. 3.

³⁴ 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 78 $\frac{3}{4}$ 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 80 $\frac{1}{2}$ 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.³⁵ (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

³⁵ *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.³⁶

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-

³⁶ *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.³⁷

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

³⁷ *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.³⁸

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

³⁸ 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.³⁹

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.⁴⁰ 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-

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

⁴⁰ Railroad 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.⁴¹

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.⁴² 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.⁴³ 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-

⁴¹ *Bulletin No. 4*, U. S. Railroad Administration, 1918, p. 25.

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

⁴³ 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.⁴⁴ 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.⁴⁵ 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.⁴⁶ 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

⁴⁴ *Ibid.*, p. 24.

⁴⁵ *Official Bulletin*, July 25, 1918, p. 13.

⁴⁶ See pp. 165, 166.

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

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.⁴⁸ 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."⁴⁹ Similar warnings were given the mine operators in Oklahoma.⁵⁰

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

⁴⁷ *Commercial and Financial Chronicle*, December 1, 1917, p. 240.

⁴⁸ *Official Bulletin*, August 6, 1918, p. 7.

⁴⁹ *Commercial and Financial Chronicle*, October 20, 1918, p. 1586.

⁵⁰ *Ibid.*, December 1, 1917, p. 2139.

in the United States.⁵¹ 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.⁵² 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.⁵³ 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-

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

⁵² United States Laws, 1913, C. 6.

⁵³ 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.⁵⁴

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.⁵⁵ 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

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

⁵⁵ *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.⁵⁶ 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.⁵⁷ 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-

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

⁵⁷ *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 unhealthful social conditions in the camps.⁵⁸

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; reëmployment 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

⁵⁸ *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.⁵⁹

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.⁶⁰

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

⁵⁹ *Official Bulletin*, February 11, 1918, pp. 10, 12.

⁶⁰ *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.⁶¹

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

⁶¹ *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."¹ 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

¹ *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.²

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.³ The express purpose of these confer-

² *Saturday Evening Post*, June 22, 1918.

³ 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.⁴

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

⁴ *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.⁵

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.⁶ 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

⁵ *Ibid.*, p. 78.

⁶ 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.⁷ 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.⁸

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

⁷ See diagram, p. 173.

⁸ *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.⁹

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.¹⁰ This board was subsequently appointed.¹¹

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.¹² Among the important questions demanding attention were a basis for wage determination, strikes and lockouts, piece work

⁹ *Ibid.*, pp. 79, 80.

¹⁰ *Ibid.*, April, 1918, p. 104.

¹¹ 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.

¹² *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 conferenee 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."¹³ 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.¹⁴ The ap-

¹³ *Ibid.*, p. 104.

¹⁴ 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.¹⁵

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.¹⁶ (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.¹⁷

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

¹⁶ *Official Bulletin*, July 15, 1918, p. 1.

¹⁷ *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.¹⁸ 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.¹⁹

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,

¹⁸ *Sixth Annual Report of the Secretary of Labor*, 1918, p. 99.

¹⁹ *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.²⁰

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-

²⁰ *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.²¹ 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.²²

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

²¹ 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.

²² 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.²³

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."²⁴

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."²⁵ Up to October 31, 1918, in only four cases was the board unable to reach a unanimous agreement upon awards and decisions,

²³ *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.

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

²⁵ *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.²⁶

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.²⁷

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,

²⁶ *Ibid.*, pp. 104, 105.

