

Published Articles
made in original
by the Secretary
OK'd by Mr. Fitzgerald

THE EXPANDED STATUS
OF
THE DEPARTMENT OF LABOR

Francis Perkins

May 18, 1937

Memorandum

To: The Secretary

From: Mary LaDame

Mrs. McAllister of the Women's Division of the Democratic National Committee asked for an article of about 1000 words by you for the June issue of the Democratic Digest. It is to supplement, I understand, the material in the flier which was prepared by Mary Chamberlain.

Will you look this over and see if it is acceptable? I have not shown this to Mr. Fitzgerald.

Enc.

L:MBC

Democratic Natl. Committee

THE EXPANDING STATUS
OF
THE DEPARTMENT OF LABOR

*Notes: Corrections
made on original
by the Secretary.
OK'd by Mr. Fitzgerald*

By

Frances Perkins

The status of the Department of Labor may be measured by a number of devices. I find myself particularly conscious of one device which expresses itself in human terms and is practically always active. It is the caliber of the people who want to work ^{in it} there.

To want to work in the Department of Labor in preference to another place doesn't mean merely to want a job there. Rather does it imply a devotion to the purposes of the Department; a compulsion to give one's best to their fulfillment; a conviction that this will help to bring about a more abundant and happy life; and a belief that participation in the Department's work and association with its personnel will mean personal growth and increasing ability to realize one's capacities and service to society.

In the four and a quarter years I have been in Washington I have received hundreds of applications from persons who want to work in the Department of Labor. It has been my privilege to talk with many of them. And I can truly say that the general level of their qualifications has been remarkably high. Their genuine belief in the things the Department is trying to do; their eagerness to share in its work; the richness of their experience; in many instances the breadth of their scholarship; and finally, the integrity of their personalities have been

public or private, seem to have collected such a body of information
a genuine inspiration to me.

In a period of depression, to be sure, more and better *well equipped*
people are available than when times are good; also, the security of
positions in permanent departments of the Government makes them more
attractive than those in private enterprise. Even so! the qualifications
of those who have applied for positions in the United States Department
of Labor during the last few years bespeak widespread recognition of
its increasing significance to the people of this country. Further
evidence of such recognition lies in the reasons given by these appli-
cants for wanting to work in the Department.

"The problems which make our civilization different from
any other," said one young man, "are industrial. It is with that bul-
wark of workers who make the wheels of industry go round that the Depart-
ment of Labor, as I understand it, is concerned. On what happens to these
workers, on their conditions of work and life, the fate of our country
depends. I want to help make these conditions better. And the best
place I know in which to do this is in the United States Department of
Labor."

"In the war to make democracy safe, at least for this country,"
said another, "the Department of Labor seems to me to represent the front
line trenches. That's where I prefer to be."

"Unemployment is my main interest," said a research work of
national reputation. "Isn't the federal Department of Labor the logical
place to develop a program for stabilizing employment? No other agency,
the Textile Conference on the Textile Industry. The stated purpose of the

public or private, seems to have collected such a body of information on which to base a program of this kind."

To another young man who wanted a post in the Department all major economic issues seemed to flow through it. He wanted to be "in the stream of things."

A number of applicants interested in federal cooperation with the states wanted to participate in the work of the United States Employment Service reorganized under the Wagner-Peyser Act or one of the two new divisions of the Department which have recently been established. The first of these is the Division of Labor Standards and the second, the Division of Labor Contracts.

It was the Department's collaboration with the International Labor Organization which attracted still another. Labor problems to him could not be limited by national boundaries.

A recent demonstration of this collaboration was afforded by the World Textile Conference held in Washington April 2 - 17. Since this represents the most far-flung phase of the Department's expansion during the Roosevelt administration it merits special attention.

The World Textile Conference, organized by the International Labor Organization, was the outgrowth of discussions at international labor conferences in Geneva of the 40-hour maximum work week as applied to the textile industry.

A resolution introduced by the United States Government delegates to the 1936 conference and adopted by it called for a Tripartite Textile Conference on the Textile Industry. The stated purpose of the

Conference was "to consider all those aspects of the industry which directly or indirectly may have a bearing on the improvement of social conditions in the industry."

As a basis for this conference the International Labor Office prepared a 2-volume report on "The World Textile Industry."

Twenty-six nations sent delegates to the conference. Italy was the only important textile producing country which was not represented. The delegations of 15 of the 26 nations included representatives of workers, employers and governments.

Three committees were appointed by the conference to consider and report upon (1) statistics, (2) economic problems and (3) social problems.

Typical of the reports of these committees is that of the Committee on Social Problems; it concluded with the following suggestions:

- "1. Voluntary organization of employers and workers in the textile industry for the purpose of effecting collective agreements should be encouraged.
- "2. Collective agreements may not always afford adequate safeguards. National legislation and application of international conventions may, therefore, be more effective.
- "3. Special restrictive regulations regarding shift working should be considered.
- "4. Night work by women and children should be absolutely prohibited.
- "5. Governments should give special consideration to the early ratification of the conventions on weekly rest and annual vacations with pay.
- "6. Work assignments should be carefully adjusted to

changes in the intensity of effort requested for the worker.

"7. The International Labor Office should make generally available the results of studies of problems of fatigue, health, and accident prevention in the textile industry.

"8. Urges ratifications of the convention setting minimum age for the admission of young persons to employment.

"9. The International Labor Office should renew its efforts to bring about a solution of the problem of regulating labor conditions in the International Settlements in China."

Reports of the ^{three} committees were unanimously adopted and provide a clear basis not only for debate on the proposal of a 40-hour week convention for the textile industry at the International Labor Conference this coming June but also "for additional lines of international agreement leading toward stabilization of the industry."

Through such activities and ~~agencies~~ as the World Textile Conference of the International Labor Organization the United States Department of Labor exchanges experience with other countries and participates in an international program designed to improve the welfare of the wage earners ^{throughout} of the world.

This collaboration illustrates only one of the many new developments initiated by the Department since March 4, 1933.



DEPARTMENT OF LABOR

BY FRANCES PERKINS
SECRETARY

As its name indicates the Department of Labor has to do with the interests of labor, and its function is to promote the welfare of wage earners throughout the whole country. This means that their wages, the conditions under which they work, their opportunities for employment, their security and their relations with employers are all in one way or another the concern of this branch of the Government.

It is also the duty of the Department to gather statistics relating to various phases of employment, production and distribution. Taking up this point first it is possible to report favorable developments. Employment and payrolls in private industry show big increases from the low point of the depression which was reached in 1933. Statistics compiled by the Department reveal that more than 5,000,000 who were without work with the advent of the Roosevelt Administration were back on jobs in private industry three years later.

Substantial progress has been made toward recovery from the low point of the depression and still further gains can be looked for in the months to come. Employment dropped 33 per cent in the three-year period from April, 1930, to April, 1933, and payrolls fell 53 per cent in the industries surveyed monthly by the Department of Labor. But from April, 1933, to April, 1936, employment rose in these same private industries 29.6 per cent and payrolls increased 60 per cent. The industries surveyed and to which these figures apply are all manufacturing, mining, trade, public utilities and year-round hotels. Farmers, merchants, manufacturers and investors have, as a result of these gains, experienced real improvement in their affairs.

With the heavy industries showing an increase in employment which began last Summer we should be able to look forward to further gains. Employment in this group, which is the worst to suffer in a depression and the slowest to recover, is at a promising level and continued gains would go far toward increasing employment in all other lines and in adding to the mounting payrolls of the Nation.

As we strive toward the goal of greater security for the individual we will find great aid in its attainment and likewise a potent instrument with which to combat possible future economic vicissitudes, in the Social Security Act. Surely this is legislation in the national interest. Its passage with so few dissenting votes and so much intelligent public support is further evidence of the progress we have made in recognizing the value of using cooperation through government to overcome social hazards against which the individual alone is inadequate.

The Act establishes unemployment compensation as a substitute for haphazard methods of assistance in periods when men and women, willing and able to work, are unable to find jobs. It provides for old age pensions which mark great progress over the measures upon which we have hitherto depended in caring for those who have been unable to provide for the years when they can no longer work. It also provides security for dependent and crippled children, mothers, the indigent disabled and the blind. It is estimated that ultimately some 30,000,000 Americans will be benefited by this legislation.

In the field of labor relations collective bargaining

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has made substantial gains since 1933. The work of the national labor boards in marking out the rights and duties of the parties and thus developing the suitable content of law in the field is full of meaning for future administration. The enactment of the Wagner-Connery Labor Disputes Act in June, 1935, defined and strengthened the rights to freedom of association and collective bargaining.

Strikes and industrial disputes in general were numerous relative to the depression years immediately preceding. This was due in part to the natural expectation of labor to share in the early fruits of business improvement. It is the province of government to give economic reality to the nominally legal bargaining equality of management and labor. In the long run a more even position of industry and labor and collective bargaining may be expected to promote industrial peace and good will.

While the number of strikes in 1934 was roughly equal to the number in 1933, there were nearly twice as many as in the depression years preceding 1933. There were considerably fewer strikes in 1934, however, than during the war and the years immediately following the war. The trend in the number of strikes since the war can be seen in figures for the following representative years; there were over 3,500 in 1919, approximately 1,110 in 1922, 1,300 in 1925, 650 in 1928, 900 in 1931, 1,856 in 1934, and 2,014 in 1935. But in 1935 some 350,000 fewer workers were on strike and the loss in man-days of work was over 4,000,000 less than in 1934.

In certain trade disputes especially in cases involving large numbers of workers or affecting a number of employers in a particular section of the country, it has been found that the appointment of special temporary mediation boards, composed of impartial outstanding citizens, has resulted in harmonizing the existing difficulties and effecting satisfactory settlements.

When these Boards are set up, Department Commissioners of Conciliation are assigned to cooperate and to assist the members in their work. In line with this policy, such Boards were used in the West Coast lumber strike; the Marine situation on the Pacific Coast and the Camden, New Jersey, Shipyard strike. In other instances disinterested citizens were called upon temporarily to act as mediators or arbitrators or assist the regular Commissioners of Conciliation in specific trade disputes. In Toledo a Peace Plan Board is composed of eighteen influential and civic-minded citizens of Toledo, Ohio;

and was set up with the assistance of the First Assistant Secretary of Labor, in an effort to promote peaceful relations in the Toledo industrial area.

This Department, through its effective Conciliation Service, is constantly engaged in settling labor disputes, serving somewhat as a catalytic agent in bringing the parties together for negotiation and agreement. The First Assistant Secretary has devoted most of his time and energy to mediation and arbitration in the more difficult cases. His exceptionally able efforts, reinforced by the organization of the Bureau of Conciliation of the Department of Labor, have been rewarded with a large measure of success. Arbitration has been urged where the parties could not reach an accord as between themselves. The value of voluntary arbitration as a secondary resort in labor disputes is becoming increasingly

apparent. It is recognized that to be effective arbitration should be voluntary.

Despite the controversies concerning interpretation which clouded the career of section 7 (a) of the National Industrial Recovery Act and the warrant of adequate sanctions, it did much to advance its object, assuring to labor the right to enjoy self-organization and collective bargaining. This type of legisla-

tion, it should be observed, was not entirely new. The Railway Labor Act of 1926, which was amended in 1934 by an act establishing the National Mediation Board in place of and with broader jurisdiction than the United States Board of Mediation, sought to do much the same thing for railroad employees. The declaration of policy in the Norris LaGuardia Anti-Injunction Law of 1932 gave expression to the principles of freedom of association and collective bargaining. The railroad reorganization amendment of March 3, 1933, to the Bankruptcy Act and the Act of 1933, establishing a Federal Coordinator of Transportation, embody labor provisions, which protect the worker's right to freedom of association.

The nominal right of labor to organize, now long conceded in this country, is a far cry from assuring collective bargaining. Section 7 (a) sought to establish actual freedom of association, which is essential to representative action. But much remained to be marked out in practice. Questions were bound to arise as to various aspects of representation. The conception of a right to collective bargaining was just emerging as a legal idea and as such its precise meaning remained to be worked out in application. Doubtless the most conspicuous and important issue was the question whether collective



Conference With Members of Steel Workers' Union

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bargaining should proceed on the principle of majority rule or proportional representation. Majority rule prevailed and has been specifically approved by Congress in the Wagner-Connery Act. Such questions were in themselves enough to provoke controversy. New ground is not broken with minimum difficulty. It was to provide an impartial machinery of adjustment that the various labor boards with 7 (a) jurisdiction were established.

The conducting of labor elections to determine representation for collective bargaining is one of the newest contributions of the labor boards. The device is democratic in character and affords a dignified basis for representation. Significantly enough, such elections have definitely conducted to fruitful collective bargaining. A study made by the National Labor Relations Board of the results of elections conducted by it and the regional boards from July 10, 1934, to January 9, 1935, revealed that in 40 per cent of the units written agreements were signed and in nearly 50 per cent harmonious relations resulted, though not expressed in written contracts. These results must be appraised in the light of the fact that all the elections were conducted with the consent of the employers.

The National Labor Board, a bipartisan body which was appointed by the President in August, 1933, to serve as mediator in industrial controversies, was succeeded in July, 1934, by the non-partisan National Labor Relations Board. The new board was created pursuant to a joint resolution of Congress, which authorized the President to establish one or more boards empowered to investigate the issues and facts in controversies or complaints arising under section 7 (a). This resolution continued the practice, begun by the National Labor Board, of conducting labor elections to determine representation for collective bargaining, where the public interest would be served. The Board became the coordinating agency for the various special and regional boards. As required by Executive order all reports and recommendations of the Board were made through the Secretary of Labor.

Labor controversies led to the creation of four important special boards, the National Longshoremen's Board and similar bodies for the automobile, steel, and textile industries. All except the automobile board had



Steel Worker Atop Tower Far Above Boulder Dam

statutory 7 (a) jurisdiction. Its powers were based upon agreement.

The Supreme Court decision of May 28, 1935, invalidating certain sections of the National Industrial Recovery Act, substantially brought to an end the diverse but instructive experience with labor boards which the country had had for nearly two years in connection with the recovery program. We are now in a much better position to determine the proper organization and jurisdiction of labor boards. Light has been shed upon the usefulness of special and regional boards, and the relative effectiveness of non-partisan and bipartisan boards. The need for powers of enforcement became conspicuously pressing.

Upon this background a new agency takes up its work. Just before the close of the fiscal year the Congress enacted the

Wagner-Connery Labor Disputes Act, which established a National Labor Relations Board to give enduring sanction to the collective-bargaining principle. Unlike its predecessors, this Board has certain powers of enforcement comparable to those of the Federal Trade Commission.

Neither section 7 (a) nor the Labor Disputes Act was conceived to be a Utopian short-cut to industrial harmony. They were designed, however, to make collective bargaining a reality and the later act provides a new impartial public body to facilitate this. The ultimate sanction behind the measure is, as is always the case, its good-faith acceptance by those who are to be governed by it.

As a matter of departmental policy active labor leaders were found serving on all committees, advisory, and others, which dealt in any way with labor status, matters of wages and hours or working conditions. Labor also had representation on general policy-making committees that touched the economic field. Again labor leaders were appointed by the Secretary of Labor to sit on the Labor Advisory Board of the N. R. A., thus participating in the building up and the providing of codes. Labor representation was also found by appointment of the Secretary of Labor on committees of the Public Works Administration, advisory committees on the social-security legislation, and on the advisory committee of the United States Employment Service.

For the last three years conferences have been held

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under the auspices of the Department of Labor in the Mid-west, on the Pacific Coast, and States of the South-east for cooperation to raise labor-law standards in the various States to a desirable common level after discussion and voluntary agreements on the same.

Improvement of standards of administration and enforcement was also a definite part of the work of these conferences which have met with approval on the part of active labor men and Government labor officials appointed by the governors. This technique of Federal-State cooperation in the field of labor legislation appears to be a very fruitful one, States being entirely free to develop their labor law to meet their own peculiar problems, and yet seeking the information which can be made available to them through the Department of Labor to unify and harmonize the standards so that working men and women throughout the country may have similar protection.

We have come to a point in our American life when it seems obvious that every wage earner should expect as a result of the laws and administration of law by the Government, either State or Federal, usually State, that he will work under sound conditions which give him personal protection. (Short hours, adequate wages, protection against accident, industrial disease, prevention of child labor, workmen's compensation on a generous basis—all of these are primary A, B, C, and ought to be provided by every State law, by every municipal ordinance, and by the custom and practice of the community.)

The United States Department of Labor merely promotes and recommends the details with regard to these.

We have been impressed in recent months by the fact that there are still hundreds of industrial establishments in which the primary necessities for the prevention of accidents and prevention of industrial disease have never been taken. Silicosis, lead poisoning, chrome poisoning, benzol poisoning—all of these are still rampant within the Nation. The means of prevention is known and must be taken sooner or later.

The industrial-conference method has been successful and wholesome in the American psychology for the development of such programs in the States, and it has been part of the work of the Department of Labor in recent months to provide their incentive. The exhibits of the Department of Labor have more and more become important in the technical work of the Department of Labor. These exhibits have been shown at the World's Fair in Chicago, at the World's Fair in San Diego, and are now available on a large number of screens, volumes, and other exhibit material suitable for showing at meetings.

In addition to the National Labor Relations Act, we have seen the Congress of the United States in the last

year recognizing the problems of labor by passing the Bituminous Coal Conservation Act of 1935, the Railroad Mediation Board Act, and the Railroad Retirement Act.

The United States Employment Service has been built into a successful program of operation, both from the point of view of employment in private industry and from the point of view of being an effective agency for the placement of unemployed workers in Government employment, such as the Civilian Conservation Corps and the Public Works Administration.

During the first two years, particular emphasis has been placed upon developing sound structure and securing well qualified personnel. On June 30, 1935, twenty-five State employment services were affiliated with the United States Employment Service and were operating 184 employment offices. During this year twenty-four State legislatures accepted the provisions of the Wagner-Peyser Act, making a total of forty States which have thus laid the foundation for cooperation with the United States Employment Service. An enlarged statistical program has been inaugurated providing a journalized daily record of each individual transaction taking place in employment offices.

The Occupational Research Program has been created to provide employment offices with accurate job specifications and improved classifications of occupations as a better means of selecting individuals for referral. During the last fiscal year the employment offices registered and classified occupationally 4,117,144 new applicants and made 2,781,732 placements in gainful employment. Of this total number of jobs secured, 367,870 were filled by veterans who had served in the armed forces of the United States during war periods. In addition, the Service participated in making 688,138 placements on works relief projects.

More legislation, State and Federal, calculated to benefit labor was enacted during the past fiscal year than in any like period in our history.

The Seventy-fourth Congress enacted a number of laws affecting labor standards. The Motor Carrier Act empowers the Interstate Commerce Commission to regulate the hours of service and other conditions of employment and employees of interstate motor carriers. The Guffey-Snyder Act, designed to stabilize the soft-coal industry, gives labor a more important voice in fixing the terms of employment and establishes a board with jurisdiction over labor controversies in the industry somewhat wider than that of the National Labor Relations Board over the industries to which it extends.

Through helpful laws and improved working facilities of this Department it is to be hoped that men and women who work for a living will have greater opportunity for profitable employment and better conditions under which to live.

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The United States Employment Service

By FRANCES PERKINS

Secretary of Labor

THE United States has lagged behind a number of European countries in the establishment of a nation-wide system of public employment offices. Such offices are obviously necessary in any country providing for unemployment insurance and this in part accounts for the complete network of offices covering such countries as Great Britain and Germany. Yet this is only a partial explanation, as other countries than these have seen fit to establish a much more complete system of offices than has our own.

As a consequence, the organization of the labor market in this country has been left quite largely to private initiative. This in turn has meant a heterogeneous collection of employment offices ranging all of the way from fee agencies to the recent effective demonstration centers which render a free service to both employers and employes. Philanthropic bodies frequently maintain employment services; so do employer and employe organizations. In the field of public employment offices, municipal agencies antedated those financed from state funds. Ohio led the way among the states with the passage of an act in 1890 establishing state-city employment offices in the five principal cities of the state.

By January 1, 1933, three fourths of the states had enacted laws permitting the establishment of state-supported offices, but only twenty five states have one or more such offices in operation. In fact, as of that date, there were only one hundred thirty nine state-supported offices in operation in the entire United States. The number of municipal offices is not known, but presumably it is small except among those organized primarily for relief purposes.

The Federal Government has, on the whole, entered into the field during only two brief periods. The first occurred during the World War when federal offices

were rapidly opened throughout the country in order to supply needs growing out of the War. The federal service was frankly looked upon as an emergency measure and all but vanished soon after the Armistice. The Farm Labor Division, however, survived this period and has remained in operation throughout the intervening years. Recently its field of activity has centered in the cotton growing states as the gathering of this crop still requires the shifting of great numbers of workers.

During 1930 the Federal Government opened employment offices for veterans and their dependents in twenty three cities. The number was later increased to thirty. The Secretary of Labor utilized an additional appropriation to reorganize the United States Employment Service in 1931. A state director was appointed for each one of the forty eight states and the District of Columbia. Each was instructed to carry on general placement work in his or her office. Also additional placement offices were established. Unfortunately, little discrimination was used in the geographical location of these offices since frequently they were established as competing offices in cities in which a public employment office was already in operation.

In line with recommendations made by informed persons, the remaining field reorganization offices were closed in April, 1933. This did not affect the status of either the Veterans' or the Farm Labor Offices.

