

Conditions in 1912

In an article in the *Saturday Evening Post*, entitled "To Keep the Wheels Turning," by Will Payne, the statement is made that the industrial high water mark in the United States was reached about the end of 1912, at which time—

- (1) Railroads were moving 2,000,000,000 tons of freight;
- (2) The making of pig iron had arisen to 30,000,000 tons. (Both of the above were record figures).
- (3) The Steel Corporation had unfilled orders on its books to the amount of 8,000,000 tons;
- (4) Such data as were available showed that labor unions had full employment.

The Bureau of Labor Statistics shows that the purchasing power of union wages in 1912 was practically the same as that for the previous year.

In the Holt plant for the year 1912, daily wages were normal and uniform. There was little labor turnover and the number of employees steadily increased.

Conditions in 1913

The industrial high water mark previously mentioned, which was reached by the end of 1912, extended over into the early part of 1913.

The Bureau of Labor Statistics shows that the food purchasing power of union wages was the same for 1912 and 1913; also that wages generally throughout the country increased slightly during 1913. Bulletin No. 214 of the Bureau of Labor Statistics, in summarizing wage changes of 101 labor trades, shows that in 1913 wages increased slightly in 75 per cent of the cases.

The National Industrial Conference Board, No. 15 Beacon Street, Boston, Mass., refers to 1913 as an average year, and has accepted 1913 as a satisfactory pre-war standard.

Our own factory records show that during the first six months of 1913, wages were normal and generally constant; also, that the number of employees did not increase as rapidly as in 1912, but remained practically the same for the whole six months.

Investigation of conditions in other plants in Peoria and vicinity indicates that the conditions found in the Holt plant were likewise to be found in other plants. The investigation also shows no unrest locally during this period.

Conditions in 1914

During the latter part of 1913 and the early part of 1914, the whole country was disturbed by unemployment conditions. The situation was probably most acute in New York City; however, it extended throughout the middle west and the whole country in general. The industrial high water mark reached in the early part of 1913 was showing a gradual decline and by the beginning of 1914, according to the statement of Will Payne, unfilled orders on the books of the Steel Corporation had fallen to 4,000,000 tons against 8,000,000 tons the year before; bank clearings were shrinking and labor union records were showing increasing unemployment.

In September, 1914, out of 6,000,000 organized wage-earners in reporting unions, 100,000 were reported idle, this being the greatest number for seven-year years.

By the beginning of 1914, the monthly output of pig iron had fallen to less than 2,000,000 tons against 2,750,000 a year prior. By November, 1914, the monthly output of pig iron had fallen to 1,500,000 tons, and the Steel Corporation's unfilled orders had shrunk another million. In December, 1914, the steel mills of the country were running at one-third their capacity, bank clearings had declined more than one-fifth, and railroad revenues were running far behind.

By the end of 1914, the unemployment problem had become a serious one throughout the United States, and it is estimated that several million wage earners were out of employment.

The food purchasing power of union wages, which had remained level during 1912 and 1913, showed a decrease for 1914.

By the end of the year the situation had become a national issue, and the Bureau of Labor Statistics, as well as numerous other organizations, had begun making investigations with a view to arriving at some solution of the problem.

In our own plant, the decline in the number of employees, which began during the latter part of 1913, continued throughout the greater part of 1914, and by September, 1914, had reached the lowest point, there being at that time only one-fourth as many on our payroll as at the beginning of 1913. There was a little change in the wage scale, the average daily wage being slightly higher than in 1913. However, this may be explained by the fact that in laying off so many employees, it was natural that those who remained were the more highly skilled.

Conditions in 1915

The unemployment problem reached its height during the latter part of 1914, and by the beginning of 1915 was relieved on account of European war orders. These war orders did not generally effect the country until later in 1915, and as late as March and April in 1916 many of the cities in the middle west were reporting from 10 to 15 per cent unemployed, and 10

conditions were very abnormal and there was unrest throughout the country generally; and at two different times during this period there were strikes in the Peoria plant.

From the above facts it was concluded that the end of 1912 and the beginning of 1913 represents the period when cost of living and wages were most equitable, and in consideration of all these facts, the

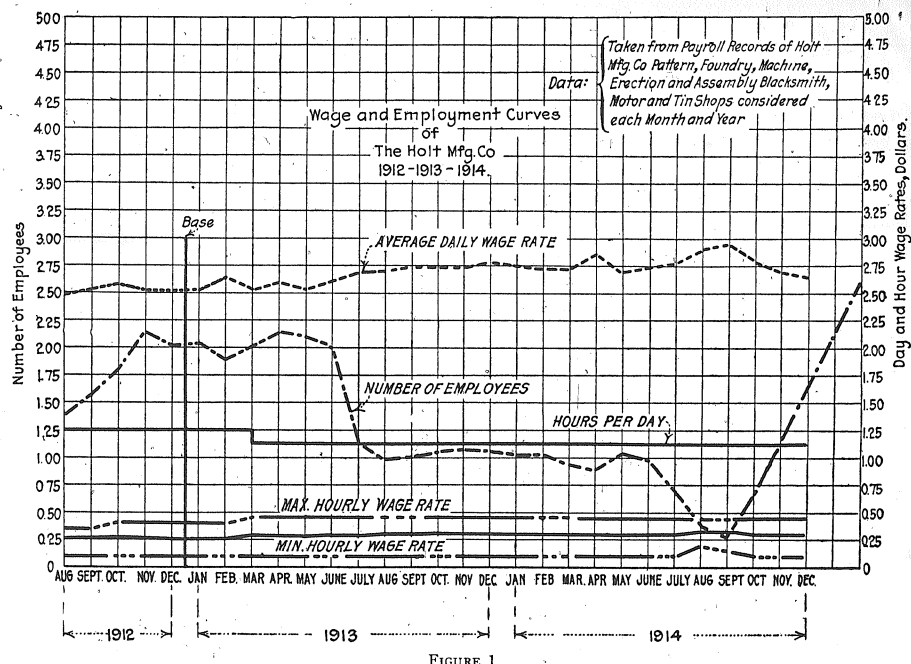


FIGURE 1

to 15 per cent more employed only part time. Prices, however, showed little increase during the early part of 1916.

In our own plant, owing to the receipt of war orders, the number of employees during the last three months of 1914 rose from its lowest point back to normal, and continued to increase throughout 1915.

From 1915 to the present time, prices have increased by leaps and bounds, and wages have also increased. There has been a great labor turnover and men have been rapidly changing from one place to another. After the middle of 1917 men were being drafted into the Army and replaced, so that condi-

tion as found at the beginning of 1913 was taken as a base from which to determine the cost of living, as well as wage increase. (Cf. Figs. 1 and 2).

2. THE QUESTIONNAIRE

The questionnaire was prepared for the purpose of obtaining from employees their actual standards of living. It was our purpose to take their own standards for the essential items of living cost, rather than to set any arbitrary standards, or take such statistics and data as might have been prepared by the U. S. Labor Bureau or other agencies.

In sending out the questionnaire, the employees old-