UNITED STATES DEPARTMENT OF LABOR
FRANCES PERKINS, Secretary
BUREAU OF LABOR STATISTICS
ISADOR LUBIN, Commissioner

BULLETIN OF THE UNITED STATES BUREAU OF LABOR STATISTICS . . . . No. 583

LABOR LAWS OF THE UNITED STATES SERIES

PROCEEDINGS OF THE

NATIONAL CONFERENCE FOR LABOR LEGISLATION

HELD AT WASHINGTON, D.C.
FEBRUARY 14 AND 15, 1934

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, May 28, 1934.

MADAM SECRETARY: I have the honor to transmit herewith the printed Proceedings of the National Conference for Labor Legislation, which was called by you and assembled in Washington, February 14 and 15, 1934. The conference was arranged and the proceedings prepared by Boris Stern of the Bureau of Labor Statistics, with the cooperation of Jean Flexner of the Children's Bureau.

ISADOR LUBIN, *Commissioner.*

HON. FRANCES PERKINS,
Secretary of Labor.

THE KEYNOTE

We have a duty to perform. * * * We have a joint responsibility to the 40,000,000 wage earners of the United States for the development of a program of labor legislation and a policy which will be broad enough and flexible enough to meet the needs of these wage earners wherever they live. * * *

It is important for us to recognize that we are dealing with a nation as broad as the continent, and that Maine is a long way from California, as is Florida from Oregon or Washington. We have a vast expanse; we have different climates and differences in the degree of population density. Some States are predominantly rural, others are highly industrialized. Quite naturally there will be differences in emphasis in the labor laws of these States. But as we go forward into a life which all of us see today is becoming more and more industrialized, as the services which have not been thought of as industrialized are rapidly undergoing the change, it is highly important that we shall find ourselves in possession of a large pattern of industrial legislation. It is time for all the States to review their labor legislative programs to see if they are as useful to their people as they might be, and to examine them in view of the experience of other States with similar problems. * * *.

I recognize the very great importance of the cooperation of the sovereign States in any program of labor legislation. * * * I also recognize that the fundamental power to make regulations with regard to the welfare and safety of the people of the States, and to carry them out, lies with the sovereign States. * * *

So I have asked you to meet in what I hope will develop into a series of conferences to consider what steps ought to be taken in the very near future in order to evolve an American labor legislation policy—a policy which will be recognized through the country as a sound policy and a sound program of Nation-wide legislation, other than Federal legislation. * * *.—*Secretary Perkins.*

I need not point out to you the need for thought and action, as the fact that you have responded so readily to the invitation of the Secretary of Labor to come and talk over the problems of labor and industry and the methods of improving cooperation is the best indication of your interest, not only in your own State, but in all the others. * * *.—*President Roosevelt, in letter of greeting to delegates of the conference.*

BULLETIN OF THE

U.S. BUREAU OF LABOR STATISTICS

No. 583 WASHINGTON JULY 1934

PROCEEDINGS OF THE NATIONAL CONFERENCE FOR LABOR LEGISLATION, WASHINGTON, D.C., FEBRUARY 14 AND 15, 1934

WEDNESDAY, FEBRUARY 14—MORNING SESSION

Frances Perkins, Secretary of Labor of the United States, Presiding

The SECRETARY OF LABOR. I want to say that I am very grateful to you who have come to the conference. I am grateful personally, and I want to express the appreciation of the United States Department of Labor, for your participation in what I think is one of the most important conferences that has ever been held in this country.

In recent years and months I have been thinking about the pattern of our democracy as it has been built up, and it occurs to me that from the beginning of American life there have been conferences: First the conferences between the Colonies, and then between the States, and from those conferences came agreement on certain programs which were held momentarily desirable. If you go back to the early, pre-Revolutionary days you will find that long before any movement toward separation began there were conferences between adjacent Colonies, so that when the time for action came, there was this understanding between the people which made it possible for them to act in an orderly, harmonious, and constructive way. And so I think it has been throughout American life. When we have been faced with national problems and have been sensible, we have taken the technique of the conference as the method of finding out what our common problems are, and discovering common approaches to their solution.

Today we find ourselves in this Nation faced with a newly realized problem of industrial adjustment—of adjustment between labor and employers, between the community and industry. Therefore, we are finding all over this country not only an interest in the recovery program, but also a new understanding and a new conception of the community's relationship to industry, and the relationship of various industries to each other. Then there is the realization of the extraordinary importance to the community not only that the wage earners of the United States of America should remain permanently in the purchasing class, but that they should also be thoroughly integrated into the body politic and the life of the community.

All these problems, therefore, which we have commonly thought of as in the class of labor legislation (in some States called "labor welfare legislation"), have now become national as well as State problems of vast importance. I think the people of the United States of America have never been so well educated on these subjects as they are today, due to newspapers, the radio, and the stimulation which the N.R.A. has given to the consideration of problems of shorter hours, better wages, and higher purchasing power. But those of you who are commissioners of labor or industry in the various States, and those of you who represent, under the Governor's appointment, the wage earners of the various States, have long been aware that these are not all of the problems involved in the program for a better life for the wage earner. So I have asked you to meet in what I hope will develop into a series of conferences to consider what steps ought to be taken in the near future in order to evolve an American labor legislation policy—a policy which will be recognized throughout the country as a sound program of Nation-wide legislation, other than Federal legislation.

I know there is just now an overwhelming interest all over the country in two problems—unemployment insurance and old-age pensions. The depression through which we have just passed has led most of the States, as well as the Federal Government, to recognize that they must make provision for taking care of people during these recurrent periods of unemployment. Nevertheless, because I have known this interest to be so great and because I was afraid it would overwhelm the entire discussion, I have listed among the subjects which we ought to consider first certain other definite aspects of a sound program of labor legislation. I have included these subjects in the agenda so that we might classify them and come to agreements as to what constitutes a good program in fields which are frequently not controversial at all. We might then accomplish in a few years what otherwise might take a much longer time.

Delegates from 36 States are here now; others will come in in the course of the morning. We understand that 46 States will be represented, which makes it a very significant conference. The Governor of each State has been asked to appoint one delegate to represent the government of that State, and another delegate to represent the wage earners. The selections are the selections of the Governors. In addition, I have asked a few individuals who are known to be particularly concerned or particularly expert in the field of labor legislation, and we shall turn to them from time to time for experience, for information, and for clarification, in order that they may help us toward what may be regarded as a desirable program.

I recognize, and I think it ought to be made clear that the Federal Administration recognizes, the very great importance of the cooperation of the sovereign States in any program of labor legislation. I also recognize that the fundamental power to make regulations with regard to the welfare and safety of the people of the States, and to carry them out, lies with the sovereign States. While the Federal Government, through the United States Department of Labor, is glad to use its machinery to bring you together in conference, and while we are glad to place at your disposal the resources of the Department of Labor for research, investigation, or

reporting, in no sense of the word is the Department of Labor attempting to dictate what the States should be doing. We recognize as essential in the scheme of American Government that there should be a Federal Government plus the governments of the 48 States, and we cannot make real national progress in Government regulation or supervision of our industry and labor life unless we have intelligent understanding and the full cooperation of both groups.

There have been, as you know, a number of regional conferences between the States—very interesting conferences. The first regional conference, participated in by 7 States, was held in Albany about 3 years ago, when President Roosevelt was governor of the State of New York. Later, a conference was called at Harrisburg, Pa., bringing in a somewhat larger group of States, competitive in many respects. A more recent conference in Boston came to some very definite conclusions in regard to a minimum wage for women, child labor, etc. All participating States have developed a very definite program along the lines agreed upon at that conference. A few months ago, a conference was held in Atlanta, Ga., composed of 5 southeastern States (Alabama, Florida, Georgia, South Carolina, and Tennessee), at which a program of labor legislation was agreed upon as desirable, and that I think was a most striking accomplishment for an area only recently industrialized. So this conference pattern between the States is, I think, fairly well established.

It is important for us to recognize that we are dealing with a Nation as broad as the continent, and that Maine is a long way from California, as is Florida from Oregon or Washington. We have a vast expanse; we have different climates and differences in the degree of population density. Some States are predominantly rural, others are highly industralized. Quite naturally, there will be differences in emphasis in the labor laws of these States. But as we go forward into a life which all of us see today is becoming more and more industrialized, as the services which have not been thought of as industrialized are rapidly undergoing the change, it is highly important that we shall find ourselves in possession of a large pattern of industrial legislation. It is time for all the States to review their labor legislative programs to see if they are as useful to their people as they might be, and to examine them in view of the experience of other States with similar problems. It is a well-known fact that in recent years States with low standard labor laws, or States without labor laws, have on occasions been able to compete advantageously with States having high labor-law standards. I shall go back to my own experience in the State of New York. New York has a pretty good workmen's compensation law, and because of that alone I saw a Pennsylvania firm walk off with the contract for a manufactured article, the difference in the amount of the bids being precisely equal to the difference between the cost of workmen's compensation in the two States. This is most unfair. No really honorable business man ought to want to have this type of preference and no legislature ought to encourage that particular kind of competitive advantage, based on the fact that the loss of an arm or a leg is compensated for by a smaller amount in Pennsylvania than just across the border in New York.

We are all proud of our own States. We are jealous of the good name of our own States. We believe in the moral purpose of the people of our own State. But among ourselves in these discussions we can and must be quite free. No one here will take offense, because we know that our State laws have flaws. In some respects the Pennsylvania law is better than the New York law. The problem for us today is to be quite frank about the things we regard as a desirable end, so that we may move forward with some kind of harmony. I think the pattern of harmonious labor legislation is growing.

At the Atlanta conference there was the feeling that it is desirable for whole areas to move forward at about the same time toward a uniform program of labor legislation. About a month ago the officers of the American Federation of Labor met to discuss labor legislation programs, and they, too, agreed that certain programs of legislation ought to go forward throughout the whole country as uniformly as possible. I want to remind you of these things in order that we may know the extent to which the people of the country can be rallied to the support of labor legislation.

The activities of the N.R.A. have, I think, stimulated many of us to consider the possibilities and the desirability of good labor legislation. The N.R.A. has, of course, touched only two major aspects—hours and minimum wages. The whole field of labor legislation, which, as you and I know, is of great importance, has not yet been even scratched.

In considering the topics for discussion we tried to work into the agenda many problems which are often neglected, though of great importance. The first is Safety and Health Protection. I was astonished to learn that some States have no laws requiring a plentiful supply of clean and pure drinking water in work places. If you have investigated a factory and become tired and thirsty, you know what this has meant. It seems such a fundamental sort of thing, but it may be neglected unless required by law and properly enforced. Physical conditions of work places matter a great deal. There is fire protection. Some of our great fires have occurred in New York, and I am especially alert to that particular hazard. These terrible fires sometimes shock us into some action for protection. Then there is the question of guarding dangerous machinery. The provision to prevent workers from getting their arms and legs cut off, etc., is extremely important. Some States have no sanitary provisions for factories and other work places. All matters of prevention of industrial disease rest on such regulations. They ought to be fundamental and clear in every labor law. I cannot imagine any honorable or creditable opposition to laws requiring proper conditions in work places.

Then of course our workmen's compensation laws ought to be brought up to a desirable standard.

Are there many people, or is there anyone, who thinks that child labor ought to be tolerated or justified?

Minimum-wage legislation is now regarded as necessary by most people. We saw in 1930–32 the fall of wages of those weakest in bargaining power determine the wage conditions for all groups of labor. There must be some way to put a bottom to the fall of wages,

not only to keep up the health and welfare of people working for wages, but also to keep up the purchasing power of the Nation.

Regulation of home work is a matter which has long been under discussion. I think we can reveal many practices in home work which should be ended. Some women are trying to eke out a living in bead work, and are now doing it at a wage so low that it is impossible to conceive of anyone being able to live on it. The work goes out from the bigger cities, like New York City and Philadelphia, into all of the eastern industrial States. The wage these women receive is a sweated wage for work done in the workers' own homes, and we must have interstate regulations to cope with the situation.

The regulations in regard to hours of labor ought not to present any complications, particularly since we have been committed to the idea of a shorter workday and a shorter work week as an absolute necessity in the machine economy.

Tomorrow morning we shall discuss the problems of workers' security—that is, unemployment insurance, old-age pensions, and employment exchanges. This newer type of legislation is intended to give to wage earners a certain security in their jobs both for the present and for old age.

We have prepared for tomorrow afternoon a session on housing, in which I think you will be interested, and also—a topic which I think is most important—a discussion of the methods of cooperation between the United States Department of Labor and the State departments of labor in planning for suitable and proper administration of the laws which may be put upon the statute books. We should receive many important suggestions on this vital matter.

I hope you will allow me to appoint a number of committees to study the problems at hand. I shall ask them to study for us, after the discussion today, the question of desirable standards in each of these fields, so that when they bring in their reports tomorrow we may have before us a rather concrete recommendation from them as to what ought to be the desirable standards of the States. I recognize that you have not been authorized to bind your States to anything, and we shall remember that, in your agreement to any programs recommended, you are giving your personal and moral agreement only, and that the program must be agreed upon by the properly constituted bodies in your States before it will have validity or binding force on those States.

I have decided to ask one or two persons familiar with the special subjects to discuss them briefly and to give us their views as to what they consider a sound policy. I shall ask Mr. Watt, of Massachusetts, to discuss what he thinks are sound items to be included in a modern program for providing for good physical conditions of workplaces.

Safety and Health Protection in Industry

Mr. WATT. Just as briefly as possible, I should like to point out that in our State, and in other States I take it—after talking to Miss Carr, the Labor Commissioner of Pennsylvania, and many representatives of other States—the question of occupational diseases is becom-

ing more important every day. I can see no success in any effort we may make in the way of a safety and rehabilitation program until such time as our States are willing to operate the compensation act themselves and eliminate private profit-making companies from the field. That is a bad start to give a conference of this kind. However, it must be quite apparent, because, after all, we have reached the point where mechanization of industry has scattered us into 7,000 different occupations, in 5,600 of which we are exposed to occupational diseases.

Miss Perkins mentioned the fact that the variations in the compensation acts are a competitive factor between the States. Just to point out how competitive it is in the New England States: We have one of the oldest industries in Massachusetts—the granite industry. New Hampshire and Vermont also have it. The insurance premiums for this industry range from approximately $2 per $100 of pay roll in Vermont to $12 per $100 of pay roll in Massachusetts. In 1931 the insurance companies absolutely refused to insure granite workers in Massachusetts unless the employer paid a premium of $300 per man. The result is that we have no insurance at all, with a very few exceptions, in Massachusetts.

One other point I want to make is that unless we can get the Federal Government, or I should say, the Department of Labor, to set up a pattern in regard to administration of labor laws, it seems to me we are going to waste a great deal of time and effort. Unless the Department of Labor is in a position to guide us in administering our safety laws, we cannot and will not go very far.

As far as rehabilitation of injured workers is concerned, we have not begun to scratch the surface. The latest report of the Massachusetts Department of Education, which is, under the law, tied up with the department of industrial accidents, shows 100,000 accidents per year in Massachusetts. The report also shows that in a period of 146 months, or more than 12 years, there have been exactly 511 attempts by the industrial accident board to rehabilitate injured workers. To repeat: There are an average of 100,000 accidents every year in Massachusetts; in 146 months only 511 persons have received any rehabilitation treatment at all. In other words, when a lump-sum settlement takes place nothing further is done about the accident. That is going away considerably from safety and health protection. I am voicing the opinion of the men and women in Massachusetts, whom I represent, that until such time as, first of all, we can have a State fund for workmen's compensation, with the administration of our labor laws supervising that State fund, no progress will be made toward safety and health protection of the workers.