Such, briefly, has been the past. On the whole, employers, workers, and others have not looked upon the public employment offices as an important element in our industrial organization. Funds have often been inadequate and such as have been provided have not always been expended to the best advantage. Locations have been poorly chosen and quarters dismal and

depressing. A few of the present state employment offices have been doing excellent work for some time. More recently the demonstration centers have blazed new trails and improved upon old ones.

Now we are attempting to build anew under the Wagner-Peyser Act, signed by President Roosevelt June 6, 1933, and designed to make possible the creation of a nation-wide system of public employment offices. The bill was not an innovation but is much the same as the one first introduced in 1919 and which has reappeared from time to time since then. During recent years the bill became known as the Wagner Bill because of Senator Wagner's earnest efforts to secure its passage.

The enactment of this legislation means that a way is now provided for genuine integration into one organized system of all the various public employment offices throughout the country. Two principles will govern us as we proceed to put the law into effect:

(1) That direct operation of employment offices is best done by state and municipal governments.

(2) That the function of the Federal Government is to assist these governments to develop, maintain and expand their agencies into adequate employment services with high standards and common procedures and to weld them into one effective nation-wide system.

The only offices operated by the Federal Government itself will be the one in the District of Columbia, those specialized for veterans and those in the Farm Labor Service. Also the law provides that for a limited time only the Federal Government may operate offices in states which are operating none of their own, or, under certain conditions, where State Legislatures have not accepted the provisions of the Act. Additional responsibilities of the Federal Service will be the clearance of labor among the several states and the collection of reliable and comparable information with respect to the demand for and the supply of labor, as well as the conduct of researches related to the work. In order most effectively to administer its assistance to the states and to perform its interstate functions, the United States Employment Service will probably soon establish several regional clearing houses with field supervision.

Federal funds to match state funds will be granted to those states whose employment system complies with the prescribed standards. This setting of standards of operation for all offices desiring to become a part of the nation-wide organization is the all-important point of departure in cooperation with them. In setting these first standards we have availed ourselves of the experience of men in industry. Although much thought and consideration has gone into their formulation, both within and without my Department, we look upon these as but the first step. We expect them to be revised and improved in the light of experience and changing conditions. We realize, too, that a period of adjustment will

be necessary to give some of the states the time and opportunity to conform to the standards. No state will be forced to comply in order to maintain employment offices, but it will not be able to secure federal funds otherwise. However, the attitude of the states now maintaining offices, as expressed in their various communications since the passage of the Act and in recent conferences held in Washington, has been most encouraging. We do not expect immediate and complete reformation but we do believe that the conference method and education can accomplish much in ironing out problems which are bound to arise.

A wise provision of the Wagner Act requires the establishment of a Federal Advisory Council made up of men and women representing employers and employes in equal numbers and the public, for the specific purpose of "formulating policies and discussing problems relating to employment and insuring impartiality, neutrality and freedom from political influence in the solution of such problems." Similar councils are required for individual states. Such groups cannot guarantee the quality of the new service but we do look to them as valuable adjuncts in the total scheme. President Robert M. Hutchins of the University of Chicago is Chairman of the Federal Council and when the entire group is announced I believe the public will realize that not only are the employers, employes and others well represented but also that care has been taken to secure members widely distributed throughout the United States.

As implied, employers have a definite responsibility in helping to build a well functioning employment service. But such an opportunity does not end with assistance given through these councils. We look to them for help also as we move on toward job analysis and occupational classification.

Anyone at all familiar with the sad state of the statistical information issuing from most of the employment offices is aware that much must be done before these figures are of real significance. This requires not only a common definition of such terms as registrations and placements but also an occupational classification that has common meaning throughout the country. This is essential not only if we are to have statistics of value but also if there is to be clearance among the several offices and states such as is contemplated in the Act. As it is now there is no assurance that a worker would be similarly classified in the offices of different states or in most instances even in any two offices of the same state.

We hope that eventually our statistics may be of such a character that they can be utilized in tracing industrial or occupational trends and in furnishing a basis for sound vocational guidance. The latter will also require job analysis and specifications. Again, as indicated above, we shall turn to industry for help.

The need for a system of public employment offices has never been greater than in the present situation.

Such a system cannot create positions where there are none but a well coordinated organization is a most necessary part in the program of national industrial recovery and the return of workers to their positions. There may be danger of this emergency phase overshadowing the more permanent structure in the mind of the public since one of the first and most pressing demands made on our service is that in connection with the Public Works Program. However, we ourselves do not lose sight of our more permanent plans and we hope that the temporary measures also will lead on into the permanent.

At once it becomes necessary to distinguish between the two types of offices. Temporary offices known as re-employment offices will be established wherever deemed desirable or necessary in connection with the projects undertaken under the Public Works Program. These will of necessity be established in states operating employment offices of their own as well as in those with none. The need for such action is at once apparent since even the most complete state system of public employment offices lacks much of covering the state completely. No duplicate or competing offices will be opened. Also we hope that our offices may be designated as the appropriate agency through which contractors may fill their needs as has already been done in the case of federal highway projects.

Although these re-employment offices are looked upon as temporary and primarily for the use of contractors and other employers and workers directly or indirectly connected with public works projects, they are expected to serve others as well. We hope that many of these offices will prove of such value that local support will be provided for their continuance and that these will soon become a part of the state and federal

employment system. As long as these offices remain on their original basis they will be under the direct supervision of the United States Employment Service, but supported out of funds provided by the Federal Public Works Administration plus some local assistance. They represent the efforts of the Public Works Administration, the Federal Relief Administration, and the United States Employment Service to provide an orderly labor market through which needs may clear in connection with at least some of the National Recovery projects. Through such means we hope to check the wasteful wandering of workers in quest of jobs or give intelligent direction to their transfer when need arises.

Although the Wagner Act did not go into effect until July 1 a number of the states have already submitted plans outlining their present situation and proposals for future operation under the Act. Fortunately now as we work together we can draw upon the experience of the demonstration centers and of those public employment offices which have been functioning well in the past. The District of Columbia office, now in process of re-organization, can serve a number of useful purposes since Washington is a point toward which many people gravitate from time to time, whether as public officials or otherwise. We look upon this office not only as a local employment agency but also as a laboratory and a place to which the staff of other offices may come either for observation or a period of training.

We realize there are many serious problems to be solved as we move forward but there can be no question of the worth of the joint undertaking. Because it is both serious and important I ask the cooperation of employers, of both organized and unorganized workers, of agencies of public information and of social service in building up and using this system.

Possible Increased Employment From Maximum Work Weeks

The President's Re-employment Agreement issued July 20, 1933, contemplates that pending the approval of industrial codes there should be a general acceptance of 35 hours as the maximum limit of a week's work in manufacturing industry and of 40 hours as the maximum in other pursuits subject to regulation under the National Industrial Recovery Act. A few exceptions are admitted, notably "establishments employing not more than 2 persons in towns of less than 2500 population, which towns are not part of a larger trade area." The question naturally arises how many additional workers would be required under such limitations, disregarding for the time being the effects of the exceptions, for lack of definite information regarding their numerical importance. The program of which this proposal is a part has the double purpose of a different distribution of

available work, and the creation of new labor opportunities by stimulating production. For the moment we are concerned only with the first of these aims.

In this phase the problem does not contemplate any increase of the total number of man-hours worked per week in manufacturing industry. It resolves itself into a question of how many more workers at 35 hours per week would be required than are now employed, if none of the workers who now labor in excess of 35 hours a week were permitted to work longer than 35 hours. To answer the question precisely one would have to know the total number of workers in manufacturing industry whose hours exceeded 35 per week and the total number of man-hours worked by them in excess of 35 per week. The latter figure divided by 35 would give the precise number of new employees that must be put to work to

maintain the total of all man-hours per week. Needless to say that exact figures of this nature are not available, but the suggestion indicates how a reasonably accurate estimate of the probable number of new workers can be pieced out from existing materials.

A preliminary step is to estimate the number of workers in manufacturing industry in May, 1933, the latest date for which all of the figures necessary for the computation are available. According to the Census of Manufactures there were 10,197,518 engaged in manufacturing industry in 1929. The Bureau of Labor Statistics has computed an employment index of 97.5 for 1929 and 58.7 for May, 1933. This represents a decrease of 39.8% and permits an estimate of 6,138,906 persons probably employed in May, 1933.

How many of them worked more than 35 hours per week and how many workers at the same number of hours would be required to perform the labor which these workers performed in excess of 35 hours? The question can be answered for a group exceeding 1,500,000 factory workers in May, 1932. The September, 1932, issue of the Monthly Labor Review contains an analysis that shows for each number of hours per week, the number of workers in factories whose average working hours corresponded to these numbers. If it is assumed all that workers credited with 36 hours worked one excess hour, those credited with 37 hours two excess hours, and so forth, it will be found that 811,400 workers were credited with 7,177,696 man-hours in excess of 35 per week each. These excess hours divided at the rate of 35 hours per week would require 205,077 workers. In other words, a 35-hour maximum work week would have increased the number of workers among those reporting by 13.66%. If this proportion applied to the whole number of workers estimated to be employed in May, 1933, the 35-hour maximum week would have required 838,820 more workers than were employed in that month.

For manufacturing industry this would seem to be a fairly close approximation of the increased employment over that of May, 1933, that would be likely to flow from a 35-hour week maximum. If there had been any marked change in conditions between May, 1932, when the representative establishments were analyzed and May, 1933, the computation might be deemed shaky. But since average hours per week were very similar at the two dates there seems to be no reason to suppose a distribution at the later date substantially different from that at the earlier date.

The foregoing calculations were based on the estimated employment in May, 1933. The records both of the United States Bureau of Labor Statistics and of the National Industrial Conference Board show an increase of employment in June over May of about 7%. There were more workers employed than in May, and if the figures were based on June conditions the base of

the calculations would be larger. The figures of the Bureau of Labor Statistics for average hours in manufacturing industry in June are not available at this writing but the records of the Conference Board show a lengthening of the average hours per week in June by about 10% over May, 1933. With longer average hours throughout industry generally the proportion of workers exceeding 35 hours per week would be increased. There can be no doubt that the working together of these two factors would considerably increase the estimate of the number of workers who could be employed if the maximum week were to be fixed at 35 hours.

The limitation proposed for non-manufacturing pursuits is a maximum of 40 hours per week. For a large group of such activities calculations similar to those made for manufacturing industry are possible. The group includes anthracite coal mining, bituminous coal mining, metalliferous mining, quarrying and non-metallic mining, crude oil production, telephone and telegraph, water, light, and power, operation of electric railways and motor buses, wholesale trade, retail trade, and hotels. In the aggregate these pursuits represented the employment of about 8,329,010 persons in 1929.

Here again, use can be made of the indexes of employment computed by the Bureau of Labor Statistics for each type of enterprise named above. These indexes are based upon employment in representative establishments in 1929. Applying in each case the respective index of employment for May, 1933, to the number of workers in 1929 an estimate is had of those employed in that month. For all of the enterprises named the total for May, 1933, is computed as 6,046,251.

With the sole exception that the basis of calculation in these cases is a 40-hour maximum week instead of one of 35 hours as in manufacturing industry, the procedure for calculating the possible increase of employment in each of these types of enterprise with a fixed maximum week is identical with that previously described. The net result of the calculation is a computed employment for the entire group of 841,960 additional workers to perform on the new basis of hours, the work that was done in these fields taken together in May, 1933.

According to these calculations the increased employment in the two fields manufacturing and non-manufacturing as far as computed totals 1,680,780. This is the added number that would be required to maintain the output level of May, 1933, under the respective maximum limitations proposed. It is not contended that this figure estimates all the possibilities of increased employment under the establishment of maximum hours of work. There are various fields of activity such as steam railroad transportation, water transportation, banking, brokerage, and other fields for which materials for an estimate are not in existence.

Wages and the Cost of Living

The increased activity of business in the past two months, of which the evidences are abundant, finds a striking reflection in the figures for June, 1933, pertaining to employment, hours, and earnings in manufacturing industry that are gathered monthly by the National Industrial Conference Board. They are presented here in the usual tables.

From May to June there was a substantial gain of 7.2% in the employment of establishments reporting to the Board. Not only were more workers employed in June, but the work given to them was 10% more than in May. Average actual hours of work per week and per wage earner employed increased in this proportion. Such an increase in hours meant a better filled pay envelope, average weekly earnings of all wage earners rising from \$16.71 in May to \$18.49 in June. Despite the fact of a slight rise in the cost of living, this substantial rise in the pay of the employed workers

brought their income in terms of purchasing power fairly close to the 1923 level. The index of real weekly earnings, as the table shows, was 95.5. There was thus a notable improvement in the standing of the employed workers through increased hours. Combined with an increase in employment this meant for trade in household needs a considerable advance in purchasing power, evidenced by an increase of 18% in the number of man hours. Average hourly earnings were practically stationary, since no great significance can be attached to a decrease of one tenth of one per cent from the May figures.

The advance in man hours was general. Only one of the twenty-five industries was an exception to the rule. This was the silk industry in which there was a decrease of one hour in the week's work that was not made up by the relatively slight increase in employment. In two other industries, news and magazine

AVERAGE EARNINGS, EMPLOYMENT, AND HOURS OF WORK—ALL WAGE-EARNERS
MAY AND JUNE, 1933

INDUSTRY	AVERAGE EARNINGS				AVERAGE HOURS OF WORK PER WAGE-EARNER		INDEX NUMBERS, BASE, 1923 = 100							
	Hourly		Weekly				Average Earnings, June				Employment		Total Man-Hours	
	May	June	May	June			Hourly		Weekly		May	June	May	June
					Actual	Real	Actual	Real						
Agricultural implement.....	\$.510	\$.496	\$16.45	\$18.57	32.3	37.5	89.2	122.5	67.5	92.7	36.5	39.8	23.8	30.2
Automobile.....	.567	.576	20.66	25.82	36.4	44.8	91.1	125.1	85.7	117.7	69.0	79.9	52.6	75.0
Boot and shoe.....	.391	.408	16.09	18.67	41.2	45.8	82.4	113.2	82.6	113.5	76.4	74.1	69.1	74.4
Chemical.....	.457	.462	18.05	18.66	39.5	40.4	91.3	125.4	69.3	95.2	96.3	100.9	71.5	76.6
Cotton—North.....	.297	.307	14.15	14.97	47.6	48.7	69.0	94.8	70.5	96.8	50.3	57.7	50.1	58.7
Electrical manufacturing.....	.542	.528	18.30	19.50	33.8	36.9	93.0	127.7	72.0	98.9	38.7	41.9	27.4	32.3
Furniture.....	.379	.362	12.58	14.31	33.2	39.5	70.0	96.2	57.4	78.8	52.7	56.8	36.3	46.6
Hosiery and knit goods.....	.329	.326	13.21	14.70	40.2	45.2	85.3	117.2	83.2	114.3	83.7	89.5	72.7	87.4
Iron and steel.....	.479	.468	16.81	17.56	35.1	37.5	78.5	107.8	51.3	70.5	55.9	58.0	34.0	37.7
Leather tanning and finishing...	.406	.417	18.30	19.76	45.0	47.4	85.8	117.9	85.3	117.2	70.0	75.4	66.2	75.1
Lumber and millwork.....	.380	.383	14.42	15.96	38.0	41.7	81.0	112.3	68.1	93.5	27.7	29.8	21.3	25.1
Meat packing.....	.395	.391	19.48	19.52	49.3	49.9	82.7	113.6	82.9	113.9	77.4	83.1	76.8	83.4
Paint and varnish.....	.458	.460	19.96	20.94	43.6	45.5	86.1	118.3	78.8	108.2	87.4	92.1	76.6	84.2
Paper and pulp.....	.415	.413	16.94	18.57	40.9	45.0	81.9	112.5	71.2	97.8	78.9	81.6	62.3	70.9
Paper products.....	.421	.421	17.91	18.57	42.6	44.1	92.3	126.8	85.3	117.2	81.0	84.2	72.5	78.0
Printing—book and job.....	.677	.658	25.78	26.77	38.1	40.7	100.8	138.5	89.4	122.8	83.1	85.2	69.0	75.6
Printing—news and magazine...	.730	.720	28.75	29.34	39.3	40.7	103.9	142.7	93.9	129.0	96.7	95.4	84.4	86.2
Rubber.....	.565	.573	19.26	23.02	34.1	40.2	91.5	125.7	82.1	112.8	59.4	68.5	45.2	61.4
Silk.....	.334	.344	13.64	13.73	40.9	39.9	69.4	95.3	59.6	81.9	70.4	72.0	62.0	61.8
Wool.....	.342	.353	14.19	16.61	41.5	47.1	69.9	96.0	69.3	95.2	52.9	63.8	46.2	63.3
Foundries and machine shops...	.476	.471	15.40	17.25	32.4	36.6	82.2	112.9	60.8	83.5	46.8	50.2	30.6	37.0
1. Foundries.....	.469	.470	15.85	16.94	33.8	36.1	79.7	109.5	57.2	78.6	48.4	51.4	32.6	37.0
2. Machines and machine tools.	.546	.538	17.22	20.17	31.5	37.5	98.0	134.6	73.9	101.5	36.2	39.5	22.9	29.7
3. Heavy equipment.....	.534	.527	15.95	17.41	29.9	33.0	78.7	108.1	52.7	72.4	20.2	19.2	12.2	12.8
4. Hardware and small parts...	.440	.438	14.19	16.36	32.3	37.3	85.5	117.4	65.9	90.5	56.1	60.2	37.4	46.3
5. Other products.....	.455	.448	14.94	16.46	32.8	36.8	80.0	109.9	60.2	82.7	61.3	67.8	41.2	51.1
ALL INDUSTRIES.....	\$.453	\$.452	\$16.71	\$18.49	37.4	41.2	83.5	114.7	69.5	95.5	58.3	62.5	44.3	52.3

NOTE: The wage data here given are for cash payments only and do not take into consideration the value of such wage equivalents as reduced or free house rents or other special services rendered by the company to employees. Various forms of wage equivalents are in use in industrial establishments in many localities, but the part which these play as compensation for work performed cannot be taken into account in a study of this character.

AVERAGE EARNINGS AND HOURS OF WORK, UNSKILLED AND SKILLED AND SEMI-SKILLED MALE WAGE-EARNERS
MAY AND JUNE, 1933

INDUSTRY	UNSKILLED						SKILLED AND SEMI-SKILLED					
	Earnings				Hours		Earnings				Hours	
	Hourly		Weekly		May	June	Hourly		Weekly		May	June
	May	June	May	June			May	June	May	June		
Agricultural implement.....	\$.392	\$.389	\$13.01	\$14.30	33.2	36.8	\$.540	\$.523	\$17.26	\$19.62	31.9	37.5
Automobile.....	.482	.498	20.24	22.85	42.0	45.9	.597	.602	20.87	27.08	35.0	45.0
Boot and shoe.....	.334	.341	14.15	15.43	42.4	45.2	.448	.464	18.37	21.61	41.0	46.5
Chemical.....	.445	.455	17.98	18.45	40.4	40.7	.488	.490	19.40	20.09	39.8	41.0
Cotton—North.....	.286	.293	14.30	15.49	49.9	52.9	.354	.365	17.52	18.40	49.5	50.4
Electrical manufacturing.....	.412	.413	14.25	15.60	34.6	37.8	.594	.578	17.45	19.75	29.4	34.2
Furniture.....	.281	.261	8.94	10.68	31.8	40.9	.408	.398	13.55	15.81	33.2	39.7
Hosiery and knit goods.....	.300	.300	13.43	15.31	44.8	51.1	.442	.431	18.79	20.91	42.5	48.5
Iron and steel.....	.326	.326	13.41	15.31	41.1	47.0	.473	.445	20.24	21.07	42.8	47.3
Leather tanning and finishing.....	.298	.348	13.04	14.77	43.8	42.4	.449	.451	20.47	22.07	45.6	48.9
Lumber and millwork.....	.309	.300	11.89	12.61	38.5	42.0	.434	.440	16.28	18.28	37.5	41.6
Meat packing.....	.362	.361	17.94	18.03	49.6	49.9	.454	.455	22.73	23.00	50.0	50.6
Paint and varnish.....	.405	.402	16.49	17.59	40.7	43.8	.538	.543	24.27	24.97	45.1	46.0
Paper and pulp.....	.356	.353	14.14	15.80	39.7	44.7	.468	.467	19.69	21.45	42.1	45.9
Paper products.....	.396	.394	19.02	19.57	48.0	49.7	.526	.524	22.99	23.96	43.7	45.8
Printing—book and job.....	.433	.436	18.54	19.77	42.9	45.3	.851	.845	33.12	34.18	38.9	40.5
Printing—news and magazine.....	.402	.396	16.57	17.57	41.2	44.3	.820	.813	32.48	33.04	39.6	40.6
Rubber.....	.447	.464	14.86	19.81	33.3	42.7	.631	.644	21.28	25.47	33.7	39.5
Silk.....	.377	.382	19.29	17.62	51.2	46.1	.393	.414	15.21	15.60	38.7	37.7
Wool.....	.322	.341	14.96	17.16	46.5	50.4	.408	.416	17.44	20.08	42.7	48.3
Foundries and machine shops.....	.406	.408	13.55	15.35	33.4	37.6	.519	.515	16.68	18.78	32.1	36.5
1. Foundries.....	.392	.394	13.78	15.08	35.1	38.3	.516	.517	17.34	18.37	33.6	35.6
2. Machines and machine tools.....	.408	.416	12.55	14.16	30.7	34.1	.561	.549	17.30	20.57	30.8	37.5
3. Heavy equipment.....	.386	.390	10.01	11.28	26.0	28.9	.560	.554	17.33	19.01	30.9	34.3
4. Hardware and small parts.....	.380	.382	12.86	15.12	33.8	39.6	.493	.489	15.71	18.06	31.9	36.9
5. Other products.....	.439	.437	15.00	16.79	34.2	38.4	.500	.497	16.37	18.25	32.8	36.7
ALL INDUSTRIES.....	\$.368	\$.369	\$14.42	\$15.83	39.4	43.1	\$.513	\$.511	\$18.94	\$21.18	37.2	41.8

CHANGES IN THE COST OF LIVING, JUNE, 1933

Item	Relative Importance in Post-War Family Budget	Index Numbers				
		Base, 1923 = 100			Base, June, 1932 = 100	Base, May, 1933 = 100
		June, 1932	May, 1933	June, 1933	June, 1933	June, 1933
Food ¹	33	68.5	64.1	66.2	96.6	103.3
Housing.....	20	72.4	63.5	63.4	87.6	99.8
Clothing.....	12	65.7	60.7	61.6	93.8	101.5
Fuel and light.....	5	85.6	82.8	82.2	96.0	99.3
(Coal).....		(81.3)	(77.5)	(76.5)	(94.1)	(98.7)
(Gas and electricity).....		(94.1)	(93.5)	(93.5)	(99.4)	(100.0)
Sundries.....	30	93.1	89.4	89.3	95.9	99.9
WEIGHTED AVERAGE OF ALL ITEMS...	100	77.2	72.1	72.8	94.3	101.0

¹Based on food price index of the United States Bureau of Labor Statistics.

