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THE WORKER IN STEEL

THE Steel Trust, as presently constituted, was organized in 1902. So conservative a financial authority as Oscar Underwood, in a Senate debate on the war profits tax, stated that the capitalization of United States Steel was fully three times the actual value of the investment. With a billion dollar capitalization, the profits from 1902 to 1914 totalled roundly $1,500,000,000; that is, about 30% annual return on actual investment, without taking any account of financial juggleries on the stock market and in the merger of new properties, or misleading systems of accounts which conceal profits as operation or interest charges. For 1915 the profit returns ran close to $100,000,000, and for 1916 $294,026,564. The profit rate for 1916 was probably 50%, if real property values are considered. For 1917, $478,204,343, an acknowledged rate of 24.9%, a return of likely more than ever went into the actual corporation investment. After the war tax was paid, there was still $244,738,903 on hand for distribution, or swelling of surplus. About the same level of profits was maintained for 1918. The total profits (after deducting war taxes) since 1902 would now exceed $2,500,000,000, which can be estimated safely as 600% on the real investment in 17 years, or an annual return of 35%.

The "independents" show similar profits, especially during the war period. The Bethlehem profits jumped from little over $5,000,000 for 1913 to over $60,000,000 for 1917; Republic Iron & Steel Co. from $3,000,000 (1913) to $15,000,000 (1916); and so of one steel concern after another, until the addition of profits becomes a dizzy process.

During the first decade after the 1902 re-organization, production increased with a lesser force and a lesser total of wages: the output per man went up, the cost per ton of production was greatly reduced. Wages stood still.

The Bureau of Labor made a special study of the iron and steel industry for 1910. Only 1 worker out of 40 was getting over 50c per hour. For a 12-hour day half the workers were paid from $1.68 to $2.16. Few steel workers are steadily employed (one-fourth time off is the average). Out of a total of 172,000 adult males employed by U. S. Steel in 1910, 8% received less than $500 per annum, 60% less than $750, 85% less than $1000.

Nearly half the steel workers (1910) put in 72 hours, or 6 days of 12 hours, with extra stretches of 20 to 30 hours. In the blast furnace and other departments, 20% of the entire force, the men put in 84 hours or more per week. The percentage working the 7-day week is as high today as in 1910. The time schedule is as follows: 10 hours for 12 days, then 14 hours for 12 nights, with two continuous shifts of 24 hours when the change is made from day to night, and 2 periods of 24 hours off in the four weeks.

That there is nothing inherent in the industry which requires these hours is conclusively settled by the resolution adopted in April, 1907, by the finance committee of the steel corporation in favor of the 6-day week. Most of the subsidiary companies failed to act on this recommendation, for fear of cutting into dividends. Under pressure of public attacks an investigation was made by a committee of stockholders in 1911. This committee reported: "We are of the opinion that a 12-hour day of labor, followed continuously by any group of men for any considerable number of years means a decreasing of the efficiency and lessening of the vigor and vitality of such men."

The Chicago Tribune recently printed an extract from a speech by William B. Dickson, First Vice-President of U. S. Steel, delivered May 27, 1910, as follows: "It is my deliberate judgment,after almost thirty years of continuous connection with the industry, the early part of which was passed in manual labor in the mills, that the present conditions, which necessitate the employment of the same individual workman twelve hours a day for seven days a week, are a reproach to our great industry and should not in this enlightened age be longer tolerated."

Nearly a decade has gone by, presumably adding to the world's enlightenment....

During the war about a million additional workers came under the 8-hour day standard. Under pressure of the war production, adjustments were made in wages to meet the higher prices, but these adjustments lagged behind the rise in prices. As to the propaganda now being carried on about high wages during recent months, the national scale set by the War Labor Board for the hundreds of thousands of shipyard workers, (awards concluded October 24, 1918), will serve as a test, since the same general class of labor is involved and about the same localities. Out of 189 rates scheduled, one exceeded a dollar an hour. The rate for laborers in the Southern districts, 36c, and in the Eastern, Central and Pacific districts, 46c. There were 67 rates (over one-third of the list) under 60c; 137 rates, 70c and under; and only 39 rates, covering the basic crafts, at 80c and over.

A War Labor Board award (August 21, 1918) affecting the Pollack Steel Co., at Cincinnati, also tests the war rates of pay. Out of 47 rates specified, there was 1 each at $1.05, 92c, 89c, 86c, 73c; 2 at 72c and 2 at 70c. Under 70c to 60c, 7 classifications; 10 others down to 40c, and 21 grades at 40c. In all cases, 5c an hour higher on night shifts. The highly skilled workers in steel are in decided minority. The bonus awards likewise affect only a very small percentage.

There is no need to add statistics about prices in comparison with wages. The sub-human existence of the worker in steel and of his family is more aggravated today than it was in 1910, when it shocked the conscience even of the company officials and stockholders. A very recent study by the Bureau of Labor shows that it now requires an income of at least $1800 a year for the proper nourishment of a family of two adults and three children. For June, 1919, 82 establishments in steel and iron, with 154,395 employees, showed a payroll for a half-month of $9,554,914. This figures a monthly average of less than $125, without separating the workers into managerial, technical, and semi-skilled groups. The recent reports show decreasing employment, adding to the off-time.

The rest of the story is told officially in the Monthly Labor Review under "Changes in Wage Rates", as follows:

> During the period February 15 to March 15, 1919, a decrease of 17½%, affecting 40% of the force, was made in one plant, and a 17% decrease was reported by another plant, but no information was given as to the number of employes affected. Decreases of 10% went into effect in three establishments and affected 40% of the men in one, 25% in another, but the third plant failed to give any further data, while approximately 68½% and 40% of the employes were decreased about 10% in two other plants. Seven establishments made decreases ranging from 5% to 9%, affecting 37½% of the employes in one plant, the tonnage men in another, about 1% of the employes in the third and 33 1-3% of the force in the fourth plant, while the decreases in the remaining establishments affected 20% of the men in one, 50% in another and 66 2-3% of the employes in the seventh establishment. The tonnage men in one plant were decreased, but no data was given as to the percentage or number affected.—(May Monthly Review, U. S. Bureau of Labor Statistics, p. 185.)
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> March 15 to April 15: The tonnage men, about 5% of the force, were decreased about 8% in one establishment. A decrease of 6%, affecting the entire force, was made by one plant.—(June Review, p. 128.)
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> April 15 to May 15: A number of decreases were reported in iron and steel, many of which were in accordance with the rules of the Amalgamated Association of Iron and Steel Workers. The entire force in two plants was decreased 25%. The rolling mill piece work rates in one plant were reduced 18%. About one-third of the employees in one plant and 15% the force in another plant were decreased 17½%. The 65% bonus, affecting all the employes in one mill, with the exception of the bar mill piece workers, was reduced to 40%. A decrease of approximately 14%, affecting about 50% of the employes, was reported by one plant. About 45% of the employes in one plant received a decrease of about 12%; and a reduction in rates, averaging 11% and affecting 40% of the men, was made by another plant,

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