

**INDUSTRIAL PROGRESS AND
REGULATORY LEGISLATION
IN NEW YORK STATE**

**STUDIES IN SOCIAL
LEGISLATION**

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124

FOREWORD

THE steady shifting of the center of manufacturing westward, the diffusion of industrial activity through the agricultural regions, and the sudden development of new and important industries outside the older industrial sections are among the most striking features of the past quarter century of our history. These developments have resulted from changes in agricultural conditions, improved transportation facilities, wider availability and use of electric power, and greater abundance and flexibility of capital. They are a sign that we are industrially still young and vigorously growing; but, like all growth, they have brought in their train new and perplexing problems.

Among the most difficult of these problems are those involved in the situation of certain of the old industrial states in the North Atlantic group. Through early and long development they have held and still largely hold their industrial leadership; but in recent years their supremacy has been challenged by the rapid growth of modern types of industry in the southern and western states. The manufacturers and business men of the northeastern states as well as the general public and their legislative representatives, knowing well that industrial ingenuity and business initiative are not geographically localized, have lately become concerned over this trend and have sought the probable reasons for it in many quarters.

In this rivalry between the old and the new among the industrial states there have been many factors. Railroad rate structure, sources of materials and power, changes in industrial technique and organization, and changes in standards of living and market conditions, as well as other things, have played a part. Interest has been centered largely, however, on the main circumstantial factor in interstate competition, that of differences in legislative policy toward industry arising from differences in taxation, corporate regulation and labor legislation.

There is no question of the far-reaching influence of local legislative environment upon relative economic progress of the various states and of the need for wise planning and intelligent application of legislative policy in the states in the light of the long-time economic and social interests of their populations. The ultimate solution of the questions involved in this aspect of interstate competition probably lies in the lap of time. The first step toward amelioration of the situation doubtless requires a careful stock-taking by each of the states of its economic and legislative situation with a view to coming to a clearer and more objective understanding of the real relation of its legislative policy to its present industrial position and future growth.

A noteworthy effort in this direction was begun in 1926 by New York State through the creation by its legislature of an Industrial Survey Commission charged to consider the industrial and business conditions of the state in the light of its legislative policy. Desiring to assist the Survey Commission in its work, Associated Industries of New York State, Inc., a state-wide organization of industrial employers, requested the National Industrial Conference Board to study the industrial legislation of New York and its bearing upon the relative industrial position and progress of the state. The present volume is one of a series growing out of this study.

The main results of this study of "Industrial Progress and Regulatory Legislation in New York State" were submitted in preliminary form in public hearings before the Survey Commission in January, 1927. In the present revised form, the material of the preliminary report has been rearranged and amplified to make the presentation clearer. Additional material which has since become available, and analyses of census data which could not be completed in time for the original draft, have been included, but these supplementary data have tended to confirm rather than to alter the original conclusions.

In assembling the data for the inquiry the Conference Board has drawn freely upon the publications of governmental agencies, and has held many conferences with officials, business executives and others who were able to be of assistance. Special obligation is felt to nearly five hundred

FOREWORD

vii

manufacturing establishments in New York State, which together employ about one-fifth of the state's wage-earning population, for information furnished, as well as to the committees of industrial executives which acted as coordinating agencies in various communities in the state in securing the widest possible cooperation from industrial concerns. The Board wishes to express to all these groups its appreciation of the assistance rendered.

This volume is the result of an investigation conducted by the Conference Board's Research Staff, under the supervision of the Staff Economic Council.

In the preparation of its studies the National Industrial Conference Board avails itself of the experience and judgment of the business executives who compose its membership, and of recognized authorities in special fields, in addition to the scientific knowledge and equipment of its Research Staff. The publications of the Board thus finally represent the result of scientific investigation and broad business experience, and the conclusions expressed therein are those of the Conference Board as a body.

CONTENTS

	PAGE
INTRODUCTION	1
CHAPTER	
I. THE INDUSTRIAL SITUATION IN NEW YORK STATE	7
New York as an Industrial State	7
New York as the Leading Industrial State	9
Characteristics of New York State Industry	11
Clothing Industry and Its Effect on Industrial Make-Up	15
Composition of the Working Force	20
Racial Character of Working Population	21
Sex Composition of Working Population	22
Representative Character of Industry in New York State	25
States Competing with New York	28
Summary	32
II. REGULATORY LEGISLATION IN NEW YORK STATE	33
The Workmen's Compensation Law	34
The Employers' Liability Law	34
The Labor Law	34
Administration	35
Factory Inspection	36
Hearings, Subpoenas and Reviews of Orders	37
General Provisions of the Labor Law	37
Provisions for Sanitation	38
Laundries and Bakeries	38
Tenement House Work	39
Provisions Regarding Employment of Women	39
Provisions Regarding Minors	40
Continuation Schools	41
Prohibited Employment of Children	41
Hours of Work	42
Hours of Work for Men	42
Hours of Work for Females and Minors	43
Periods of Rest	45
Sunday Work	45
Time Allowed for Meals	45