AVERAGE EARNINGS AND HOURS OF WORK, ALL MALE AND FEMALE WAGE-EARNERS
MAY AND JUNE, 1933

INDUSTRY	ALL MALE						FEMALE					
	Earnings				Hours		Earnings				Hours	
	Hourly		Weekly				Hourly		Weekly			
	May	June	May	June	May	June	May	June	May	June	May	June
Agricultural implement.....	\$.515	\$.500	\$16.56	\$18.69	32.1	37.4	\$.357	\$.349	\$14.34	\$14.27	40.2	40.9
Automobile.....	.577	.586	20.78	26.46	36.0	45.1	.362	.389	11.18	16.35	30.9	42.0
Boot and shoe.....	.446	.462	18.29	21.49	41.0	46.5	.317	.336	12.67	14.80	39.9	44.1
Chemical.....	.474	.479	18.95	19.58	40.0	40.9	.334	.339	12.76	13.27	38.2	39.1
Cotton—North.....	.334	.344	16.60	17.59	49.6	51.1	.253	.260	11.06	11.74	43.7	45.2
Electrical manufacturing.....	.577	.563	17.19	19.42	29.8	34.5	.331	.321	10.09	11.17	30.5	34.8
Furniture.....	.381	.366	12.53	14.62	32.9	39.9	.283	.270	9.37	9.49	33.1	35.1
Hosiery and knit goods.....	.426	.416	18.22	20.28	42.8	48.8	.265	.260	10.22	11.17	38.5	42.9
Iron and steel.....	.479	.468	16.81	17.56	35.1	37.5	.....	.....	.....	.....	.....	.....
Leather tanning and finishing.....	.427	.437	19.34	20.90	45.3	47.9	.253	.273	10.93	12.12	43.1	44.4
Lumber and millwork.....	.380	.383	14.42	15.96	38.0	41.7	.....	.....	.....	.....	.....	.....
Meat packing.....	.416	.415	20.76	20.86	49.9	50.3	.275	.270	12.84	12.87	46.7	47.7
Paint and varnish.....	.488	.487	21.17	21.93	43.3	45.1	.323	.323	11.86	13.08	36.7	40.5
Paper and pulp.....	.428	.425	17.63	19.33	41.2	45.5	.277	.283	9.68	10.79	34.9	38.2
Paper products.....	.478	.476	21.62	22.43	45.2	47.1	.305	.305	11.66	11.89	38.2	38.9
Printing—book and job.....	.755	.746	30.02	30.97	39.8	41.5	.417	.412	13.95	15.85	33.5	38.4
Printing—news and magazine.....	.766	.757	30.49	31.12	39.8	41.1	.418	.412	14.97	15.65	35.8	37.9
Rubber.....	.612	.625	20.62	24.92	33.7	39.8	.363	.363	12.88	14.46	35.5	39.8
Silk.....	.386	.400	16.76	16.37	43.4	40.9	.242	.249	9.24	9.18	38.1	36.8
Wool.....	.382	.393	16.73	19.24	43.8	48.9	.283	.295	10.54	12.99	37.2	44.0
Foundries and machine shops.....	.491	.487	15.91	17.90	32.4	36.7	.296	.287	9.56	10.54	32.3	36.8
1. Foundries.....	.478	.478	16.29	17.39	34.1	36.4	.307	.306	10.39	10.80	33.8	35.3
2. Machines and machine tools.....	.539	.532	16.61	19.67	30.8	37.0	.335	.335	12.33	12.73	36.8	38.0
3. Heavy equipment.....	.534	.527	15.95	17.41	29.9	33.0	.....	.....	.....	.....	.....	.....
4. Hardware and small parts.....	.464	.460	15.01	17.32	32.4	37.6	.288	.287	9.04	10.17	31.4	35.4
5. Other products.....	.482	.478	15.98	17.80	33.2	37.2	.294	.278	9.50	10.55	32.3	38.0
ALL INDUSTRIES.....	\$.481	\$.481	\$17.65	\$19.66	37.0	41.1	\$.297	\$.300	\$11.03	\$12.30	37.4	41.1

printing, and heavy equipment, there was a slight decline in employment, but somewhat longer hours in each more than maintained the previous level of man hours for these industries.

Each of the labor groups for which figures are shown indicate the same comparative stability of average hourly earnings, with an advance in the hours of work and of weekly earnings. In view of a proposed limitation of the maximum work week to 35 hours, it is interesting to note there were, in May, 1933, 7 out of the 25 industries reporting to the Board, in which the average hours of work failed to reach this number, but that in June there was only one that fell below it. The proposal of a minimum wage to produce a weekly income of \$14.00 has been much under discussion. It is perhaps worthy of note that with present hours this sum was exceeded by the average weekly earnings of unskilled male labor in June in all but two reporting industries, while in the case of female labor there were only six industries in which the average weekly earnings rose above \$14.00.

There has been some apprehension that the policy of raising prices to which the administration is committed

might raise the cost of living before the remuneration of labor caught up with it. Such a fear is based upon a failure to recognize the difference between wholesale and retail prices. Compared with the former the movements of the latter are always sluggish. There has indeed been some increase in wholesale prices since April of the present year,¹ and the comments of the newspaper press on the soaring values of specific commodities have created a false impression of the magnitude of the change. The rise of about 10% in wholesale prices from January to July is only feebly reflected in the change of retail prices. There was indeed a rise in the cost of living of 1% in June over May. This was traceable in large part to a rise of 3.3% in the retail prices of food, though a smaller rise of 1.5% in clothing prices also contributed. Other items were practically stationary. Compared with 1923 the cost of living was still low, as the table shows, and the purchasing value of the dollar in terms of household necessities remained high. Compared with 100 cents in 1923 it was 137.4 cents in June, 1933.

¹"The Dollar and Foreign Exchange", Conference Board Bulletin, July 20, 1933.

Recent Decisions Interpreting Workmen's Compensation Laws

Cause of Accident—Pennsylvania

Claimant petitioned for compensation for death of her husband while employed as a carpenter. Evidence showed that claimant's husband was called on to perform some measuring that required about an hour's work in the refrigerator room of an ice cream company where the temperature was from ten to twenty degrees below zero. When he came out from the room he was chilled and developed pneumonia which resulted in his death. Compensation was awarded but on an appeal the Board sustained the exceptions on the ground that as a matter of law the testimony did not support the award. The Board stated that they were unable to find competent evidence of a definite, unusual, fortuitous exposure to cold on the date in question or on any other date. From the judgment of the Court of Common Pleas reinstating the referee's award, the employer appealed.

HELD, by the Superior Court of Pennsylvania that one may voluntarily expose himself to extraordinary heat, wet, or cold and yet be entitled to compensation if the risk is not common to the public or greater than ordinarily arises out of usual employment. When death results from an unusual exposure it is an accident and compensable. The carpenter was not working under normal and natural conditions while in the refrigerator room but was subjected to a greater peril than persons engaged in similar work or in the neighborhood. As the Board accepted the facts as found by the referee but reversed the award on a question of law, the Court of Common Pleas on reversing the decision of the Board properly reinstated the award of the referee without remitting the record to the Compensation Board for findings. Judgment affirmed. (160 Atlantic 455).

To and From Work—Ohio

An employee was struck and killed by an automobile being driven from the employer's plant. At time of accident employee had reached a point approximately twenty-five feet inside the entrance to the plant on roadway of the property of employer. The roadway had sidewalks on either side. Employee had approached on the south sidewalk but upon reaching an unpaved portion thereof was crossing the roadway to reach the north sidewalk. Wife of the deceased employee claimed compensation which was denied by the Industrial Commission. Upon appeal the Court of Common Pleas reversed the order of the Commission. The judgment of the

Court of Common Pleas was in turn reversed by the Court of Appeals and final judgment was entered against claimant. Claimant brought error.

HELD, by Supreme Court of Ohio that employee entering the premises of employer to begin the work of his employer but who has not yet reached the place where his work is to be performed is discharging a duty incident to the day's work. Passing through the zone between the entrance of the employer's premises and the plant where an employee is employed is one of the hazards of the employment. Contributory negligence of an employee does not defeat recovery of compensation unless the injury be purposely self-inflicted. Claimant was entitled to compensation and the judgment must therefore be reversed. (181 North Eastern 809).

Cause of Death—New Jersey

One Sears was employed as a fireman and while working around the boiler on a hot day he became affected by the heat and asked a fellow workman to watch the gauge while he went to get some better air. He passed to a point where a ladder led to the platform which ran around both sides and back of the boiler. Shortly thereafter he was found at the foot of the ladder with one hand on the first rung and bleeding considerably at the nose, as well as having wounds or marks on his temple and cheek. He died shortly thereafter. At the hearing there was evidence that he was in good health. A fellow workman testified that he saw Sears "coming backwards trying to catch himself." The employer contended that Sears did not die from the accident but from apoplexy. The employee's family physician testified that he had acted in that capacity for 24 years and that employee did not die from apoplexy but by coming in contact with something producing physical violence. Compensation was awarded and award was affirmed by the Court of Common Pleas. Employer brought certiorari.

HELD, by the Supreme Court of New Jersey that the testimony of the fellow workman of the deceased and the physical indications would authorize an inference that employee's fall was the result of a misstep on the ladder. Evidences on employee's body indicated a fall from some height. Evidence including that of the medical witness was sufficient to support the finding that death was caused by accident arising out of and in the course of the employment. Judgment for the claimant affirmed. (160 Atlantic 891)

The National Industrial Conference Board issues three monthly periodicals for the information of its members and subscribers:

CONFERENCE BOARD SERVICE LETTER, Editor, Harold F. Browne.
CONFERENCE BOARD BULLETIN, Editor, Roland P. Falkner.
CONFERENCE BOARD BUSINESS SURVEY, Editor, Leonard Kuvin.

Published by NATIONAL INDUSTRIAL CONFERENCE BOARD, 247 PARK AVENUE, NEW YORK CITY

They are available to others at the following rates:

SERVICE LETTER or BULLETIN, United States, Annual Subscription, \$3.00; single copies, \$3.00; Canada and other foreign countries, Annual Subscription, \$3.50; single copies, \$3.35.
BUSINESS SURVEY, United States, Annual Subscription, \$1.50, single copies, \$.15; Canada and other foreign countries, Annual Subscription, \$2.00; single copies, \$.20.

**“I should like to see
it given as a text-
book in the phi-
losophy of the New
Deal . . .”**

—A. A. BERLE, Jr.

One of the Most Significant Books of the Year

THE first woman ever to be a Cabinet member, Miss Perkins is at the very center of the battle front against unemployment. Her book is the story of the slow upbuilding of protection for working people, told not out of documents but out of her long personal experience.

She begins with the tragic Triangle factory fire where she saw girls burned to death, and she ends candidly facing the great unemployment problem of 1934. Out of the quarter-century which she covers has come most of the fight for better working conditions—all of which she saw, and much of which she accomplished. She speaks for the men and women of the new industrial era; but far more than that, she speaks for all those who cannot speak for themselves—humans who must not be left to the mercy of the machine.

Putting—and keeping—people at work is Miss Perkins' main concern, and she expresses the underlying aims of the Administration when she says:

"The attitude of the public toward industry and the worker has changed. Wage earners occupy today a more important and strategic place in society than ever before. We are recognizing in America that in the leisure of the workers and in their purchasing power, lies the security of the merchant, the security of the manufacturer, the security of the investor, and I think in the long run, the security of the financial institutions of the nation."

JOHN DEWEY says:

"*People at Work* has all the qualities which make Miss Perkins' contributions so significant. It is marked by a notable union of intimate knowledge of concrete conditions in industry, broad sympathy, and intelligent plans for the future."



A. A. BERLE, JR. says:

"*People at Work* is a splendid contribution to the popular literature of present industrial and sociological problems. Its apparent simplicity and untechnical manner are deceptive. They cover a profound grasp of the situation and, what is more to the point, are presented with perspective both as to the past and as to the present."

"**M**ISS PERKINS' book fulfills the promise of its title. One expects from it not merely a discussion of 'the labor problem' but a portrayal of the life of the working masses, and one is not disappointed. Throughout the book one feels the touch of the artist as well as the purpose and spirit of the social reformer. Not the least of its merits is the skill with which it carries the reader along the road—a road that starts with the social and industrial conditions of Colonial days and winds up with the Roosevelt Administration's dealings with the tremendous problems of modern industrialism.

"The book touches upon almost every aspect of the life of 'people at work' and sets in high relief the most interesting and important of these aspects."—FABIAN FRANKLIN, in the *New York Sun*.

"**T**HE fact that Frances Perkins, for more than two decades, has been a worker and leader in movements for improvement of conditions of labor would itself be enough to give this book, which is almost her personal experience, a notable place. The fact that now she is at the very center of the whole nation's attempt to improve the conditions of labor carries us into the heart of everything that is being done in this unprecedented attempt to recover from almost the worst fate that laborers have fallen into during American history. We see, with her, things from the inside. It is just what we want to know."

—JOHN R. COMMONS, *University of Wisconsin*.

PEOPLE AT WORK *by* FRANCES PERKINS

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People at Work by Frances Perkins

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THE JOHN DAY COMPANY, 386 Fourth Avenue, New York

Publicatio

1933

November 22, 1933.

Mr. T. Von Ziekursch,
Pictorial Review Company,
214 West 39th Street,
New York City.

My dear Mr. Von Ziekursch:-

Your letter of November 22d addressed to Miss Perkins came as a surprise. On November 7th, 1933, I wrote a letter for Miss Perkins enclosing the article which she had written and addressed the envelope myself to you and mailed it. I am enclosing you a copy of the letter which accompanied the article. I cannot understand why it was not delivered to you.

I talked with Miss Walker today and she mentioned a telegram sent to you by Miss Perkins. The only telegram sent you that I know of was one on November 3d saying the MSS. would be sent in a few days. The promise made in that letter was carried out.

At Miss Walker's suggestion I am enclosing herewith a copy of the article and am sending it by air mail.

Very truly yours,

Secretary to Miss Perkins

x Pict

1 Nov 22

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PICTORIAL REVIEW COMPANY

214-228 WEST 39TH STREET

NEW YORK

EDITORIAL DEPARTMENT

June 14th, 1933.

Miss Frances Perkins,
U. S. Department of Labor,
Washington, D. C.

My dear Miss Perkins:-

We have a very definite feeling that a great deal of confusion exists in the minds of American women and men also as to the Industrial Relief Bill, its provisions, its effects and their ramifications as they apply to the American individual and family. It is undoubtedly a revolutionary bill and the women of the country are asking about it.

We feel that we are appealing to you not only in behalf of our magazine but in behalf of the American people in this matter when we ask if you will consider writing for us an article that will digest this legislation from the woman's standpoint explaining it to her as it most certainly has not been explained to her heretofore.

We are quite willing to open up our pages to you and really hope very much that you will be interested.

We can offer you \$1,000. for this article.

Yours most cordially,

PICTORIAL REVIEW COMPANY

Helen Duer Walker

T. Von Ziekursch

Helen Duer Walker
T. Von Ziekursch
Editors



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214-228 WEST 39TH STREET

NEW YORK

EDITORIAL DEPARTMENT

November 22nd,
1933.



Miss Frances Perkins,
Secretary of Labor,
Department of Labor,
Washington, D. C.

My dear Miss Perkins:-

I know you are a very busy woman, probably the busiest woman in the world today, and therefore I can appreciate fully the position you have been in in trying to do the article for us.

Because I fully appreciate this I have not annoyed you by trying to urge speed, knowing that if you could do it in time you would, but unfortunately our dead-lines have closed down upon us and I know you will understand and perhaps be relieved when I say that we cannot wait any longer and therefore let us call it quits on this one.

I do hope that should I see an opportunity for another article you will permit me to feel free to write to you asking you to do it, with the assurance that if you cannot I will thoroughly understand.

Most cordially yours,

PICTORIAL REVIEW COMPANY

T. Von Ziekursch

T. Von Ziekursch
Editor

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The Backdrop

WITHOUT knowing the industry of yesterday, we cannot understand that of today, nor plan what it shall be tomorrow. Industry begins in America with the first man who waded to the thigh through the waves around Plymouth Rock, and the first woman who took his hand to follow him. They knew that in the race with death they must build a fort on the hill and clear a forest before the planting. Industry must have been the first fact in their thought, in front of every other. It is not play even for a skilled woodsman with a modern axe to girdle and fell such trees as came down to the sea before the merchant or yeoman or indentured servant, who stood trying to see if "this place were fit for him to seat." That wooded shore was to be to him a foretaste of his Calvinist hell. For many generations a tree was an enemy in New England. Men have chopped at some roots for four generations, passing the stump on from father to son.

On the New England coast where snow lay on the ground five months out of the twelve, the new people began to live by the sea. The first journals of the Plymouth landing say that the region is likely to be a place of good fishing. Trade with the West Indies, and the tall long pines to go to the Clyde side to be masts for England, made the men of New England into shipbuilders. By 1750, the colonies were launching 155 ships a year. Enough carrying trade had passed into the hands of the country by 1801 so that the Treasury paid from American shipping, the national debt. The colonists were completely dependent on England and Europe. Ships brought from London and Havre not only axes, nails and spikes, crockery, clothing and shoes, but everything elegant and expert came by ship—coaches, saddles, wines, broadcloth and satins, harpsichords, playing cards. The colonists sent back food to the weavers of England, indigo, bark for the tanning industry, fresh sawed pine, and pitch, the unequalled Virginia tobacco, and the lightest, most lucrative loot the world has ever known—to be bought for a hatchet or a tin spoon—furs.

The South began from the first to live the farming way of life. Wealth and population increased there rapidly. One-fifth of the population of the colonies was in Virginia. The industry which grew was at first all that of a sea going and agricultural society. Industry in the sense in which the word appears in the present files of the Department of Labor—manufacturing—scarcely existed. Manufacture of cloth was a home handicraft carried on by farmers' wives and children. Sometimes this family unit enlarged enough to create a factory on a small scale. Washington manufactured clothing for twenty-eight persons besides him-

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Agitation for manufacturing began as a fiscal question opened by the Secretary of the Treasury. Shipping had made merchants in this American life—men who ~~took~~ their profit not from production but from prices. Our young nation famished for currency to transact business, watched gold go out of Boston and Newport and Charlestown to pay for goods abroad. No gold mines supplied this loss of coin. Even small pieces of cloth were used for specie in an economy where numbers of men never saw any coin but a Spanish milled dollar, half a dozen times in a life time. As late as 1900 a place like Cornish, New Hampshire, was still living almost entirely by barter.

Hamilton's powerful Report on Manufactures presented to the House of Representatives in 1791, a proposal for keeping this outflow of money at home. "A strong government" was Hamilton's toast for many years. But he saw that the United States must consider not only "by what means they could render themselves less dependent on combinations of foreign policy." The whole case for agriculture and manufacturing was waiting to be made. For the solution of our needs, we must look at home." With no statistics of the kind we now have, with what information he could accumulate from collectors of ports or any other source upon which he could hit, he argued out his theme. Hamilton presented, under seventeen heads, a survey of resources and prospects for manufacturing in America and suggestions of means, and answered all objections, in a statement so noble and of such proportions "as has seldom been furnished to any government."

The Hamilton report turned the thought of the whole continent to his subject. A growing favor for home manufacturing began to spread through ~~and~~ the whole nation. Men who could interest themselves in public issues organized "Friends of American Manufacture". It became fashionable for women to spin at

take

"infine

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afternoon parties. Prizes were offered for homespun cloth and buck-handled knives. Dates were fixed when members of legislatures must appear in cloth of home manufacture. Mills were exempted from taxation for ten years; and workers in mills from ^{the} poll tax and service in militia. Six years before the Revolution, there were but two paper mills in all New England. In 1797 there were sixteen in Connecticut alone. Charters were issued fast between 1809 and 1812, for salt works, iron works, for the manufacturing of glass, hats, shoes, carpets, paper.

