

PREFACE

In this period of war, all traditional methods of conducting business need to be examined critically. Industrial relations and industrial morale have never been so important. Over the next few years we must assess various aspects of our economic structure to find inherent weaknesses and possibilities for improvement. Whether we like it or not, we are in a period of transition to a more planned society, a transition which was upon us even before the war. The war now makes it possible and necessary to analyze our industrial society in new terms and in a more critical way.

Few studies have dealt with the actual experiences of workers in our industrial towns. A composite picture of the lives of workers is extremely difficult to obtain. In 1938, therefore, the Industrial Relations Section of the Massachusetts Institute of Technology undertook this study, which analyzes the interactions of the demand and supply of factory labor in an entire industrial community.

We present here a detailed description of certain aspects of the pre-war and wartime labor market. We believe such studies are necessary to determine what main weaknesses in the operation of our labor market need to be corrected. In itself, however, the study is an attempt to give an objective picture of a local labor market without prejudging any of the issues involved. We have ventured in the concluding chapter to present some of our general impressions of the operations of this particular labor market and to raise certain questions concerning possible improvements.

In a smoothly functioning labor market, we should expect that any concerns which attempted for long to pay wages below the market rate would suffer through inability to recruit good labor or through a high turnover of their best workers. Voluntary movement toward the high-wage concerns would tend to keep wage

rates for comparable jobs in line. We know, however, that labor markets do not normally operate so smoothly. There are various barriers to movement which prevent the process of equalizing wage rates for comparable jobs from taking place rapidly. This has been recognized and has led to public interference in the form of minimum wage rates.

Government regulation, however, has frequently taken place without our having acquired an intimate understanding of how the labor market actually works. If, as appears extremely probable, we are entering an extended period of much wider government planning and control, more exact information on the operations of the labor market in this country will become imperative, both in war and peace times.

This study gives a more complete description than has been available previously of the employment experience and earnings of workers in a New England industrial community from 1937 to 1942. Our attention is focused here on the extent to which workers moved voluntarily or were forced to move from one firm to another or in and out of employment during this period, and the effect of this movement.

A reader of this book who is not already aware of the unplanned, uncoordinated, and chaotic nature of our industrial life during the 1930's will certainly be struck by the haphazard and apparently wasteful methods of an American labor market. It is not the purpose of this book, however, to analyze ways of improving these methods. This will have to be the subject of special analyses of the major problems involved, with close attention paid to the substantial costs inherent in the planning process.

Some suggestions for the future are made in the concluding chapter; and, for the convenience of the reader, a chapter-by-chapter summary of the factual findings is also included. In addition, summaries are provided at the beginning of each chapter.

In undertaking this study, we have had very considerable assistance from our colleagues in the Industrial Relations Section. Professor Douglass V. Brown has been especially helpful in blocking out the original plan, and he and Professor Ralph E.

Freeman have made valuable suggestions on the final manuscript. Conrad Arensberg, Douglas McGregor, Dwight Palmer, and John Brownell helped in the early stages of the study. Gilman MacDonald of Harvard University was responsible for collecting a large part of the interview material with workers. Others who assisted earlier in the tabulation and analysis of the data were Mrs. Katherine Bessell, Mrs. Jean Enke, Mrs. Eleanor Hooper, Miss Jeanne Pearlson, and Mrs. Louise Thompson. Finally, Miss Barbara Cole and Miss Beatrice Rogers have contributed materially to the charts, tables, and processing of the manuscript, and Miss Rogers prepared the index. We are also indebted to the Committee on Social Security of the Social Science Research Council for a grant in 1940 which financed part of the field work.

CHARLES A. MYERS
W. RUPERT MACLAURIN

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