

the average price of book paper in one of the large mills was a trifle over 7 cents a pound—7.06 cents a pound. From that date until 1910 the price of book paper has been almost constantly declining, in spite of the increased cost of raw material, and in spite of the increased wages. As I said, in 1889 it was 7.06 cents. In 1890, that one year the boom came in, and the price rose to 7.1 cents. In 1891 it took its natural course under competition and was down to 6.8 cents. In 1892, although that was a period of expansion in industry, it was down to 6.5 cents. In 1893 it was 6.3 cents. Then it dropped into the 5 cents. By 1907 it got into the fours. And later it got into the threes. And the average price in 1910, as I have here, was 3.99—a trifle under 4 cents.

During that time the cost of manufacture in this highly competitive industry was, of course, also diminishing, but not as rapidly, or not nearly as rapidly, as the selling price, because competitive conditions were constantly reducing the ratio of profit upon that selling price. And whereas the profit started at about 20 per cent on the cost, it got down in 10 years to 13 per cent on cost, and at the end of another 10 years it got down to 7 per cent on cost. You have there the most perfect illustration of what competition does in compelling the owner of an industry to find some way of reducing costs as a condition of living.

Now I will show you what that way was. It was not by pursuing the way of the steel corporations, of increasing the hours of labor, or decreasing wages. It was just the opposite. Senator Crane will remember that in this very period which those figures cover there came a beneficent change in the conduct of this industry (which, like the steel industry, and perhaps to a greater extent than the steel industry) requires a continuous process; that is, paper making is a 24-hour process in many of its departments. Ten years ago and before these mills were running their tour workers on 12-hour shifts. Labor unions started the agitation for an 8-hour day. This was one of the industries where, in the main, there could be no compromise on a 10-hour day, because these paper machines and the incidental machines had to run continuously 24 hours a day, 6 days in the week. The 10-hour compromise was impossible. It was either 8 hours, as the men demanded, or 12 hours. The reduction of working time to 8 hours was made, not only in mills where the union manifested itself, but in other mills where there was no union labor whatsoever. For the unions had, in this respect, as in many other respects, created a standard to which the industry had to accommodate itself. The manufacturers, therefore, in this period reduced the