

# **U.S. Department of Labor is Created - (1913)**

## **The Origin of the U.S. Department of Labor**

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*The U.S. Department of Labor was created after a long campaign by labor leaders to win Cabinet status for the agency*

By Jonathan Grossman

The law creating a U.S. Department of Labor, signed by President William H. Taft on March 4, 1913, was virtually overlooked among the historic events of that day. The city of Washington was bursting with goings on of all kinds. It was Inauguration Day for Woodrow Wilson and there was the usual social whirl that accompanies such an event. In addition, the 62nd Congress was still in session on Inauguration morning. The retiring President had a pile of bills upon which to act, one of them being the Sulzer Bill to create a Department of Labor headed by a Cabinet officer.

Taft had mixed feelings about the bill and faced a difficult choice: he could sign it into law, even though he was not pleased with it; he could veto it outright, even though his objection to the bill might be misinterpreted; or, by taking no action, he could let the bill die when his term of office ran out — the so called "pocket veto." That morning the *New York Times* reported that the outgoing President might veto the bill, send his reasons to Congress, and give the advocates of the measure a chance to override his veto, if they could.

After an early breakfast, with only a few hours before Woodrow Wilson took office, President Taft went to the executive office in the Senate. The Department of Labor bill was still unsigned. Following tradition, the President-elect arrived at the office before being received in the Senate. He could see the rotund figure of Taft at work in the next room signing bills. During these closing hours of his Administration, President Taft signed into law the act giving birth to the Department of Labor.

The gestation period had been a long one. It began after the Civil War when William Sylvis, the most important labor leader of his day, advocated the creation of a Department of Labor. He protested that existing government departments threw their protective arms around every enterprise fostering wealth, while no department had as its "sole object the care and protection of labor." He and his followers petitioned President Andrew Johnson for a Secretary of Labor, chosen from the ranks of workingmen, to be labor's voice in the Cabinet.

Sylvis' cry for recognition was echoed and reechoed. Between 1864 and 1900, more than 100 bills and resolutions relating to a Department of Labor were introduced in Congress. In 1867, the House of Representatives created a standing committee on labor, marking the first Federal recognition of labor's importance. But the campaign for a national Department of Labor died [temporarily] with the death of Sylvis in 1869.

## **Massachusetts Bureau of Labor Statistics, 1869**

Meanwhile labor leaders turned to a new strategy: promoting state bureaus of labor statistics. In 1869, Massachusetts pioneered by creating the first bureau of labor statistics in the world. This new bureau immediately became embroiled in a dispute over its purpose: was the bureau a "voice of labor," or was it to be impartial?

The first Massachusetts bureau started as the voice of labor reformers. Henry K. Oliver and George McNeil, who were the bureau's first directors, colored their reports on tenement housing and banks with their own pro-labor views, drawing charges from businessmen that they were too radical. A partisan struggle soon paralyzed the bureau.

Protests notwithstanding, the Governor of Massachusetts refused to abolish the bureau. The answer to false and partial reports, he said, "must be sought, not in discontinuing the investigation . . . but in lifting it to a higher and broader level."<sup>1</sup> In 1873 he appointed Carroll Davidson Wright, a young Republican State senator, to head the bureau and told him to "make it or bust it."

Wright in some senses was unqualified: he had no association with the labor movement at the time, and he knew very little about either statistics or labor problems. But he was determined to be impartial. A friend attributed to him the quotation: "Figures won't lie, but liars will figure." His wide-ranging investigations changed the direction of the bureau's activities and laid the foundation for its reputation for objectivity. By 1883, 12 States had followed Massachusetts' example.<sup>2</sup>

## **The Federal Bureau of Labor, 1884**

While the State bureaus of labor were being established, labor's strategy for creating a Federal Labor Department was being reshaped. The depressions of 1868 and 1873 had shattered the labor movement, completely destroying, for example, the National Labor Union. In 1874 a meeting of labor leaders "laid aside a resolution for waging a campaign in favor of a National Department of Labor."<sup>3</sup> Recognizing their weakened position, these leaders chose the more attainable goal of a Bureau of Labor.

In the late 1870's and early 1880's, the movement for a Federal bureau gained strength. The economy was recovering from the depression of 1873 and, following a typical pattern for the labor movement, the winds of prosperity fanned the growth of labor organizations. Thus a union like the Knights of Labor was able to grow rapidly and acquire political muscle. As the presidential election of 1884 was approaching, Republicans and Democrats alike courted the labor vote and adopted nearly identical platforms favoring the creation of a labor bureau.