Carlyle told us that advancing civilization is largely a matter of clothes. The cotton manufacturing story in America began with a British spinner who set up a jenny from memory in 1790 after many attempts to smuggle drawings, models in brass, or memoranda of the English machinery through British ports, had failed. Ten years before ~~was~~ young Eli Whitney showed to "a number of very respectable gentlemen" a machine for picking cotton seed from the fibre more expeditiously than fifty men. ~~Wool~~ supplied 77.2 per cent of the world's raiment demands, and cotton 4.4 per cent. In 1883, one hundred years later, cotton supplied 73.1 per cent. By 1815 there were half a million spindles in New England. Cotton now makes nine-tenths of the world's clothing and the per capita consumption of cotton in the United States has grown from 9.4 pounds in 1870 to 29.5 in 1910. In a century and a quarter we have come from a woolen clad race to be a cotton clad one. The invention of the gin came at the moment of the application of ~~an~~ ^{an} power to spinning and weaving. Cotton is the great money crop. Only 17 per cent of a corn crop leaves the farm but cotton is all sold. It exhausts the soil less than any other staple. The South became a huge cotton plantation and New England began to weave this crop which every incentive prompted the planter to raise. Along the swift New England rivers, cotton factories appeared beside the water powers.

The first New England weaving towns had a signal character. Lowell and the "Lowell factory system" set up a remarkable experiment—a kind of test case which shows what has already been done so long ago, and so can be done again. It shows how possible educative experience and happiness are in factory life.

The historic success of this experiment was due in the first analysis to the high order of the labor supply tapped. Emerson says that the children of New England in 1820-1840 were born with "knives in their brains." The disciplined, eager New England mind, fed by the poetry of the sea-going life and the unrolling of the new world, burst, under the elms and pines, into a sudden intellectual vigor which was used by the textile industry. Every one of these early operatives had a head price of the kind to bring success to any new system of labor. Probably the release of intellectual power was coincident with and interdependent upon the new opportunity to work at something besides the lonely jobs of fishing and farming, and with the opportunity for social life provided by big towns and associations with others of one's own generation. To go to work in the mills made a kind of social season. Lucy Larcom, the poet, came down to Lowell to work and "enjoy refined so-

The workers were almost all young women and little girls. Whittier said the mills were "acres of girlhood." These mill operatives brought with them good headpieces, and they brought ^{also} the natural honor which does a thing well because that is right. A Yorkshire vicar, who came over to study Lowell on behalf of the British factory population, called it Christian obligation. The Reverend Dr. Scoresby insists more than we do now on the high tone of chaste and moral principle so desirable in the female character. He be-

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Except in rare instances the rights of mill girls at Lowell were secure. They were not driven. Working life was made easy. They were paid in full for extra work. "Our own account of labor done by the piece was always accepted, and our own estimate of time taken off," Harriet Robinson's story says.

The extreme cleanliness and pleasantness and decency of the world in which they worked comes out in these mill girls' stories. "It was a fair, long paradise," Mrs. Robinson says. Work was often light and intermittent. They were allowed to read when it slacked. The corporation had to give the town and mill a high reputation for good order and morality before recruits would come. Stories of factory conditions for women and children in England and on the continent were rife in the States. But the ideal of education which has left its mark in every garage and post office in New England, and given every man who drives you to the hotel something of the university professor, which makes the American small farmer so different from the European peasant, and is one of

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the outstanding causes we have to love our country—this was what recruited labor to Lowell. The mills were regarded as a cultural opportunity and the girls who came were just such girls as are going now into Mount Holyoke and into the University of Pennsylvania and to Columbia. For twenty years Lowell was thought of as a rather select school for young ladies.

The fame of the circulating libraries and lyceum lectures, and improvement circles, and evening schools, drew workers from great distances, even from "the wilds of Maine." The "Improvement Circle" of the mill girls of Lowell was the first women's club in the world, and the *Lowell Offering* was the first magazine ever issued entirely by women. It is astonishing what they read: Locke ^{OT} on the "Understanding," Newton's "Principia," Borrow's "Bible in Spain." Quotations from wise Seneca are on the title page of the *Lowell Offering*.

these girls read

"The effect of Festus was electrifying. We sat looking into each others faces as the lamp light grew dim. Who can mistake great thought!"

Both Lucy Larcom and Mrs. Robinson were in the mills before they were ten years old. ~~The~~ frontier life rested on and believed in "the virtuous discipline of steady toil" especially for children. But these little doffer girls who reloaded the bobbins, worked only about a quarter of every hour. They frolicked about the rest of the time in the big airy mill room and yard. The law provided that they must be three months of every year in school. Even the doffers worked the fourteen-hour day—five in the morning until seven at night. Long hours were the inevitable result of frontier industry. The pioneer day went from dawn to sunset. This use of women and children in the early factories was regarded as a pure gain in national wealth. Children have much the same status in the reports and resolutions of the time as unutilized water power.

"Much might be done by women and children and others," Washington wrote in a letter to Lafayette, "without taking one necessary hand from tilling the earth."

The "Lowell factory system" was marked by every industrial nation of Europe. The eyes of the whole world were on Lowell savings bank deposits. Thiers read in the Chamber of Deputies from the files of one of the operatives' magazines. Harriet Martineau took a file of them home with her and published extracts in the *London Atheneum*. Dickens gave several chapters to Lowell in his "American Notes."

"Not one young face gave me a painful impression," he wrote exultingly.

The fair, long paradise faded. The first strike at Lowell was called against reduced wages. The young ladies walked in procession in the famous muslin dresses and green parasols and stockings—they were always marching in processions. There were no bands, but they sang:

Oh, I cannot be a slave;
I will not be a slave.

There is an old print of this first strike at Lowell with the caption, "Ladies Never Will be Slaves."

One girl, to everybody's consternation, stepped up on a pump, and made a speech. The strike was lost, and the cultural quality of the life began from that time to fall off. The decay of Lowell had begun.

Whole towns went to these early New England mills, lines of women with black shawls over their heads winding down the hills when the mill whistle blew, to rambling buildings beside great water wheels. The population of Lowell increased from 1826—1836 by fifteen thousand. ~~It was~~ the emergence of youth. Wages were high because of the shortage

This new demand for

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In our one-sixteenth part of the globe is three-fifths of the world's coal, and 42 per cent of its iron ore. Coal began to be mined for the market in the colonies first in Virginia in 1750. It was found in the Lehigh Valley in 1791. In 1803 two arks of it were floated to Philadelphia. Whole nights were spent in trying to make it burn. When Dickens came, the shower of burning sparks which rose from the wood-burning railway engines struck strangely on his Eng-

This new demand for labor ~~was~~ meant

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lish eyes. As late as 1860, the familiar woodpile stretched along the great steamboat lanes of the Mississippi and Ohio, sometimes from landing to landing. Mineral fuel was sold in the Northwest first in the coal yard of James J. Hill. In 1845 the total production of coal of the country was three million tons. In 1866 it was less than fifteen million while Great Britain produced one hundred million. By 1904 supremacy of the coal trade of the world had passed from Great Britain to the United States. During the war our estimated output capacity was between eight hundred and nine hundred million. 4?

Iron working was one of the earliest forms of colonial industry. Virginia had the first iron works at Falling Creek on the Jamestown river. In 1620, the London Company "sent out men and materials to set up three iron works." The first attempts to manufacture iron in New England were twenty-eight years later. In a letter to his son in 1648 Governor Winthrop wrote that "the iron work goeth on with hope. It yields now seven tons per week." By 1766 Philadelphia exported eight hundred eighty-two tons of bar and eight hundred thirteen tons of pig iron. In 1890 America produced one-third of the world's total output of iron and steel with a yearly average for pig iron of seven million plus three million for steel ingots and castings. In 1929 we produced forty-two and a half million plus of pig iron, and fifty-six million and a half of steel.

Food had begun to be processed—cattle into meat, wheat into flour, cane into sugar. The whole famous line of Yankee notions had begun to send out peddlers from Maine to the Everglades with packs on their backs to be pioneers in the first American free educational system. Lumbering increased in the South. The Constitution was built of Georgia timber. The spindles went south. "Cracker labor" began to weave in the South with cotton, power, transportation all at hand. Charles Beard points out that with an investment in manufacturing in 1860 of one billion dollars, the United States had become, twenty-five years after the death of Lincoln, the leading manufacturing nation in the world.

The new people, given a new opportunity just at the time of the application of science to industry, with the best of water powers and coal fields, with the enormous advantage of being away from the battlefields of Europe, with the agricultural West developing into a market by thousands of miles in a decade—the new people achieved a technological evolution, which constantly gathered momentum. The power of the American to use the great technologies, as well as to work in them in the sheer search for wisdom, has resulted in the application of new forms of power to mass production, in minute divisions of labor, in salvaging of by-products, in standardization, and development of interchangeable parts. This American capacity for invention and the genius for business organization were the chief points of emphasis in the economic scene during the period of primary exploitation, and they have created our basic American fortunes and industries.

The huge cost of transportation affected everything. On the rivers and slow flowing canals, and then on the railroads, exchange of possibilities began its fundamental service. By 1890 nearly half the railroad mileage of the world was in this country.

The workers in our industries came first from a stock of which Cromwell said that "it knew what it fought for, and loved what it knew." The entrance of new types of labor through immigration has altered all our story. The slaves first came in a circular trade with the West Indies which brought molasses from Jamaica, made it into New England rum, and exchanged slaves and the rum for more molasses. In a time when nothing was more despised and unconsidered than the foreigners entering American life, men

plus
? Editorial
Federal note.
I don't know
whether millions
or millions is
the better usage.
The Statistical
index from
which the figures
were taken has
them in num-
erals.

to weave in the South with cotton, power, transportation all at hand. Charles Beard points out that with an investment in manufacturing in 1860 of one billion dollars, the United States had become, twenty-five years after the death of Lincoln, the leading manufacturing nation in the world.

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Slowly emerging in the economic picture in the last fifty years has been the deflation of human life. The devaluation of human beings was not new in 1840 nor in 1890, nor is it new in 1934. Hazards of every kind were traditional on the frontier. Labor was so costly of life in some occupations that owners of slaves would not risk their property in these pursuits. The status of the worker in the colonies was such, under the law, that workmen suffering injury in the course of employment, were punished instead of compensated. The devaluation of human life was

the statistical
inferred from
which the figures
very little has
taken in numerals.

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not invented by the factory system. The machine replacing human hands has been a constant potential for good. The increase of population and life expectancy in the first years of the industrial revolution brought into existence in England what Sir Robert Peel called "an additional race of men." Up to 1751 the largest increase of population in Great Britain in ten years had been 3 per cent. Between 1801 and 1831 the population increased "rather more than 50 per cent," in the manufacturing towns like Liverpool and Glasgow, as much as 160 per cent.

The old individualistic conception that, given time, the solution for all abuses would right itself, was perhaps never stronger than in the '90's when great wealth and great poverty began to make their appearance in our American life. When Harriet Robinson went back to the old red brick building on the river bank where plants had bloomed in the windows and she had worked so happily through interesting years, she was overcome at the changes she noted. The boarding houses were not kept in repair nor clean, workers were in unlovely surroundings. The room where she had begged for a loom with a river view, had been turned into a drying room, terrible with heat and all doors and windows shut. The type of goods as well had deteriorated. All cultural values seemed lost. "Labor is worship," she wrote sadly. It was not worship in the Lowell of that time.

The span of adult life of many of us has seen the progress in America from a highly individualistic conception of human relations to a service conception. Profound economic changes not identical with scientific discoveries were affecting us. We had come by 1900 into issues for the study of which there were as yet no laboratories. The step from the more simple experiment of what makes great business productivity, to the more complex one of what makes a good life, had not yet been made. But America had come to realize that "unless the world is so planned that it is well with labor, it is so planned that it is ill with everybody else."

In 1913 labor was given a place in the National Cabinet.

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Section 3:

THE United States emerged from the Great War in a state of unprecedented unity. For five years there had been practically continuous employment and wages had been high. Enormous quantities of goods had been manufactured. Enormous quantities of food had been raised. All these things had been sold at high prices either here or abroad. They had not all been paid for, but the whole world owed us money. We were as excited as though some remote uncle had left us a fortune in the regular story-book way. We were gay. We were still quivering with excitement. Our fighting blood had not subsided and we felt equal to anything. We had the illusion of all being rich together—the manufacturer, the banker, the farmer and the wageworker. Not for a long time to come were we to be all of one mind again.

But after that terrific "faulting" of the strata of our civilization under the pressure of the Great War, it was impossible at once to get the country back into an orderly alignment. The layers of experience we had laid down in our years of slow growth no longer matched. The new world we had come into was not the one we might have reached if we had spent those war years with the slow progress of peace, but in that interim we had learned to produce goods in quantity at a speed never before possible. We could manufacture enough of everything for everybody and by all the traditions of the race that meant prosperity.

After the war and the high wages and markets so great that they could not be satisfied, it was natural to expect a recession. The recession came. The huge government contracts were cancelled and plants which had been running overtime on war work began to throw off men by the thousands. A group of the smaller industrial cities reported on December 7, 1918, 3,555,066 employed, but on the 28th of the following June their records showed 1,202,835 less. It was true that the ship yards were still running and there was far more talk about the bright prospects for international trade and American shipping than about the number of unemployed.

White-collar men were confidently expecting the raises in salary which they needed because the cost of living was going up. Milk, beef, butter, eggs, cost nearly twice what they had before the war. It suddenly appeared that there were not enough houses to go around and rents soared—but were not high prices always part of prosperity? Did it matter how much meat cost if you had money to pay for it? If it was well for business, must it not be well for everything else?

But in spite of this, during the summer of 1919 workers began to drop out of the chorus of prosperity. That first postwar unity of interest was disintegrating. Our leader, public opinion, seemed to be in several places at once. Now it spoke with a dull, ancestral voice and prophesied ill. Again it made a great blare as of trumpets sounding the years of perpetual prosperity—and the voice prophesying prosperity was far the pleasanter to listen to, and far louder, than the voice which spoke of these troubles of working people.

Very quietly Pennsylvania sold municipal bonds to the extent of \$691,500,000 in 1919, and used 90 per cent of it for public works. It is estimated that a million persons were directly employed as a result of this

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Very quietly Pennsylvania sold municipal bonds to the extent of \$691,500,000 in 1919, and used 90 per cent of it for public works. It is estimated that a million persons were directly employed as a result of this appropriation; that \$450,000,000 represented the wages of the workers producing the materials used in these pieces of construction. And in the midst of this emergency employment the steel companies were still running a twelve-hour day and a seven-day week.

The textile industry had been put on a part-time basis. Some of the largest mills had closed and when they began work again it was at a lower wage rate. The reductions varied in different places. One-fifth is a fair average. It was said that public opinion sanctioned a deflation of wages in order to deflate prices from the postwar level. The public did not know the facts, but before the war it had been practically impossible for the average worker in the cotton or woolen mill to support his family at any decent standard of living. By no means could the wife of an average textile worker stay at home to care for her children and keep her house while her husband was paid less than two-thirds of the subsistence level of living as reckoned by the Federal investigators.

There was a study made in 1920 of the situation in Grand Rapids, Michigan. Grand Rapids makes furniture. During June and the early part of July of 1920, thousands of buyers arrived in town and there was a great demand for furniture. Prices went up and profits and wages went up with them. The Michigan State Department of Labor estimated that wages generally increased from 40 to 50 per cent between 1917 and 1919, and that from 1919 to the time of the study the increase averaged probably another 40 per cent. On the surface it looked as though the labor group were sharing in the prosperity of business. Add to this the fact that since furniture is made all the year round there was practically continuity of employ-

Survey -
Jan 22 - 24
Survey of
Michigan
From Facts of Prosperity
Brown Harbor - Survey
Nov 6-20
It is the
possible to make
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ment. The best estimates that are available show that the cost of living must have increased during that time somewhere between 65 and 70 per cent. The Michigan State Department of Labor gave the total number of wage-earners in the industries of Grand Rapids in 1919, as 34,609, and the average daily wage of these thousands \$4.47. There was no unemployment, but the earnings of this low-pay belt did not permit what constitutes a Michigan or an American standard of living. Life for a family of five, which was the estimated average of the wageworkers in Grand Rapids, meant constant anxiety, privation, uncertainty, almost superhuman self-control. Moreover, it meant absence of any serious illness, insufficient recreation, practically no means of developing a talent in any member of the family, or of making a contribution to church or to charity or social organization. It left nothing for nice clothes, for tools, for smokes, sodas, recreation, or any one of the thousand items that make life delightful. Neither did it provide anything for general savings or the buying of a home, so that the average worker in Grand Rapids could provide no cushion of reserves to put between his family and disaster. This study received very little notice.

It seemed inconceivable to high-spirited citizens still exhilarated from our part in the victory of 1917 that the world would ever slow down again to its pre-war dawdling. Had we not learned, under the pressure of the efficiency methods on the one hand, and of a great foreign market on the other, to produce vast quantities of goods at a minimum cost? It seemed almost disloyal to talk of anything except prosperity. And yet by December of 1920 consumers were refusing to purchase in spite of the fact that manufacturers reduced prices. Factories which made automobiles, or silk, or clothes, or shoes, were working on part time. Some were closed. But business was used to recurrent cycles. These situations came and went and we did little about them. There was still a foreign market for our goods if they could be produced and disposed of at a lower price level, and the lower price level was made possible by lower wages.

Several hundred thousand steel workers walked out of the mills in protest against low wages and long hours, for now, eleven years after the Pittsburgh survey, many of them were still working a twelve-hour day. This great steel strike had been in progress only a few weeks when a great coal strike was declared.

Through the Inter-Church World Movement, the public made an effort to inform itself on these disturbances in the coal and iron country, and the press carried daily columns on the situation. This was not, however, used by the newspapers as "front-page stuff."

One month after the election of President Harding the settlement workers were, for the first time in five years, being asked to find work for their neighbors and discovering that unemployment was extending beyond any single neighborhood or city or State. The United Neighborhood Houses of New York held a conference and pointed out that this period of unemployment was not primarily an industrial disturbance, but a world problem. The conference asked for "the acceleration of foreign trade by such means as may most rapidly be developed." But the depression was not limited to America; there was no market abroad. These social workers asked for a National Commission of engineers, employers and employees—men technically qualified to meet the question and formulate a national policy and they urged the increasing use and the increasing development of a public employment service.

Early in 1921 the Secretary of the Detroit Community Union reported that the automobile industry was running at about one-third of its capacity, and according to his reckoning from 100,000 to 125,000 workers had been laid off. Detroit, at that time, turned to the question of public employment.

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By February it was impossible to ignore the fact that in New York City there was an abnormal amount of unemployment. The Mayor appointed a committee to consider the matter. It met in the old town meeting way, assembled its facts, and made recommendations which, curiously enough, cover almost exactly the measures which are now being put into operation throughout the country.

As the winter of 1921 advanced, it was felt that in spite of alleged prosperity something must be done to stop the spring tide of immigration. There were already more men on this side of the Atlantic than there were jobs. Immigration was put upon a quota basis in order to relieve the pressure on employment.

The unemployment with which the social workers were surrounded was due to more causes than the mere dull times of the seasonal trades added to the postwar slump. Many of the people who could not find work were those fitted to an earlier stage of the great mass production system—some of them even belonged before the Industrial Revolution had taken place. The wartime need to produce at all costs had held them in temporary employment even in indus-

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Summary

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9—People at Work 11 Pt. Baskerville 21x13—1407
tries which were busily readjusting themselves to
manufacture more and more goods with less and less
human help.

The unemployment situation of the early postwar
years was met—or at least mitigated—not by the es-
tablishment of a system of public employment ex-
changes, not by increased public works, not by any
general revival of business, but by the marketing of
certain things which had hitherto been considered in
the luxury class—things which the American people
wanted and which various systems of deferred pay-
ments made it possible for them to get. These were
what are called “consumer goods,” things which the
public buys and uses directly. The automobile was
perhaps the most outstanding of these. Automobiles
were made with amazing precision and increasing
cheapness, and standardized through the most minute
division of machine-tending labor. And while the au-
tomobiles became cheaper and cheaper, the roads
over which they could run were laid down like magic
tapes across the country. By 1923 it was said that there
were two automobiles for every three families in the
United States.

During the war the farmers' earnings had been
high, and people living in the country felt that they
could afford telephones. The rural lines looped along
the edges of the white roads where the automobiles
sped, and with the telephone lines went the electric
power lines, and there was a great buying of electric
refrigerators and electric flatirons and fans through-
out the country.

The manufacturers of rayon were prospering too.
The product had been greatly improved. It was beau-
tiful; it was durable; it had an air of elegance. It
could be made at low cost out of almost anything and
women bought it.

The day had passed also when the cigarette was in
any sort of disrepute. The cigarette manufacturers
were almost as prosperous as makers of automobiles,
and so were the great companies which manufactured
cosmetics, and the chain stores and the department
stores. People with automobiles and with telephones
were no longer dependent on the nearest place where
they could get what they wanted. They were able,
and more than willing, to go where it could be had
cheapest.

The growers of fruit were also prosperous. In 1923
it was estimated that New York City alone ate 25,000
grapefruit for breakfast every morning. And the
truck gardeners close to the great cities were doing
well.

But as the country pulled itself up from the hol-
low of the postwar depression the most startling rise
in “consumer goods” was in the demand for radios.
This was an invention with the glamour of magic
about it—it was recreation and information and won-
der combined. The automobile, was, after all, no
more than a swifter, better sort of horse, but radio
was the realization of a dream—a fairy tale of child-
hood come true.