We have in Massachusetts some 40 inspectors; we have a fine statistical division; we have a department of industry and a department of health which are divorced entirely from the department of industrial accidents; we must tie those groups together, so there will be some coordinated effort. I am of the opinion, apart from humanitarian motives, that this would be the most profitable kind of investment. Our employers in many instances, because our act is not mandatory, have removed themselves from under the com-

pensation law and are not required to carry compensation. Just a couple of hours before I left Massachusetts, two young men, both under 21 years of age, came to me from a factory where they worked with lead. Their mouths were swollen and black and blue. I checked up and found the employer had no insurance at all, and it is my opinion that those two men will have a difficult time even collecting the medical expenses which, unfortunately, they are going to have to pay because of the lead poisoning.

I am keenly interested in the subject of workmen's compensation as a whole and I shall be glad to participate in the discussion. I think workmen's compensation involves rehabilitation. In my opinion, we have paid little or no attention to the most important phase of industry—the rehabilitation of the injured worker.

The SECRETARY OF LABOR. I shall ask Mr. Elmer Andrews, of the State Department of Labor of New York to discuss the same subject, particularly with reference to items that ought to be included in a sound program of labor legislation.

Mr. ANDREWS. In referring to what Mr. Watt said about compensation cases, you may be interested to know that no employer can get out of carrying compensation in New York State.

We have 23 codes covering the guarding of dangerous machinery. If I might make a suggestion, it would be to have model codes developed for consideration. My suggestion would be that the Federal Department of Labor assume responsibility for developing 15 or 20 codes—as many as may be necessary—covering various industries. We could then use those as a basis for proper legislation in the various States.

Our codes, of course, have the force and effect of law. A violation of a code is a violation of the labor law itself. If our orders are not complied with, the attorney general prosecutes.

The SECRETARY OF LABOR. I think your suggestion is interesting, and so far as the Department of Labor is concerned, it will be very glad to point out basic things that ought to be in the codes. But I think one of the most educating and enlightening experiences that can come to a State department of labor, as well as to the people taking part, is to participate in building up a code. I saw the education of the employers in the laundry industry in New York take place automatically when they put their minds to such things as safety and health practices and when they took part in long debates as to what constituted a dangerous machine. They studied about how to prevent arms from being cut off, how to drain wet floors, etc. All this was educative, not only to the government officials, but to the employers themselves, through bringing them into contact with the best practices in their own trade. I should hate to have any State adopt a code put out by even an all-wise Department of Labor, and I am afraid we are not that. I think the experience you, the working people, and the employers could acquire by getting together and adopting a code would be most valuable.

Mr. Andrews only touched upon the fact that the best procedure is through administrative regulations. The laws of some States

permit the industrial board or commission to make rules and regulations for carrying into effect general provisions of the law. They read something like this:

> It is the purpose and intent of this law that all places where people are employed, are so managed as to maintain the health and welfare of the people.

They usually designate the board authorized to make the rules and regulations under this general provision. This method is excellent because it saves the law from being too detailed. It is much better to leave the details to an administrative board, if certain fundamental principles can be written into the law itself.

Most items which should be included in a safety code are given in the Summary on Safety and Health. It is perfectly obvious that the person who drew this up had not had my experience in regard to fire hazards as there is no such provision in it, but there should be one. Other provisions should cover temperature and light, ventilation, methods of removing gases and fumes, protection from dangerous machines, adequate guards for aisle space and exits for fire safeguards, medical services, provision for proper seating facilities (not on all State statutes), very careful regulations and proper sanitary provisions, lunch rooms, rest rooms, drinking water, and above all, investigation and inspection.

Workmen's Compensation

The Secretary of Labor. The next subject for discussion is "Workmen's Compensation." I had asked Mr. Ethelbert Stewart, who is so well known in this field and who as former Secretary of the International Association of Industrial Accident Boards and Commissioners has been familiar with the constantly improving provisions of the various States, to come here today, but he is ill, and I have been requested to present his subject.

I am merely going to run over the topics that seem to me ought to be discussed, and then leave them for your consideration and that of the committee. In the first place, I think the question of coverage in workmen's compensation laws is very important. We must move toward compulsory workmen's compensation. The elective system may be permitted where the constitution does not provide for a compulsory law, but in that case there should be no way for the employer to elect to leave himself out of the provision. Otherwise, we shall have some of the weakest people—I mean weakest in the economic sense, those that perhaps could not afford to sue, and so on—being left outside of the law.

In the matter of administration, it seems to me that most of the experience of the United States has shown the desirability of administration by a commission rather than by the courts. That is still a debated point in some States. I think the vast experience in the United States has shown the ease, facility, and speed with which workmen get their compensation money under the commission, which makes it preferable to the courts. In workmen's compensation payments, speed is the whole thing. When a man is injured he ceases to get wages and needs his compensation sorely. The quicker forms are not only better, but in the long run come nearer to doing justice.

There are several methods of payment. An exclusive fund in States is thought by some to be absolutely essential. The three usual methods are: State insurance, private insurance, and self-insurance under very strict rules. Many States which permit self-insurance have had to learn a tragic lesson. Mr. Donnelly has had to face the problem of self-insurance. There has been a terrible situation in California because of bankruptcy of employers. If self-insurance is permitted, it ought to be permitted only under very cautious and severe rules which will provide for hard times as well as good times and anticipate that any employer may go bankrupt. There should always be something which the State can get hold of independent of any other claims against the employer.

All industries and employees should be covered. Of course, it has been the habit to exempt agriculture and domestic service, and although there is no reason for it, I presume we shall keep on exempting them for a number of years to come, until the States decide that they had better include these workers too.

The waiting period is an important factor. There has been steady progress in decreasing the waiting period. Some States started out with a waiting period of 30 days. Now 14 days is usual and in some States it is 7 or 3 days. Certainly a rather brief waiting period is essential. The purpose is to put purchasing power into the hands of the injured worker and his family as soon as possible.

Unlimited medical and hospital service seem to me essential. Some of the worst tragedies are those in which the State permits only 30 or 40 days of medical care and then leaves the man without medical treatment for the rest of his life. It does not pay, because unlimited medical treatment often reduces the amount of other expenses connected with the injury.

The benefits paid should be studied. I think it is unfortunate that the State benefits are so different; they ought to be fairly uniform.

There is the question of death cases. What should be paid to the widow or the children? This is another field where we ought to have similar standards throughout the States. I see no reason for putting a limitation on permanent total disability. As you know, some States give payment in permanent total disability cases for only a limited number of weeks. There is nothing difficult, from the insurance point of view, in working out a schedule of permanent total disability payments for as long as the worker lives. And the same holds with death cases; there is no reason why the insurance should not cover the maintenance of a widow as long as she is a widow. New York has adopted a system of dowry upon remarriage. It frequently happens that the dowry is sufficient to promote remarriage. There should be really ample provision for dependents of a man killed in the course of employment. I, of course, feel that it is very unfortunate to put too cheap a price on the loss of an arm, a leg, an eye, and so forth, and in some States it is altogether too cheap.

Extraterritorial jurisdiction can be settled by interstate conferences only. In some States the law covers injuries to persons hired in the State and working in another, while others, as you know, will

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not give coverage to a worker who goes into another State. You find very tragic situations where a man badly injured in course of employment finds himself without rights under any State law. These are stupid situations which can be ironed out. There is no pattern of extraterritorial jurisdiction. It is important that the injured worker belonging to any one of our States get compensation from somewhere, and there should be some sort of agreement about it. Of course it must also be provided that the man comes under the compensation law in the State which has the power to compel the employer to pay. Things of this sort should be thought out clearly.

I should like some expression of viewpoint along these lines from those who are familiar with matters of administration in the various States. I shall call upon Mr. Donnelly of Ohio.

Mr. DONNELLY. I have listened very attentively to what has been said, and I feel I am somewhat alone in the realization that we started out with workmen's compensation to relieve distress and to relieve society to some extent of taking care of workers and their families who become dependent because of industrial accidents or deaths. Of course we were pioneering. It was a new field and we were on a new road. We met with opposition, as usual, and the labor forces joined with some altruistic organizations and promoted labor legislation. We went out of liability into compensation and left liability companies high and dry. They decided to experiment in the compensation field. In other States this was not permitted and funds were established; in still others matters were left largely in the hands of the courts. I think we are agreed, in general, that the best system, not only for the workers and society generally, but also for the employers, is to have a State fund and a law which is compulsory.

We have gone into the matter of rates and percentages, and I am going to jump over this matter rapidly, as the time is short. Perhaps in doing so I shall throw out some point which you will want to discuss. One of the great problems in some of the States in relation to workmen's compensation laws (for the last 3 or 4 years more notably than previously) is to secure sufficient appropriations to administer adequately the compensation law. Most of the States are in distress financially. In those States in which the cost of administration of the workmen's compensation law is met by appropriation by the legislature and from general funds of the States, we find a great deal of economy is attempted and that this great social service of the States is not being performed as it should be. Compensation laws in several of the States are not functioning because of a lack of funds to provide the number and the kind of employees needed to handle incoming claims. Another matter which I think should receive serious attention is that of making compensation laws apply to all employers. Of course it is highly desirable that all employees should be covered by the law, but we must remember that when we have State funds problems multiply tremendously and the administrative work is increased.

There exists the greatest discrepancy between States in regard to the percentages of wages paid in compensation. I believe there should be some uniformity.

One of the most dangerous things, I think, that could happen would be to turn over workmen's compensation to the courts. It means delay and it means legalism. We should have, in my judgment, the administration of workmen's compensation laws and of all State labor laws by a commission appointed for a reasonably long term, as free as possible from political influence.

Everything that we have talked about this morning—safety, health, protection, and so forth—and everything that comes within the scope of labor laws, either child labor, or safety and health protection, shows up sooner or later in some workmen's compensation claim. Some person has suffered an occupational disease that should not have been contracted—that is reflected in claims filed for workmen's compensation. If States and employers and workers are going to cut down cost of production, they must get together on this question of safety and health protection and physical condition of workplaces. They are going to come, sooner or later, to some system of State funds, because cost of compensation in many cases looms very large in the question of production costs. We should try to do what many of you have been trying to do—the things that will place us on a more even basis, so that there will be certain stable levels when industry enters into competition. These are fundamental costs that must enter into production, and you men who represent labor know that every time you go before a State legislature for some important labor law you are met with the statement that it will put employers at a disadvantage with the employers of other States.

We have to improve the administration of workmen's compensation. I think we should try to facilitate and expedite the handling of workmen's compensation claims. There must be some general understanding as to the method to be applied in arriving at the wage of the injured worker. Some States have one way and other States have another, and much injustice is caused by these differences.

We have talked about compensation beginning in 3 days, in 1 week, in 2 weeks, and so on. Some would like to have compensation begin the first day. In my judgment labor could make a contribution by seeing that the wage benefit is not set for a certain period following the accident. We ought to keep in mind that compensation was enacted to relieve distress caused by industrial accidents and disease, and that the minor injuries—the loss of a week's work because of a minor injury—are not nearly so important as the serious injuries which incapacitate men and women from earning a livelihood. The serious injuries which result in death are the injuries to which we pay particular attention. We do not pay enough for the loss of an arm, a leg, or an eye in any State. In the Ohio Legislature 2 years ago, we decided that we would stop fussing about increased death awards, but try to do something for the living—to pay attention to the specific injuries mentioned in the law and attempt to increase the number of accident awards. We were somewhat successful. We increased accident awards for some injuries 15 percent.

The injured worker is a human being who has lost the opportunity to be self-supporting, and we must come to the conclusion that the loss of an arm or a leg which incapacitates and prevents him from

earning his living must be compensated for to a large extent. In our State we pay compensation for permanent total disability for life. We have a limit of $200 for medical and hospital care, but the commission has authority to vote additional sums in some cases and in some instances we have paid out as much as $14,000.

The SECRETARY OF LABOR. I shall ask Mr. Heaton, of Florida, to speak. He was an active participant at the recent conference held in Atlanta, Ga.—a conference which was inspiring and one of the most important ever held. Because he represents a State and an area which has only recently come into the workmen's compensation field, I think what he has to say is really important.

Mr. HEATON. It is particularly embarrassing to be asked to discuss workmen's compensation when the State which I represent has no compensation law. The responsibility, however, has fallen upon me during the past several years to work for the enactment of the proposed workmen's compensation law for Florida. I was compelled to study very carefully the compensation laws in effect in the various States and the theories behind them, and in some instances those of foreign countries, in order to inform myself fully on the subject. (It has been necessary to answer rather pointed questions during committee hearings and during our efforts to pass the law through the Legislature of Florida.)

I fully agree with the previous speakers on many points brought out about workmen's compensation. They are not, however, accepted in the Southeastern States because of the predominance of very cheap colored labor. We have endeavored to make the limit very low in order to take care of the poorly paid colored laborer of the South. That, we realize, is possibly not right, but it has been done to overcome very determined opposition on that point. The opposition in Florida, and that prevailing in the three other States which have no compensation laws, comes principally from those employers who use the cheaper labor—naval stores, sawmill operators, and so forth. These employers have taken a determined stand against the passage of a workmen's compensation law in their States. We have endeavored to educate them to the advantage of a good workmen's compensation law. We are not able to do that job in the manner it should be done because of various reasons—nearly all financial. We are not able to put into their hands the printed matter we believe is needed for the education of those employers who have opposed the law.

Our first effort in Florida was made in 1913. Since then we have presented for passage a workmen's compensation bill to every legislature meeting in Florida. The last compensation law proposed was the result of various conferences. We have tried as far as possible, without ruining the bill, to accede to the demands of various groups of employers. We have peculiar conditions in Florida. Our people, as you know, represent the entire country They come from highly industrialized centers and from the agricultural areas. Every part of the country is represented. The great need is to educate these people along the lines of labor legislation.

You know that I must be extremely interested in a conference of this kind to come from Florida to Washington with its winter

weather. I do hope that I shall be able to take back to our State some very definite recommendations from this conference and from the Labor Department, and I hope you will interest yourselves sufficiently to give us some assistance in the educational program which we feel is absolutely necessary in order to pass a workmen's compensation law in Florida. I am glad to do anything I can to assist a conference of this kind because I realize its value.

The SECRETARY OF LABOR. Do you feel that there is anything a conference of this kind can give you in your local effort to secure a compensation law?

Mr. HEATON. I do not know what the conference could do directly unless the delegates might prevail upon the Labor Department to see that a sufficient amount of literature is put into the hands of the people who are opposing the law.

The SECRETARY OF LABOR. There are, of course, certain great organizations, national in scope, which could be brought into play because they have local chapters in your area that might be helpful to you locally. We would be glad to put you in touch with them. Some of the larger employers' organizations would not be opposed to the workmen's compensation law in your State, because they have accepted it in most places.

At this point I want to announce that we have a letter from President Roosevelt to the delegates of this conference, which I would like to read.

THE WHITE HOUSE, *Washington.*

To the governors, the delegates of the governors, and those attending the Conference on Labor Legislation called by the Secretary of Labor:

I wish to send my greeting to all of you who have come from all parts of the country to participate in this conference. I need not point out to you the need for thought and action, as the fact that you have responded so readily to the invitation of the Secretary of Labor to come and talk over the problems of labor and industry and the methods for improving cooperation is the best indication of your interest, not only in your own State but in all of the others. I regret that I cannot be with you, but I am sure that working with the Secretary of Labor we may all look for constructive results from your effort.

FRANKLIN D. ROOSEVELT.

FEBRUARY 14, 1934.

I am going to present this letter to the person coming the farthest distance to the conference.

I should like either Dr. Altmeyer or Mr. McLogan of Wisconsin to speak just a moment on workmen's compensation in Wisconsin.