Five Congressmen introduced bills in the 48th Congress to establish a Bureau of Labor. With some debate, and a little opposition, the House passed such a bill sponsored by Representative James Hopkins of Pennsylvania by a vote of 182 to 19. The Bureau was to collect information on the subject of working people and the "means of promoting their material, social, intellectual,

and moral prosperity." The Senate approved; President Chester Arthur signed the bill on June 27, 1884; and the new Bureau was placed in the Department of the Interior.

Trade unionists expected President Arthur to appoint a labor leader as Commissioner of the new Bureau. Terence Powderly of the Knights of Labor was the leading candidate. When he met with the President he had with him 2,567 petitions from labor organizations, 37 clippings from labor papers, and 115 from other newspapers supporting his selection. But President Arthur, reacting to manufacturers' fears that Powderly was too radical, refused to nominate him. Instead, he sent the name of another labor leader, John Jarrett, to the Senate, but withdrew it when he learned that Jarrett had criticized his Administration.

After long delay, President Arthur finally invited Carroll D. Wright of the Massachusetts bureau to become first U.S. Commissioner of Labor. Because Arthur, a Republican, had become a "lame duck" President, Wright also sought the assurance of Democratic President-elect Grover Cleveland that he could keep the job. Wright, in seeking to protect his position and safeguard the Bureau from partisan politics, was perhaps also establishing a tradition -- the impartiality of statistical information.

The infant Bureau of Labor was an instant success. Organized labor supported it and called for larger appropriations. Wright's objective idealism was in tune with the times and won wide support. Most early reports of the Bureau, ranging in topic from "Industrial Depressions" to "Convict Labor," were well received. President Cleveland recommended that the Bureau be enlarged to investigate the causes of labor disputes and eventually act as an arbitrator.

### **A department without Cabinet rank, 1888**

Labor leaders were pleased but not completely satisfied. A Bureau of Labor was better than nothing, Terence Powderly told a Knights of Labor Convention, but labor was "entitled to far more at the seat of government than a mere bureau."<sup>4</sup> Labor leaders' fear that some "time-serving" political hack might become Commissioner of Labor was allayed with Wright's appointment. They considered him a sensitive humanitarian who would not let his sympathies color his statistics. But he was no spokesman for labor, and his powers were limited.

The Knights of Labor, as they reached their zenith, sparked the drive for an influential "National Department of Labor." President Grover Cleveland, at the start of his campaign for reelection, invited Powderly to lunch and offered him the position of Commissioner. Four years earlier Powderly had been hungry for the job. (Many years later, when he was down and out, he was to take a relatively minor position in the Department.) But in 1888 he was at the peak of his career and told the President he could not give up his work with the Knights of Labor. Cleveland asked him if he could not do both jobs at the same time and Powderly told him that the day was not long enough "by about 36 hours." Besides he had enemies. "While your friends will go to bed early," he told the President, "you may depend on your enemies to stay up all night to get even with you. . . . You are in the midst of a bitter campaign, and these men might be able to do you harm. You can serve labor interests far better by recommending that the present Labor Bureau be changed to a real department of the Federal Government with a secretary as its chief, sitting in your Cabinet." At Cleveland's request, Powderly presented a memorandum on the scope of the

new Department, which in addition to its statistical role would conciliate labor disputes and sponsor an employment service "to direct workmen from where they crowd each other idle to where they may help each other work."<sup>5</sup>

A bill sponsored by the Knights of Labor was introduced in 1888. The committee to which the bill was referred dropped the idea of Cabinet rank because, in spite of its popularity, the Bureau of Labor did not have enough support in Congress to gain Cabinet status. To substitute for the loss of Cabinet prestige, the Department of Labor would be independent of the Department of Interior. The bill passed with only perfunctory opposition, and on March 21, 1888, Cleveland signed the bill into law.

Cleveland chose Carroll Wright to head the new Department. Wright held the post for many years, impartially reporting his findings directly to the President. The new Department of Labor, even without Cabinet status, gained personnel and prestige. Its reports covered railroad labor, industrial education, working women, economics of the liquor traffic, the effect of machinery on labor, labor legislation, compulsory insurance, housing for working people, and other subjects. In addition, in 1895 the Department inaugurated the *Bulletin of Labor*, which under different titles has been published to this day and is now the *Monthly Labor Review*. The Department's devotion to objective facts made it the most important statistical agency of its period. President Cleveland recognized this preeminence by designating Carroll Wright to supervise the completion of the 1890 census.