²⁷ *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.²⁸

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

²⁸ *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.²⁹

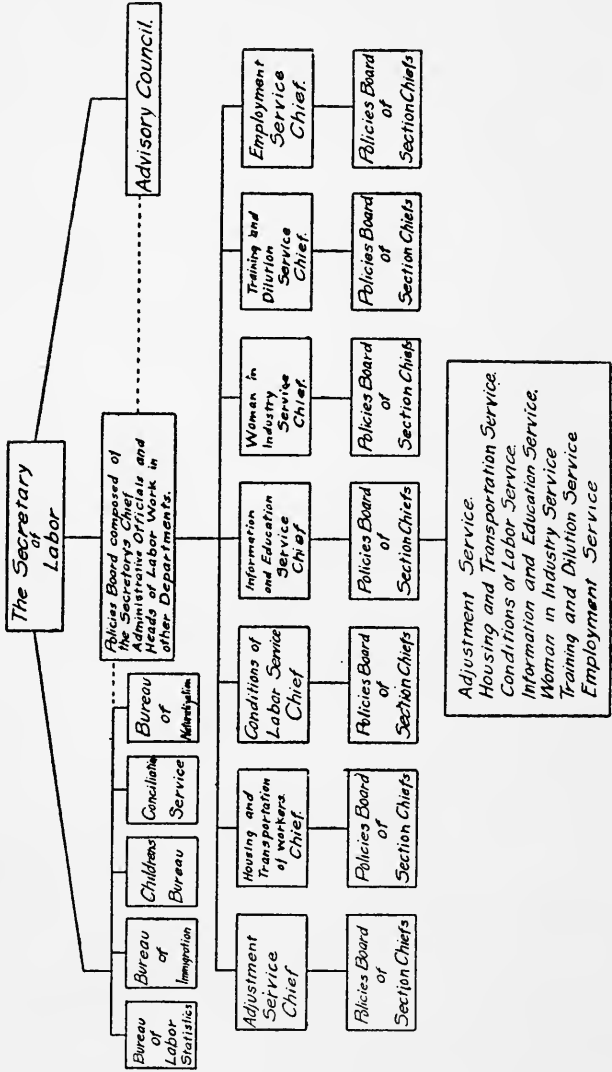
There is no better index of the value of the work performed by the War Labor Board than the cases it adjusted. Its efforts were comprehensive and constructive, altho not always acceptable to both parties concerned. To October 1, 1918, the offices of the board considered 531 controversies, of which 266 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.³⁰ 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.³¹

²⁹ 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.

³⁰ *Sixth Annual Report of the Secretary of Labor*, 1918, p. 105.

³¹ *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.³² 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.³³ 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.³⁴ "Since industry is but the application of man power

³² *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 63.

³³ *Sixth Annual Report of the Secretary of Labor*, 1918, p. 9.

³⁴ 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. Abernombie; 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."³⁵

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.³⁶ 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.

³⁵ Secretary of Labor Wilson, *Sixth Annual Report*, 1918, p. 9.

³⁶ 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. Cheney, 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."³⁷

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

³⁷ *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.³⁸

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.³⁹

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.⁴⁰ 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.⁴¹

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-

³⁸ *Monthly Labor Review*, U. S. Bureau of Labor Statistics, July, 1918, pp. 24, 26.

³⁹ *Ibid.*, pp. 24, 25.

⁴⁰ *Official Bulletin*, June 12, 1918, p. 4.

⁴¹ *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.⁴² 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,⁴³ 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.⁴⁴ 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

⁴² See pp. 215 ff. Also *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, pp. 65, 66.

⁴³ "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.

⁴⁴ 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.⁴⁵

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.⁴⁶

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,

⁴⁵ *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 199, 200.

⁴⁶ *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."⁴⁷

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.

⁴⁷ *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.⁴⁸

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-

⁴⁸ *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.”⁴⁹ 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.⁵⁰ 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

⁴⁹ *Ibid.*, p. 205.

⁵⁰ *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."⁵¹ 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-