Mr. MCLOGAN. It seems to me that workmen's compensation is just one of the many things that must be put into law in the different States if we are to stabilize industry and employment. Workmen's compensation, widows' pensions, unemployment insurance, old-age pensions—all of these things have for their purpose supplementing the loss of wages due to unemployment, to injury in employment, to occupational disease, to loss of income by reason of having the bread-winner taken from the family; all of these laws have for their purpose the putting back into the hands of the family a part of the wage loss caused by forces entirely beyond the control of the workers.

I was interested in Mr. Donnelly's remarks with reference to the administration of workmen's compensation laws by commissions or boards rather than by the courts. It is our thought in Wisconsin

that all the labor laws that I have just spoken of should be administered by one commission, because they are so dovetailed that they can best be administered by one commission. These laws have been put into statutes of the State of Wisconsin and are administered by the industrial commission, of which I have the honor of being one of the three members, and Dr. Altmeyer the secretary.

Child Labor

The SECRETARY OF LABOR. Next on the program is the subject of child labor. I shall ask Miss Abbott to speak first, and if Mr. Dinwiddie is in the room I should also like to hear from him.

Miss ABBOTT. Madam Chairman, I think you and a number of those here will remember that a year ago last December we called a conference of representatives of State agencies and State departments of labor interested in child labor in order to review, in the light of the depression, what ought to be done in this field. We recommended at that conference a 16-year minimum for employment of children; that hours of work of children from 16 and 18 be lower than those of adults; that there be a minimum wage for minors; and that in the light of the recommendations of our technical committee on the employment of children in hazardous occupations, the rulings of State boards having the proper authority should be revised in order to exclude more young persons from hazardous occupations. We also recommended double compensation for minors illegally employed, and improvements in administration.

You will see that a great many of these things have been accomplished. We were mistaken, however, in thinking that we could get the State legislatures to act when we said to them that now, in view of the widespread unemployment, children should be taken out of industry. This met with response only in Utah and Wisconsin. Those two States last year passed laws containing the 16-year minimum. We found, however, in the State legislatures a very great tendency to move ahead, not by the State method, but by the Federal method. Fourteen States ratified the child labor amendment, when only two were willing to raise State standards.

The codes have made the 16-year minimum an actual minimum for child employment. We feel very strongly that State legislatures should make permanent the gains made by the codes. Also the minimum-wage provisions of the codes have been of great importance in removing children from industry, as have the minimum-wage laws in the various States.

The recommendations of the December conference can, on the whole, stand at the present time. We are especially anxious to see ratification of the child labor amendment so that we can have a Federal as well as a State approach to getting rid of child labor. The codes have also done a great deal to eliminate young persons from hazardous occupations; some 150 codes prohibit the employment of young persons under 18 in hazardous occupations, and we have been very busy supplying information about what these hazardous occupations are.

The administration of child-labor laws turns to a great extent on the issuance of work permits, and it is therefore of great importance

that this particular machinery should function adequately and continuously. We have been asking your cooperation in making the codes effective by using your permit-issuing machinery for the 16–18-year-old group, although the State laws do not include them.

In our State legislation we are far behind the psychology of the times, which is demanding a 16-year minimum, while most State laws have 14. It seems to me we should go along together in raising State standards as well as in the acceptance of Federal standards.

Mr. DINWIDDIE (New York). Miss Abbott has adequately covered the subject. There is little I might say. We do need to consider the building up of our State foundations under the standards set by the codes. Very distinctly those codes are not permanent and should be strengthened by State laws.

I should like to suggest also to the areas not covered by codes in which States have not generally set standards. I have in mind particularly domestic service, where exploitation during the time of the depression has been very serious. I will not take the time to go into details. You are probably as familiar with them as I am. There has been a great deal of abuse of girls in domestic employment, and we should strengthen our laws for handling that particular problem.

We should also begin to look into advanced laws, such as that of Wisconsin, dealing with industrialized forms of agriculture, where the child is taken away from the home and hired out under conditions approximating the exploitation of children in factories. The Wisconsin law is an excellent example of a beginning in that field.

I would also like to make a plea to strengthen the laws in various States on street trades.

A word in addition as to workmen's compensation laws in regard to children. I do not know if you have the report of the National Child Labor Committee on accidents to children, but it is a revealing report and shows the importance of the double compensation clauses. It shows the inadequacy of the means of finding out if a child is illegally employed and the difficulties of getting money for him after injury. All too often there is a tragic waste of the money going to children, in that it does not go for rehabilitation. That is one of the most serious indictments of our care of children after they have been injured. The report also suggests ways in which our laws for prevention can be strengthened.

Mr. TONE (Connecticut). Time is certainly the essence of all change. In 1925 when I was a member of the Connecticut State Senate, the general assembly did not even permit a hearing in regard to the child-labor amendment, and on a roll call, lo and behold I found myself the only one voting for the amendment. Now I see that 20 States have ratified it.

There are numerous abuses of child labor, not only in Connecticut but throughout the whole country. There are cases of minors from 14 to 16 years of age being employed 57 hours a week without any certification whatsoever—in the tobacco fields, in home work. In a recent survey of home work we found children from 5 to 15 years of age employed.

I am sure when the various delegates to this conference go back to their respective States, they will do everything within their power

to abolish child labor. I know that at our meeting we raised the age in the New England compacts from 14 to 16 and from 16 to 18. It is our hope to pass legislation keeping children from being employed in hazardous occupations before they reach the age of 18.

The SECRETARY OF LABOR. I am anxious to have some free discussion, and have therefore reserved some time for that. This afternoon we will discuss regulation of hours, minimum wages, and the regulation or control of home work. By home work we mean the conditions of work done in homes for a factory—the work put out into the homes by a factory. Tomorrow morning we will take up the topics relating to workers' security.

Mr. CARNEY (Michigan). Probably the only excuse for my being connected with the department of labor is because of my interest in the compensation law of Michigan. I was interested in Mr. Watt's statement on uniting various State departments. I had the pleasure in 1916 of serving on the old industrial accident board. Today all those boards are gathered together under one department of labor and industry—the enforcement of child-labor laws, minimum hours for women, safety devices, compensation laws, employment agencies, etc.

In Michigan we have proposed seven bills of a specific character. They have not passed the legislature yet. We have a lobby that sometimes stops all legislation. The order goes out and all legislation, no matter what it is, is stopped. I think it will be different this time.

We have certain omissions in our statutes which are probably found in other States. We find a great abuse of petitions to stop payment. We have suggested an amendment to give the department power to increase compensation costs in certain cases. We have no power to order artificial limbs, and we are asking for an amendment to give the board power to do that. We are also trying to get an amendment to extend time for medical service to 90 days at the discretion of the board. We have asked for power to allow compensation for partial loss of vision. The law now covers only total loss of vision of either eye. We have asked for power to simplify the method of taking judgment. Upon the question of control I am in accord with keeping workmen's compensation out of the courts. You will find that even the high courts that administer the common law do not always get hold of this problem. If you leave it in the hands of courts, you get no uniformity of any kind. I am in favor of leaving it with the commission.

In Michigan we have this problem. The supreme court alone has jurisdiction over our compensation division and it has power only to review questions of law. The decision of the board or commission is absolutely final on questions of fact. There are two questions in which I am tremendously interested. Some of your statutes cover these problems. I am tremendously interested in the hernia problem and in the right to compromise. Our commission has no power to approve a compromise agreement. It can only approve agreements in accordance with the act. We had a very close question as to whether or not the accident a man received caused his death. His widow was offered $35,000; she was entitled to $43,000. The question was whether death resulted from accident. The commission had

no power to approve that contract even though the decision would have been a very doubtful one and the parties agreed to it. This is one case where it would have been a good thing to compromise.

The other question is that of hernia. In order to collect for hernia or any injury in our State it must have been received as a result of an accident. A man may wear a truss for years and keep on working, and the decision prevents him from getting any aid. But if a man with hernia presents himself for employment in our industries, he does not get the job. This is our suggestion. We have been thinking whether it would not be better to classify hernia as a specific injury and provide that hernia cases be presumed accidental, and give the worker a reasonable medical and hospital treatment. That would not cost much. These two questions—compromise and hernia—are bothering us today. They are up a dozen times a week. I should like to know if you have the same problems and what your experiences are.

The SECRETARY OF LABOR. I think we should remind ourselves that not every State combines the administration of the workmen's compensation law and the administration of other labor laws, so there are many people here familiar with labor laws who are not familiar with the administration of workmen's compensation. I think what Mr. Carney has said indicates that he should go on the committee on workmen's compensation.

Mr. SMITH (Massachusetts). I should like to second the excellent suggestion in regard to safety codes on rules and regulations. I am in sympathy as to the great educational value in discussing safety codes within the State, but I am very much aware of the fact that the making of rules and regulations for administrative procedure is a time-consuming process. In the State of Massachusetts we have nine codes on rules and regulations pertaining to industries. Mr. Andrews has mentioned that there are 23 in New York. This difference, I think, is due to the fact that the appropriation of the Labor Department of New York is 10 times that of the Massachusetts Department of Labor. I think the ground could be cleared and a great amount of time and money could be saved if the Department of Labor could prepare model codes subject to modification by the States. I also think the Department of Labor could be of help in issuing printed material on safety. New York has issued a pamphlet, of which I shall try to get a number of copies for our inspectors. Illustrated technical material on safety devices would be helpful.

On the subject of workmen's compensation there is pending in Massachusetts a proposal for combining the department of industrial accidents with the department of labor. Under this legislation we hope to preserve the industrial accident board as an entity, but as far as the administration end of the work, the inspection, and the statistics, is concerned, we think great economy can be accomplished.

The SECRETARY OF LABOR. I am glad to hear that Massachusetts is doing that, as I have long felt that the functions of being responsible for awarding benefits and for prevention of the accidents would be mutually stimulating.

Mr. BARRY (New Hampshire). We have been vitally interested in this conference. I do not believe we have proper enforcement pro-

visions for the safety and health and protection of employees in industry. I think some help could be given our State along the lines suggested by Mr. Andrews of New York and Commissioner Smith of Massachusetts.

We are deeply interested in workmen's compensation, because we stand, I think, in the unique position of having the double elective system. After close study of our law, we did believe we had a very valuable weapon because of this double-headed feature. In 1926 we had a convention and spent a day and a half considering laws, and in 1927 we presented to the legislature a workmen's compensation act embodying some of the features that have been outlined here, particularly the feature in relation to the extraterritorial rights of an injured employee. We provided that a person employed by an employer of our State who went to work in another State would come under the compensation law of New Hampshire, and if the rates were higher in the State in which he was injured he would receive those rates. Prior to the introduction of the bill we called a conference of the employers in the State of New Hampshire and met with them and went over the problem. We recognized the problem of compensation was as vital to them as it was to us, as it was a matter of competition and justice. Out of that conference we presented the bill. We have been trying for three sessions of the legislature to have it enacted, and it will go back again next session.

Our State, I am glad to say, passed the child-labor amendment during the last session. In our legislative work we are constantly met with the objections raised by our employers on competitive labor costs. I am glad to have been selected to come here, as your problems are our problems, and from your problems I may see a way to solve ours.

Mr. PHILLIPS (Pennsylvania). The problem has arisen with respect to determining the basis for compensation payments as a result of reduced employment opportunities. In Pennsylvania it has been the custom of the referee of the board to determine what might be regarded as a moral wage as a basis of compensation. The insurance carrier in a certain case had the complainant appeal from the decision of the referee, with the result that the court handed down a decision that the basis would have to be a percentage of the salary received from working over a 6 months' period, and in that case the injured person would be entitled to 15 cents a week compensation. This happened to a member of the United Mine Workers, and the department of labor took the case to the Supreme Court of Pennsylvania. There is a very definite problem here that should receive attention.

[Meeting adjourned.]

WEDNESDAY, FEBRUARY 14—AFTERNOON SESSION

Frances Perkins, Secretary of Labor of the United States, Presiding

The Secretary of Labor announced the following committee assignments, and requested other delegates not mentioned on the committees to attend any committee in which they were interested.

Industrial health and safety.—Chairman, Charlotte Carr; Edwin S. Smith, T. B. Eames, J. Hopkins Hall, Charles F. Sharkey, Swen Kjaer, and Ethel Johnson.

Child labor standards.—Chairman, Grace Abbott; James A. Taylor, Joseph M. Tone, R. E. Gordon, Courtenay Dinwiddie, and May W. Wootton.

Workmen's compensation.—Chairman, Arthur J. Altmeyer; Claude S. Carney, Wendell Heaton, Thomas J. Donnelly, J. A. Brownlow, and S. W. Wilcox.

Limitation of hours of work.—Chairman, Elmer Andrews; John J. Scannell, Harry W. Fox, Mary Anderson, W. E. Jacobs, W. E. Jones, and Edith Rockwood.

Provision for old age.—Chairman, John A. Phillips; George W. Lawson, John L. Barry, Howard Keener, and John Fitch.

Employment exchanges.—Chairman, Mary LaDame; Joseph P. McCurdy, Dan Tracy, Claude S. Carney, Gladys Palmer, and Frank E. Wenig.

Minimum wage.—Chairman, Frieda Miller; Ethel M. Johnson, F. E. Hatchell, Mrs. Catherine Randolph, Mrs. Clara M. Beyer, Agnes Nestor, and Louise Stitt.

Industrial home work.—Chairman, Clara M. Beyer; Charlotte Carr, J. Knox Insley, John J. Toohey, and Frieda Miller.

Unemployment reserves.—Chairman, Thomas H. Eliot; Arthur J. Altmeyer, Isador Lubin, Theodore Reise, Robert Watt, John Coefield, Mrs. August Belmont, and Elizabeth Magee.

Housing.—Chairman, Helen Hall; Robert D. Kohn, Herbert Renshaw, James Brownlow, John Edelman, and Marshall Whaling.

Cooperation between Federal Government and State labor departments.—Chairman, Isador Lubin; Edwin S. Smith, Thomas J. Donnelly, Frank Starkey, Wendell Heaton, and M. Toll.

Resolutions.—Chairman, Edwin S. Smith; Robert Watt, C. E. Wyzanski, W. E. Jacobs, Cecil Matthews, and Thomas H. Eliot.

The Secretary of Labor. This afternoon we have for discussion the subjects of desirable hours legislation; the 1 day of rest in 7, which is a law in some States but not in all; also the daily and weekly limitation of hours for women and minors; and the whole question of hours legislation as it affects the total population. Mr. Smith of Massachusetts will lead the discussion.

Limitation of Hours of Work

Mr. Smith. The most significant thing in regard to the whole question of limitation of hours of labor is the very definite shifting of emphasis that has taken place within the last year or so, notably exemplified in the N.R.A. codes. Prior to last year, thought and action in regard to hours of labor in this country have centered very largely around such limitation of hours as was desirable for the protection of the health of women and minors.

The coming of the depression has forced us into definite recognition of the importance of limitation of hours of labor as a strictly economic measure designed to provide employment for the large portion of the working population which has been forced out of work due to the depression and before that to technological changes. Undoubtedly, the principle of shorter hours of labor which is embodied in the codes is necessary if we are to have not more than a minimum of our population deprived of the means of livelihood. Suggestions that have been made contemplate very definitely a material lowering of the normal hours of labor as an accompaniment of our advance in civilization. Whether the precise figure to be finally arrived at will be 40 hours or something lower, it is probably too early to determine, but certainly it seems apparent that 40 hours is the maximum normal figure which will probably be advocated and which will probably obtain for both men and women in the future.

Let us leave worries about possible conflict with the Constitution to constitutional lawyers. If we, ourselves, are convinced that such changes are desirable, I believe the constitutional obstacles can be successfully hurdled.