During this period, other special groups were clamoring for representation in the President's Cabinet. Business interests pressed their claim for a Department of Commerce and Industry. Farmers, who had had a Bureau of Agriculture since the Civil War, tried to raise it to Cabinet rank. Among the more interesting efforts was an attempt to satisfy two interest groups with one department. In 1887, both the House and Senate passed bills creating a Department of Agriculture and Labor. But farm spokesmen objected to including labor, and the bill died in conference. A year later, the more powerful farm interests achieved their own department with a Secretary of Agriculture in the President's Cabinet.

Paradoxically, pressure to have labor represented in the Cabinet was diminishing. The nonpartisan Carroll Wright opposed a situation where the head of a Department of Labor would change with every Administration. The labor movement had been badly hurt by disastrous strikes and by public resentment over labor's alleged role in the Haymarket riot, in which seven policemen died. The Knights of Labor, torn by external problems, internal dissension, and the rivalry of the new American Federation of Labor, lost strength. Samuel Gompers, the rising leader of the Federation, was too deeply involved shoring up the newly created organizations of craft unions to be politically oriented. While perfunctory support was given from time to time to supporting a labor department, most union leaders had their hands too full to get involved in a campaign for Cabinet rank.

### **The Department of Commerce and Labor, 1903-13**

Beginning in the 1890's, Congressmen introduced bills in session after session to establish a Department of Commerce in which the existing Department of Labor again would be reduced to

a subordinate bureau. Labor leaders reacted in self-defense. Samuel Gompers charged that business and commerce already "had absolute and exclusive representation in the Cabinet." Instead, Gompers revived labor's demand for its own "direct representative in the councils of the President."<sup>6</sup> With the growing power of business and industry and the political victories of conservatives in the 1890's, Gompers' proposal had little chance of success.

When Theodore Roosevelt became President, he called for a "Cabinet officer, to be known as Secretary of Commerce and Industries. . . . It should be his province to deal with commerce in its broadest sense; including among many other things whatever concerns labor and all matters affecting the great business corporations. . . ."<sup>7</sup> Senator William P. Frye of Maine translated these ideas into a bill he introduced in the 57th Congress.

A Democratic minority fought the bill stubbornly. They claimed that the independent Department of Labor would be submerged; that labor organizations opposed the bill; and that the distrust between labor and business would destroy the usefulness of the Department.

President Roosevelt did not agree that labor and capital were in conflict. He himself tried to be impartial, and he saw no reason why labor and commerce could not have a great deal in common. The Republican majority argued that what was good for business was good for labor, and that prosperous labor helped create good business. Since most ambitious workingmen wanted to become capitalists, they asserted, the community of interests far outweighed differences. Also, proponents claimed that a Bureau of Labor would gain a great deal in association with other bureaus, such as immigration, shipping, and manufacturing. They believed the new Department would be more efficient: various information and statistical bureaus in the Federal Government would be brought together, including the Bureau of Statistics in the Treasury [Department] and the Census Bureau.

To make the bill more palatable to labor, the name was changed from a Department of Commerce and Industries to a Department of Commerce and Labor. The opposition of labor notwithstanding, the bill passed easily, and President Roosevelt signed it in February 1903.

President Roosevelt appointed his private secretary, George B. Cortelyou, the first Secretary of Commerce and Labor. Cortelyou reflected President Roosevelt's view on impartiality. He even seemed to have gained temporarily the grudging support of Samuel Gompers by assuring him that the Department would serve not only business, but labor as well.

In 1906, Oscar S. Straus became Secretary of Commerce and Labor. Straus proclaimed that "Labor and capital were two arms of industry, the proper functioning of which could best be secured by cooperation, which in turn could best be promoted by administering their interests together."<sup>8</sup> But Gompers soon broke with Straus over the problem of immigration. The American Federation of Labor opposed immigration because the influx of millions of immigrants needing work held down American wages. Straus, who had a distinguished career in business, foreign service, philanthropy, and public administration, was against harsh restrictions and rigid exclusion tests for immigrants.