And along with automobiles and radio went aug-
mented building programs. Sky scrapers went up in a
race of city against city to reach nearest the sky. New
country homes dotted the hills—modern subdivisions
radiated out from the towns onto the farms. When
the young workman took his girl to ride in his shin-
ing, though only partly paid for car on Sunday after-
noon, he was greeted at turn after turn of the road
with a life-size picture of a rose-covered cottage, and
was admonished that he should make her happy by
giving it to her. He was told incidentally that this
was cheaper than to pay rent. In the city he was told
also that if he bought into some coöperative apart-
ment it would not only be a cheap and comfortable

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And along with automobiles and radio went augmented building programs. Sky scrapers went up in a race of city against city to reach nearest the sky. New country homes dotted the hills—modern subdivisions radiated out from the towns onto the farms. When the young workman took his girl to ride in his shining, though only partly paid for car on Sunday afternoon, he was greeted at turn after turn of the road with a life-size picture of a rose-covered cottage, and was admonished that he should make her happy by giving it to her. He was told incidentally that this was cheaper than to pay rent. In the city he was told also that if he bought into some cooperative apartment it would not only be a cheap and comfortable way to live, but that he could undoubtedly sell at a profit if he had to. By the thousand he succumbed to the lure of these advertisements.

And the manufacture of all these consumer goods did give work to many people and usually at high wages. The well paid worker in an automobile factory was able to buy a radio; the wife of the radio salesman could afford visits to a beauty parlor; the good wages and continuous employment in the industries manufacturing these "consumer goods," especially automobiles and radios, and the great increase in building did, keep a large number of the wage-earners' pay envelopes full enough so that the great internal market of America was bolstered up for a long time ~~so~~ that business swung into the up-curve of its cycle.

But that great domestic market was not a universal market by any means—employment was exceedingly spotty. Plenty of people had no jobs and therefore no purchasing power.

During the war an enormous amount of coal had been used for railroads, to coal the ships, and even to send abroad, but by 1923-1924 not so much coal was needed. And not so many ships were needed, and not so much lumber to build them, and not so many men to cut down the trees and run the sawmills. The tanners, who during the war had to import hides from India and South Africa, could be more than supplied by what the slaughtering houses sent them, and it took fewer men to make fewer shoes. The small store keepers everywhere had to struggle to hold their trade. They appeared to be rapidly following in the

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9a—People at Work—11 Baskerville—21x131407
 footsteps of the shoemaker and the country tailor and
 the village blacksmith.

These groups did not offer an adequate market for the products of American industry. Neither did many other groups. In December of 1923, the New York State Bureau of Women in Industry issued a report on the wages and hours of women in five industries which was in effect a quick glance back over the years. Beginning with the report of the Factory Investigating Commission in 1914, it included an investigation made by the New York State Department of Labor in 1918, and was completed by the study of 1923. It covered confectionery, paper bags, shirts and collars, tobacco, and mercantile, which includes chiefly the work in large department stores and small retail dry goods establishments, with eleven per cent from the Five-and-Ten-Cent Stores throughout the State.

Industry	MEDIAN WEEKLY WAGE		
	1913	1918	1923
Confectionery	\$5.75	\$ 9.75	\$13.25
Paper Box	6.75	11.25	14.25
Shirts and Collars	6.75	11.25	14.75
Tobacco	..	14.25	16.75
Mercantile	7.25	11.75	16.25

Exactly what did these wages, which in most cases have more than doubled in ten years, mean in opportunities and comfort and security to the women who are earning them? What did they indicate in spending power?

In 1918 the Consumers' League of New York estimated the cost of living for women to be \$14.80 a week. At this time 50 per cent of all the workers in the five industries investigated, except the tobacco industry, were earning far less than their cost of living. We still had, in New York State in 1923, more than one-fourth of the women in the four factory industries, and almost one-fifth of those in the mercantile establishments earning less than \$12.00 a week. But in these ten years the cost of living had gone up approximately 60 per cent. There were times, at the end of the war, when it had doubled. Wages that were below the cost of living in 1913 were quite as far below it in 1923. And the buying power of the workers had not increased with the production capacity of the industries they worked in.

It seems strange, looking back at that time, that public opinion did not sense the situation. Perhaps it was because those centers for discussion and thought through which we Americans have always functioned were not concerned with public matters as they had been in our early days. In every American city and town, groups gathered for weekly luncheons and a certain easy good-fellowship rather than discussion. These organizations grew rapidly. The members sang songs and conducted service campaigns, and boosted their town, or their State, or their particular business. They were, in fact, in a genial mood toward the rest of the world. Let the government keep away from their business and they were willing to share a part of their prosperity with their brothers.

Among the workers public opinion was beginning to form again. In the spring of 1923, the National Women's Trade Union League held a conference in Washington to discuss the Supreme Court decision in the minimum wage law for women.

"This idea of always being a poor working girl is nonsense," said Rose Schneidermann. "There is no reason why the working girl should be poor."

By May, 1923, the public was beginning to feel that out of its new plenty, it could afford some legal protection for the worker. "Perhaps no fact commends itself more generally to the common sense of thoughtful persons than that changed industrial conditions require a modification of the legal protection of the workers," wrote John B. Andrews, head of the American Association for Labor Legislation.

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It is not possible to tell what might have happened if the same legislation which is being enacted today had been enacted ten years earlier. But at that time America was not thinking with one mind, or speaking with one voice. It should have been a good time to establish legislation that would have built up the buying power of the wage-earner. People who felt themselves so prosperous could be expected to be generous and kind. That part of public opinion which functioned on the problems of the wageworkers was perhaps sufficiently definite and determined.

But measures which might have been a bulwark against disaster were considered as the policies of one political party or the other and not in relation to public advantage. Take for instance what happened in New York State Legislature in 1924, as typical of what happened in many other States. The Republicans and Democrats were almost evenly balanced in the two Houses. If a Republican introduced a bill in the Democratic Senate, and it was seen to be a party measure, it was inevitably defeated by the Democratic majority, whereas if it was introduced by a Democrat, it almost certainly passed. But a democratic bill that passed the Senate must be sent to the Republican Assembly, and there it met certain defeat.

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9b—People at Work—11 Baskerville—21x131407

What became of those bills that affected the workers' buying power, and so their ability to sustain the domestic market? Amendments to the Workmen's Compensation Law failed to pass, a bill designed to free the labor unions from the prohibition against monopolies failed to pass. At the next session three bills of interest to the wageworkers, one attempting to curb the use of the injunction in industrial disputes, and two to strengthen the Workmen's Compensation Law, were killed. The slaughter included the bill for a minimum wage board, the bill establishing a forty-hour week for working women and the bill for the wage and hours of labor conference, immensely important bills, backed by social organizations throughout the State, passed by one party and killed by another under the guise of politics.

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The 1924 Legislature met and deliberated and passed on keeping the balance between the two parties so nearly perfect that the ideal of non-vibration was almost attained. The only industrial bill of any consequence that became a law was that reducing the waiting period in compensation cases.

It is of course impossible now to tell what would have been the result if these bills and others like those recommended by the President's Conference on Unemployment in 1921 had been enacted—if some of the remedies now being tried to build up the lost buying power had been used to prevent its being lost. It was certain that during the middle '20's of this century even the limited buying power of those employed in the prosperous industries was the foundation on which the prosperity of 1925 and 1926 was based.

Between 1922 and 1927 the purchasing power of American wages was said to have increased at the rate of about two per cent annually, and during the three years between 1924 and 1927, the number of Americans who paid taxes on incomes of more than a million dollars a year rose from seventy-five to two hundred and eighty-three. How did it happen that with so large a proportion of the increased purchasing power in the hands of so few people there was still a market for the vast amount of goods which was being produced? We were dependent then, as we are dependent now, on our domestic market for profit. How could it continue with so slight an increase in the purchasing power of wages as two per cent a year?

This was due partly to such a campaign of high-pressure salesmanship as the world, up to that time, had never seen. One chain store organization appropriated three million dollars a year for magazine and newspaper advertising alone. One company manufacturing a musical instrument apportioned a quota of its output to each State and saw to it that their salesmen disposed of it. Every inducement was offered to the ultimate consumer to buy. Almost anything he had would be taken in trade. There were a dozen new plans of deferred payment and the man on a small income could mortgage his future almost indefinitely. The things he bought might be worn out long before they were paid for. Under this system Texas took her quota of dance records, and Maine her quota of electric refrigerators, and California her quota of cheap cars. Everything from pianos to fur coats could be bought on the installment plan. By this means the American manufacturers tried to keep their factories busy at high speed, producing more and more cheaply, more and more goods, with fewer and fewer men.

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It was through credit that the output of the factories was absorbed. ~~It has been estimated that by 1928 there were some six billion dollars worth of deferred payments due on goods that were being used by the public.~~ And the result of this was not by any means one-sided—not by any means all ill. There was a very distinct advance in the American standard of living. The wage-earner became accustomed to many of the good things of life—the pleasures, the luxuries, the material basis of larger living—which they had not participated in before. They became part of the great credit structure of the civilized world—able to realize on their own future—to enjoy the future in the present. And this campaign of advertising and salesmanship in itself gave employment and purchasing power to many people—those employed in the great advertising firms earned money to spend, and the typesetters who set up the advertising copy, and the employees of the express companies which handled the goods bought through the advertisements, or the traveling salesmen—and so on and on through all the ramifications of the process set in motion by the efforts of American manufacturers to keep their factories busy at high speed.

In these strange years from 1923 to 1927 it was impossible to consider the status of the working people by itself. One section of the population was enjoying a quite unprecedented prosperity and proclaimed it with a vigor that prevented what was a ~~real~~ public opinion from being formed. Facts were piling up in the hands of the social workers which were practically impossible to reconcile with any such prosperity ballyhoo.

The Russell Sage Foundation which had in October, 1924, just completed an investigation covering

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recovered

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more than seventy cities in thirty-one States again reminded the public that, averaging good years and bad, ten to twelve per cent of all American wage-workers—millions of men and women—are always looking for jobs.

The dawning realization that unemployment was a constant industrial phenomenon which industrial depressions merely exaggerate and dramatize, had led some to the belief that the occasion called for an extension and technical improvement of permanent employment offices.

It was an undeniable fact, however, that the wage-workers had enjoyed five years of almost continuous employment. Every time they opened a newspaper they met the assurance that this age of abundance would continue. There was in the hands of the wage-workers a certain cushion of reserves, in the form of savings in banks, of insurance of various sorts, and of goods. In 1924 the average account in the Mutual Savings Banks of the United States—banks largely concentrated in the industrial section which constitutes the northeastern part of the country, was \$644.55.

The schemes for getting rich which were advanced during this time covered everything from emerald mines to aeroplane stocks. By 1926 we were sufficiently out of the little postwar slump to consider ourselves in a year of normal prosperity. There was enough employment at good wages so that the average appeared to be high. Some business ~~was so prosperous~~ ²⁵ that those which were not were completely in the shade. ~~There was a sense of security.~~ ^{W3W2} During 1926 the effect of prosperity continued, employment in general kept up, falling off only in special lines.

By 1927 there began a fresh distraction for the American people which was to have a very special significance for the wage-earners. During the week of December 3d, more shares of stock changed hands on the New York Stock Exchange than in any previous week in its history. There was a general knowledge that American business and manufacture was slackening all along the line; that foreign trade had not picked up as had been hoped; that the unemployed were far beyond the normal ten or twelve per cent of the autumn season, but still stocks were going up.

On February 28, 1928, the Director of the New York Charity Organization Society reported that unemployment was exceedingly serious. During that year I attended unemployment conferences in New York and Rochester and Buffalo, where merchants, manufacturers and social workers asked with obvious anxiety:

"What shall we do with these men? They are good and skilled men. The machines have taken their places, or there have come substitutes for the products they made."

Walking through the unemployment office section of Sixth Avenue, I saw men lined up before those shabby stairs, searching the battered bulletin boards, and I knew that what was true of New York City was true also of Philadelphia, Chicago, San Francisco and ~~the other great centers of production.~~ But the other side of the picture was the reiteration by certain commercial and official groups that there never has been such prosperity, especially for the American wage-earner.

There was not then and there is not now any direct and satisfactory measure of unemployment for the United States as a whole. We have in this country no adequate Federal administrative machinery for registering the unemployed or for recording their passage from one job to another. And so in 1928 we were

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The monthly bulletins of the various Federal and State Labor Departments canvassing the number of persons employed in manufacturing industries and the total wages received by them, all told the same story of a steady decline both in the number employed and in total wages, although the decline in employment was greater than in wages. But we had no clear picture of the whole. The figures of the United States Department of Labor showed that the number employed in manufacturing industries had been nearly 12 per cent lower in 1927 than in 1923, and the wages paid almost 8 per cent less. The railroads reported a steady decline in the number of their employees. The mining industry could satisfy its market with a smaller and smaller labor force.

In spite of the general optimism business was obviously fluctuating dangerously; and industry showed neither the ability to control its own ups and downs, nor any understanding of the profound social consequences involved in hiring and firing the men and women of the working force.

Governor Smith, asked me as State Industrial Commissioner for an immediate report on unemployment "to determine whether the State of New York, with its large public works program can do something toward relief of this situation." And at Washington the Jones Bill embodying recommendations of the President's Unemployment Conference, which met way back in 1921, was brought up for consideration.

But people who were forced to think about unemployment centered their attention upon emergency relief, not upon constructive measures of prevention.

To Follow
Preface

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a—People at Work—11 Bask—21x13—1407

The Backdrop

WITHOUT knowing the industry of yesterday, we cannot understand that of today, nor plan what it shall be tomorrow. Industry begins in America with the first man who waded to the thigh through the waves around Plymouth Rock, and the first woman who took his hand to follow him. They knew that in the race with death they must build a fort on the hill and clear a forest before the planting. Industry must have been the first fact in their thought, in front of every other. It is not play even for a skilled woodsman with a modern axe to girdle and fell such trees as came down to the sea before the merchant or yeoman or indentured servant, who stood trying to see if "this place were fit for him to seat." That wooded shore was to be to him a foretaste of his Calvinist hell. For many generations a tree was an enemy in New England. Men have chopped at some roots for four generations, passing the stump on from father to son.

On the New England coast where snow lay on the ground five months out of the twelve, the new people began to live by the sea. The first journals of the Plymouth landing say that the region is likely to be a place of good fishing. Trade with the West Indies, and the tall, long pines to go to the Clyde side to be masts for England, made the men of New England into shipbuilders. By 1750, the colonies were launching 155 ships a year. Enough carrying trade had passed into the hands of the country by 1801 so that the Treasury paid from American shipping the national debt. The colonists were completely dependent on England and Europe. Ships brought from London and Havre not only axes, nails and spikes, crockery, clothing and shoes, but everything elegant and expert came by ship—coaches, saddles, wines, broadcloth and satins, harpsichords, playing cards. The colonists sent back food to the weavers of England, indigo, bark for the tanning industry, fresh-sawed pine, and pitch, the unequalled Virginia tobacco, and the lightest, most lucrative loot the world has ever known—to be bought for a hatchet or a tin spoon—furs.

The South began from the first to live the farming way of life. Wealth and population increased there rapidly. One-fifth of the population of the colonies was in Virginia. The industry which grew was at first all that of a sea going and agricultural society. Industry in the sense in which the word appears in the present files of the Department of Labor—manufacturing—scarcely existed. Manufacture of cloth was a home handicraft carried on by farmers' wives and children. Sometimes this family unit enlarged enough to create a factory on a small scale. Washington manufactured clothing for twenty-eight persons besides himself and Mrs. Washington. One of the early industrialists "learned three hundred women and children to spin in the most compleat manner." But hands for extensive manufacturing were not in the country.

Agitation for manufacturing began as a fiscal question opened by the Secretary of the Treasury. Shipping had made merchants in this American life—men who took their profit not from production but from prices. Our young nation famished for currency to transact business, watched gold go out of Boston and Newport and Charlestown to pay for goods abroad. No gold mines supplied this loss of coin. Even small pieces of cloth were used for specie in an economy

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Hamilton's powerful Report on Manufactures presented to the House of Representatives in 1791, a proposal for keeping this outflow of money at home. "A strong government" was Hamilton's toast for many years. But he saw that the United States must consider not only "by what means they could render themselves less dependent on combinations of foreign policy." The whole case for agriculture and manufacturing was waiting to be made. For the solution of our needs, we must look at home. With no statistics of the kind we now have, with what information he could accumulate from collectors of ports or any other source upon which he could hit, he argued out his theme. Hamilton presented, under seventeen heads, a survey of resources and prospects for manufacturing in America and suggestions of means; and answered all objections in a statement so noble and of such proportions "as has seldom been furnished to any government."

The Hamilton report turned the thought of the whole continent to his subject. A growing favor for home manufacturing began to spread through the whole nation. Men who could interest themselves in public issues organized "Friends of American Manufacture." It became fashionable for women to spin at

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b—People at Work—11 Bask—21x13—1407

afternoon parties. Prizes were offered for homespun cloth and buck-handled knives. Dates were fixed when members of legislatures must appear in cloth of home manufacture. Mills were exempted from taxation for ten years; and workers in mills from poll tax and service in militia. Six years before the Revolution, there were but two paper mills in all New England. In 1797 there were sixteen in Connecticut alone. Charters were issued fast between 1809 and 1812, for salt works, iron works, for the manufacturing of glass, hats, shoes, carpets, paper.

Carlyle told us that advancing civilization is largely a matter of clothes. The cotton manufacturing story in America began with a British spinner who set up a jenny from memory in 1790 after many attempts to smuggle drawings, models in brass, or memoranda of the English machinery through British ports, had failed. Ten years before when young Eli Whitney showed to a number of very respectable gentlemen a machine for picking cotton seed from the fibre more expeditiously than fifty men, wool supplied 77.2 per cent of the world's raiment demands, and cotton 4.4 per cent. In 1883, one hundred years later, cotton supplied 73.1 per cent. By 1815 there were half a million spindles in New England. Cotton now makes nine-tenths of the world's clothing and the per capita consumption of cotton in the United States has grown from 9.4 pounds in 1870 to 29.5 in 1910. In a century and a quarter we have come from a woolen clad race to be a cotton clad one. The invention of the gin came at the moment of the application of steam power to spinning and weaving. Cotton is the great money crop. Only 17 per cent of a corn crop leaves the farm but cotton is all sold. It exhausts the soil less than any other staple. The South became a huge cotton plantation and New England began to weave this crop which every incentive prompted the planter to raise. Along the swift New England rivers, cotton factories appeared beside the water powers.

The first New England weaving towns had a signal character. Lowell and the "Lowell factory system" set up a remarkable experiment—a kind of test case which shows what has already been done so long ago, and so can be done again. It shows how possible educative experience and happiness are in factory life.

The historic success of this experiment was due in the first analysis to the high order of the labor supply tapped. Emerson says that the children of New England in 1820-1840 were born with "knives in their brains." The disciplined, eager New England mind, fed by the poetry of the sea-going life and the unrolling of the new world, burst, under the elms and pines, into a sudden intellectual vigor which was used by the textile industry. Every one of these early operatives had a head price of the kind to bring success to any new system of labor. Probably the release of intellectual power was coincident with and interdependent upon the new opportunity to work at something besides the lonely jobs of fishing and farming, and with the opportunity for social life provided by big towns and associations with others of one's own generation. To go to work in the mills made a kind of social season. Lucy Larcom, the poet, came down to Lowell to work and "enjoy refined society."

The workers were almost all young women and little girls. Whittier said the mills were "acres of girlhood." These mill operatives brought with them good headpieces, and they brought the natural honor which does a thing well because that is right. A Yorkshire vicar, who came over to study Lowell on behalf of the British factory population, called it Christian obligation. The Reverend Dr. Scoresby insists more

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Except in rare instances the rights of mill girls at Lowell were secure. They were not driven. Working life was made easy. They were paid in full for extra work. "Our own account of labor done by the piece was always accepted, and our own estimate of time taken off," Harriet Robinson's story says.

The extreme cleanliness and pleasantness and decency of the world in which they worked comes out in these mill girls' stories. "It was a fair, long paradise," Mrs. Robinson says. Work was often light and intermittent. They were allowed to read when it slackened. The corporation had to give the town and mill a high reputation for good order and morality before recruits would come. Stories of factory conditions for women and children in England and on the continent were rife in the States. But the ideal of education which has left its mark in every garage and post office in New England, and given every man who drives you to the hotel something of the university professor, which makes the American small farmer so different from the European peasant, and is one of

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the outstanding causes we have to love our country—this was what recruited labor to Lowell. The mills were regarded as a cultural opportunity and the girls who came were just such girls as are going now into Mount Holyoke and into the University of Pennsylvania and to Columbia. For twenty years Lowell was thought of as a rather select school for young ladies.

The fame of the circulating libraries and lyceum lectures, and improvement circles and evening schools, drew workers from great distances, even from "the wilds of Maine." The "Improvement Circle" of the mill girls of Lowell was the first women's club in the world, and the *Lowell Offering* was the first magazine ever issued entirely by women. It is astonishing what they read: Locke on the "Understanding," Newton's "Principia," Borrow's "Bible in Spain." Quotations from wise Seneca are on the title page of the *Lowell Offering*,

"The effect of Festus was electrifying. We sat looking into each others faces as the lamp light grew dim. Who can mistake great thought!"

Both Lucy Larcom and Mrs. Robinson were in the mills before they were ten years old. The frontier life rested on and believed in "the virtuous discipline of steady toil" especially for children. But these little doffer girls who reloaded the bobbins, worked only about a quarter of every hour. They frolicked about the rest of the time in the big airy mill room and yard. The law provided that they must be three months of every year in school. Even the doffers worked the fourteen-hour day—five in the morning until seven at night. Long hours were the inevitable result of frontier industry. The pioneer day went from dawn to sunset. This use of women and children in these early factories was regarded as a pure gain in national wealth. Children have much the same status in the reports and resolutions of the time as unutilized water power.