It will be of some interest to this group to know that at the International Labor Conference in Geneva last year there was introduced a resolution providing for a 40-hour normal work week for men as well as women. Under the procedure of the International Labor Conference any proposal that is first presented for formal discussion one year will not be acted upon until the next year. It cannot be definitely said whether the 40-hour week will be adopted by the conference next year, but certainly the sentiment in favor of it this year was indicative of a very strong trend in that direction. Such a step would, of course, be of great significance to the nations of Europe and other nations and also of great significance to us. If we are going to build our own economic structure on the basis of the shorter-hour week, it is certainly important that Europe should be functioning in a similar fashion.

The importance of 1 day's rest in 7 seems to be unnecessary to emphasize. Of course, it is essentially desirable and, as Miss Perkins has pointed out, there are still many States where 1 day's rest in 7 does not prevail. It exists only in incomplete form in Massachusetts, I regret to say, but we shall strive to perfect our own laws in this regard.

The SECRETARY OF LABOR. I should like very much now to have Father Haas discuss this whole problem of hours and its connection with the N.R.A.

Rev. FRANCIS J. HAAS. May I ask you at the outset to keep in mind two basic considerations: First, under the coding process regulation of industry is both Nation-wide and industry-wide. Each code contains a set of rules covering the whole country but applying only to those spots in the country in which there are industries coming under the code. Second, there is some debate as to whether the permanent codes regulate intrastate as well as interstate competition. Whichever is the correct legal position, this is a question to keep before us in considering State laws regulating private industry.

In view of these two facts and looking into the future 2, 5, or 10 years from now, we may ask the question: "Is the coding system

going to continue as a permanent thing?" Either it is or it is not. If it is, then we have one set of problems to think out. If it is not, then we have another.

Suppose that in 1935 the N.R.A. is continued. The preponderance of opinion, at present, is that this will be the case. Unfortunately, many people are taking the very naive view that because industries are coded now and will continue to be coded, there is no need and will be no need for State legislation. The fact of the matter is that as the N.R.A. continues and is strengthened, there will be more and more need of State and regional legislation. Enforcement will make such legislation necessary.

The alternative is that in 1935, we will return to the laissez-faire policies abandoned on June 16, 1933. In that event, unquestionably we will have to have State laws to fix hours, enforce minimum wages, 1 day's rest in 7, and unemployment insurance—all made uniform by the Federal Government.

Whether or not there are codes after 1935, proper standards of hours, wages, unemployment insurance, workmen's compensation, and child labor will have to be enforced. Ideally, of course, these standards should be in the codes. At present, none provides for unemployment or accident compensation. But the N.R.A. is doing emergency work, and if it continues to be, as it should be, improved and broadened by experience, doubtless it will write into all codes all the necessary measures now known as "social legislation."

The problem of enforcement will always remain. Here we come to a fundamental consideration. Where the source of authority is, that is the people, there the seat of enforcement must be. Consequently, the movement for State legislation, local, or regional, must go on.

Mr. HATCHELL (South Carolina). The only law regulating the hours of work we have in South Carolina is one which prohibits women from working after 10 o'clock at night in industry. We have endeavored to stretch that out. In retail establishments we have a law that prohibits them from working after 10 o'clock. We have trouble in South Carolina with such places as chain stores, which work women until 10 o'clock Saturday night and then press them back into service on Sunday morning. A bill is now pending prohibiting women from working in retail establishments on Sunday. We are quite sure that that law will pass this legislature.

We have something like 100,000 textile employees in the State of South Carolina. The people have not been educated up to labor laws heretofore, but they are coming to it now. We are putting all our time on the child-labor amendment and the compensation act. The compensation act was introduced in the house and passed, went to the senate and returned back to the house, where it is now in committee room. Hearings will begin next week. The child-labor amendment has also been introduced and has a fighting chance of passing. We have tried for the last 4 or 5 years to get a compensation act passed in South Carolina. Our State federation of labor has been very small. We have more cotton mills than anything else and they have not gone along with us. The cotton-mill employees have been receiving such small wages—the average in South Carolina up to the past year has been as low as $7.50 a week.

The mills are now complying with the minimum. About 500 and 1,000 textile workers sent in by employers would come into hearings and kill our chance of passing labor laws. Our trouble has also been in getting labor laws enforced. I am much interested in the compensation act and the child labor law. We have had several bills up and could not agree on any of them, but I think we have now a fairly good bill in the house and have some chance of passing it.

The SECRETARY OF LABOR. In recent months we have seen such a change of attitude with regard to the whole question of hours of labor. Mr. Smith speaks as casually of 40 hours a week as we spoke of 48 hours a short time ago. The whole matter of 1 day's rest in 7 does not seem radical to those talking about the 5-day week. Has anyone anything to say about the question of regulation of hours of labor in connection with State laws?

Mr. DONNELLY (Ohio). I think that perhaps there is a question here we have not considered. We have 1 day's rest in 7, and regulation of hours for women and minors. I presume many representatives from the different States will be able to tell us that they have very good laws on these subjects. But there comes the question of administration and enforcement. We who have been in the labor movement have seen that unless you have enforcement not much attention is paid to the law. We now have the N.R.A. I have been thinking of the codes coming out of Washington which are reducing the hours of labor beyond the statutory limitations. In some places where there are no statutory limitations, a code is handed down in which employers agree that they will work their employees 40 hours a week or 44 to 46 hours. We understand that complaints of violation of those codes can be brought here to the United States Labor Department or to the N.R.A. I am wondering whether, with that new set-up, we could not get some cooperation or coordination between the Federal Government and the several States of the Union, in which the State labor departments would make themselves conversant with the terms of the N.R.A. codes and cooperate in the enforcement of the hour provisions set by the codes.

The SECRETARY OF LABOR. We could very easily set up some kind of information and cooperative service of that nature.

Mr. MCKINLEY. In Arkansas we have splendid cooperation from the N.R.A. officials. I do not know whether in the N.R.A. set-up there is anyone to correct a mistake in payment of wages. For instance, a certain wage fixed by the N.R.A. may be higher than that paid by employers. Under the Arkansas law you can collect up to $200. We have assumed that the difference between the wage paid by the employer and that fixed in the code was unpaid wage and have taken it to court. In the matter of hours, we have 9 hours a day, 6 days a week. Since the N.R.A. has been in effect, there have been brought to the attention of the labor department more violations of State laws than before and we have had more prosecutions. I think if we get cooperation we will have wonderful results.

The SECRETARY OF LABOR. Since this question has been brought up, I will tell you what, in general, is the plan we have followed.

General Johnson asked me months ago to suggest a person who could be helpful in working out with the N.R.A. organization a method of securing compliance with the labor provisions in the codes of the N.R.A. I know exactly what the problems of the labor commissioners are, and I know what very good work they can do if they want to. I thought of securing as an adviser on that committee a man who had had long experience, so I suggested Mr. Arthur J. Altmeyer, for 10 or 15 years secretary of the Industrial Commission of the State of Wisconsin, and as such responsible for the development of the method of procedure of getting compliance with their law. Wisconsin has always had good law and has had good administration of it through conferences with employers and workers of the State. Mr. Altmeyer has been serving since November, assisting the N.R.A. in developing the compliance methods insofar as they will affect labor provisions of codes in the various States. He will be able and willing to tell any of you in detail what plans they have for carrying out this cooperative enterprise in the States you represent. Discuss your particular problem with him personally.

Question. If I did not misunderstand you, Mr. McKinley, you said your department had brought court action to recover the difference between actual wages and the code wage?

Mr. McKinley. In one case, yes; we had a municipal court decision.

Question. What I was interested in was to find out how the department of labor became a party to that action.

Mr. McKinley. In 1923 a State law gave the labor department authority to collect claims for unpaid wages.

The Secretary of Labor. They have just ruled that the difference between the code wage and the actual wage was unpaid wage.

[The Secretary of Labor announced that the autographed letter of the President had been awarded to Mr. James A. Taylor, president of the Washington Federation of Labor, who had traveled the longest distance to the conference. The distance from Olympia, the capital of Washington, to Washington, D.C., is 4,332 miles.]

Mr. Taylor. I wish to say that I was appointed by the Governor to represent both the State of Washington and the labor movement there. I have the belief that there can be legislative cooperation in the States, backed by the Federal Government, that will bring results.

Minimum-Wage Legislation

The Secretary of Labor. I want to discuss the advisability and desirability of minimum-wage legislation in the various States. Miss Dewson, president of the National Consumers' League, has given a great deal of attention to minimum-wage legislation for a good many years, having been a member of the Massachusetts Minimum Wage Legislation Commission, and having since in her other capacity a great deal to do with the promotion of such legislation.

Miss Dewson. I think the great need on this whole question is compliance and enforcement. For years I have followed labor leg-

islation closely and have seen how easily the law is gotten around by employers, due partly to lack of public opinion and partly to lack of stamina in the labor departments. I agree that you must have education and a determination to see that laws are enforced. Minimum-wage legislation can be totally destroyed by your treatment. I think the codes are in for failure or a change as far as wages are concerned. If you do not get enforcement compliance, I think it is just as well not to have any wage legislation at all.

The SECRETARY OF LABOR. I think that sometimes we fool ourselves with regard to the extent with which we are all agreed on basic principles. Minimum-wage legislation in various States has been discussed for a long time, yet as a matter of fact only 16 States have minimum-wage legislation, and there is a great gap, therefore, not covered. The industrial codes of the N.R.A. have given rise to a change in thought with regard to the desirability of minimum-wage legislation; but the codes are in no sense a substitute for the basic principles which the States themselves can write into the laws of their own communities. In regard to some of the basic reasons why minimum-wage legislation is necessary, Dr. Ryan will speak briefly and tell us why, at this date, we still have need to give consideration to the basic principles underlying this effort.

Dr. RYAN. I cannot think of any particular new reason for minimum-wage legislation except that which may be urged on behalf of other kinds of legislation. We know that some of the opponents of the child-labor amendment are saying "Why bother about child labor, since it has been abolished by the codes?" One obvious answer is that the codes, so far as we know, are temporary, so that we have need for child-labor legislation after the N.R.A. goes out of business. The same general need holds in regard to minimum-wage legislation. The codes specify minimum wages for men as well as women. If the N.R.A. ceases to operate after a little while, then there will be the same need as there ever was for minimum-wage legislation.

Suppose the codes are continued and the N.R.A. is given a further lease of life. It seems to me that legislation providing for minimum wages will still be exceedingly useful. In the first place there will be some question as to whether the N.R.A. will be held constitutional in regard to purely intrastate activities. There has been some such question in regard to the oil code within the last few days. The whole field of intrastate activities would still require legislation. Even if there were no difficulty of this kind, we should still have the very great advantage of the educational effect of a law stressing this particular type of legislation.

The problem of minimum wages opens up a great many questions, but I do want to say emphatically that the necessity for minimum-wage legislation has not been eliminated by anything that has happened in the establishment of minimum wages under the N.R.A.

The SECRETARY OF LABOR. I think the lessons of the last few years as to what can happen in the fall of wages have led people to consider minimum wages important. Mr. Hillman, member of the advisory committee of the N.R.A., has had experience in many States as to

what the situation might be without minimum-wage legislation. I think it will be helpful to all of us if he will speak briefly.

Mr. HILLMAN. The vital need for a minimum wage is being realized more today than ever before. The records show that even before the depression very low wages prevailed in some parts of the country. One delegate from the South has told us that in the textile industry in his State wages were as low as $7.50 per week. At certain of the code hearings it was established that in a few instances in some of the Northern States wages as low as 2 cents per hour had actually been paid. Taken as a whole, it is almost inconceivable how low wages had fallen during the depression.

We all realize now that a way must be found of greatly increasing and of sustaining purchasing power, if industry in this country is to be kept running. The hopeful thing about legislation for minimum wages is that the country is not only looking upon it as humane legislation—which it is—but as an essential economic factor in upbuilding and maintaining purchasing power.

In the codified industries we have been establishing minimum wages. Some of these minimums have not proved very satisfactory. Nevertheless, this method gives us an opportunity to correct mistakes and affords the best way of handling minimum wages, owing to the fact that compensation paid in an industry is made up in large part of labor costs and it is important that there should be fair competition in regard to such labor costs. The codes provide the instrumentality for dealing with a whole industry, and through this method minimum compensation can be set for different groups of workers in the entire industry.

Naturally we do not know what will happen when the law expires. Some of us are very fearful that when the emergency is over the people will forget the necessity of stabilizing purchasing power. Purchasing power would be again undermined and another depression would descend upon us. It is for this reason that I deem it of the utmost importance that State laws regulating minimum wages be established at the earliest possible date. It is also of the utmost importance to secure the support of the different States and communities for the proper enforcement of the provisions of the various codes. The existence of State laws will make this task much easier.

But even before these laws are enacted it would help greatly if we could arouse public opinion in the different States to the point where it would support the view that violations of the minimum-wage provisions of the codes are even more harmful than violations of ordinary law, because of the immediate harmful social effects of such violations.

As for myself I have always been a believer in the establishment of a minimum wage. As I view it right now, the most important thing is to see that it is enforced. It is my opinion that the more support we can get in the different States for its enforcement, the more constructive and helpful will be the legislation that we are seeking to forward.

I want to urge you to act right now when the public is ready to back such legislation. I want to repeat again that it is no longer

only a question of what is the humane thing to do. Purchasing power must be stabilized and sustained if our economic organization is to be able to function. This purchasing power is decided by and rests solely on the wage scale.

Regulation of Home Work

The SECRETARY OF LABOR. I also want to establish before it gets too late the importance and the significance of the regulation of home work, which is the next topic on our agenda. By home work we mean work to be done in the homes of the workers for factories. Miss Miller, of New York, who has had much experience in the enforcement of the home-work law, will speak on this subject.

Miss MILLER. I am more and more impressed, as we study our home-work records in New York, with the conviction that this is a problem that none of us can solve within our State lines. I will illustrate briefly by saying that on the home-work registers which employers must submit to our department there appear sometimes the names of 1,000 to 2,000 or more workers who are more or less regularly supplied with work by a particular firm. When you consider that only the minority of those listed are people living in New York State and the others are scattered over the entire East, from the Canadian border and Maine through Maryland and Kentucky down into the Southeast and Southwest, it seems to me it must be clear to all of us that we could completely eliminate home work in New York State and yet be very far from solving the problem of home work. So long as the mails are open to these low-paid types of work, nothing short of facing the situation on a basis as wide as the practice of home work will be effective if you are really to overcome the evils inherent in it.

Early regulation of home work was an attempt primarily to protect the consumer, to see that he did not purchase goods made under unsanitary conditions. There frequently appears a provision in State laws that none but members of the family shall work on materials in the home. There is also the provision that homes shall be sanitary and free from contagious diseases. There are a certain number of provisions for inspection. But very little provision has been made regarding the fundamental problem of home work—the tremendous undercutting of wages permitted by this practice.

There is evidence that a woman making dolls' dresses may work for 4 hours on a dozen and earn 20 cents; a dozen baby caps may bring 50 cents for 5 hours of work. If we are going to do anything about home work, we must, first of all, see that this practice is not used to undercut the standards which we are setting for factory work. We must remember that much home work is unskilled and seasonal work—work for which the employer is not going to set up an elaborate factory organization because it will be unused for a large part of the year.

There are certain workers' interests involved also. Men and women who are home-bound, crippled by disease or accident so that they cannot leave their homes to work, or who have grown old at this type of work and cannot readjust themselves to changed con-

ditions, remain a problem that will have to be dealt with under code procedure. Their plight suggests the possibility that they might be dealt with by the issuance of special permits just as substandard workers are provided for in most codes.

Provisions have been written into a number of the codes for the complete elimination of home work, in some cases immediately and in some over a period of time. That is one possible method of handling this problem that all of us in the States must consider. There is also the possibility of setting up such regulations as will take away from industry the advantages which it has heretofore secured by the practice of home work—make the minimum wage apply strictly and completely to all home work, so that such work is not cheaper than factory production; require the employer to label all goods he sends out, so that we may charge him with the violations that we find occurring in his work.