⁵¹ *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."⁵²

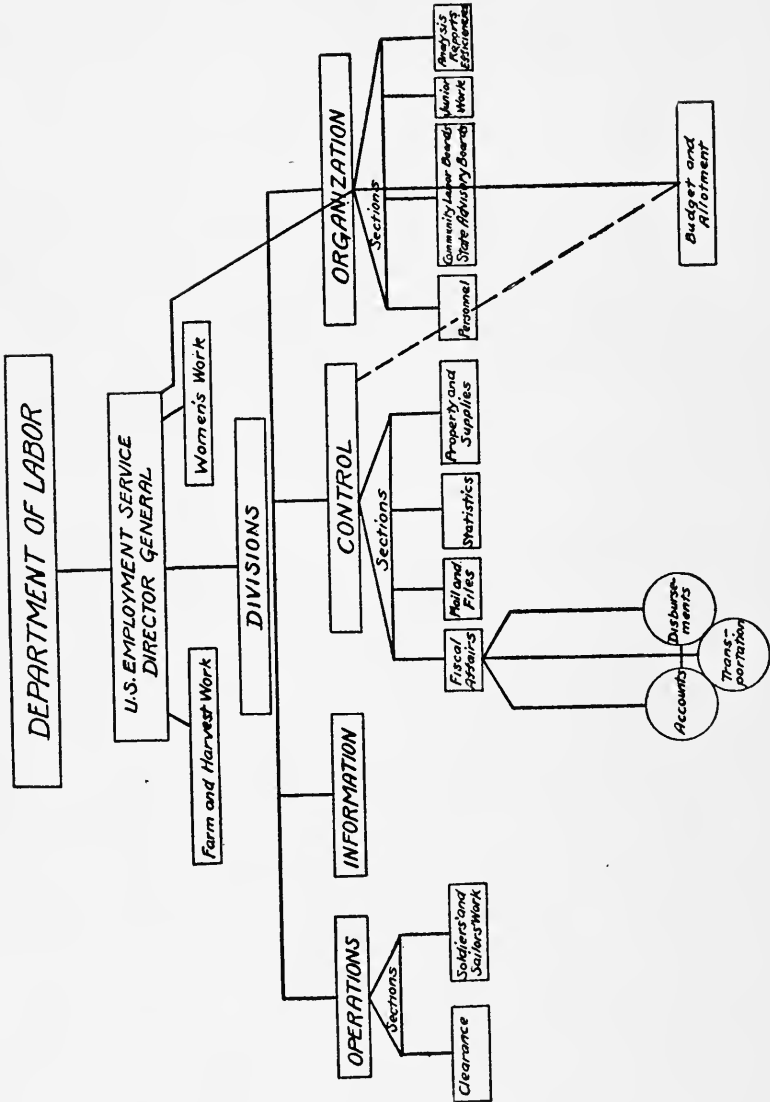
With funds available the work of reorganization was begun. Employment matters not emergent in character were continued in the Division of Information in the Bureau of Immigration, while those emergent in character were managed directly from the office of the Secretary of Labor without intervention from 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.⁵³ 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 coordination 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.

⁵² *Sixth Annual Report of the Secretary of Labor*, 1918, p. 205.

⁵³ *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.⁵⁴ 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.⁵⁵

Even as early as May, 1918, the problem of securing an adequate supply of skilled and unskilled labor for war industries

⁵⁴ *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 206, 207.

⁵⁵ *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.⁵⁶

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-

⁵⁶ *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.⁵⁷

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

⁵⁷ *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.⁵⁸ 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.⁵⁹ 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

⁵⁸ *U. S. Employment Service Bulletin*, July 30, 1918, pp. 3, 4.

⁵⁹ *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.⁶⁰

(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

⁶⁰ *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."⁶¹

(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.⁶² 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-

⁶¹ *Sixth Annual Report of the Secretary of Labor, 1918, p. 210.*

⁶² *Ibid.*, p. 211.

serve, and the country was thus assured of its supply of apples, beets, berries, cherries, apricots, plums, and grapes.⁶³

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.⁶⁴ 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

⁶³ *Seventh Annual Report of the Secretary of Labor, 1919, pp. 372, 373.*

⁶⁴ *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.⁶⁵

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.⁶⁶

(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."⁶⁷ 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

⁶⁵ *Seventh Annual Report of the Secretary of Labor, 1919*, pp. 285, 286.

⁶⁶ *Sixth Annual Report of the Secretary of Labor, 1918*, p. 213.

⁶⁷ *Ibid.*

of harvest hands recruited through the Kansas City office. The division was discontinued in April, 1919.⁶⁸

(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.⁶⁹

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

⁶⁸ *Seventh Annual Report of the Secretary of Labor, 1919, p. 289.*

⁶⁹ *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.⁷⁰

(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.⁷¹

(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

⁷⁰ *Seventh Annual Report of the Secretary of Labor, 1919*, pp. 271, 272, 287.

⁷¹ *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.⁷²

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.⁷³

(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-

⁷² *Seventh Annual Report of the Secretary of Labor*, 1919, p. 276.

⁷³ *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 ⁷⁴

Month	Registra- trations	Help		Reported Placed
		Wanted	Referred	
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

⁷⁴ *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 cooperated 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.⁷⁵ 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

⁷⁵ *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.⁷⁶

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-

⁷⁶ *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.⁷⁷

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.⁷⁸

(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-

⁷⁷ *Seventh Annual Report of the Secretary of Labor*, 1919, pp. 277, 278.