"Much might be done by women and children and others," Washington wrote in a letter to Lafayette, "without taking one necessary hand from tilling the earth."

The "Lowell factory system" was marked by every industrial nation of Europe. The eyes of the whole world were on Lowell savings bank deposits. Thiers read in the Chamber of Deputies from the files of one of the operatives' magazines. Harriet Martineau took a file of them home with her and published extracts in the *London Atheneum*. Dickens gave several chapters to Lowell in his "American Notes."

"Not one young face gave me a painful impression," he wrote exultingly.

The fair, long paradise faded. The first strike at Lowell was called against reduced wages. The young ladies walked in procession in the famous muslin dresses and green parasols and stockings—they were always marching in processions. There were no bands, but they sang:

Oh, I cannot be a slave;
I will not be a slave.

There is an old print of this first strike at Lowell with the caption, "Ladies Never Will be Slaves."

One girl, to everybody's consternation, stepped up on a pump, and made a speech. The strike was lost and the cultural quality of the life began from that time to fall off. The decay of Lowell had begun.

Whole towns went to these early New England mills, lines of women with black shawls over their heads winding down the hills when the mill whistle blew, to rambling buildings beside great water wheels. The population of Lowell increased from 1826–1836 by fifteen thousand. It was the emergence of youth. Wages were high because of the shortage of hands in the developing country. A stream of money and power poured back into the hills lifting mortgages, buying white and green paint, putting books on marble tables in icy parlors, and oranges and junket on invalids' trays. Older women came. In

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In our one-sixteenth part of the globe is three-fifths of the world's coal, and 42 per cent of its iron ore. Coal began to be mined for the market in the colonies first in Virginia in 1750. It was found in the Lehigh Valley in 1791. In 1803 two arks of it were floated to Philadelphia. Whole nights were spent in trying to make it burn. When Dickens came, the shower of burning sparks which rose from the wood-burning railway engines struck strangely on his Eng-

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People seemed to fear that even to mention a possible future depression during good times would "hurt business." And no really influential body of citizens urged increased appropriations for the Federal Employment Service or endorsed the long-range planning of public works, which had been advocated as far back as the little depression of 1921.

During the summer of 1929 stocks continued to soar. There was a feeling of prosperity in the country which could not be downed by any undercurrent of specialized, localized unemployment. ~~There was a better market for second-hand automobiles than for new ones. People who had bought one victrola could not be induced to duplicate the order. The installment-plan dining-room-rug was allowed to wear out in peace.~~

The spring of 1929 brought the usual revival and the seasonal trades connected with food picked up. The canners and the preservers engaged their groups of transient workers and, as the summer went on, the bands of apple pickers and wheat harvesters and hop gatherers were exceedingly busy. Beans, peas, tomatoes, peaches, pears and grapes followed each other in proper sequence, from the fields to the cans and on to the shelves of the grocery stores where housewives would buy them. And then the busy season in food was done.

By autumn the busy season in the dressmaking and the millinery trades was passed also and their workers were on part time. The time was near when most outdoor work would have to stop—when there would be no building and no excavating. It was the dull season all around. We had not hitherto regarded this seasonal slump as of much importance, but now it was of extreme importance, because those regularly out of employment in these seasonal occupations were all that the community was prepared to absorb, and already in 1929 there were many out ~~due to~~ rapid technological changes in the industries.

Chronic unemployment haunts certain of our industries at all times. This is due very largely to the practice in individual plants of maintaining large labor reserves only partially employed, but held in some sort of loose relation to the plant in order to meet the busiest days and seasons. This is particularly true in the building trades, among longshoremen, and in the steel industry, with a constant maintenance of a large half-employed, under-employed reserve. Men employed just enough so that they never make for themselves a permanent relationship in any other occupation, but who are never completely and well and adequately employed in the enterprise to which they are attached. These half-employed reserves were completely unemployed now.

Unemployment of all sorts is a cumulative thing. During the ten years between 1919 and 1929 the slack had never been taken up. We had, in the autumn of 1929, these three forms of unemployment—seasonal, technological and that resulting from the business cycle—and above them a glittering superstructure of speculation and the paper prosperity that was based upon it.

High-pressure salesmanship had not been sufficient in the face of increased mass production, unemployment, and the consequent inability of the workers to buy. The great bulwark of consumption, which is the ~~power of those who work for wages to purchase what~~ the farmers grow and what the manufacturers produce, was down. Wages and total payrolls had not been sufficient to build up a sound internal market great enough and steady enough to absorb the greatly augmented mass of production. Production had expanded faster and further in proportion to the total economic situation than had industrial wages or total payrolls and therefore mass purchasing power.

We had grasped the idea that higher wages were good for the country back in 1924, but although not

out of work
because of

season all around. We had not hitherto regarded this seasonal slump as of much importance, but now it was of extreme importance, because those regularly out of employment in these seasonal occupations were all that the community was prepared to absorb, and already in 1929 there were many out ~~due to~~ rapid technological changes in the industries.

Chronic unemployment haunts certain of our industries at all times. This is due very largely to the practice in individual plants of maintaining large labor reserves only partially employed, but held in some sort of loose relation to the plant in order to meet the busiest days and seasons. This is particularly true in the building trades, among longshoremen, and in the steel industry, with a constant maintenance of a large half-employed, under-employed reserve. Men employed just enough so that they never make for themselves a permanent relationship in any other occupation, but who are never completely and well and adequately employed in the enterprise to which they are attached. These half-employed reserves were completely unemployed now.

Unemployment of all sorts is a cumulative thing. During the ten years between 1919 and 1929 the slack had never been taken up. We had, in the autumn of 1929, these three forms of unemployment—seasonal, technological and that resulting from the business cycle—and above them a glittering superstructure of speculation and the paper prosperity that was based upon it.

High-pressure salesmanship had not been sufficient in the face of increased mass production, unemployment, and the consequent inability of the workers to buy. The great bulwark of consumption, which is the power of those who work for wages to purchase what the farmers grow and what the manufacturers produce, was down. Wages and total payrolls had not been sufficient to build up a sound internal market great enough and steady enough to absorb the greatly augmented mass of production. Production had expanded faster and further in proportion to the total economic situation than had industrial wages or total payrolls and therefore mass purchasing power.

We had grasped the idea that higher wages were good for the country back in 1924, but although recognizing that this was good medicine we hadn't taken enough of it. There was moreover great disproportion in wages which affected price and purchasing power very sensibly. Some wages seemed high in daily rates—thirteen dollars a day for plasterers was certainly high compared to the average wage of plasterers for fifty years past—but at the same time shirt makers and hosiery makers in Pennsylvania were getting eight to nine dollars a week. Seventeen dollars a week was considered good wages in the New England textile mills during these years of peak wages. With this disproportion the textile and hosiery workers' ability to buy or rent houses built on the higher wage costs was obviously non-existent, and the market, therefore, for plasterers' labor gradually receded.

Wages, however, were not really very high compared to standards of living and production power, even in the years of good times. Wages and earnings are different—wages is the daily or hourly rate of pay—weekly earnings are not necessarily six times that, and annual earnings rarely are the daily rate times 365, minus Sundays and holidays.

The money that went into "bonuses" and "melon cutting" might more profitably have gone into payrolls, particularly in the lowest levels, there to have produced and maintained a market.

Stocks were irregular everywhere except in a few fortunate stabilized industries. The total industrial payroll of 1929 was eleven billion dollars, and the

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total cash income of farmers in 1929 was eleven billion—twenty-two billion of market for about twenty million earners, representing families roughly of sixty million people, a substantial market for clothing, food, furniture, radios. Only ~~at~~ \$1,100 a family however, and production; and production capacity in the form of machinery, plant and chemical technique, were increasing beyond the ability of the abstract family on \$1,100 a year to buy. But in these low income groups were wants and desires which properly income would have furnished an almost inexhaustible market.

The problem before the whole American people, and particularly before industrial management and ownership faced with this peculiar situation, and with the knowledge that mechanical design and technological improvements were still proceeding at a rapid rate, was to find and effect a more useful distribution of the money product of industry.

The adjustment of this disproportion of earnings between industries and the inability of certain groups of wage-earners to absorb a suitable proportion of the product of the other industries was a very delicate adjustment and one which could not be achieved without some recourse to cautious experiment. The general building up of the wage-earner market by directing to it a proportion of the money product of our industries commensurate with their production capacity ought to be a not too difficult formula, but in 1929 it had not been worked out.

On the twenty-fourth of October, 1929, people began to sell instead of buy stocks. On Tuesday, the twenty-ninth, the stock market crashed.

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lish eyes. As late as 1860, the familiar woodpile stretched along the great steamboat lanes of the Mississippi and Ohio, sometimes from landing to landing. Mineral fuel was sold in the Northwest first in the coal yard of James J. Hill. In 1845 the total production of coal of the country was three million tons. In 1866 it was less than fifteen million while Great Britain produced one hundred million. By 1904 supremacy of the coal trade of the world had passed from Great Britain to the United States. During the war our estimated output capacity was between eight hundred and nine hundred million.

Iron working was one of the earliest forms of colonial industry. Virginia had the first iron works at Falling Creek on the Jamestown river. In 1620, the London Company "sent out men and materials to set up three iron works." The first attempts to manufacture iron in New England were twenty-eight years later. In a letter to his son in 1648 Governor Winthrop wrote that "the iron work goeth on with hope. It yields now seven tons per week." By 1766 Philadelphia exported eight hundred eighty-two tons of bar and eight hundred thirteen tons of pig iron. In 1890 America produced one-third of the world's total output of iron and steel with a yearly average for pig iron of seven million, plus, three million for steel ingots and castings. In 1929 we produced forty-two and a half million plus of pig iron, and fifty-six million and a half of steel.

Food had begun to be processed—cattle into meat, wheat into flour, cane into sugar. The whole famous line of Yankee notions had begun to send out peddlers from Maine to the Everglades with packs on their backs to be pioneers in the first American free educational system. Lumbering increased in the South. The *Constitution* was built of Georgia timber. The spindles went south. "Cracker labor" began to weave in the South with cotton, power, transportation all at hand. Charles Beard points out that with an investment in manufacturing in 1860 of one billion dollars, the United States had become, twenty-five years after the death of Lincoln, the leading manufacturing nation in the world.

The new people, given a new opportunity just at the time of the application of science to industry with the best of water powers and coal fields, with the enormous advantage of being away from the battlefields of Europe, with the agricultural West developing into a market by thousands of miles in a decade—the new people achieved a technological evolution, which constantly gathered momentum. The power of the American to use the great technologies, as well as to work in them in the sheer search for wisdom, has resulted in the application of new forms of power to mass production, in minute divisions of labor, in salvaging of by-products, in standardization and development of interchangeable parts. This American capacity for invention and the genius for business organization were the chief points of emphasis in the economic scene during the period of primary exploitation, and they have created our basic American fortunes and industries.

The huge cost of transportation affected everything. On the rivers and slow flowing canals, and then on the railroads, exchange of possibilities began its fundamental service. By 1890 nearly half the railroad mileage of the world was in this country.

The workers in our industries came first from a stock of which Cromwell said that "it knew what it fought for, and loved what it knew." The entrance of new types of labor through immigration has altered all our story. The slaves first came in a circular trade with the West Indies which brought molasses from

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The workers in our industries came first from a stock of which Cromwell said that "it knew what it fought for, and loved what it knew." The entrance of new types of labor through immigration has altered all our story. The slaves first came in a circular trade with the West Indies which brought molasses from Jamaica, made it into New England rum, and exchanged slaves and the rum for more molasses. In a time when nothing was more despised and unconsidered than the foreigners entering American life, men and women from almost every quarter, were bringing their knowledges, cultures, skills, optimism, fidelity and despair to us, and also the obligation to find out what this strange increase of human assets is and what they can do for our great creative nation. Immigration increased from something over one hundred forty-three thousand in 1821 to nearly nine hundred thousand in 1910.

Slowly emerging in the economic picture in the last fifty years has been the deflation of human life. The devaluation of human beings was not new in 1840 nor in 1890, nor is it new in 1934. Hazards of every kind were traditional on the frontier. Labor was so costly of life in some occupations that owners of slaves would not risk their property in these pursuits. The status of the worker in the colonies was such, under the law, that workmen suffering injury in the course of employment, were punished instead of compensated. The devaluation of human life was

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not invented by the factory system. The machine replacing human hands has been a constant potential for good. The increase of population and life expectancy in the first years of the industrial revolution brought into existence in England what Sir Robert Peel called "an additional race of men." Up to 1751 the largest increase of population in Great Britain in ten years had been 3 per cent. Between 1801 and 1831 the population increased "rather more than 50 per cent," in the manufacturing towns like Liverpool and Glasgow, as much as 160 per cent.

The old individualistic conception that, given time, the solution for all abuses would right itself, was perhaps never stronger than in the '90's when great wealth and great poverty began to make their appearance in our American life. When Harriet Robinson went back to the old red brick building on the river bank where plants had bloomed in the windows and she had worked so happily through interesting years, she was overcome at the changes she noted. The boarding houses were not kept in repair nor clean, workers were in unlovely surroundings. The room where she had begged for a loom with a river view, had been turned into a drying room, terrible with heat and all doors and windows shut. The type of goods as well had deteriorated. All cultural values seemed lost. "Labor is worship," she wrote sadly. It was not worship in the Lowell of that time.

The span of adult life of many of us has seen the progress in America from a highly individualistic conception of human relations to a service conception. Profound economic changes not identical with scientific discoveries were affecting us. We had come by 1900 into issues for the study of which there were as yet no laboratories. The step from the more simple experiment of what makes great business productivity, to the more complex one of what makes a good life, had not yet been made. But America had come to realize that "unless the world is so planned that it is well with labor, it is so planned that it is ill with everybody else."

In 1913 labor was given a place in the National Cabinet.

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Section 7:

THE Department of Labor of the United States is dedicated to achieving a good life for the wage-earners of America. It has become increasingly clear that national recovery can be made permanent only on the basis of an internal market great enough to absorb the products of our industry and our farms. Not alone for the sake of the profitable situation there may be in having a wide market, but for the sake of our national life; in order to be learned and happy and creative and free, competent in the arts and sciences, and to be a fully developed, fully expressed people;—for the sake of civilization itself,—we should be building up now a pattern of American life based on the conception of a surplus economy.

In the Preamble to the Constitution of the United States, after reciting the general purpose of our forefathers in establishing this nation, after outlining its general intents and policies, the document goes on to say that among its purposes the final one is "to promote the general welfare." The people of this great continent we call a nation had this ideal in raising their institutions in the simpler past. Now new problems in our industrial organization which they did not have to meet have come to loom large in our lives, and to seem definitely a part of the social matrix out of which we are evolving a unique civilization.

We have accepted loosely the assumption that every willing worker has a right to a job, but that no job is a good job that does not give him a fair chance for a good life. As a nation we cannot afford, either economically or socially, that our citizens shall have anything less than a high standard of living, and we have in small measure made it the concern of the government to see that this is accomplished.

The country wants to know that work places are as safe as science and law can make them. Since the emotional shock of the Triangle Fire an adequate fire prevention law as applied to factories has been written into the law of New York State and several other industrial States. ^{See News York} There the constant menace of fire and explosion led to the working out of a code for the hazardous and unorganized trade of dyeing and dry-cleaning and to its unanimous adoption by the employers, even before it had been accepted by the Industrial Board. The manufacturers of fireworks, ^{also} operated in building a code for the conduct of their industry which is now before the Industrial Board for adoption, and there is a code in process for the chemical industry.

Public opinion is always in advance of public action, but thirty years of effort in America have put us not far behind our conviction that there must be no great accident risks, that there must be proper safety devices in industry.

Note: Taken from "Helping Industry to Help Itself" by Frances Perkins in *Harper's Magazine* of October, 1930.

none of our bodily mechanism is geared to the pace of modern machinery. We are living in a machine society, yet our motion habits, system of coordination and the physical mechanisms that enter into action, are adapted to a less rapid pace than the machine of today. We are not, any of us, quite safe in a mechanistic world. It is relatively easy to adopt

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None of our bodily mechanism is geared to the pace of modern machinery. We are living in a machine society, yet our motion habits, system of coordination and the physical mechanisms that enter into action, are adapted to a less rapid pace than the machine of today. We are not, any of us, quite safe in a mechanistic world. It is relatively easy to adopt a certain kind of safety habit which enables one to dodge an automobile, but people who are exposed to dangerous machinery, day in and day out during fatigue and personal and emotional crises, must develop some new power of coordination which will enable them automatically to carry out their work in a safe way. There must be studies in safe work habits, certain definite, concrete, programs which can be taught to all. These recommendations will run to some program other than merely preaching the doctrine of safety, like a minister in a pulpit, when one goes into a factory. The New York State Department sponsors a little group of lecturers who go around to the different factories, get up in the noon hour and make speeches, telling men how important it is to be sure they are doing things in the safest way, not getting their fingers or arms cut off. But such suggestion does not solve the problem. What we must do is to set up in people a habit which is automatic, which makes them move in a safe way with relation to the machinery which they handle.

Just the other day a lad of fifteen put his hand down on the table of one of the guillotine paper-cutters that they use in printing trades—the machine under which great piles of paper are placed when their edges are to be evenly cut. A great knife, working on the guillotine principle drops at regular intervals. No method has ever been discovered by which the guillotine paper-cutter could be discarded or competently guarded on small stock work. It is a knife so terrible that printers say that it does not have to be guarded—anybody knows enough to keep away from it. But this boy did not, and his hand came off. Why did he put his hand on that table? There is the problem. He had not been correctly educated; he had no coordination habits. When he was asked about

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it, he said, yes, he knew there was a guillotine paper-cutter there when he put his hand on that table, but he had forgotten for the moment that it was the guillotine paper-cutter table. He did not register that; he registered something else. It was a place to put down his hand, that's all.

To be trained for personal safety is part of the good job. The continuation schools carried on in many States, our trade schools and apprentice schools, afford a fine opportunity to develop certain psychological reactions which become automatic safety habits. Somebody should make the preliminary scientific studies from which we can deduce certain principles which can be taught very simply.

Public opinion has begun to work on the untamed machine. If a job is to be a good job every effort must be made to assure the workers beforehand that they will not be maimed in the course of their work. We have come at such safety as we have, first on the emotional side, through terrible accidents like the old fall of the Pemberton mills, through recurring explosions and cave-ins in mines.

The hazard of occupational disease hovers continually over workers in factories, foundries, mines, quarries, glass works. The worker in the dusty trades, in textiles and furs, knows the possibility of contracting disease as part of his job. Consumption has been known for a generation as the "mill workers' disease." The dread "hatters' shakes" produced by the fumes arising in the making of felt hats, the phosphorous and lead poisoning, silicosis coming from exposure to dust containing fine particles of silica, "grinders' rot," "chronic nose" are all occupational diseases which thousands contract and which are controllable and preventable.

Contractors and drillers have acquired a dreadful familiarity with silicosis. It has assumed such proportions with the high speed and efficiency of recent pneumatic tools and the fine dust generated, that the New York Department of Labor has prepared a special code which calls for remedies and preventive measures.

A study by the engineer made during the excavation for foundations of the Metropolitan Life Building and Rockefeller Center showed within the breathing zone of the rock driller, dust concentration as high as three hundred and thirty million particles to the cubic foot. A committee of the Metropolitan Life Insurance Company on rock drilling and sand blasting reports that ten million particles of dust in a cubic foot of air is safe. The method has been worked out to control this rock dust at its source—the hole where the rock is drilled—and to provide a real measure of protection. Granite quarries, foundry and sand blasting all offer serious exposure to this hazard.

The question of the regulation of spray painting has been before the Labor Departments of the States for some time. The public hardly realizes the extent to which the introduction of the spray brush into the painting industry has added a new health hazard for those who are exposed to the poisons often found in paints and lacquers. Lead and benzol are the two things which painters have to look out for in guarding their health. The use of the spray method of painting, which is a quick, economical and effective method of laying paint on solid material, has added hazards by the distribution of those poisons into the air and the possibility of absorption into the nose and through the mouth passages. These hazards are greater than those involved in the old method of laying paint on with a brush. It is a very difficult thing to handle this problem, because we have not devel-

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Conditions of decency and health seem beyond discussion as part of a good job, but a recent letter from a mill worker telling that the drinking water was brought in from a polluted stream in a bucket and the bucket was put in a dirty outhouse, and not even the proper provision made of separate drinking cups, made me suddenly realize the necessity of ~~the old~~ *amending* law on the statute books in some States regarding ~~the~~ provision ^{for} clean and ample drinking water. A government sets up a minimum standard and insists upon that standard in the interest not only of a good

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job for the wage-earner, but in the interest of the health and life of the whole community. Washing facilities are almost as important as pure drinking water and paper cups. There has been the determined attack on the roller towel in factories and mills. This campaign had to overcome a very general public prejudice in favor of that disease-spreading home product. All these things come to be a part of the health standard of a good job. Sanitary facilities for those in manufacturing plants and labor camps, must be ample, modern and practical, and the conditions clean and in line with the highest standards of public decency.

