

## **Module 05: Industrialization and Its Discontents: The Great Strike of 1877**

### **Evidence 6: "Ten Per Cent. Reduction," 12 July 1877**

# A

#### **Introduction**

Even those who managed to keep their jobs often found their wages cut sharply. Between 1874 and 1877, for example, workers on the Baltimore & Ohio Railroad suffered reductions in wages of 50% from what they had earned before the depression began. Wages for B & O firemen dropped from \$55 per month to \$30, brakemen from \$70 to \$30, and conductors from \$90 to \$50. In November 1876, B & O President John W. Garrett had cut wages 10% in order to keep paying investors stock dividends at the 10% level. Seven months later came the announcement reproduced below, and the stage was set for a strike.

#### **Questions to Consider**

- Whose wages were being cut? What reason was given for the wage cuts?
- How did President Garrett hope the workers would respond?
- If you worked for the B & O Railroad, how would you have responded?

#### **Document**

The regular monthly meeting of the board of directors of the Baltimore and Ohio railroad was held at Camden Station yesterday, when the following preamble and resolutions making a reduction of ten per cent. in the salaries of officers and employees of the company were reported by the committee on finance and unanimously adopted:

Whereas the depression in the general business interests of the country continues, thus seriously affecting the usual earnings of railway companies, and rendering a further reduction of expenses necessary; therefore be it

Resolved, That a reduction of ten per cent. be made in the present compensation of all officers and employees, of every grade, in the service

of the company, where the amount received exceeds one dollar per day, to take effect after July 16th, instant.

Resolved, That the said reduction shall apply to the Main Stem and branches east of the Ohio river, and to the Trans-Ohio divisions, and that it shall embrace all roads, leased or operated by the Baltimore and Ohio Railroad Company.

Mr. John W. Garrett, president, has issued a circular embodying the above resolutions and adds: "It is hoped and believed that all persons in the service of the company will appreciate the necessity of, and concur cordially in, this action. The board postponed action until some time after its great competitors, the Pennsylvania, New York Central and Hudson River and New York and Erie Companies had made general and similar reductions in pay, with the hope that business would so improve that this necessity would be obviated. In this they have been disappointed. The president, in announcing the decision of the board, takes occasion to express the conviction and expectation that every officer and man in the service, will cheerfully recognize the necessity of the reduction, and earnestly cooperate in every measure of judicious economy necessary to aid in maintaining effectively the usefulness and success of the company."

Source:

"Ten Per Cent. Reduction," *Baltimore Sun*, 12 July 1877, 3.