### **A Cabinet-level department**

Gompers intensified his efforts to end the bureaucratic union of commerce and labor. Unlike President Roosevelt, Gompers refused to accept any longer the view of a community of interests. Frank Morrison, Secretary of the Federation, explained to a Congressional committee that the purposes of a Secretary of Commerce and a Secretary of Labor were contradictory. The Secretary of Commerce would promote the interests of trade and industry, while the Secretary of Labor would support higher pay and better working conditions for the worker. A Secretary of Commerce and Labor, Morrison said, was like a "Dr. Jekyll and Mr. Hyde."

In 1903, the American Federation of Labor persuaded the Democratic Party to adopt a plank in its platform that pledged "the enactment of a law creating a Department of Labor, represented separately in the President's Cabinet." However, since Democrats controlled neither the White House nor Congress, their powers were limited. Democratic Congressmen regularly introduced bills for a separate Department of Labor, but none gained sufficient support to pass. In 1910 the Democrats won control of the House, and 15 union members were elected to Congress. Congressman William B. Wilson, formerly an officer of the United Mine Workers, became chairman of the House Committee on Labor. He championed creating an independent department. Representative William Sulzer of New York introduced a Department of Labor bill in 1912, which passed the House with little opposition. For a time it seemed that the bill might die in the Senate Committee on Education and Labor, but Senator Borah rescued it. The Senate passed the bill without a record being kept of the votes.

President Taft did not like the bill; he felt the new Department would hinder efficient administration. But Taft, who had been overwhelmingly defeated for reelection, was in a poor position to oppose the bill. A veto would probably have been a futile gesture. The incoming Democratic administration of Woodrow Wilson had already selected William B. Wilson as the proposed Secretary of Labor and would probably have enough support to reenact a similar measure, despite Taft's veto.

However, Taft at least wanted to gain something in return for signing the bill. The President felt there might be an opportunity to bargain for what he considered the burning labor issue of the day -- the use of antitrust laws against unions. Organized labor had lobbied through Congress a "rider" to the Sundry Civil Appropriations Bill, which Taft opposed. The rider provided that money for the Department of Justice could not be used to prosecute organizations or individuals who combined for the purpose of bettering conditions of labor. When Samuel Gompers visited Taft the day before Wilson's inauguration, Taft greeted Gompers saying, "I want you to do something for me, but I know you will not do it. . . . If you will take that labor proviso out of the Sundry Civil Bill, I will sign the Department of Labor Bill."

"I can't do it and I won't do it," he answered.

"Well," Taft replied, "I suppose the situation is such that I shall have to sign the Department of Labor Bill anyway."<sup>9</sup>

Thus, among his last acts in Office, President Taft signed the Department of Labor bill. In his message to Congress on March 4, 1913, he wrote, "I sign this bill with considerable hesitation. . . . I forbear, however, to veto this bill, because my motive in doing so would be misunderstood. . . ."

. " In the waning hours of his administration President Taft became the reluctant mid-wife who delivered the infant Department of Labor.

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## Notes

- [1.](#) "History of the Bureau of Statistics of Labor and of Labor Legislation in Massachusetts," Seventh Annual Report of the Massachusetts Bureau of Statistics of Labor (Boston, April 1876), p. 287.
- [2.](#) Horace Wadlin, "Carroll Davidson Wright: A Memorial," Fortieth Annual Report of the Massachusetts Bureau of Statistics of Labor (Boston, 1909), pp. 357-400.
- [3.](#) John Lombardi, *Labor's Voice in the Cabinet* (New York, Columbia University Press, 1942), p. 29.
- [4.](#) Terrence V. Powderly, *Thirty Years of Labor*, rev. ed. (Cleveland, Ohio, Excelsior Press, 1890), p. 165.
- [5.](#) H.J. Carman and others, eds., *The Path I Trod* (New York, Columbia University Press, 1940), pp. 230-234. (Papers of T.V. Powderly.)
- [6.](#) American Federation of Labor, *Proceedings*, 1897, p. 22.
- [7.](#) Theodore Roosevelt, "Message . . . to the Two Houses of Congress . . . First Session of the 57th Congress, January 1901," in *Addresses and Presidential Messages of Theodore Roosevelt, 1902-1904* (New York, G.P. Putnam, 1904), p. 298.
- [8.](#) Lombardi, *Labor's Voice*, p. 60.
- [9.](#) Samuel Gompers, *Seventy Years of Life and Labor* (New York, Dutton & Co., 1925), pp. 292-293.