The bearing of conditioned air, light and temperature on health and happiness in work is beginning to affect public opinion, especially since that is buttressed by the argument of steeper or lower production curves. Money, time and intelligence have been spent on conditioning air in certain industrial plants, when the material used in a particular enterprise required a certain temperature and certain humidity. Storage warehouses where steel plates may be stored, without change in temperature or humidity, because such changes affect the steel itself, have become necessary. Film manufacturing concerns keep the air during the summer, winter, spring and fall at exactly the same temperature, warm in winter and cool in summer—a delightful atmosphere, because the manufactured substance itself requires an even temperature and a particular degree of humidity. Incidentally, that temperature and humidity are a very comfortable, very good and very healthful atmosphere for the people who work ~~in~~ *the film factories, T. Ho. H.*

American industry has done remarkable things for the conditioning of air or conditioning of anything else which makes for the improvement of the material or the machines or the product. Amazing ingenuity has been shown in this field, and human welfare comes as a by-product frequently. It is a duty and function of our government to see to it that this by-product, stimulated by economic self-interest, if you will, is put on the market, and that it is advertised and finally, like vaccination, required for entrance into a civilized industrial society.

The efficiency engineers showed us some time ago the value of rest periods in work. In intensive studies made over a period of six years by Colgate University, certain facts emerged about increase of fatigue and lowering of working capacity under unfavorable temperatures. In banks there were 50 per cent more clerical errors when the temperature was 90 degrees than when it was 68 degrees. A survey of typists found more mistakes in summer. Increase in fatigue seems to come largely through loss of body salts, and doses of ordinary table salt in drinking water was found to make for resistance. Industrial lighting to prevent eye-strain and fatigue and improve the ease and quality of work is now a well developed science and its benefits should be available in every work place. Eyes are precious. A certain factory showed for a five per cent increase in lighting cost, a 35 per cent increase in productivity and an immeasurable improvement in comfort for its employees. All these ~~expedients increase working capacity and they lower too the work load on those who have it not in their power to help themselves, but who are entitled to a good job.~~

It is not enough that a work place should be safe, and sanitary and healthful. A good job required it also to be comfortable. The proper selection and adjustment of seats, the possibility of alternate postures, machinists' tables, levers and benches adjusted to individuals to minimize unnecessary lifting and strain—science has shown by research and the comparative method the force of all these considerations on fa-

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Ever since the birth of the factory system there has been a conscious movement against making men into machines—against what we have called the deadening effect of the repetitive process. There was a man who did nothing through his whole adult life but feed a certain sized brass screw into a certain machine; a girl who watched the corner-staying machine in the cardboard box factory, day after day always ~~at the same~~ corners of boxes. The depleting effects nervously and physically of these repetitive processes which grew out of the minute subdivisions of work under the modern factory system, have awakened us to the need of adjusting industrial processes to the needs of human beings and preventing the numbing effects of repetitive work

by broken periods and systematic change.

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by broken periods and systematic change of work.

In a great engineering draughting room men who were charting curves for scientific instruments, carrying on intricate calculations and making mechanical drawings, had their pencils sharpened for them and laid in rows. Drawing papers were provided, ruled off in tiny squares of the sort they should use. Every effort was made to save time and also to save on the work load for these fortunate men. It was found after a short time that the men would not use the pencils ready sharpened, that they would not sharpen pencils by any mechanical means provided, that they would get up with their pencils and their old pocket knives, walk the length of the room and laboriously sharpen their pencils by hand at a window. They would not use the squared off drawing paper. They took their rulers and elaborately drew the squares on the paper to suit themselves, in an involuntary adjustment of the human mind to the work it had to do—a claim to rest through change, to the least arduous and more mechanical phases of their trade. The sharpened pencils and the plaided paper had to be given up if the draftsmen kept their human balance.

These men

We do not yet know how to save workers from the sterile quality of the repetitive process. There is a certain rhythm in the human body and the human mind. If these can be tuned in with the rhythm of industrial work so that the body and the mind and machine function in harmony, it is perhaps a great gain in the avoiding of monotony. Music has been used with success in some places. Our great mechanical achievement rests upon the extreme division of labor in production and the repetitive process, but the human race is not destined just for mechanical efficiency. It is a challenge to industry and to management to find the variety of ways for humanizing human work in relation to mechanical processes.

A good job must be hopeful of promotion and progress. A dead-end job with no opportunity to advance is never a good job. The adolescent worker especially needs to feel that his work leads somewhere. One solution is to shift sterile jobs that lead nowhere to machinery, as has been done with the doffer boys in the Lawrence mills. When the thread breaks in the mill tireless fingers of steel stop the loom till it is mended. In packing houses heavy sides of beef have been transferred from men's shoulders to overhead trolleys. Mechanical conveyors and pneumatic tubes have taken over the work of cash girls and boys in the department stores and become the circulatory system in motor plants. Tractors and trailers instead of human beings move heavy material inside factories. The machine can be man's servant, and if the balance of short hours and good wages and other definite devices to prevent unemployment are operating successfully, the future use of machinery for this deadening work is indicated as a part of civilization on a modern basis.

There are some dead-end jobs which cannot be shifted to the machine, and some sort of experimentation must be carried on which will lead to conclusions for mitigating these jobs by shorter hours and compensating interests. ~~Topic laissons may compensate~~ for a sterile job. Not long since there was a sort of basic understanding that the eight-hour work-day was a maximum standard of hours for people in an industrial civilization. Now we must go a good deal further. In some industries people will not again work as many as eight hours a day. Their health, the productivity of the industry, and the larger employment reached, all speak for the shorter day as a permanent asset. Steel workers insist that six hours a day is enough.

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An Italian girl who works in hat linings, and who, when times were good went to the summer school at Barnard College said: "The teacher asked me to write a paper on how I thought we could all get work all the time, and I looked it up in reports and things, and I figured it out that if we all worked twenty-five hours a week and got the same wages for it, there would be enough to go around. And the teacher said it was a good paper and that probably I was right. And now, when I think of it, I do not believe that the thirty hours a week they are talking about, nor the thirty-five, nor the forty is short enough to give everybody work. I figure it out I was right and that twenty-five hours a week would do it. What do you think?"

A girl who had been on the seven-day week before the code was set up in her ~~work~~, excused her unrestrained laughter and gayety: "You will know it is because I have a day off for the first time in six years." Excessive hours, night shifts, all the abuses which are woven into the tangle of costs and delicately adjusted financial procedures, can seldom be undertaken by an employer as an individual move, for fear of self-destruction. Improvement has had to come until now through legislation. The voluntary agreements of the codes offer quick results in good faith.

There is the old problem of night work. Must machines be run all night, and if so, who is to tend them? In certain industries like smelting and vulcanizing metals, like the baking of breads, like the distribution of milk, like the running of railroad trains and ships, it is necessary that there be work

she said.

industry

Acton against

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at night. The printing of newspapers also comes under this necessity, and chemical processes. The problem of adjusting night work to the necessity of these forms of manufacture has not been completely solved, but it is imperative that this be done with human needs and a good way of life in mind.

Free time must be adapted to the life of the community. A man can take part in that life only if some of his free hours come when it is going on. Vacations regular and provided for, no split shifts, one day of rest in seven, are all matters of admitted common sense. The important consideration seems to be the encouragement to an all round high standard of living to absorb our goods, and a relatively shorter working day that will permit part of men's lives to be devoted to other things than money-making. For the first time in man's history this is now possible, because of machinery and technical skill; and necessary for economic balance.

*the community
life
today*

The industrial life for individuals ~~can~~ ^{must} be an educative experience as well as a productive experience if it is to contribute to the good life. Children in modern schools are educated partly by making things out of clay, wood, metal. They make bowls, boxes, automobiles, figures of people, and all sorts of things. I had expounded to me when the theory was new, that out of the mastery of material, out of making something with your own hands and handling the material, came the training of the intelligence. The conclusion that industry is therefore capable of being a most educative experience is inescapable.

But the old patten making each individual piece by hand, is a far cry from the turning out of pieces by machinery in large quantities, all alike, with no one piece being conceived by the worker, completed by the worker and used by the worker. The wife of our Ambassador to Mexico trying to persuade a workman to make for her eleven more chairs like the one he had just finished was told that she must pay twice as much for the eleven as she had for the first one, because it was so very tiresome to make twelve things all alike. The educative experience is a different thing in the industrial process and ~~it~~ ^{it is} has not been fully realized. An educative life is possible in industrial life. ~~It~~ ^{It is} not yet explored and provided for. Deep in machine civilization lies the issue of the cultural quality of work—the educative capacity inherent in manufacture by the machine. How is industrial life to be educative as well as productive?

*from the production
time one.
This educational
possibility*

that

possibility

This is vastly important to the people way down the line who go into industry when they are fourteen or fifteen and work up step by step, trying to get not only their wages, but their life, their pleasure, their experience, and their education as they go along in industrial life. All work is surely not a dead-end job undertaken only as a means to life and leisure, and the time when we live need not be merely that interval between arid periods of labor. Industry is fundamentally a creative process. With adequate leisure, with income from work adequate for normal human needs, man will rediscover the interest and ~~significance of work even with machines.~~

Public opinion has become reasonably vocative on some points of the good job. More and more the informed citizen asks that a minimum wage be fixed which will make of the worker not only a market for industry's goods, but also a human being who can live above a bare subsistence level. We have become conscious of the fact of wealth. There can now be enough goods to go around. Machinery has made that possible to man for the first time in history. No tradition of what it was necessary for our forebears to do in the generations of poverty, has weight now.

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Our ideas of what living ought to be are constantly changing. The standard of living has been in all human history a constantly advancing thing. It is a flying goal. The philosophy of thoughtful labor leaders has been: "Push up the standard of living—hold gains at any cost."

for it A new challenge to industry is to make employment continuous and secure for people who work in it, ~~and~~ to give the worker a security enabling him to spend his income not only for consumption goods, but for the cultural life to which he is entitled and which will make and build that better America, to which we all aspire. The meaning of continuous and secure work to the whole of our people cannot be estimated. Without that, the power to initiate and to carry on to realization any project, to rear a family, and provide education, to build up a cushion of reserves against economic misery, to achieve the personal happiness that comes from a well-rounded life, is impossible. Economic security alone is an ample possession. Americans who have learned so much out of these four years of depression often say with great soberness that what we all need and want is a sense of security—our young people, our business people, our farmers, and our wage-earners—the ability to make a plan that can look at least a year or two years ahead with some reliance that we can carry through that plan and that life will not be pulled out from under us by some inexplicable situation. In other

from the produc-
time one.
This education
possibility

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words we are all tired of living in a cyclone area, and would like to live in a serene, sunny belt where peace of mind could have an opportunity to flower.

The idea of old age pensions has gained many followers in America in recent years. People who are beyond the age when they ~~are~~ ^{can be} expected to work hard, should not be competing in the market for the relatively few jobs. So far as we have been able to observe, the real skill in industry is largely in the hands of the middle-aged. This is an observation and not a statistical fact. I could not prove this, but the number of very young people who are out of work is striking, and it is almost impossible to find work for them.

One of the as yet unexplored fields for study is that of an honorable provision for old age. A profound study, an economic as well as a business and a human study of pension plans in relation to the employment of older workers must be made. Some method must be devised of group insurance, which will avoid the terrible risk of lessening ~~the~~ job opportunity ^{for} of men beyond the age when they are cheap, insurable risks. We need a scheme of pension and insurance which does not jeopardize the inalienable ^{also} right to work, of the older people in a community. There is every reason why neither those who are old and infirm, nor those who are young and immature should crowd out the adult workers in industry, and every reason why these groups should be provided for in some other way. As in the case of employment exchanges, of unemployment reserves, of compensation for injuries, individual good will and private initiative have not met the situation satisfactorily. In spite of rising public opinion and State laws there were, in 1930, more than half a million boys and girls under sixteen gainfully employed at one end of the industrial scale; and a most inadequate public provision for older workers at the other end. Public opinion is beginning to be reasonably effective on these points of the worker's life within his job.

Through the technique of flexible working time, through the technique of the short work-day and the short work-week, we have actually conquered the possibility of leisure for this country.

The citizen who finds himself in one of the discussion groups or clubs which create public opinion today, does not approach the topic of the new leisure exclusively from the standpoint of the disadvantages of long hours either to the worker or the employer. The positive, economic and social advantages of leisure to the community has a prime interest. In transforming unemployment into leisure the NRA has more than an economic sanction. It has a social and a moral sanction.

During February reports were taken down from working girls in fourteen industrial cities—north, south, east and west—as to the conditions of their work under the various codes. There were differences of opinion as to other benefits, but none as to leisure time. Here are reports from four different States and four different industries.

"I was all popped up last night and no wonder, for it had been my day off and I had slept till noon, and then had a chance to get all caught up on my laundry and even ~~been~~ ^{went} for a long walk along the river. I get a day off every week—it sure makes a store job more human somehow."

"I am reading now. Studying music and taking dancing, and I never had the time or energy to do them before."

"Oh, it's grand! I used to be so tired when I got home from work. All I could do was to fall into bed. Now I have time to go home, dress and go out a little. I never read before. Now I read magazines and newspapers—especially newspapers. I read all the headlines, but some of the articles have too many big words in them for me. You should see the carpet mother and I have made. One hundred twenty yards of rag carpet since the NRA."

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~~The public concern about how working men and women will spend their leisure time is comic and useless. They will use it exactly as other people do—for the things they enjoy doing if they can get them, and this is essentially refreshing and stimulating. One sociologist insists that "the essence of leisure is choice—to pick up this book and lay down another, to go out or stay home, to get out of a car or go somewhere in it."~~ *as to the use of leisure time by working men and women*

Raymond B. Fosdick, Chairman of the New York Committee on Leisure Time, made a formal statement that, "It is not desirable that any group should attempt to determine how the leisure of other people should be spent. It is not for any group to say that for any individual, certain activities are of a higher or lower order, so long as such activities are doing injury to no one."

The purpose of this committee is to ascertain, not what people should do with their leisure, but what they *want* to do with it, and to make public provision for the opportunities most desired. At present the choice is limited—there is no real freedom of choice where there is no variety to choose from. Museums, free concerts, are here because people have thought the fine arts wonderful, and provided for ~~the~~ enjoyment. Strangely they are usually closed at the hours when working people are likely to be free. *from which to choose them for everybody*

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But music or pictures have not necessarily an inevitable appeal to all types.

"How I hate good music!" said a young girl to her escort in the subway.

"So do I. But I can bear a band!" he answered.

many ~~lots~~ of good and even cultivated people feel the same way.

This added time, into the possession of which thousands have suddenly entered, will almost certainly be used in part by adult workers for further education. The courses for unemployed workers, opening a year ago by the University of the State of New York, in New York City, with an enrollment of 3,400 have now a registration of 75,000. The fine arts courses are filled to capacity. There is an unrestricted range of subjects from advanced courses in medical German for nurses and doctors, to a class in ornamental plastering. Delightful skill comes sometimes out of these classes:

THE SEA

(Written in a Writing Group of Girls)

The sea is a giant politician making a speech:

He waves his arms majestically and roars mightily to the four winds

While his great white beard waves back and forth with the movement of his body.

The sand and the sky are a placid and inattentive audience

But the trees are enthusiastic,

They bow in acquiescence and clap heartily with their leafy branches

And murmur among themselves as the spirit catches them

And rustle their foliage.

The crowded reading rooms of the public libraries in all the great cities—obviously not, as the doubtful suggest, because they offer shelter and comfort and a place to sit down, since they were as full in the bright days of last summer as they were this winter—the circulating departments asking everywhere for money to replace volumes worn to shreds, are evidence that workers with leisure want to read.

in part—People provide for themselves the enjoyment they like. Various unions have established evening classes in New York City. Before the depression, the Dress and Waist Makers' Union of New York City gave a series of concerts for members in Carnegie Hall, for which they engaged such opera singers as they chose, and put on such music as appealed to them. Union members who fill the top galleries at symphony concerts and take standing room at the opera—a group which loves music—provided these facilities for their own membership.

These same girls have had a summer camp. For two years they rented an old hotel high in the Catskills. Now they have their own camp.

The attendance at free Sunday concerts, the record of those who go through turnstiles of the great art galleries and special museums on free days, are evidence of the mass appeal of such opportunities as exist at present.

A large part of leisure for all of us is directed and developed for business and profit—movies, radios, pleasure trips, dance halls, pool rooms. Agents for companies manufacturing athletic equipment go out to organize teams and so increase their market and healthful outdoor life. These have of course great value, but they determine for many the use of almost all spare time. Up to a certain point the profit motive in developing recreation is sound, and it need not be carried to exploitation. There are ~~other~~ *many* ways of human development, too, and these ways must be found. *all*

A good job ought to lead to a good home. For decades we have realized that the whole community pays for overcrowded and insanitary housing in terms of

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A good job ought to lead to a good home. For decades we have realized that the whole community pays for overcrowded and insanitary housing in terms of health and crime. A sound objective in the United States of America, and one desperately needed is to provide every working man's family with a comfortable, well-planned home and to eliminate slum districts. The building in all parts of the country, of houses with low rentals ~~and~~ corresponding to what is commonly thought of as the "American Standard" of living, will bring a permanent social improvement in the nation. *building*

The success of ~~this plan~~ depends in a great measure upon the working people of the country. If they push forward plans for this improvement so that we will have a clearly outlined program of housing which meets the ideas, the way of life, the income and family requirements of wage earners in all sections of the country, it can be accomplished.

?
A man's job may be steady, safe, with short hours and good wages, it may provide leisure, and yet be without any except material significance, if it lacks that self-determination and control which have been essential throughout man's history. The right to organize, the right of association with those doing the same kind of work, and of practicing collective bargaining is assured in the famous Section 7-~~43~~ of the National Industrial Recovery Act. Orderly industrial relations, with the unimpaired right to strike, and organized systematic provision for settlement of disputes are essential to an adequate industrial citizenship.

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It is part of the good life to feel integrated with the total life of the community. We are theoretically a democracy, and the better functioning of democracy requires that the wage-earners of our population be well represented in the great civic groups which formulate public opinion. Their social experience is needed in American life. It is just beginning to be realized that the cultural and political life of America needs the enrichment of the wage-earners' unique experience and wisdom.

ref

of wage earners

Section 8:

THE country has entered a new phase since 1913 when the United States Department of Labor was established. The population of the country has increased from one hundred millions in 1913 to one hundred and forty millions, and the economic organization of the society in which we must work during 1934, 1935 and 1936 has sustained definite changes. We are in a surplus economy and the increase of consumption is our chief concern.

We now have an efficient and productive industrial mechanism so highly geared and so delicately adjusted that a ten per cent fall in buying power affects the whole country. A wage-earning population of forty millions spends 65 per cent of the distributed income of the nation. The repercussion of such unemployment as is represented by seven hundred and thirty million dollars paid to iron and steel workers in 1929, shrinking to one hundred and sixty-six millions ~~by~~ 1932, is felt in every home in the nation.

But our delicate system of production, mobilized by profit possibilities, combined with technical advances that have made enormous volume at low prices a reality has created a surplus economy with new needs and new problems and new hopes and a high standard of living. It can eliminate drudgery. It has given man leisure though too often in the form of unemployment. Man-power is constantly being replaced. Machinery is increasing and goods are increasing, consumption has increased but not so fast as production.

This surplus economy

The attitude of the public toward industry and the worker has changed. Wage earners occupy today a more important and strategic place in society than ever before. We are recognizing in America that in the leisure of the workers and in their purchasing power, lies the security of the merchant, the security of the manufacturer, the security of the investor, and I think in the long run, the security of the financial institutions of the nation.

We defend ourselves against other dangers than fire and accident and disease in industry. Economic insecurity has come to seem to America one of the major hazards—a hazard for the industrial family, a hazard for the community which must maintain people on charity or a poverty level, a hazard to the total ~~of industrial institutions because of the drying up of~~ purchasing power. We have come to regard persistent unemployment as a social and economic cost we cannot pay. It is to a community's interest to have its citizens employed. This concern of the general public distinguishes the present unemployment crisis from those of the past. We no longer leave the responsibility ~~of~~ finding work wholly upon the worker.

for since of

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*for
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The development of a free Public Employment Service on a State-Federal coöperating basis has been stimulated by this responsibility. The possibility of passing workers between industries having alternating active seasons, depends on a nation-wide co-ordination of free public employment services which will ~~expect~~ a Federal system built out of the scattered coöperating activities of forty-eight States and many cities. An employment service with a large sample of the employment opportunities and needs of the entire country passing over its counters, will know what avenues of employment are on the wane and what are expanding. The disadvantages of private control of such a service, now for the most part left to private agencies, is manifest. Agencies in competition cannot pool their information. The private agency profits by a turn-over.

The clothing industry in Chicago has established for itself a method of controlling unemployment which might be taken as a small model for a public exchange. It has listed all available workers and all available jobs in the industry, and has worked out an agreement between employers and employees as to the manner in which work can be integrated during the various busy seasons. Both employers and employees are completely organized in this market.

The making of men's clothes is a highly seasonal trade and Chicago is a center of two branches of it. Chicago is a ready-to-wear center and also a center of so-called custom tailoring. The seasons of these two branches of the clothing trade do not coincide, but the processes of manufacture are similar. The same workers can do the same things in both custom-made and ready-made clothing. Accordingly, there has been worked out in the Chicago market an em-

could be

this

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ployment service system by which manufacturers of ready-to-wear and custom-made clothing list the number of workers which each will need, and the labor union lists the workers in its membership, where they are employed, how long employment will continue, the number of operations each worker is competent to perform.

When a manufacturer needs a cutter in boys' jackets, he can send to the union employment office and see if there is a cutter of boys' jackets on its lists, and just how high this cutter's skill is rated, and just when he will be available. Also the cutter of boys' jackets, who is out of a job and registered with the employment office knows that if there is need of his service anywhere within the Chicago market, he will be put in connection with that job.

