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*Inactive*

REPORT ON LABOR PROBLEMS DURING WORLD WAR I SHOWS BENEFITS OF  
LABOR LAWS ON WAR PRODUCTION EFFORT NOW, SAYS WALLING

Beneficial effect of the Wage and Hour Law and the Walsh-Healey Public Contracts Act upon today's war production effort is emphasized in a comparison of labor problems now with those which existed during World War I. This was pointed out today by L. Metcalfe Walling, Administrator of both laws, in releasing a report made by the Wage and Hour Division, U. S. Department of Labor, on "Wartime Policies on Wages, Hours, and other Labor Standards in the United States, 1917-1918."

"The lack of uniform policies by government agencies, in addition to the lack of effective labor laws," Mr. Walling said, "resulted in delays, confusion and labor shortages in vital industries which seriously impeded our production during those years. Hostilities had ceased before coordinated labor policies were made effective. Fortunately, we have the stabilizing effect of the Wage and Hour Law and the Walsh-Healey Public Contracts Act, both of which incorporate the conclusions of the last war's experience, as a basis of smooth operation during the present crisis."

The report, prepared by the Economics Branch of the Wage-Hour Division, draws no conclusions. It merely summarizes the experience of the War Labor Policies Board and several related agencies which had the job of coordinating and unifying the labor policies of the Federal government during the latter period of the United States' participation in World War I. The Board, established by the Secretary of Labor, and under the chairmanship of Mr. Felix Frankfurter, now a Justice of the United States Supreme Court, was composed of representatives of 10 government agencies concerned with the production and distribution of war materials and civilian necessities. Its job was to coordinate the labor policies of governmental agencies which, up until the spring of 1918, had pursued no uniform policy.

Two of the primary problems which the Nation had to face in 1918 were the also current problems of the mobilization of labor supply and the stabilization of wages. One of the Board's primary tasks was the formulation of a plan for recruitment of labor for the country's war effort. With the object of eliminating both the competition between government shops and private war contractors for scarce labor, and the excessive turnover which resulted from this competition, the Board instituted a program of centralized and coordinated recruitment of labor through the United States Employment Service.

The program was compulsory only with respect to unskilled male labor; at the time the war ended, however, there were plans for extending it to all employment. War plants were required to obtain permission from the Employment Service in order to use their own field recruiting agents for unskilled labor and in order to transport such labor from one state to another or from one state employment district to another. They were prohibited from using any fee-charging agency, and forbidden to attract workers from other war plants. The WLPB also considered the problem of conflicting military and industrial demands for manpower and at the time the Armistice was signed, the Board was preparing plans for the closer coordination of military and industrial manpower needs.

In order to effectuate its policy of the efficient use of manpower, the Board recommended standards for wages and other working conditions which were designed to prevent the coming and going of skilled and unskilled workers from one plant to another with consequent loss in production and efficiency. The wage standards planned by the Board were to provide uniform wage scales for comparable work, and were required to be paid throughout a trade or industry in order to discourage turnover because of competitive bidding for labor. The stabilization of standards, of course, did not mean that wages were frozen; it was agreed that substandard wages would be allowed to rise up to the level of the standard in all cases and that differentials would be necessary in some industries.

The program which was worked out in connection with this policy of wage standardization is summarized in the Wage and Hour Division's report as follows:

1. Recognition of the necessity of wage differentials in war construction, shipyards, loading and unloading ships, government manufacturing and railroad shops because of the transitory nature of war work, the dislocation of life necessitated by this work and its distance from the workers' homes, and the hardships involved in some of it.
2. Pending careful investigation to determine whether existing wage differentials should be abolished, any radical change in wages paid would create confusion and prove unproductive.
3. It was the national policy to maintain proper living standards. Consequently, the Government should try to prevent a further increase in living costs; but any change in living costs that did occur "called for an adjustment in wages." It was suggested that such an adjustment be made semi-annually. There should be no alteration in this national policy until the Government announced that a reduction in living standards was necessary.
4. The policy of adjustment of compensation to changes in living costs was not to prevent workers with wages below a fair level from securing equitable adjustments.
5. In maintaining living standards, full consideration was to be given to workers with little margin above the amount necessary to maintain their "economic efficiency."
6. Bonuses held to interfere with established standards of compensation or tending to increase labor turnover were to be prohibited.

7. Night shifts were to receive extra compensation, so long as the differential did not exceed ten percent.
8. A basic 8-hour day, and a 44-hour week during the summer, except on continuous processes, were to be provided in all government contracts. Overtime, Sunday and holiday work were to be avoided except where necessary in the public interest. Time and a half for overtime and not more than double time for Sunday and holiday work were recommended.
9. A permanent conference of labor adjustment agencies was to meet regularly to promote unified action and stability. This conference to be consulted prior to any decision changing standard wage rates or working conditions, and any agencies affected by an award of another agency were to be consulted before its issuance.
10. Complaints as to the operation or application of these principles and standards were to be referred to the War Labor Board for adjustment. Its powers were not affected.
11. The Government would utilize all its power, including control over priorities, to secure compliance with an award.

The War Labor Policies Board, as these standards show, interested itself not only in the problem of stabilizing wage standards but in the allied problem of stabilizing working conditions with the object of discouraging unproductive labor turnover and of moving substandard conditions up to the level which was most conducive to efficiency. In this connection it is interesting to note that the Board, under wartime conditions, advocated the widespread adoption of a basic 8-hour day with penalty pay for overtime on all war production. Such a policy, the Board believed, would be conducive to improved morale and increased war production.

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