Some of us have been striving to enforce laws that prohibit certain kinds of home work entirely. Such laws must obviously be universal if they are to be effective. Work prohibited in one place is merely driven to some other place where it is permitted or not effectively supervised. Finally, it is essential that we provide for inspection—inspection of pay rolls to see that proper wages are paid, inspection of homes to see that child labor is prevented.

If, by agreement among us, we all strive toward some such standard, the worst evil of home work, low wages, would be brought under control. What I most earnestly urge us all to keep in mind is that we will not abolish this practice by fiat; that however we propose to treat it legally, i.e., whether by abolition or regulation, we must provide for continuous inspection. Without a careful, recurrent check, all other regulations remain a pious wish that will make no improvement in the conditions of which I have complained.

Conference Procedure and Interstate Compacts

The SECRETARY OF LABOR. I am now going to ask you to consider two things: Do you think that we should have in this country a kind of community between the States with regard to their labor laws? I do not believe many of us would advocate that we should have uniform laws, but similar standards, similar principles, and similar benefits might prevail throughout the States even though the States build up their own laws for their communities. Is it desirable to have a community in standards and principles? If we should have it, do you think that this method which we are devising here today, this method of conferences and agreement between the States, is a suitable and an effective method, or that something else will be necessary in addition? All of us who are here today and who are Government representatives appointed to represent the wage earners of the United States have a very solemn responsibility. We have a joint responsibility to the 40,000,000 wage earners of the United States for the development of a program of labor legislation and a policy which will be broad enough and flexible enough to meet the needs of these wage earners wherever they live.

Another matter for discussion pertains to practical methods of securing legislation in the States. I think that sometimes those who

have the best intention fall down on practical methods of achieving legislation. I am going to ask Mr. Smith of Massachusetts to describe the meeting in Boston yesterday which brings out a new idea of the use of the compact method between the States, to describe it as a possible device for the future if not for the immediate present.

Mr. SMITH. The interstate conference on labor legislation at Harrisburg and the one last year in Boston had as an objective the encouragement of the establishment of uniform labor laws in the States represented in those conferences. Directly out of the Boston conference grew a legislative measure, passed last year, providing for the establishment in Massachusetts of a commission to promote the idea of interstate agreement on labor laws and to meet with similar commissions from other States having the same objective. The Massachusetts commission consists of four members of the legislature and three appointees of the governor—one employer, one representative of organized labor, and the commissioner of labor.

This commission began at once to urge the creation of similar commissions in other States. Such commissions have now been established in New Hampshire, Maine, and Rhode Island. At the interstate meetings which have so far been held, three other States—Connecticut, New York, and most recently Pennsylvania—have been represented by officials of the labor departments in those States. The conferences of these various commissions and individuals have named special committees to consider such topics as those under discussion here this morning—hours of labor, minimum wages, child labor, and home work. Yesterday at the meeting in Boston, with six or seven States represented, we drew up a program proposing interstate standards on those four subjects. When the representatives from the southern and northern States meet tomorrow, I think it will be very fruitful to call attention to the recommendations we have made. Our proposals for interstate action have centered about the interstate compact. The Constitution of the United States permits States to make compacts among themselves on various subjects, provided those compacts are ratified by Congress. The device has never been used for labor legislation, but we see no constitutional or practical objection to this being done. A bill has been introduced in this session of the Federal Congress to give authority to States to enter into such compacts. Fundamentally, this movement might be regarded as a form of insurance against the eventual disappearance of the codes. Even if the codes are continued, the appeal of interstate action on labor legislation is very strong. Through codes the Federal Government may continue to play an important role in such matters as hours of labor, child labor, and minimum wages, but there are the important fields of unemployment compensation, public employment exchanges, and regulation of private employment offices, as well as numerous other subjects, in which there exist great possibilities for useful interstate action.

One great good that should flow from interstate action is the reduction of unfair competitive practices which result from differentials in labor laws among the States. A second helpful result is the opportunity which such interstate contact would give for

exchange of information and experience on methods of administration. Those of us participating in this work in New England are hopeful that the compact idea can be extended to include other competitive areas.

The SECRETARY OF LABOR. I have asked Paul Kellogg, of New York City, who has been watching labor legislation for more than 20 years, and who is aware of the needs of the things we have been doing, to sum up this conference, giving us an outsider's view of what we have been undertaking and what we ought to be undertaking.

Summary of Sessions

Mr. KELLOGG. As I am neither a State or a labor representative, nor an expert, I gather it is as an unofficial observer that I am called on to canvass the day's proceedings. Let me take full advantage of my free-lance status to say things for which I am solely responsible and which will give an outsider's angle for what it is worth.

It seems to me we have been participating in one of the most unusual and prophetic gatherings held in Washington in this period of change. Here the States of the American Union are represented by men and women appointed by the governors from the State labor departments and the State federations of labor. To gage the significance of this, we must turn for precedent to the conferences held under the International Labor Office, set up alongside the League of Nations. They mark the recognition that the world had gone industrial—that apart from any collaboration between governments on the political front, it is necessary to promote conference and concurrent action among the economic groups which enter into the going life and labor of the nations. So in the Labor Office itself, and in these international gatherings, the employer groups, the labor groups, and the labor departments of each national government have participated in a three-ply scheme. That analogy has not been followed here too closely; the representation today is of two groups, not three—those which by vocational or official commitment are concerned primarily with the stake of wage earners in the American scene. What this gathering, by comparison with those at Geneva, lacks in breadth, it gains in coherence.

Now, when vast numbers of workers are out of employment, when an emergent branch of the Federal Government—the N.R.A.—is up to its elbows in experiments in the field of economic planning, when our State labor departments have suffered drastic cuts as part of the budgetary contraction due to the depression, we might question whether this was the time for such a forward move in the fields in which they operate. The contrary is the case. The hard times have made the public conscious as never before of the importance of our industrial situation, of the stupendous stakes in the day's work, and of the part which government may play in setting standards and implementing controls that will make for better health and order in the scheme of production and distribution. In our labor departments and in our labor organizations we have leverages, ready to hand, to bring human values out of our industrial planning. What the Federal Labor Department or any one State

department can do by itself must be small and piecemeal compared with what you can do in concert.

The thing reaches deeper. Lloyd George recently said that statesmen today have their minds too exclusively fixed upon the dangers of revolution; what they do not understand is that reaction is the surest way around to revolution. Turn to Jane Addams, of Hull House, whose sentience and foresight have so often outranged the statesmen of her time. Agreeing with the former British Premier in his point she adds that, also, "the radicals fix their minds too exclusively on the hopes of revolution, ignoring the immediate situation and, above all, an adequate training for the makers of a new day." Let me quote the following passages from the manuscript Miss Addams has contributed to a forthcoming number of the Survey Graphic.

> We have this advantage at the present moment for a fresh start on the broadest possible basis. Because the world-wide depression reveals that the situation predicated by Napoleon is imminent, one nation after another has been driven to a searching examination of the utility of its business methods, not from the point of view of profits but of supplying human needs. Gigantic experiments are already being made under Communism and Fascism, and the very existence of these governmental undertakings constantly affects saner efforts. * * *
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> Apparently free from the fear of capture either by Fascism or Communism, no body of men on the face of the earth is doing more in the direction of sane readjustment at the present moment than the President of the United States and the group about him. Conscious, as thinking men are everywhere, that the power of the human mind to make rapid reorganization is tremendously strained, they still insist that it should be possible to combine the long effort made through the centuries for a well-ordered world with the new overwhelming demands. They are ready to test governmental methods by those of the past, in the same sense in which literature is the significant link between the mind which experiences and the mind which remembers. Their determination to meet the requirements for food and shelter of the unemployed within the Nation, as England has already done, may change the very conception of nationalism, so long concerned with tariffs and trade. Under this interpretation of governmental obligation human needs may in time lay the foundations for a sounder internationalism than that afforded by world markets.

So what we say and do here today and tomorrow, in a world still staggering from the war and torn by revolutions, is part of the search for a new basis for peace among the peoples of the world, part of the struggle of democracy to find a way to reconcile liberty and industrialization, without going over to dictatorship.

There is another and closer-in significance, as I see it. Unleashed nationalism in Germany, for example, has wiped out what corresponds to our States. Can a federated system, like ours, stand up to the stress of corporate production that knows no State boundaries? Can we be sure that conditions will not sag so deeply in some parts of the country that the whole level of our industrial life will not be upset and dragged down? It is difficult enough for the scheme of legislative and administrative self-government developed in the Western World to keep to its stride under the new conditions which confront the Nation, without being hamstrung at every turn by cross-purposes at every State capital. In the emergency of the depression, we have in the N.R.A. laid down structures of control across the old political map regardless of State boundaries. Under the short cut of the codes we have seen child labor swept out on a

scale which our States as a whole never approached. We have seen a halt called to competition from long-hour, low-wage enterprises that sweat workers and undercut earning capacity and purchasing power. The emergency over, local self-government is bound to be scrapped as inadequate to the task unless we can find out how, in Franklin's phrase, to "hang together" and to reconcile a piecemeal political sovereignty with the common economic tasks of these new times.

It is exactly here that we get the special significance of this gathering, for it is an overture in constitutionalism, if you will—an effort to spread understanding, lay a framework for cooperation, and encourage concurrent but voluntary action in close to half a hundred commonwealths. Before we discard our old set-up, it poses the question whether it is possible to work out comparable standards below which American industrial conditions shall not go; whether with self-determination and freedom to experiment the country over, we can still have concert along lines that will make for general economic health and order.

If such a development is to succeed, it must proceed along organic lines; and this national conference was preceded by regional conferences in the South and elsewhere, called by the Secretary of Labor, which have taken up the common problems in groups of States. In New England they have gone farther in the movement for interstate compacts, and as a by-product of this gathering the Southern and New England groups are getting together. We are thus reaching beyond State boundaries and joining in regional action. North, South, East and West, we are exchanging experience and matching plans in our discussions here. We have had demands from the floor today for the United States Department of Labor to frame model codes suggestive for State enactment. We have had delegates from two States calling for national minimum standards. The general espousal here of the Federal child labor amendment shows the shift in men's thinking in the last 10 years, the determination one way or another to break through to decisive action.

It would be over-optimistic to assume that in dovetailing Federal and local laws and administration there will not be sharp differences of view—resistances to overcome, interests to reconcile. We have had them today. The very purpose of the gathering is, I take it, to bring local outlooks to Washington, no less than to give a national lead; and we have had clear indications that in the process of breaking down isolation, values will flow both ways. I was especially struck with the plea of the Florida delegate, to the States from which Florida has drawn its new population, for support in initiating compensation legislation that would match theirs. The most revealing characteristics of the day's discussions has been the conspicuous lack of shouting for States' rights; rather we have begun with people, with granite workers and machine tenders, with safety and security, as basic to the workaday life of the men and women of the United States.

Consider, from this angle, the subjects we have before us in the agenda for these 2 days of conference, and on which our committees are to report their recommendations as to objectives. They can be

considered negatively as so many attempts to eliminate from industry the forces that undermine and bruise life. We see this evil on a tremendous scale in the mass unemployment that has thrown millions out of work. But the undermining is there when we let accidents go unprevented, occupational diseases go uncontrolled. In our safety and compensation laws we would throw protection at those points over the reemployed workers and their places of work. We would free our working forces from the exploitations and excesses that cramp and thwart them—the child labor that we have let persist through the first quarter of the twentieth century; the overwork of prolonged hours and the 7-day week; the night work of women and minors; the home work that escapes regulation; the underpaid work of the sweated trades. These anachronisms stand out stark in years when adult men and women have not been able to find employment at wages that sustain livelihood. Through legislating and enforcing minimums for age, earnings, and conditions of work, and maximums for hours, we would cut off these excrescences and set a new caliber for productive labor in the years ahead. Through compensation laws we would see to it that when unprevented hazards dislodge workers from such labor, some measure of income remains to them as a right. Just as we are concerned with eliminating child labor, at the entrance of the working years, so through old-age pensions we would throw protection over the last years, eliminating the half-employable, assuring them some income. And this concern for stabilizing earning and purchasing power comes to a head in the movements for unemployment reserves and insurance, as an alternative to our makeshift methods of public and private relief, as a safeguard against the most desperate hazards of all.

Low-cost housing is brought in, not only because building construction is the most effective form of public works in promoting business recovery and renewed employment, but because the dwellings in which American workers live are by and large a generation behind the mills and factories in which they work. Fitness is jeopardized and earnings gouged by our inadequate provision of shelter.

So we see the positive side of the seemingly negative items listed on our agenda; the constructive purpose of the brakes we have been talking about at a time when the national imagination is caught by the starters of economic revival. The stewardship of our labor departments lies close to our greatest nascent asset—the human resources we bring to bear. The regulatory measures within the province of these departments envision a future for production when adult people, working reasonable hours, safeguarded against preventable hazards and secure against the unpreventable, not only can earn the wherewithal of the good life, but can, through their fitness, their work, and their leisure, make the most of what America holds out for Americans in an epoch of applied science.

Let me bring this conception down to a specific application. Our market for employment is country-wide, but our mechanisms for serving it are scattered and are out of date—not to be compared with our Postal Service or our telephone system. This year has seen the institution of the United States Employment Service, as an arm of the United States Department of Labor. The fight that saw the enabling legislation through last year was of 12 years' duration;

and the system now being instituted combines national initiative, standards, and backing, with decentralized administration. It is the Federal-State-local system, the framework of which has been laid down in the last 6 months. It should be rounded out by the legislatures that meet in 1934 and 1935, if the present Congress passes the appropriation bill at this session which will afford $700,000 for the national stem and $3,000,000 for the State branches on a matching system. Here we have exhibit A of one range of coordinated Nation-wide action in the field of labor administration, under our constitutional system. The emergent Reemployment Service has broken ground for it, and the months ahead afford an unexampled opportunity for demonstrating the practicability of our American way. Other countries have set such systems up as a purely national activity. We are trying to put it through, State by State, with Federal initiative and Federal reinforcement. It is a fair test.

The SECRETARY OF LABOR. I want to thank Mr. Kellogg, whose broad social view of some of our obligations has been very helpful.

[Meeting adjourned.]

THURSDAY, FEBRUARY 15—MORNING SESSION

Frances Perkins, Secretary of Labor of the United States, Presiding

The SECRETARY OF LABOR. If the ranks are depleted this morning, I want you to know that many delegates worked late last night and will straggle in in the next half hour. A good many had a touch of the New Deal last evening. To many people the New Deal consists of working until 12 or 1 in the morning, and I want to thank you and to assure you that I regard it as a patriotic service which you have done in these 2 days, coming here and devoting every waking hour to a consideration of these problems of the Federal Government and of the State governments which are more and more coming to loom in our minds, not as political, but as moral problems.

When we think of the administration of the labor laws of the States we are dealing not in material and political problems; we are dealing in the very flesh and blood of human beings, of people like ourselves. It is the conception, I believe, that patriotic service and the administration of any Government trust consist in recognizing in every exercise of authority, in every decision made for Government purposes, not how it will affect some strange abstraction known as labor, but how it will affect the man who sits next to you in the street car, the man across the way, the man you know. It is a very real, personal, and moral problem. The labor departments are charged with a moral responsibility in finding the answers to some of the great social problems confronting all of the people of the Nation. So I think the work you did last night can be classified as it was by a man we had in the Department; when we found him working about 1 o'clock in the morning and reproached him, he said, "We are the sacrificial lambs. We have to work 90 hours a week in order that others may work 30."