Suppose that this employment service, instead of covering only the men's clothing trade in Chicago, covered all industries and all workers of the country? That type of competent service is in process of development in the United States Public Employment Service ~~by~~ Federal ~~and~~ State coöperation.

Always in the United States about one-tenth of the wage-earners are without work. Reserve groups only partly employed are held in relationship to a plant by the ~~loosets~~ bonds, in order to meet the demands of peak seasons. If these extra workers are necessary to industry, they are naturally a direct charge upon its costs, and provision should be made in advance for financing them during the time that they are not employed.

Good accountants tell well-managed corporations in all lines, "You must provide capacity for peak load and you must have obsolescent depreciation." Analysis reveals that the plans used, protect investment against unemployment. That has been effectively done in this country by several well-managed corporations. Dividends not earned during the year of 1931 were distributed during that year. No one has even thought that such continuity of dividend payment was a dole. It was intelligent, and provided regular incomes to investors dependent on ~~their~~ ^{this} income. In 1930, corporation earnings fell from 25 to 30 per cent, a large part of the equipment of corporations was idle, and there was unemployment of plants and workers, but investors were very largely paid out of the reserves that had been built up in the past. Nobody suggests that such foresight undermines the initiative and responsibility of the investor. Such plans show what sound, intelligent management and accounting can do when a problem like stability of investment is deemed important. As soon as we decide that unemployment of wage earners is as important a problem as unemployment of investment, just so soon will we likewise find a way to stabilize the workers' income.

There is a sound case for industry's bearing the burden of reserves for supplemental compensation to workers during unemployment. Management has fallen into the habit of expecting that somehow men out of work will be maintained by private and public charity. ~~Organized charities, the Red Cross, Government—Federal, county, city and State—are asked to feed these people and take care of them until they are needed again. This idea is essentially unsound, and the responsibility needs to be thrown on industry to maintain its necessary workers during busy seasons and slack seasons as a part of operating costs, just as buildings, machinery and overhead are maintained in any industry that expects to operate again after a slack season. Industry can hardly be encouraged to rely on the general public to maintain its necessary~~

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Some form of unemployment provision through insurance should be set up to take the place of the bread line and the charities—a systematic and honorable method of tiding over slump periods for those who want work and lack it. Coverage of the unemployed by insurance will undoubtedly be made an obligation to industry through legislation. A profound and constructive interest among American business men in the problems of stabilization, has made it possible to pass this method into law, as a first step in reducing the waste and damage to industrial and economic security and personal self-respect, which characterizes our present disorderly method of handling the unemployed.

Unemployment insurance is definitely one of the preventative techniques. The time has come for us to face this unpleasant fact of recurring unemployment dispassionately and constructively, as a scientist faces a test tube of deadly germs, intending first to understand the nature, the cause and effect, and finally to discern a method of overcoming and the technique of preventing further ravages. It is part of our American psychology that we try to prevent social disaster. Any insurance scheme adopted might be so developed that employers who prevent unem-

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ployment, get some benefits in reduced premiums
thus encouraging all efforts and plans for stabiliza-
tion.

Old age security is now generally accepted over
the country. Old people should not be competing in
the market. They can be cared for systematically by
allowances, thus reducing the potential unemployed
and distressed group in periods of hard times.

Our ancient evil of child labor is nearing an end,
but in 1930 in the entire country, more than half a
million boys and girls under sixteen were still gain-
fully employed.

It is an ironical fact that ~~these children~~ left school
to become wage-earners, while millions of adults were
looking for work.

We question primarily the significance of this work
for the children themselves. All its advantages do not
compensate for the loss of education. We look in vain
for these boys and girls in positions with training
value and opportunity for advancement; we find them
running errands for fly-by-night shops, doing house
work, folding circulars, or canvassing from door to
door ~~with hard-luck stories~~ reciting of their em-
ployers' fabrication. There have been, during the
past ten years, and particularly in the past three years,
marked decreases in the number of children employed
in factories and offices, but increases in other em-
ployments—canvassers, delivery boys and those in
other blind-alley jobs. Of a group of children ille-
gally employed in Brooklyn, New York, one-half
earned less than \$4.50 a week. Little girls were earn-
ing thirty-five cents for a full day's work in a factory;
children "clean men's pants" in clothing establish-
ments for six cents an hour. Still others do housework
and laundry for families of five for \$2.00 a week.

While the depression has provided less incentive to
the better type of employer to hire children, it has
greatly increased incentive for the unscrupulous. La-
bor standards suffered between 1930 and 1933, those
for children as well as those for adults. The acute
need for work at any wage, on the one hand, and the
urge for profits however small on the other, brought
about a return of sweatshop conditions in many
places in the industrial States. We have witnessed in
this period of business recession, exploitation of chil-
dren in fly-by-night industries and in a mushroom
growth of sweatshops, conditions coming to a climax
in the children's strike in Pennsylvania. This was
a struggle of fourteen- to twenty-year-old workers
against weekly wages as low as \$2, in the shirt, pa-
jama, and men's clothing factories, in the Allentown
area.

Experience indicates that when industry improves
the employment of children increases. A return of
prosperity, bringing increase in employment oppor-
tunities can, as in the past, find an increasing num-
ber of fourteen- and fifteen-year-old boys and girls
leaving school to go to work. Similar laws between
States on child labor, or a Federal minimum law on
child labor after the amendment is passed, seems to
be essential to handling this problem.

The State Commissioner of Labor of Connecticut
stated repeatedly last winter, that the Connecticut
sweatshops were fly-by-night industries migrating to
escape the more rigid New York State laws. Com-
plaints were heard also from the Labor Departments
of New Jersey that much of the industrial home work
given out there, came from firms in New York and
Pennsylvania. In signing the Textile Code, President
Roosevelt made the point that "this law permits em-
ployers to do by agreement, that which none of them
could separately do and live under competition."

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The establishment of a long period of education for young workers, and of old age provision to prevent competition of the old, will keep sub-employables from crowding out middle-aged men with families. This lost cause of the old left to meet unemployment alone, and of boys and girls taken into industry too early, is now being translated into terms of national policy. The codes specify that children below the legal age shall not be employed. The Child Labor Amendment, making possible a general Federal law and equal laws for all States, is not far away.

The number of very young people who are out of work is striking, and it is almost impossible to find good work for them. When they come to the cities to find a situation through public employment bureaus it is found they have no skill. They went into work originally at rather high wages, at unskilled labor, such as packing. Anybody can learn to be a packer with half an hour's instruction; or they have have done delivery work of one sort or another; or the less responsible types of office work, and if they have no training, there is nothing else they can do. They have no skill. The real skill seems to be very largely in the hands of the middle-aged and that has been what one would expect from the very rapid expansion of our industries. Every reason for the good of industry itself, for the good of the worker, points to the retention of the middle-aged in employment, and the releasing of the sub-employables—the old and the very young—the old to peace and comfort, the young to education in training for skill.

If the tremendous applause evoked by President Roosevelt's reference to the abolition of child labor

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in his message at the opening of Congress may be taken as an indication of national sentiment, it is safe to say that no single feature of the recovery program has met with greater acclaim.

It is plain that there has emerged from this depression a real passion for unity on the part of the American people. Greater coöperation ^{and} ~~even to agreement~~ ^{and compacts} between the State and Federal Labor Departments would raise the level of labor laws everywhere to the benefit of the country's wage-earners, employers and the general public. Such co-operative effort would raise standards to a desirable common level and develop a government policy in regard to labor, from which the nation, the States, the individual wage-earner, employer, investor and taxpayer would all benefit.

There is a certain spiritual value in unity which we may capture for ourselves and for our children. No one leader can make us a united nation, for democracy comes out of the activities of many groups of people working and thinking together. This passion of Americans to be joiners is really an expression of our understanding that in this way of coöperation and voluntary association, great public questions can be passed into reality, and through conferences and agreement labor laws throughout the country may be harmonized.

Government ^{LM} departments of Labor can be an information source, standing ready with technical information for wage-earners and the public on labor matters. The United States Department of Labor has certain important functions which it has never developed. It can develop a service of technical and economic information to help wage-earners in their bargaining and in their struggle to protect themselves against disadvantageous circumstances. They should be able to get ~~that~~ information and help from the Department of Labor. Employers, when they want expert advice on improving physical comfort, and conditions of plants, should be able to turn to the Department of Labor and get expert, intelligent direction, looking toward building the best, most healthful and comfortable environment at a practical level of cost and trouble.

In New York, as in most industrial States, the great manufacturing plant is the exception, and the little employer is the rule. New York has some seventy thousand separate factory establishments, about 75 per cent of which employ fewer than fifty persons. Although the other 25 per cent employ far more people than this 75 per cent, ^{I do not think} when I think of New York State I do not think of two or three great, overshadowing industries employing thousands of men, with complex and well-managed organizations which include research workers and personal managers. As I know them, the manufacturers of New York are busy men with limited resources, doing business on a small capital, engaged in a highly competitive enterprise, and with neither time nor money to consult engineering and personnel experts on their individual problems. Their unit of production is too small to make it either possible or economical for them to add to ~~their overhead the cost of that kind of specialized~~ service. It, therefore, becomes the duty of government to serve as a clearing house for information on the techniques of industrial welfare and good labor conditions. The employer should be able to look to State and Federal Departments of Labor for ~~advance~~ ^{advice} on these subjects.

There should be available for the wage-earning population, an information service to which the country's workers may turn for aid and advice in dealing with the issues which confront them in their daily relation to their jobs, exactly as the farmers turn to the Department of Agriculture. With such a service, wage-earners could obtain information on prices and standards of living which would give them a measure and a judgment on their living costs, reliable data on wages, ^{on} industrial and business activity, and ^{on} economic and technical conditions in their industry ~~can~~ be made available for them when they are consider-

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The Department must also be a fact-finding and publishing source, as to the outstanding needs of labor throughout the country. The Department of Labor has a large responsibility to the nation to inform it of the needs of its forty million individual wage-earners. Not only must it make employers aware of the necessity and the way ^{of} providing fully and equitably for ~~the~~ wage-earners, and wage-earners aware of the potentially better items for their way of life, but it can be a source of information for the public. A well-wishing society with its great corrective power can only be aroused, as President Roosevelt has said, by a full knowledge of the facts. "Though the people's will can be trusted it must first be informed." Democracy must have the facts.

The modern procedure of prevention of unneces-

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sary conflict, by coöperation and honorable conference, it must be the part of the Department of Labor to consolidate. Perhaps this pattern of consultation and coöperation, will be the one great permanent thing which we shall take away from this period of struggle to reach a new kind of economic equilibrium. The conference method of approach—to decide on policies, to study results of surveys, and to make plans for the future—this method reconciles differences through an easily understood program which brings quick and beneficial results. An example of the conference method and how it works comes from the industrial life of one Eastern State. In New York's canning industry the Labor Department, functioning as a policeman, had never been able to deal adequately with violations of the law regarding child labor, unguarded machinery, and hours of work for women. The canning industry is by its nature a difficult one to regularize. The farmers come to the canneries at about three o'clock in the afternoon with tons of green peas, or corn, or string beans. The vegetables are likely to spoil if kept over night. The machines and the women are ready. In the face of such a situation, few employers will tell women to quit at six o'clock. Here was an industry long and futilely attacked by the big-stick method. The problem was no greater than those solved by other industries which have managed to iron out their steep production curves. Was there a chance for government to help the canning industry to become not only law-abiding but a positive social force in its communities?

A conference was called at the beginning of the 1929 season. Cannerymen and the State Department of Labor officials went over the problem. They were not in agreement on the wisdom of the Labor Law with regard to hours of work, which applied to canneries. But in conference they came to an agreement on one point—to abolish voluntarily child labor in the New York canneries. The result was a canning season with an unprecedentedly small number of child labor violations, and only one prosecution for a second offense. A further and more significant result was that the whole industry in its annual meeting, again in conference with the Labor Department officials, agreed first to wipe out child labor completely and forever; and, second, to start the new 1930 season with all machinery safely guarded according to law. Third, an agreement was set up to make an honest attempt to comply with the regulations of the law in regard to hours of work of women. In the furtherance of this last objective the industry agreed to study with the Department of Labor, and under the direction of an efficiency expert of the United States Department of Commerce, the causes of overtime, methods of production and crop planning, for the purpose of eliminating the long hours—illegal, unwholesome and inefficient—which have cursed the canning industry. The conference method had made marked improvement in a difficult field.

The conference method means, first of all, the establishment of professional standards in industrial management. A non-ethical industry is as dangerous to the community as a non-ethical doctor. In most industries there is at least a small group of employers who have moral standards, men who are socially motivated in their dealing with other employers, with their workers and with the public. The ethical position of such employers is now strengthened by the established fact that such practice pays. When government initiates conference and voluntary agreement, one of the first gains is in giving that enlightened group a chance to set standards for a whole industry. Industrial law, developed from the inside out, follows the same pattern as all nature and is harmoniously and successfully expressed in reasoned action. Good conditions are both right and practical, and sustained by the joint opinion of workers, asso-

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So long as government's only rôle in industry is the policeman, there is scant hope of permanent results. An intelligent educative relationship between government and industry, one which naturally presupposes understanding and integrity on both sides, can result from the coöperative or conference method of industrial regulation. To one who believes that really good industrial conditions are the hope for a

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machine civilization, nothing is more heartening than
to watch conference methods and education replacing
police methods.

This coöperative method of regulating industry, to
be valid and trustworthy, must of course include full
representation of the workers and their interests. Partic-
ipation in ~~such plans and~~ conferences helps the
workers ^{to} comprehend the needs of various industries
for safe practice, for sanitary precautions, and for
practical programs of hours and wages, so that pres-
ently the whole range of industrial efficiency and
welfare can be put on a participating basis, and
brought to the council table.

It is essential to democracy in an industrial age and
country that the workers develop the discipline and
technique of dealing with others successfully on con-
troversial matters. It is essential that wage-earners
and employers agree with each other quickly and
with justice. Justice, clear thinking, recognition of
human values, can avoid unnecessary delay. The
Conciliation Service of the Labor Department is
working closely and in complete coöperation with
the National Labor Board, to adjust labor disputes.
It is hoped that settlement reached in the atmos-
phere of conference may often solve ~~many~~ disputed
points through mutual sanctions, and that some sound
judicial precedents may be established in this new
field as instruments of our civilization. This kind of
coöperation between government workers and indus-
try is no more than a hopeful beginning.

One of the most beautiful aspects of the old Greek
civilization which we have been vainly striving to dis-
seminate throughout the globe for these many thou-
sands of years, was the balancing of the whole, which
was made up of parts. Every time we look at a Greek
vase or a Greek frieze, or study the structure of the
Greek state, we are confronted and rested by the
balance and beauty of proportion. Those who have
lived through the last four years in American life
have been confronted and puzzled by the imbalance
in American life and have recognized that our life
has come to have a distorted form.

We have a longing for balance in America. For a
long time we have recognized the need on our spirit-
ual side and moral side for balance between our
~~moral and economic~~ ideas, between our moral feeling
and the competitive life we are forced to lead, and
we have recognized here an imbalance. We see things
~~done every day~~, as a matter of course, which do not
give us a clearer sense of what is right; and
in the last ten or fifteen years, many
Americans who have been puzzled
have wished
our

with our econ
one of the m
y in these recen
or experimental bas
conception of a
onal economy.

are conscious today as we have not been con-
perhaps never before, of the inter-relations be-
in agriculture, industry, our business structure,
banking, insurance and the distribution processes.
There is an intimate relation between all these great
services, and some sort of a balance between them
must be achieved if we are to enjoy an orderly eco-
nomic life. We are recognizing, too, the need of a
social balance, and that is why some of the age-long
prejudices between people with a different relation-
ship to the production and distribution of goods are
weakening. We recognize that there is not necessarily
any divergence of interest between the industrialist,
the wage earner and the consumer, but that rather
there is a real community of interest, that can be de-
veloped fairly, honestly and with good sanctions, in-
stead of sentimental words, but that it must give the
wage-earner his full part, not only in wages but in
social controls. Balance in our economic life is like
that in a good home—a balance where the concern
of all is for the welfare of each.

Most of man's problems upon this planet, in the
long history of the race, have been met and solved
either partially or as a whole by experiment, based
on common sense and carried out with courage.
When Benjamin Franklin made his famous experi-
ment with lightning, undoubtedly he was told by
many timid souls that he was playing with dynamite,
but he studied his problem and procedure carefully,
kept his head and carried through by the use of com-
mon sense, scientific spirit and sound courage, an
experiment which has revolutionized our world and
brought one more great force under man's control
for man's immeasurable benefit and comfort. Man
makes his destiny upon this planet by this kind of
enterprise, courage and sense.

The economic situation at which we looked in
1932 and 1933 was like an interesting and compli-
cated machine, well designed and perfect in all its
parts, but it did not go, and wealth, money and in-
come being what they are, it was dependent upon
motion. Going is the main item in an economic ma-
chine. Static it is useless and hideously expensive,
since by the technique of interest we have, through
the recent centuries, agreed to pay for use of the sav-

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ings of many people invested in the plant and structure of an industry, ~~and~~ Even on idle plant and structure, interest charge goes on and on. The desperate problem before the American people and its government in the spring of 1933 was to make this economic machine start going again.

To any person who has repaired his automobile or fixed the plumbing by the experimental use of whatever gadgets or personal belongings have taken the place of the hairpin, the conception of consciously tinkering with the economic machine to restore the flow of income, exchange, production and consumption is not difficult.

A great deal is said about what this new beginning growing under our eyes is doing to the wageworker—how it is turning him into a better market. But the Labor Department is always dealing with men and women of flesh and bone. The Department of Labor is the one great department of the government all the activities of which deal in human welfare. We have come to a point of view under the discipline of American opinion and feeling where we demand an industrial life good in human terms as well as in terms of manufactured goods. The winter's coal, the plumbing, the interest on the mortgage, a good diet, the baby's milk, marriage, and cultural needs, even soda waters and rides on the pony in the park must always precede generalized abstracted theory. Whatever we do in the labor department, we are chiefly concerned with men and women in the process of living and working. To make them complete members of a civilized world, to humanize the laws which affect them, is the purpose which must form the background of everything a department of labor does. The Department of Labor which this nation has set up to promote human welfare, has a conscious and deliberate dedication to human things and human beings—to understand if it can and to listen with a concentrated ear to what they need and hope. The labor of the human being is not a commodity, nor an article of commerce, and the world does not consist of buying power and efficiency and sound investment.

The Labor Department's function in industry is concerned with men and women. It must establish and maintain certain human standards. Industrial leaders have a larger opportunity and they have often done great things in this country in the improvement of things, of method. Some-

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similar purpose of establishing
acts for environment and opportu
men and women in industry
minimum standards, ~~that~~ that they are
adopted becomes a matter for education, per-
son, direction and enforcement by legislation, for
at least the minimum which must be required by law
in the public interest.

Through achieving a balance in our industrial life,
and creating a situation in which the concern of the
whole is the welfare of the many, business may gain
a new sense that it is fraught with a public interest,
and may become a great and honored profession—a
profession devoted primarily as are all the other great
professions, medicine, and law, teaching and the
clergy, to the promotion of human welfare.

In these years of economic misery, we have come to
realize that progress toward social justice does not rest
on law alone. It rests on law, plus custom, plus in-
sistence, from those who feel the effects of social in-
justice. A sense of brotherhood and coöperation
greatly eases and glorifies this inevitable path to right
relationships.

Here *No 9* Most people function as better people in groups,
interest breeds many of the higher virtues, ~~and~~
~~than~~ ~~in~~ ~~their~~ ~~individual~~ ~~capacities.~~ Mutual need and
the power to coöperate. Government is the instru-
ment for transmuting the programs of small groups
into general good, and into concrete details. That is
the way democracy gets into action. On post office
corners, in grocery stores, at soda fountains, in clubs
today, at sewing circles, at dinners, in learned soci-
eties, in church societies and union meetings, Amer-
ica is discussing the country, building up by this
group thinking and projection into common action,
the desired pattern of life in the America to be. The
advancing partnership of the public takes all ele-
ments of the community into conference for the solu-

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tion of any human problem. Human beings have a power and a desire for association and coöperation which has never yet been completely realized. When practiced nobly, it represents a close human approach to that which men call the Kingdom of Heaven.

Democracy mobilizes this power of association and coöperation, giving it expression in activities of human fulfilment. Government in a democracy is a service agency for these essential activities of human coöperation. The labor departments of the Federal Government and States are a specialized service for coöperation in achieving the fulfilment of human aspirations toward the best possible situation for men in relation to their ~~work~~. It is the people and their life which is of real importance, and our industries and the profits from them will never be either safe or sound until they provide an environment and opportunity for the people who work in them which is as good as human ingenuity can devise, and fit for Children of God.

Last summer a threatened strike in practically the only industrial activity of one of our manufacturing towns, promised a stoppage of work for hundreds of workers. In those early days of recovery, it was highly desirable that there should be no deadlock in a going industry. The workers were on strike against the conditions of their work. The employer had reached a high state of excitement and antagonism. One of our great industrialists working under the NRA, was assigned to this problem and went over to this town to see what he could do to settle its trouble. After long negotiations, a basis of agreement seemed to have been reached, and a vote of the workers was about to be taken, when suddenly the employer sprang to his feet.

"But why should they vote," he said. "It's my factory isn't it? I pay their wages, don't I? Why should they vote, I ask you?"

"Why should they vote?" echoed the negotiator thoughtfully. "Yes, why should they vote? . . . Well, I suppose just because this is AMERICA!"