⁷⁸ *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.⁷⁹

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."⁸⁰

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.

⁷⁹ *Ibid.*, p. 293.

⁸⁰ *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.⁸¹ 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.⁸²

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-

⁸¹ *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 67.

⁸² 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 cooperate with all those agencies concerned with the production of war materials in so far as their problems involved the employment of women.⁸³ 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

⁸³ 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.⁸⁴ 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.⁸⁵ The organization of the bureau included the following divisions: Architectural,

⁸⁴ *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 69.

⁸⁵ *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 \$66,560,650.⁸⁶ 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.⁸⁷

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

⁸⁶ *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 131, 132.

⁸⁷ *Ibid.*, pp. 134, 135.

to complete the 25 projects which were under way.⁸⁸ 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 \$40,782,288.43.⁸⁹

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.⁹⁰ The development of these mediation activities is shown more in detail in the statistical data already presented in this study.⁹¹

⁸⁸ *Monthly Labor Review*, U. S. Bureau of Labor Statistics, February, 1919, p. 248.

⁸⁹ *Seventh Annual Report of the Secretary of Labor*, 1919, p. 185.

⁹⁰ *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 30, 31.

⁹¹ 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 \$225,000.⁹² 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.⁹³ 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.⁹⁴

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

⁹² *Sixth Annual Report of the Secretary of Labor*, 1918, p. 127.

⁹³ *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 69; *Seventh Annual Report of the Secretary of Labor*, 1919, p. 162.

⁹⁴ *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.⁹⁵

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

⁹⁵ *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.⁹⁶

⁹⁶ *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 cooperate with the United States Employment Service in all of this work.⁹⁷

The Training and Dilution Service as instituted on July 16, 1918, constituted of the following divisions:⁹⁸ (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.

⁹⁷ *Sixth Annual Report of the Secretary of Labor*, 1918, p. 124.

⁹⁸ 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 cooperation with the Public Health Service.⁹⁹

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 40,000.¹⁰⁰ 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

⁹⁹ *Sixth Annual Report of the Secretary of Labor*, 1918, pp. 124, 127.

¹⁰⁰ *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.¹⁰¹

¹⁰¹ *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.¹⁰² 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.¹⁰³

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.¹⁰⁴ 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-

¹⁰² *Sixth Annual Report of the Secretary of Labor*, 1918, p. 138.

¹⁰³ 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.

¹⁰⁴ *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, 1918,¹⁰⁵ and the appointment of similar committees was under way in five additional states.¹⁰⁶ 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-

¹⁰⁵ These states were, Florida, Georgia, Mississippi, North Carolina, Ohio, Virginia, and Kentucky.

¹⁰⁶ These states were Illinois, Michigan, Missouri, Pennsylvania, and New Jersey.

vice, had been appointed in eleven states.¹⁰⁷ 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.¹⁰⁸

Commission on Living Conditions

During October, 1918, the Secretary of Labor appointed a Commission on Living Conditions.¹⁰⁹ 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.¹¹⁰

¹⁰⁷ 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.

¹⁰⁸ *Monthly Labor Review*, U. S. Bureau of Labor Statistics, August, 1918, p. 68.

¹⁰⁹ 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.

¹¹⁰ *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 propoganda 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.¹

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.² This changed attitude is

¹ 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.

² 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.³ 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

³ 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.⁴

American industry is replete with demonstrations of this truth.⁵ 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.⁶ 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

⁴ 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*.

⁵ 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.

⁶ 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."⁷ 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 coordination 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.⁸ 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-

⁷ John D. Rockefeller, Jr., *The Personal Relation in Industry*, p. 7.

⁸ *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."⁹

A fourth by-product of the war is the definite formulation and general acceptance of certain basic principles and standards of industrial conduct.¹⁰ 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.¹¹ 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

⁹ King, W. L. Mackenzie, *Industry and Humanity*, p. 179.

¹⁰ See Chapters V and VI.

¹¹ 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.¹²

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.¹³ 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.¹⁴ 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

¹² 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.

¹³ See bibliography appended to this study.

¹⁴ 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."¹⁵ 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.

¹⁵ 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.¹⁶ 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.¹⁷ 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

¹⁶ 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.