CONTENTS

CHAPTER	PAGE
Payment of Wages	46
Building Construction and Repair Work	47
Accident Prevention	47
Fire Hazards	48
Requirements for Mines, Quarries and Tunnels	49
Miscellaneous Laws	50
Penalties	50
Comparison of Regulatory Provisions in New York with Those in Other States	50
Regulation of Hours of Work	51
Summary	54
III. EXPERIENCE OF EMPLOYERS WITH REGULATORY LEGIS- LATION	56
Monetary Costs of Observing Legal Requirements	57
Cost of Observing Special Regulations for Buildings Erected before October, 1913	63
Estimated Costs for the State as a Whole	65
Employers' Comments on Industrial Regulation	66
Criticism of Enforcement Methods	68
Attitude of Employers toward Laws Regulating Em- ployment	73
Examinations and Licenses	73
One Day of Rest	73
Employment of Young Persons	74
The Continuation School	75
Fifty-Four-Hour Week	78
Proposed 48-Hour Law	84
Overtime Work	88
Regulatory Legislation and Interstate Competition	89
Summary	93
IV. THE TREND OF INDUSTRIAL CONDITIONS IN NEW YORK STATE	94
Method of Study	95
Number of Enterprises	97
Value of Products	99
Value Added by Manufacture	104
Number of Wage Earners	105
Size of Establishments	109
Wages Paid	111
Wage Cost per Wage Earner	113
Management Costs	115

CONTENTS

xi

CHAPTER	PAGE
Installed Power	118
Installed Power per Wage Earner	120
Value Added by Manufacture per Unit of Installed Power	122
Value Added by Manufacture per \$1000 of Wage Cost	123
Value Added by Manufacture per \$1000 of Salary Cost	128
Industrial Growth and Population	128
The Textile Industry	134
Summary	137
V. GENERAL SUMMARY AND CONCLUSIONS	140

LIST OF TABLES

TABLE	PAGE
1. Distribution of Working Population, by Major Groups, 1919	8
2. Relative Positions of Agriculture, Mining and Manufacturing in New York State, 1919	8
3. Comparison of Manufacturing Industry in the United States and in New York State, 1923	9
4. Relative Importance of Leading Industrial States, 1923	10
5. Leading Industries in New York State on the Basis of Value of Products, 1923.	13
6. Leading Industries in New York State on the Basis of the Number of Wage Earners Employed, 1923.	14
7. Percentage Distribution, Urban and Rural Population, 1900 to 1920	21
8. Racial Character of the Population in New York State, by Industrial Centers, 1900 to 1920	22
9. Sex Composition of Population in New York State, by Industrial Centers, 1900 to 1920	23
10. Number of Wage Earners and Percentage of Women in Various Industries, New York State, 1919	24
11. Relative Industrial Standing of New York State and the United States, 1923.	27
12. Leading Industries of New York Compared in Value of Product with the Principal Producing States in 1923	29
13. Rank of the States in Sixteen Competitive Industries (New York Excluded)	30
14. Legal Limitations on Hours of Work for Women in Manufacturing and Mercantile Establishments in Various States.	52
15. Replies of 307 Factories to Questionnaire Regarding Costs of Regulatory Legislation in New York State	57
16. Costs of Compliance with Regulatory Legislation to 199 New York Manufacturing Establishments	58
17. Costs of Compliance with Regulatory Legislation for 199 Manufacturing Establishments in New York State, during a Period of Five Years	59

LIST OF TABLES

xiii

TABLE	PAGE
18. Costs of Compliance with Specified Types of Regulatory Legislation, Thirty Manufacturing Establishments in New York State	60
19. Annual Costs of Compliance with Regulatory Legislation, Thirty Manufacturing Establishments, New York State	62
20. Activity of the Bureau of Inspection of Labor Department, New York State, 1925 and 1926	69
21. Extent of Inspection of New York Industries	70
22. Number of Inspections per Plant during One Year	70
23. Registration in Continuation Schools, 1925-1926	76
24. Predominant Work Week in Leading Industries of New York State	79
25. Prevailing Hours of Work in New York State Industries	80
26. Hours Worked per Week by Wage Earners of Each Sex in New York State	82
27. Index Numbers of Value of Manufactured Products, 1923	100
28. Index Numbers of Value Added by Manufacture, 1923	105
29. Index Numbers of Average Number of Wage Earners in Manufacturing, 1923	107
30. Ratio of Employment in New York to that of the United States, 1914 and 1923	108
31. Size of Establishments, 1914 and 1923	110
32. Index Numbers of Wages Paid in Manufacturing, 1923	112
33. Index Numbers of Wage Cost per Wage Earner, 1923	114
34. Index Numbers of Salaries Paid in Manufacturing, 1923	116
35. Index Numbers of Salary Cost per Wage Earner in Manufacturing, 1923	117
36. Index Numbers of Installed Horsepower, 1923	119
37. Index Numbers of Installed Horsepower per Wage Earner, 1923	121
38. Index Numbers of Value Added by Manufacture per Unit of Installed Horsepower, 1923	122
39. Index Numbers of Value Added by Manufacture per \$1,000 of Wage Cost, 1923	124
40. Analysis of Census of Manufactures, 1923	126
41. Index Numbers of Value Added by Manufacture per \$1,000 of Salary Cost, 1923	129
42. Growth of Industry and Population, 1914 and 1923	130
43. Index Numbers of Cotton Spinning Activity in Selected States, December, 1921 to December, 1926	135

LIST OF CHARTS

CHART	PAGE
1. Index Numbers of Cotton Spinning Activity in Selected States, December, 1921 to December, 1926	136