I want to remind you of the fact that the United States Department of Labor is very soon to be housed in a magnificent new building on Constitution Avenue, which I hope you will look at before you leave Washington in order that you may not only visualize us working in that building, but visualize yourselves coming frequently to it and utilizing its facilities. I have an ambition to provide ample space for conferences where people can have lockers and desk room for their papers when they come to Washington to work on problems confronting the State and the Federal Labor Departments, where they will have the facilities of an organized institution behind them. I am very hopeful that you will cooperate with me and the Department of Labor in bringing into that new building the picture of the industrial life of the States. I want to have something in that building, either in the way of painting or illustrative or exhibit material, which pictures the important industrial aspects of the life of each State. One type of thing is important

in the industrial life of Florida, another thing is important and dominant in the industrial life of Oregon, or Michigan, or the other States. We want to get into that building a picture of the significant industrial life of every State in the United States, and the total experience of the industrial life of America. While realizing that the States are parts of the whole, they are entities in themselves. They must be healthy and wholesome; they must be sound in their political and economic and industrial life, by themselves. The significance of the United States of America is the union of these parts into a whole, in which those who live in Florida or California or Ohio assume and feel a responsibility for the people in every State as well as for the people in their own particular State. Yet in the administration of these things we must always be working in the smaller units. If we had not inherited States as a part of our historical and traditional organization, we should have invented something of the sort in order to bring the administration of law and order and social service close to the people who are affected by it.

There are a great many aspects which we ought to discuss in any problem of labor legislation, but as those of you who worked last night know, we could talk forever on some of these points, and most of us haven't the time to do that. We discussed yesterday matters having to do with minimum wages, child labor, safety and health, and physical conditions of workplaces; and this morning we have set aside for the discussion of the problem of how to procure that degree of security for wage earners which has come to be the dominant quest of the American people. When I say quest I mean it very truthfully. It is a quest, and the answer is not in the back of the book. It is not like the old-time problems put to you in your school book where the teacher knew the answer. You really have to hunt to find the answer. There probably is no other problem of such importance to the whole American people today as the means of security. It is the one thing that everybody longs for, no matter what his status in life may be. These considerations of security for wage earners are of very great importance at this time.

Unemployment Reserves

The Secretary of Labor. Among the many plans for security, we have, of course, given attention to methods of providing for old age, methods of securing an interchange of workers and jobs so that there can be a steady flow of workers to jobs when there are jobs, and in rather recent years we have come to discussing the techniques of unemployment insurance or unemployment reserves as a kind of security for the working people so that they will have something to live on during periods such as this depression, when it does not seem possible to prevent a certain degree of unemployment. In order to make the protection operative on as wide a basis as possible, some way must be found by which the Federal Government can encourage this type of provision against the suffering and trials of unemployment. We may not have found the perfect answer. We have not found, perhaps, the 100 percent answer, but after a few months of conferences and discussions we have developed a technique which many of us believe to be the best yet discovered and

devised for Federal encouragement to the States in putting upon their books some form of unemployment insurance. A bill has been introduced into the Senate by Senator Wagner and into the House by Congressman Lewis. Congressman Lewis has been kind enough to come here today to describe just what the bill is and what he hopes it will accomplish. May I have the honor of introducing to you Congressman David J. Lewis, of Maryland.

Mr. LEWIS. I do not deny a very great satisfaction indeed in the opportunity to meet and discuss with people as earnest as myself in the matter of finding some treatment to relieve our conscience on this great subject of unemployment. An inspiring circumstance of the morning is to find the Secretary of Labor giving us her leadership.

"See yonder poor old laboring white, abject man, who begs his bread of the earth, to give him life to toil. See his lordly fellow worm, the poor petition spurned, unmindful of weeping wife and helpless child." That indictment of our social system was uttered 150 years ago. At that time it was the rare human being whose rights were being denied.

Thanks to the civilization we have built up in the last six generations, there are ten millions of them today in the United States. In Great Britain, in Germany, and in other countries the prime minister does the worrying about these unemployed. And why shouldn't he? Who more than the prime minister is responsible for the terrific unemployment which obtains—responsible in the sense that he was the author of the state policy under which most of it has resulted. Has not the state and its prime minister encouraged the sciences by giving exclusive patents on products to the inventor? Has he not supported the efficiency engineer? Has he not organized large quasi-private, quasi-state organizations for the purposes of mass production? And all for what? In order to economize in the amount of labor required in the production of the needs of humanity. And his policy has succeeded. Eight men now do the work of 10 men a few years ago. Why should not he do the worrying?

We thank the scientist for the achievements he has given the world. Doubtless in the long run it is desirable that the work of the human family be accomplished with a minimum of effort. But it is only desirable provided certain fundamental human rights are not violated, and one of the most fundamental human rights is the right of the human being to earn his bread by the sweat of his brow. The world does not owe a man a living, but it certainly owes him a chance to make a living. This is a right that no one, I am sure, would ever be willing to dispute. And yet this right to work, undisputed, as old as civilization, today will not secure a single laborer a loaf of bread or protect his family from eviction. Something has happened here that I think lies at the very foundation of all of our present difficulties. There is such a thing as unconscious class discrimination, and the workman has been the victim of it. He has had to pay this terrific price for the progress of the industrial arts, and, without intention of course, he has been denied equality before the law.

I give you but one illustration, and only one will suffice. A city finds it necessary, to promote the public welfare, for the convenience

of all, to cut a new street through from one avenue to another. The owner objects to the removal of his property, on grounds of sentiment or what not, but the city fathers answer unequivocally: "The general convenience of this city must prevail over your private interests or feeling." And they evict him from the premises, but not until just compensation has been made to him for the rights taken away. Certainly, as a matter of moral obligation, consideration of the right of the worker to compensation for the employment society has taken away from him in the last two generations is equally commanding and imperative. We naturally ask the question, How does it happen that over your cat or your dog or the neighbor's fence you have your day in court if your rights are invaded in any fashion? No property rights are so insignificant that a day in court is not allowed it. But this right of the worker has no day in court.

Perhaps an illustration drawn from my own experience would not be amiss. When I was a little lad about 12 years of age, working in the coal mines of Pennsylvania, I witnessed an accident that made an indelible impression on my mind. It was the first trip in the morning, about 7 o'clock. The driver was starting in with his mule and a pair of empty cars. Suddenly the mule had a crazy spell. Or was it a crazy spell? Perhaps the poor creature had a lucid interval and realized that the only way it could get out of its misery was through suicide. At any rate it ran away headlong into the mine, beyond all control of the driver. At length it came to a switch, where there was a prop sustaining a lot of rock. I can see it all even now after the passage of 50 years. When the cars struck the switch they jumped the track and down came the overhanging rock, smashing the cars, killing the mule, and ending the earthly life of the driver.

When the case came up in the company's offices, the directors reasoned that they could not operate coal mines without killing mules and smashing cars, and so these costs, like oil and powder, were charged up to the price of the coal as a part of the necessary operating costs of a coal mine. How about the value of the driver's life? He was an American citizen. If his face had been blackened by an African sun instead of the dust of the coal mines, if he had been a slave in a southern State before the Civil War, at least a thousand dollars would have been charged up to expenses of operation. Nothing was done, except that a little collection was taken up in the mining village to fill the widow's cupboard for a few weeks. The case was lost in the history of common miseries of the poor.

May I add here a perhaps too personal sequel to that accident. The first workmen's accident compensation law passed on this side of the Atlantic Ocean was passed in 1902 by the General Assembly of the State of Maryland, and that act was prepared by the hands of the man who as a boy witnessed the accident in the coal mines of Pennsylvania.

The lawmaker, in my opinion, has too long neglected this subject. Not because the right has not been pressing and the obligation imperative, but because of that unconscious class discrimination, from which it is difficult, perhaps, for any class to escape.

What I have said indicates my philosophy; and I am mentally hearing you ask, What are you going to do about it? It has been said, "There is a science of politics, it is the science of feasibilities." What can the Congressional lawmaker immediately do? I emphasize the word "immediately", because it is noteworthy that a large number of State legislatures are ready to act. Under these circumstances the Secretary of Labor, Miss Perkins, the American Federation of Labor, and numerous industrial leaders have urged the passage of State laws establishing unemployment insurance reserves. Some 2 years ago, in preparing national legislation to cartelize the coal industry, a study of the Constitution convinced me that the taxing power of Congress could be employed to effect the purpose. This is the principle made use of in the similar bills introduced by Senator Wagner and myself, to bring about unemployment insurance by action within each of the respective States. The plan of the bill is as follows:

I. Federal Tax and Offsets Under State Laws

A. A new Federal tax will be imposed on all employers (except very small employers, and a few special classes—farmers, hospitals, etc.). The tax will be based on each employer's pay roll after July 1, 1935. It will reach practically all employers in interstate commerce, and put them on equal footing.

B. An employer need not pay this tax if he has contributed an equal sum of money to unemployment reserves under a State law. He may offset against the tax whatever he contributed. An additional offset would later be allowed, whenever an employer's contributions are scaled down because of steady employment and adequate reserve funds.

C. The employer will thus have to pay the tax to the Federal Government, unless he can keep it at home under a State law for the benefit of the local unemployed. Almost certainly he will prefer to keep it at home, and will therefore favor the passage of an unemployment insurance law in his State.

D. The old "interstate competition" argument could not be used to defeat such State laws, because the Federal tax would apply to employers in any State which failed to enact legislation.

II. Freedom Left to the States

The bill does not dictate to the States the kind of laws they shall pass. Each State may decide for itself:

(1) Whether to have State-wide funds, industrial pooled funds, or individual reserves;
(2) Whether to have joint contributions or only by employers;
(3) What employers shall contribute;
(4) What employments are to be covered;
(5) Who is eligible to benefits;
(6) What the waiting period shall be;
(7) What (above an absolute minimum) the benefits rates shall be and how long benefits shall be paid.

III. Standards Which State Laws Must Meet

An employer can offset against his Federal tax only those contributions paid under a genuine unemployment compensation law, which the Secretary of Labor has certified as meeting certain minimum standards. No State law will be certified by the Secretary of Labor unless it provides for—

(1) Regular contributions by employers;
(2) Systematic benefits over a substantial period of time;
(3) No insuring through private insurance companies;
(4) State administration or supervision, with joint advisory committees assisting;
(5) Impartial hearings on disputed compensation claims;
(6) Specific safeguards for labor standards and union membership.

IV. SUMMARY

These are the outstanding provisions of this bill. The Democratic platform in 1932 called for State unemployment insurance legislation. Enactment of this bill will make that platform plank a reality.

I think I am guilty of no rhetoric whatever when I say that the conscience of the country now calls for such legislation as it has seldom called for anything, unless it be for a Red Cross or similar enterprise.

May I say that better assistance than my own can be given you in the discussions here by members of the staff of the Secretary of Labor. Mr. Eliot in particular, one of the attorneys of the Department, has labored diligently on the bill, and will be here to answer any question which you may care to ask.

The SECRETARY OF LABOR. We are all grateful to Congressman Lewis for the very clear description of his measure and his very inspiring talk. Is there anyone from the floor who has a question to ask about that particular bill? We shall discuss other aspects of unemployment insurance legislation a little later, but I want to be sure that every opportunity is given to satisfy your curiosity and your doubts while the Congressman is here.

Mr. CARNEY (Michigan). I would like to ask whether the Congressman proposes to set up Federal machinery in those States that do not take advantage of the suggestions in the bill?

Mr. LEWIS. No; that is not contemplated. I do not, of course, know what the ultimate end might be. I think there are four States now in the Union with no workmen's compensation laws.

Mr. CARNEY. What is to become of the Federal tax where the State has no law?

Mr. LEWIS. It goes into the Treasury.

The SECRETARY OF LABOR. If the tax were set aside for the use of the States there would be no encouragement for the States to pass unemployment insurance legislation. It goes into the general fund. There is logic in that, to the effect that the Federal Government has now undertaken to appropriate Federal moneys for the relief and assistance of the States and for meeting the local relief needs. So the tax will be merged in the general fund and utilized for all social purposes. The purpose of the bill is not alone to collect the tax, but to make it possible for those to escape the tax who wish to set up provisions for the benefit of the unemployed in their States.

Mr. CARNEY. It amounts to a penalty?

Mr. LEWIS. It is a penalty on the individual. It is quite inconceivable to me that in any State there may not be a number of individuals who would wish to introduce this system. Now, unless there were some method of penalizing the delinquent and recalcitrant, they could not safely do it because they would be paying the tax when a competitor was not. If a recalcitrant preferred to pay the tax into the Treasury of the United States instead of to the suffering humanity in his care, his competitors at least would have the argument that he had been required to meet them on terms of equality.

Mr. DONNELLY (Ohio). I noted that the Congressman used the words that the employer who had paid into the "unemployment

reserves" of the State would have a refund or would not be liable for his excise tax. If the bill says "unemployment reserves" when it is passed, would it not raise a question whether this fund should be paid to insurance systems that did not set up what is commonly called "unemployment reserves"?

The SECRETARY OF LABOR. This is a different kind of reserves from those which the particular State may require, set up, or permit.

Mr. DONNELLY. I think the question remains. I recognize that Congressman Lewis stated that the State would be permitted to set up its own system, that there would be no influence exerted by the Federal Government to induce the States to have one or another system. But the question remains that in this kind of proposition one term means one thing and another term means another thing, and we have to be very careful that we understand what you mean when you use a term.

Mr. ELIOT. The Congressman was reading a very brief summary of the bill. The bill itself defines the term as including a reserve in the ordinary sense of any other fund to be used for the payment of compensation to unemployed workers. This is in the actual printed copy of the bill.

The SECRETARY OF LABOR. Any other questions on this bill?

Mr. LEWIS. Of course, this subject will have to be examined in the utmost detail. We hope that you will be able to offer helpful suggestions.

Mr. DONNELLY. I understood that the tentative plan is to levy 5 percent. Suppose a State sets up an unemployment reserve through employers' funds, unemployment reserves through an insurance fund, and the contribution of an employer to such funds in that State would be 3 percent—what would become of the remaining 2 percent?

Mr. ELIOT. The employer would offset only what he actually paid into the unemployment fund. He would offset the amount of 3 percent and pay the rest to the Federal Government. As in the case proposed and the one law enacted, after a period of time various rates are to be set for different employers. Employers with little unemployment would be able to offset not only what they paid into the fund but also the amount reduced under good record. This in no way impairs the unemployment fund.

Mr. DONNELLY. Now in a given State that enacts unemployment insurance legislation, we have the 5-percent excise tax levied by Congress. There may be a cooperative insurance plan enacted by the legislature of that State, in which the employer contributes 3 percent and the employee would perhaps contribute 1 percent, or 1½ percent. Then there would be a reduction of 3 percent to the employer. Would there also be a reduction for the employee?

Mr. LEWIS. That would be voluntary. I think it is going to take both members of the family to build up reserves that will offer any substantial insurance for these terrible crises. My hope is that the employers and employees will come together and develop an institution that will take in old-age pensions and the whole line of social relief.

Mr. JOHN B. ANDREWS. May I inquire of the Congressman on what estimates he predicates that 5 percent will approximately meet the requirements? Can we have something definite?

Mr. LEWIS. I have only some general figures. The wages paid in a normal year by the manufacturing industries of the country are, the census shows, about $12,000,000,000. Five percent would be $600,000,000. Five percent of the railroads' wages of about $2,500,000,000 gives an additional $125,000,000. Even a 5-percent levy would produce a fund of mighty little consequence indeed in the face of a depression such as this through which we are passing. That is the reason I welcomed the suggestion of the gentleman from Ohio, for the employees to contribute to the fund. I do not know that data has been accumulated yet to give you a definite answer to your question.

The SECRETARY OF LABOR. Data on this subject are almost impossible to procure in any complete and accurate way. We shall never know what the cost of providing for unemployment insurance is until we try it. The whole insurance science is built on experience, and you have to get experience before you know what your formula for cost is. The only safe thing to do, therefore, is to take what appears to be the best you can assemble, and make an ample but not confiscatory assessment in order to build up your fund. If your reserves are built up in a period of rising business and rising employment, you will soon get a fairly large fund. If, however, they are put into effect in a period of falling employment, the fund will be depleted almost as quickly as it becomes effective.

