

FORD'S PROGRESSIVE WAGE PLAN

The Ford Motor Company was the first of the industrial giants to take up the challenge of improving the lives of factory workers. Henry Ford and his business partner, James Couzens, described their new plan in a famous announcement (condensed here) in 1914.

The Ford Motor Company, the greatest and most successful automobile manufacturing company in the world, will, on January 12, inaugurate the greatest revolution in the matter of rewards for its workers ever known in the industrial world.

At one stroke it will reduce the hours of labor from nine to eight, and add to every man's pay a share of the profits of the house. The smallest amount to be received by any man 22 years old and upwards will be \$5.00 per day. The lowest wage is now \$2.34 per day of nine hours.

This will apply to every man of 22 years of age or upward without regard to the nature of his employment. In order that the young man, from 18 to 22 years of age, may be entitled to a share in the profits, he must show himself sober, saving, steady, industrious, and must satisfy the superintendent and staff that his money will not be wasted in riotous living.

"The commonest laborer, who sweeps the floor, shall receive his \$5.00 per day," said Henry Ford.

"It is our belief," said James Couzens, "that social justice begins at home. We want to help those who have helped us to produce this great institution and who are helping to maintain it to share our prosperity."

"If we are obliged," said Mr. Ford, "to lay off men for want of sufficient work at any season, we propose to plan our year's work

so that the lay-off shall be in the harvest time, not in the winter.

"No man will be discharged [fired] if we can help it, except for unfaithfulness or inefficiency. No foreman in the company has the power to discharge a man. He may send them out of his department if they do not make good. The man is then repeatedly tried in other work until we find the job he is suited for."



"We shall still pay,"

Mr. Couzens said, "we are quite sure, good, handsome dividends [profits] to our stockholders, and will set aside reasonable amounts for additions and improvements. And after that it is our hope to be able to do still better by our employees. We want them to be in reality partners in our enterprise.

"Believing as we do, that a division of our earnings between capital [owners] and labor [workers] is unequal, we have sought a plan of relief suitable to our business. We think that one concern [business] can make a start and create an example for others. And that is our chief object.

"The public need have no fear that this action of ours will result in any increase in prices of our products. On the contrary we hope to keep up with our past record of reducing prices each year."

Group Discussion: *How does Ford's wage plan show the influence of Progressive Era ideas about social justice and workers? Why was the new policy probably a good business decision for Ford, as well as a good step from a social point of view?*