¹⁷ 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 interpretation¹⁸ 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

¹⁸ 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,"¹⁹ 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."²⁰ 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.²¹

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

¹⁹ *Reconstruction Program of the American Federation of Labor*, p. 2.

²⁰ *Ibid.*, p. 15.

²¹ 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.²²

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.²³ This will make unnecessary a dictatorship by the proletariat and put an end to the autoeracy of capital. Autoeratic 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 coördinated labor administration; ²⁴ 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; ²⁵ provi-

²² Sixth Annual Report of the Secretary of Labor, 1918, p. 24.

²³ 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.

²⁴ 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.

²⁵ 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.²⁶

²⁶ These measures have been dealt with in preceding pages, see Chapters v and vi.

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INDEX

- Absentee ownership, 105, 152
 American Alliance for Labor and Democracy, 47
 American Federation of Labor, 45, 150
 Apprentice system, 115
 Arbitration, 112, 115
 Army Ordnance Industrial Service Section, 133n, 135
 Arsenals and Navy Yards Commission, 139
 Attitude of American labor, 28, 48, 49, 108
 Autocratic control, 106, 153
- Bisbee deportations, 154
 Board of Railroad Wages and Working Conditions, 147, 148
 Bonus, 36, 62, 70, 149
 Boys' Working Reserve, 185, 187, 195, 197
- Chapin, R. C., 99
 Child labor, 136, 137, 232; see also Women and children
 Civilian Insignia Service, 161, 221
 Coercion, 110
 Collective Bargaining, 137, 152, 165
 Colored laborers, 60, 147
 Commission on Living Conditions, 221, 222
 Competition for workmen, 53, 101
 Conciliation, 86, 135; Division of, 106, 124, 126, 210
 Conditions of Labor Service, 161
 Contracts, government, 133, 137
 Coördination, 157-223, 174
 Cost of living, 89-99, 141, 142, 171
 Council of National Defense, 19, 64, 128, 131, 150, 187
- Decentralized Labor Administration, 123-156
 Demands of labor, 39, 101, 102, 108, 115
 Director General of Railroads, 145-147
 Discrimination, 109, 110, 143
 Division of Economics, 212
 Division of Information, 127, 178, 185, 187; see also Information and Education Service
 Division of Military Railways, 195
- Efficiency of labor, 38, 39, 66, 68
 Efficiency of women workers, 71-73
 Eight-hour day, 62, 76, 77, 102-104, 147, 153, 166, 171
 Emergency Construction Adjustment Commission, 133-135
 Emergency Fleet Corporation, 22, 200, 204
 Employment agencies, see U. S. Employment Service
 Employers' associations, 106
 Enemy propaganda, 29
 Erdman Act, 124
- Farm labor, 98, 100, 101, 128, 182
 Farm Service Division, 187, 197
 Federal Trade Commission, 107
 Finance Corporation, 23
 Food Administration, 20
 Fuel Administration, 20; labor policy of, 148, 149
 Frankfurter, Felix, 151, 157, 175
- Gompers, Samuel, quoted, 26, 103, 128, 129, 134, 140, 150

- Harness and Saddlery Adjustment Commission, 138
 Hours of labor, 76, 77, 101, 102, 109, 136, 137, 165
 Housing and transportation, 60, 63-66, 109, 161, 208, 209, 222

 Immigration, 31, 54, 178n; Bureau of, 127, 178, 184
 Income tax returns, 33
 Index numbers of wholesale and retail prices, 90-93
 Index numbers of wages and prices, 96
 Industrial disputes, 86, 88, 104, 106, 143, 152, 164, 169, 170
 Industrial relations, 224, 233
 Industrial Workers of the World, 41
 Information and Education Service, 161, 211, 212, 215; see also Division of Information.
 Internationalism, 108, 153
 International Longshoremen's Association, 143
 Investigation and Inspection Service, 161, 219

 Labor Adjustment Service, 210
 Labor conscription, 41-43
 Labor recruitment, 191, 192
 Labor safeguards, 75-78, 131, 136, 152, 166
 Labor standards, 129, 137, 165, 166
 Labor stealing, 101
 Labor turnover, 59-61, 64, 153, 178
 Lever Act, 20
 Living Conditions, Commission on, 221, 222
 Lockouts, 81-84, 165
 Loyalty of labor, 43, 45, 45n, 46, 47, 116, 117