If the economists know anything, and if the guessing is at all sound in any quarter, we are nearer a point of rise in the business cycle rather than a further depression. Therefore, it makes it possible for us to begin to collect a percentage of pay rolls when the pay rolls are beginning to be larger, so that a substantial collection can be made over a period of years before any payments are made. There is no other reason for taking 5 percent, except that it seems the most likely figure to be a just and suitable figure at which to begin. Five years of experience will teach us.

Mr. SMITH (Massachusetts). To what committee has this bill been assigned?

Mr. LEWIS. The bill has gone to the Committee on Ways and Means in the House, and the Committee on Finance in the Senate. The Committee on Ways and Means, of which I am a member, is now engaged on a revenue bill which will consume this week and probably half of next week. Immediately afterward I shall ask for attention to this bill.

The SECRETARY OF LABOR. I have a feeling that most of us would like to help the Congressman's bill through the preliminary hearings.

I am now going to turn for a few minutes to the consideration of the more general aspects of unemployment insurance. No conference in Washington these days would be complete without a professor. I have imposed only one professor on you throughout the 2 days of this conference. This is, let us say, a tame professor, who has been a great deal of help to me always in organizing my ma-

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terial. I therefore ask Dr. Paul H. Douglas to discuss this question in a sort of factual and summarized way.

Dr. DOUGLAS. The experience of this depression should have taught us all the necessity for a more adequate, a more certain, and a more self-respecting way of taking care of those good men and women who, though wanting to work, have been deprived of their jobs through no fault of their own. When men were thrown out of their jobs, they had to use up savings, stint their families, and in many cases borrow from their friends and relations before relief could come. And when this relief was given, it was in general strikingly inadequate, since the average amount paid out a year ago was $21 a month per family. This amounted to about $4.50 a month, or 15 cents a day, per person. The relief, moreover, has been until recently highly uncertain and with frequent interruptions, as the private charities fell back upon local public funds, the localities upon the States, and the States upon the Federal Government. It has been, until recently, humiliating because it has been associated in peoples' minds with charity, which no self-respecting person wishes to receive. We in America have therefore had the worst kind of a dole, and it is high time that we set about changing it.

The best way of doing this is to institute a system of self-respecting insurance against involuntary unemployment which will serve as the front-line trench in the war against destitution. The essential features of such a system are simple and may be described under four sets of principles:

1. An area of eligibility is staked out, consisting of all employed manual workers except those in certain exempted occupations such as agriculture, public service, etc., and of all salaried workers under a given limit, such as $200 a month. Within these areas, workers who are customarily a part of the working force and who have been employed for, say, 36 weeks in the 2 preceding years or 20 weeks in the preceding year are eligible.

2. Workers who lose their jobs because of a decline in business and through no fault of their own register at a public employment office, and after a waiting period, which I believe should be approximately 3 weeks, are eligible to receive benefits for a limited period of time as long as they give evidence to the employment offices that they are unemployed.

3. Every effort is made to prevent the unemployed from remaining idle to draw the benefits. Thus, if a worker refuses employment at his trade at approximately the going wage, he cannot receive benefits. The benefits, moreover, should always be appreciably less than his customary wage and never, in my opinion, should exceed two-thirds and generally only half of the wage. Finally, the unemployed worker may be required to show that he is himself genuinely seeking employment in addition to following up the opportunities which come to him from the public employment offices.

4. The benefits are limited to a stated number of weeks per year, which I believe should be from 16 to 20, and the liability of the fund should cease at this point. Those who are still in need at this time should, in my opinion, then be taken care of by a system of public relief graduated according to needs, to which the Federal Government may well make a contribution, and in return for which the

recipient may well be required to give work on public projects which would be somewhat similar in character to those now under the C.W.A.

Such a system not only would provide for more adequate and self-respecting relief than that which has been given, but should lessen the amount of unemployment itself. For if the system is properly administered, a large part of the premiums collected during the years of prosperity will not be spent then, but will instead be accumulated and paid out during the years of depression. Purchasing power will thus be built up at the time when it is most needed, with a resultant greater stabilization of employment in industry. In addition, a large part of the burden of unemployment will be taken from the relatives of the unemployed, the merchants, doctors, landlords, and local real-estate taxpayers.

Now the greatest difficulty in the way of the States adopting such a sensible system is, of course, the fear that the premiums required will put their industries at a competitive disadvantage with those of States which have not passed such laws. It is this vital defect in our governmental system which has brought stalemate to so much vitally needed social legislation and has in the past reduced nearly all true lovers of our country to what has bordered upon despair. A way out of this dilemma has, however, been offered by the bill introduced last week in the Senate by Senator Wagner of New York, and in the House by Congressman Lewis of Maryland, and drafted, I believe, with the aid of the United States Department of Labor (S. 2616 and H.R. 7659). This bill levies an excise tax of 5 percent upon the pay rolls of concerns employing 10 or more workers; but with the vital provision that there will be rebated back to these concerns any amount which they may pay in for unemployment benefits or contributions under State laws which come up to minimum standards. This, to my mind, is a truly brilliant method. If this measure is passed, there will be little or no reason why any of the States should not pass some kind of unemployment insurance law, for the State law would not heap any added burdens upon the employers in these States, since any contribution which they would make to the State systems would mean that they would merely pay that much less to the Federal Government. Secondly, the States which did not pass such laws would have no competitive advantage, since they would have to pay as large a total amount, all of which would go into the Federal Treasury. Finally the Federal money could be at least partially earmarked for relief, and thus form the second line of defense against destitution due to unemployment. And yet it should be noted that the Wagner-Lewis bill leaves the States free to adopt the kind of unemployment insurance system which seems to them best and permits them to carry on the experimentation which is so valuable.

This is federalism at its best, and I cannot too highly commend the statesmanship of the drafters and sponsors of this measure. I should indeed like to permit myself two hopes; namely, that this conference will heartily endorse the Wagner-Lewis bill and that we as individuals should work for its speedy adoption, and secondly, that the National Administration should officially sponsor

it and ask for its passage. If it passes during this session, it will clear the way for the widespread adoption of State plans when the great group of State legislatures meet next year.

So far I think we can all agree. I would be less frank, however, if I did not briefly mention two points upon which many sincere friends of unemployment insurance may disagree. I refer to the type of unemployment insurance fund which should be used and the source of the contributions. These points need not and should not divide us here, but they should be borne in mind, perhaps, to guide us when we turn to the question of the precise type of State laws which we should set up.

As most of you know, there are two main types of funds which may be set up; namely, (1) the plant fund or (2) the State-wide fund, with an intermediate variant in the form of the industrial fund. The plant fund is that adopted in the Wisconsin act and embodied in bills in Massachusetts, New York, and other States. The State-wide fund was advocated in the very able report of the Ohio commission, and has been followed in bills in Ohio, Maryland, Illinois, and other States. Under the plant funds, the unemployed of a given concern can be paid only from contributions made by their specific employer. When the reserves of that particular firm rise to a given maximum (in Wisconsin $100 per worker), the contributions of the employer cease, and when they fall below a given minimum (in Wisconsin $50 per worker), the benefits are reduced proportionately, so that by the time the reserve is down to one-tenth of its minimum amount, the benefits are only one-tenth of their normal figure. Under the State-wide fund, the contributions are pooled and paid out to the workers irrespective of who their employer was. The system of plant reserves is advocated chiefly as a preventative of unemployment in the belief that individual concerns will be stimulated to stabilize their operations in order to reduce their contributions. While I have great respect for the originators of this proposal, it seems to me to be inferior to the State-wide funds, for the following reasons:

1. In the first place, its value as a stabilizing device seems to me to be greatly exaggerated. An assessment of 2 or 3 percent upon the pay roll is in general an addition of only one-third or one-half of 1 percent upon the total value of manufactures and is not a strong inducement to stabilize. It could have little or no influence in lessening business depressions which are beyond the control of individual enterprises, and, because of style fluctuations, etc., it would have far less influence in reducing seasonal unemployment than is commonly claimed. Moreover, virtually the same stimulus can be obtained under a State-wide fund by either varying the contributions by employers according to their volume of unemployment or by rebating some of the contributions back to firms which were successful in inducing stabilizing measures.

2. A State-wide fund will give a greater uniformity of benefits than the plant fund. Unemployment in a business depression does not strike all industries with equal force. It is particularly heavy in the so-called capital or durable-goods industries, such as iron and steel, machinery, automobiles, and construction, and it is comparatively light in consumers' goods industries, such as food and clothing. Under the system of separate plant reserves, the funds of the

capital goods industries would be rather quickly depleted, with the result that the benefits of the unemployed in these industries would be greatly reduced, while those in the consumers' goods industries would be relatively unimpaired. Under a State-wide fund, however, the benefits would be maintained uniformly.

3. It is a commonplace of insurance that the greater the pooling of risks and the sweeping together of contributions, the greater the benefits which can be paid. The idle surpluses of some plants and industries are assembled together to maintain benefits as a whole. This advantage in part accounts for the fact that the Ohio pooled fund, with only 50 percent greater total contributions than the Wisconsin act (i.e., 3 percent instead of 2 percent), was able to promise 140 percent more in maximum benefits; i.e., $15 a week for 16 weeks instead of $10 a week for 10 weeks.

A second source of difference lies in the source of contributions. Everyone agrees that the employers should make some contributions. The question is whether they should be the exclusive contributors. I personally believe the workers should also contribute, approximately only half as much as the employers, for the following reasons:

Contributions by workers may be necessary to secure adequate benefits, which cannot be financed for less than 3 to 3¾ percent of the pay roll. Secondly, contributions by workers will make them more anxious to prevent malingering and other abuses, and they will in addition aid the workers in obtaining joint control over the administration of the system—a condition which to my mind is highly desirable. Finally, while it may be an indication of the hopeless conservatism of my nature, I believe that the whole system will be put upon a much more self-respecting basis if the workers feel that they are paying a part of the cost.

In States which have income and inheritance taxes, it may well be both desirable and practicable for the State also to make a contribution to the benefits, although this is hardly practicable in States which depend primarily upon the general property tax for their revenues and which are now in a very strained financial position. Even then, however, it may be possible for some of the States to meet at least part of the administration costs.

I should like, however, to emphasize that while the two issues which I have mentioned may divide some of us, they are far less important than those upon which we can all unite. We can all agree, I hope, that some form of unemployment insurance is desirable, that the Wagner-Lewis bill is one of the first steps in the campaign, and that it should be passed at this session of Congress. Next year when most of the legislatures meet, some form of insurance, whether upon the Ohio or Wisconsin model, can be adopted by most of the States, and we can then move forward into a new era of greater security for the workers of this country.

The SECRETARY OF LABOR. I want to ask Dr. Douglas one question. Can you give us in a few words a picture of the European experience with regard to the care of the unemployed under unemployment insurance and the cost which it has involved?

Dr. DOUGLAS. The European systems are of unequal duration. The German and British systems provide that the first 26 weeks be borne by the insurance fund and the maintenance of unemployed in

need after 26 weeks be borne by the government. The cost of the 26 weeks of insurance approaches approximately 4½ percent of the total current pay rolls in Germany and somewhere around 3½ to 4 percent in England. It is somewhat difficult to compute the English system because of the flat-rate benefit method used. It is around 4 percent.

The SECRETARY OF LABOR. Are there any other questions to ask Dr. Douglas while he is here?

Miss JOHNSON (New Hampshire). Dr. Douglas mentioned a plan and suggested excluding several groups of workers—agricultural and certain others. Would he mention more in detail what groups he would exclude? Second, with regard to the percentage of the contribution of the pay roll, is there any State system proposed with a 5-percent contribution?

Dr. DOUGLAS. I may not be politic, but I think it is quite obvious that we would have to exempt agriculture if for no other reason than that if we included agriculture you could never pass a State bill. I think it is also probable that you would have to exclude domestic service and normal business not engaged for profit, such as the home. You would have to exclude governmental employees, and, in case of State laws, employees in interstate commerce. You probably should exclude teachers in private institutions, although not janitors in private institutions, and there may be certain other groups which can be picked out from State to State. The casual laborers would be covered by the requirement of a previous period of employment. We should not include college boys who work for 13 weeks during the summer. If you take those who worked for 20 weeks in the preceding year or 30 weeks in the 2 preceding years you will cover all of those customarily a part of the working force.

Miss Johnson inquired whether any State requires as much as 5 percent. I know of no bill with a contribution as high as 5 percent.

Mr. FITCH (New York). I would like to say before Dr. Douglas goes that I am more impressed by his appeal for harmony and by his argument in behalf of those things upon which we can all agree, than by his personal views with regard to some things with which I am in controversy. I wonder if he would be willing to delete from his paper his personal views or make arrangements for the inclusion of other views.

The SECRETARY OF LABOR. I should not think of asking Dr. Douglas to delete his personal views or to include among his personal views a few which he does not hold. If either you or Mr. Andrews will make a statement for the general argument for the type of bill which rests upon industry reserves, you will be given the opportunity.

We have now revealed the fact that there is a difference of opinion as to how we should effectuate unemployment insurance. The disagreement exists even among those who are highly desirous that we should have unemployment insurance. But I suppose this has been the history of America. As I remember my history, when the Colonies came together at the original Continental Congress they had very grave differences of opinion as to how they should effect the kind of government which all of us have become so accustomed

to today that we have stopped thinking about this inconsistency. I suppose it is a part of the blessing of freedom that we have inconsistency, within which our ideas and social experiments conflict.

The main purpose is to make impossible the situation which Mr. Lewis described so vividly, where the laying off of a mule or a piece of machinery is charged up to the cost of the industry, whereas the destruction of the human being's opportunity to earn his living is charged up to nothing, and he is left to carry the whole burden, with no organized system to help him retain his human dignity during the period when he is laid off. The way will be found by the people of the various States in the best interests of the people of those States. We must rely upon the genius and intelligence of the people of the States to find the way out. In this experimental period there is room for more than one system. We shall probably learn by experience what is the most practical system.

Question. It occurred to me to ask if there is any provision in the law as proposed that will prohibit the State, after the accumulation of a fund over a period of ascending employment, from diverting that fund to such other purposes as it wishes, as has often been done by many legislatures, and some not wisely at all.

The SECRETARY OF LABOR. The bill which Congressman Lewis has introduced would provide for the security of that fund.

It is possible that the fund might be very much larger than we now think. If we had 10 years of prosperity a fund in a given State might become very large, in which case we should have to make provision by the passage of an amendment to the Federal legislation and in the States for the cutting down of the contribution or for the distribution of rebates.

I am very anxious to secure simplicity in the operation of these funds. Those who have studied the operation of the English unemployment insurance system have been impressed with its complexity. We want to work toward a greater simplification in the administration in order to get good, sound, and practical administration without too many complications.

Mr. ALTMEYER. As you know, Wisconsin did not jump into the unemployment insurance swim overnight. We have been discussing the subject since 1921, when the first bill was introduced into our legislature, and in every succeeding session of the legislature there has been a bill on unemployment insurance introduced. The original was an unemployment insurance bill as urged by Dr. Douglas, but in the course of time public opinion changed and turned toward the unemployment reserve type of bill, and that is the type of bill that has become law in Wisconsin. We have prepared a handbook on the unemployment compensation act in our State, and we have literature which will give you some of the arguments in favor of unemployment reserves as contrasted with unemployment insurance. I do not want to discuss their relative merits at this time.