 Marshall, L. C., 160n, 175n.
 Meat packing industry, 107, 152
 Mediation Service, 126
 Minimum of subsistence (family budgets), 99, 100

 Minimum wage scale, 112, 171
 Mining Division, 200

 National Committee on Labor, 129
 National Industrial Conference Board, 104, 163
 National League of Woman's Service, 182
 National War Labor Board, 104, 109, 110, 114, 163-169, 173, 174, 177, 178, 210, 222, 231
 Negro Division, 199, 219
 Newlands Act, 124, 125, 150
 Night-work, 109
 Non-partisan League, 41

 Opposition to unions, 111
 Ordnance service, 133n, 135, 161
 Overtime, 109, 147

 Permit system, 113
 Personnel Service, 161
 Postal Telegraph Commercial Cable Company, 169
 President's Mediation Commission, 30, 39, 67, 102, 103, 104, 106, 108, 116, 150, 151-154
 President Wilson, 148, 149, 150, 158, 159, 164, 168, 169, 190, 203, 236
 Production, 36, 102, 108, 163, 166
 Profiteering, 106-108, 153
 Profits, 107

 Quartermaster General, 136n, 137, 138

 Railroad Wage Commission, 92, 145
 Railway Boards of Adjustment, 144
 Rents, 94, 95
 Representation of labor, 26, 106, 163, 165
 Right to organize, 111, 165, 171
 Roosevelt, F. D., 139, 175n

 Sabotage Act, 40
 Secretary of Labor, 151, 163, 169, 174, 187, 190, 193, 194, 207, 220,

- 221; Quoted: 37, 43, 58, 60, 157,
160, 181, 195
Secretary of War, 134, 135, 138
Shipbuilding Labor Adjustment
Board, 139
Skilled Labor Section, 188
Smith and Wesson Company, 170
Socialists, 29, 44
Socio-industrial conditions, 109, 131
State Councils of Defense, 187
Stevedores and Marine Workers Di-
vision, 199
Strikes, 39, 79-86, 165
- Taft, William H., 162n
Training and Dilution Service, 57,
68, 215, 217
- Unionism, 87, 152
U. S. Board of Mediation and Con-
ciliation, 124, 125, 130, 149
U. S. Bureau of Labor Statistics,
93, 97, 99
U. S. Commission on Industrial Re-
lations, 32
U. S. Dept. of Agriculture, 182
U. S. Department of Labor, 58, 124,
125, 127, 132, 165, 174, 178, 182,
185, 190, 202, 203, 220
U. S. Employment Service, 55-58,
74, 178-205, 216
U. S. Housing Corporation, 209, 222
U. S. Public Service Reserve, 181,
185, 187, 194, 195
U. S. Railroad Administration, 21,
63, 144, 199, 204, 207
U. S. Shipping Board, 22, 38, 42,
62, 65, 93, 139, 179, 199, 208
U. S. Steel Corporation, 107
Unskilled labor, 87, 152
- Van Kleeck, Mary, 175n, 206, 207n
- Vestibule Schools, 70
- Wage earners, number and character
of, 36, 36n, 73, 74, 116
Wage increases, 62, 63, 95n, 108,
147, 171
Wages, 31, 32, 60, 69, 95-101, 109,
112, 115, 130, 136, 139, 140-142,
144, 147, 165, 166
Wage scales, inequalities of, 61, 62,
72, 100, 101
Walsh, F. P., 162n
Walsh, Sen. T. J., 40
War Department, 133, 135, 138
War Industries Board, 19, 20, 133,
202
War Labor Administration Act, 215,
218, 219
War Labor Administration Cabinet,
174, 174n
War Labor Conference Board, 163,
165
War Labor Policies Board, 174-178,
175n, 193, 206, 231
War Placements, 200
War Risk Insurance Bureau, 22, 22n
War Trade Board, 22
Wealth and incomes, distribution of,
32-35
Welfare work, 70, 143
Western Union Telegraph Company,
169
Whitley plan, 212
Wilson, William B., 151; see also
Secretary of Labor.
Woman in Industry Service, 161,
198, 205, 206, 208
Women and children, 68-70, 73, 74,
76, 112, 130, 136, 166, 171
Women's Division, 187, 198
Working Conditions Service, 218
Workingmen's Council, 47

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