I want to clear up some confusion as to when our act will become effective. It will become effective on July 1 of this year. That is to say, employers will begin making their contributions to their respective plant funds on July 1 of this year, and 1 year thereafter benefits will commence for unemployment occurring after July 1, 1935. We have an additional feature in our law which has led to

confusion as to when the law would become effective. The law provides that it shall not become effective until employment and pay rolls have reached a certain figure. The law provides for a finding of fact by the industrial commission that they have reached that figure. The reason why the commission has not made that finding of fact is that another clause provides that if the employers of 139,000 employees—which is approximately half of the total number covered under the State-wide compulsory bill—adopt voluntary unemployment insurance, then the State-wide unemployment insurance law does not go into effect.

The industrial commission has deferred its finding of fact in order to give the employers every opportunity to adopt these voluntary plans and prevent the compulsory State-wide act from becoming effective. However, the number of voluntary plans submitted to date indicates that they will not reach the required number of 139,000 employees covered thereby. So there is no question but that our law will become effective on July 1, 1934.

We feel that we have an ideal situation for carrying out the reserve experiment. We have a small enough State so that we feel that the administrative problem is manageable. We have a State diversified industrially. We have had a long time to think about it, so that public opinion is prepared for it, and we will have a year now, before benefits actually become payable, in which to build up our system of employment offices. We have 10 now and will probably have to treble that number. Likewise, employers will have a year in which to consolidate their employment premiums and be prepared for the payment of benefits after July 1, 1935. So we feel, you might say, like a guinea pig, that the act is going to be favorable.

The SECRETARY OF LABOR. Wisconsin has been a guinea pig before, so that doesn't matter.

Mrs. BELMONT. May I ask a question of Dr. Douglas? He mentioned the contribution of the employer and the employee, but nothing in regard to State contribution. Would he describe what the State's share might be?

Dr. DOUGLAS. Mrs. Belmont, with a rather unerring finger, has put her hand on a very moot question. My answer to that would be approximately that if the States were in a good financial condition, if they had income and inheritance taxes, I personally would favor a moderate State contribution to the system in those States. But in States which do not have an income and inheritance tax I think it would be inexpedient to ask for a State contribution, and inadvisable. Those States, I think, form a majority of the country, so it would seem that for the present the issue of State contributions should arise only in those States with good income taxes, such as New York, Massachusetts, and Wisconsin.

The SECRETARY OF LABOR. Mr. John Andrews is the director of an organization known as the American Association for Labor Legislation, and many of you have long had help from that organization. It has proved to be a fruitful and reliable source of information and assistance in many of the major lines of labor legislation, particularly on the techniques of how things can best be done. I am

going to ask Mr. Andrews to speak now upon this general subject of unemployment insurance.

Mr. ANDREWS. I have had no advance intimation that there would be an opportunity for me to participate in this important conference, and I merely wish to express to all of you the very deep appreciation I have of the opportunity that we have had to discuss together informally many of the questions that have interested us for a long time.

Looking back, as I can with many of you, over a period of 25 years of intensive effort to secure better and more uniform labor laws in this country, I can appreciate the very great body of protective labor laws we have built up, despite the many obstacles under our form of government. Looking forward now, I think we all appreciate that we have an extraordinary opportunity. We are offered an exceptional leadership. We have presented to us, in the definite form of a bill, a plan which challenges our admiration as an ingenious device. Under the terms of this Wagner-Lewis bill I believe that there is no reason why we should not in the next 15 months go forward with this needed campaign of legislation on a Nation-wide basis to establish the protection that is so sorely needed.

Now with this purpose and with this prospect, surely we can afford in a broad-minded, statesmanlike fashion to overlook some of our honest personal differences with reference to details in local laws. There are no legislatures in session except two or three that have opportunity for action during this winter. In the meantime official State commissions are carefully considering these problems; some 13 official commissions have already reported largely in favor of one type of legislation. But in broad-minded fashion let us see if we cannot cooperate under this wonderful opportunity before us, and under this splendid national leadership that is given to us, in order that Senator Wagner and Congressman Lewis may succeed in the plan which should lead to this great accomplishment during the next 15 months.

The SECRETARY OF LABOR. Who is prepared to speak on the plant reserves system? I do not want to go away from here without having the plant-reserve type stated carefully and completely so that it may be in the record and be available for discussion here today. I appreciate Mr. Andrews' desire to encourage the general principle, but I think we might as well have the other type of plan carefully described. Mr. Fitch, are you prepared to describe it?

Mr. FITCH. I do not know anyone better prepared to discuss it than Mr. Altmeyer.

The SECRETARY OF LABOR. He would rather not. He is working for the N.R.A.

Mr. FITCH. I would prefer not to speak for it at this time, but I would like to say that I did not mean to imply in the slightest way that Professor Douglas ought not to discuss his personal views. He so described it in his paper. I felt that in making an argument for a specific type of unemployment insurance, it would be desirable that other views might also be expressed before this group. But I do believe, unless there is considerable time for discussion, that the

most important thing is to have some legislation to provide benefits for people who are unemployed through no fault of their own. Personally, I would rather stress that than any particular type of unemployment insurance.

I think that we are going to have experiments in the different States. In Ohio they want a State fund with contributions from employers and employees. Were I in Ohio I would work faithfully for the enactment of that bill. In other States the opinion seems to be in favor of other types. I believe the type of legislation to be adopted in any particular State is the type believed in by the majority of people who have given consideration to it in that State. I will repeat at this time that I am for any type of legislation which will provide benefits to people who are unemployed through no fault of their own.

The SECRETARY OF LABOR. Who will describe and express a personal opinion for the plant-reserve system?

Mr. EDELMAN (Pennsylvania). I wrote the minority report for the Pennsylvania commission. On the other hand, my faction is supporting in New Jersey a plan which is noncontributory.

The SECRETARY OF LABOR. The particular problem at the present moment is someone to describe and present a personal opinion in favor of a system of unemployment provision of individual plant reserves rather than a general pool.

Mr. EDELMAN. I think that in each State the groups interested in unemployment insurance or reserves will have to put up a fight for the kind of bill it is possible to obtain in that particular State.

Mr. SMITH. Like Mr. Fitch, I wish that Wisconsin, the definite trail blazer in this field, might have addressed the audience through its spokesman. But Massachusetts has followed very definitely the lead of Wisconsin and was one of the first to do it. Perhaps Massachusetts should be heard from.

To describe in detail the proposals of the Massachusetts bill is not, I think, warranted at this time. Suffice it to say that the essential feature in the Massachusetts bill and the Wisconsin bill which distinguishes them from bills of the type presented in Ohio is that we propose that the contributions to the unemployment compensation fund should be segregated by the individual plants making those contributions, and that the funds so amassed—individual plant funds—should be used exclusively for the payment of benefits to workers who have lost their employment in those particular plants.

We have been quite cognizant of the number of arguments in favor of the other type of legislation, but after careful consideration and 2 years of study of this proposal the Massachusetts commission is again this year bringing in a bill for unemployment reserves funds, established on the basis of contributions by individual plants and payment therefrom to the employees of those plants. As far as I am personally concerned, the one thing more than any other that makes me lean to that type of legislation is that it fastens so clearly upon the individual employer the responsibility for his own unemployment. In considering unemployment on a large scale, such as during a depression, the responsibility of the individual employer becomes merged in the responsibility of the industrial group.

Nevertheless, we of the Massachusetts commission feel that fundamentally the cure for unemployment lies in the thought which hundreds of thousands of employers scattered over the country give to this problem as it manifests itself in their individual establishments. We have very keenly the feeling that a great deal more can be done by the individual employer to reduce the amount of his own unemployment than has been done in the past. We feel that a fund which imposes on him the cost of maintaining benefits for his own employees, and which is not used for maintaining benefits for employees of other employers in the State, is a very definite incentive to him to devise methods of preventing unemployment. We propose to make the incentive stronger by providing that in the case of the employer with little unemployment the rate of contribution which he must make to his plant fund is automatically reduced.

It may sound somewhat theoretical to base too much optimism, too much hope, upon the efforts which the individual employer can make to control unemployment, but we in Massachusetts do not happen to feel that way. We feel that if in every month in the year and in every successive year the individual employer has constantly brought before him the state of his own unemployment reserve fund—the money he is paying out among his workers or is saved from paying out—this will result in a widespread intelligent attack among employers on the whole problem of unemployment. Much of that attack must lead beyond the scope of the individual efforts they can make, but collective efforts only arise by individuals deciding that they must get together to assist themselves out of their own individual difficulties. We see growing out of the unemployment-reserve idea this sort of effective individual-collective action based upon the necessity, in the first instance, of the individual employer seeing his own responsibility for unemployment. This is the fundamental principle which we are supporting.

The SECRETARY OF LABOR. There are two questions I would like to ask: First, how do you provide for the care and operation of the actual moneys set aside by these reserves? Second, who decides when an employee is eligible to receive benefits?

Mr. SMITH. The funds are deposited with the State and invested by the State. An individual account must be kept with each employer who is a participant in this scheme.

The SECRETARY OF LABOR. What happens to a fund of the ABC company which has been deposited, when there comes a sudden improvement in that industry, an introduction of a new machine, that results in an almost wholesale lay-off over a very short period of time, and the fund is not adequate? The first people laid off will be paid their full compensation. The fund is limited, and as the pay roll declines the amount collected also will be less. Is there any provision made for equalizing the benefits among the employees of that particular firm?

Mr. SMITH. That would be a matter regulated by the administrative authority. Some system will have to be worked out for that.

The SECRETARY OF LABOR. There would be a spreading of the available resources?

Mr. SMITH. Yes.

The SECRETARY OF LABOR. Is there any revolving fund to which all employers will contribute to pay any claims which their funds are inadequate to pay?

Mr. SMITH. The Massachusetts bill this year will provide that groups of employers may get together, pooling their reserves, provided that the arrangement is satisfactory to the administrative authority.

The SECRETARY OF LABOR. Before we break up there is one other person here who represents an organization which has been very active in promoting labor legislation. I am very anxious for this one person to express his views. Mr. Epstein is the executive secretary of the American Association for Social Security, and I would be very glad for him to speak at this time.

Mr. EPSTEIN. I was quite surprised to find such timidity among the friends of the company-reserve plan and such reluctance to describe it. I was almost ready to volunteer to describe it myself, but I am certain my friends would not want me to do so.

Although we believe we have worked out the best unemployment insurance bill, we are heartily in favor of the Wagner-Lewis excise tax bill and will support it with all our strength. But while we shall do everything we can to help the passage of the Wagner-Lewis bill, it is not our intention to give up our fight for an adequate plan of unemployment insurance in the different States. In the individual States we must continue to battle for the only plan of unemployment insurance which we believe can provide adequate protection and benefits to the unemployed, namely, the plan of insurance based on a single pooled fund for the entire State.

Professor Douglas has already summarized the case for a single State unemployment insurance fund as well as I could possibly do. I shall therefore merely add a few points to what Professor Douglas has already so excellently stated.

We strenuously object to the individual company reserve plan modeled after the Wisconsin act—and we believe organized labor, as soon as it studies the proposition, will find the same objections—because we are convinced that its tendency is antilabor and will ultimately thwart unionization. Indeed, company reserves for unemployment insurance are little better than other company welfare schemes. They tie workers to their companies, and the possibility of benefits is made dependent upon the welfare of each particular corporation. By leaving the benefits in an unemployment insurance fund, to be determined by the conditions in each particular company, you are tying workers to the welfare of the concern for which they work just as other welfare plans have done. If their company is more or less stabilized, it is to their advantage to stay with that particular concern and the problem of unionization is made more difficult.

An individual company reserve plan can hardly ever meet the needs of the unemployed. While prosperous companies, like the public utilities, with little unemployment would be able to accumulate large reserves, less stable concerns, such as the building trades which are constantly confronted with unemployment, would be unable to accumulate any funds at all. Thus the intent of the act would be frustrated.

An individual company reserve plan for unemployment insurance is nothing more than a savings plan and has nothing to do with insurance. Any insurance plan must be based upon the principle of distributing the risk as widely as possible. A State pooled fund makes such insurance possible. If the fund is segregated by individual companies, there is, of course, no pooling of resources whatsoever.

The main reason why the company reserve plan is urged is because its advocates believe that by penalizing the employer to a certain percent of his pay roll, he will be compelled to stabilize his employment. We cannot believe there is any possibility of forcing employers to stabilize through such a penalty. No amount of moral suasion or penalization can compel a building contractor to lay bricks when he has no contract. We cannot hold employers responsible for unemployment such as we have today, and we believe that they are just as much victims of social and economic forces beyond their control as are their workers. Moreover, even if stabilization could be achieved, it could be done only by reducing working forces to a minimum, thus throwing a further multitude of men out of employment and adding to our present difficulties.

We believe that the chief aim of an unemployment insurance plan should be to provide for the unemployed. Contributions should be made not only by the employers and employees but also by the Government, in order to provide a distribution of the burden of the costs, without which there cannot be real social insurance. The company reserve plan embodies neither the principle of distribution of the risk nor the distribution of the burden.

That upon studying the problem organized labor becomes aware of these defects is evidenced by the fact that although last year the New York State Federation of Labor supported a bill in the New York Legislature along the line of the Wisconsin model, it has just reversed its position by the introduction of a bill requiring a single State-pooled fund. In order to maintain harmony and a united front, our New York groups, at a meeting last night, decided to back the federation bill in the State legislature despite the fact that the bill, as presented, still fails to meet many of the provisions in our model bill.

Because we believe that the Wagner-Lewis bill offers an opportunity for a real advance in unemployment legislation in this country, and because we are convinced that it overcomes the chief obstacles to present legislation, we shall work as hard as we possibly can for the passage of this bill, which we believe will give great stimulus to State legislation. In the individual States, however, we must fight for that kind of a plan—for the only kind of a plan—that offers an opportunity of actually paying benefits to the unemployed, namely, an insurance plan based on a single State-pooled fund with adequate contributions to make possible adequate benefits.

Mr. KOVELESKI (New York). Mr. Epstein does not speak for the New York State Federation of Labor. We appreciate his cooperation, but he does not represent us or speak for us.

The SECRETARY OF LABOR. Do you disagree with him?

Mr. KOVELESKI. We do not disagree with him; he agrees with us.

[Meeting adjourned.]

Frances Perkins, Secretary of Labor of the United States, Presiding

Old-Age Pensions

The SECRETARY OF LABOR. I want to cover two or three important points, just raise them, for the purpose of lodging them in your minds for future discussions in your States, for future correspondence, and for help in mutual cooperation between State departments of labor and the Federal Department.

I want to raise the question of the necessity of provision for old age in addition to unemployment insurance, which we discussed this morning. I have asked Mr. Phillips, president of the Pennsylvania State Federation of Labor, to discuss this point briefly.

Mr. PHILLIPS. When we began seriously to consider old-age pensions some 20 years ago, I think a great many of us had the idea, perhaps, that in addition to taking care of the problem of the aged who would ordinarily go to the poorhouse, out of that legislation would be developed some means for providing for a class of older workers who would be displaced in industry. We anticipated an unemployment problem, not in any sense the kind of unemployment problem with which we are confronted at this time, but rather one that was arising out of the changing processes in industry and a demand for more intensive service on the part of the individual employer.

It seems to me that our experience in endeavoring to translate those ideas into legislation indicates that we have reached the point where we must definitely throw a line of demarcation between what is called old-age pensions and the scheme which is intended to take care of the displaced worker in industry. As we went along endeavoring to obtain legislation in the various States, we eventually had it driven home to us that after all the full extent of what we were accomplishing was merely an extension of outdoor poor relief. In practically all of the legislation that has been enacted we have the age limitation of 65 or 70 years and the requirement of indigence. I believe that so long as legislation has taken that form it is very important that the popular mind be educated away from the idea that so-called " old-age pensions " will ever accomplish anything more than simply give to the person who would ordinarily go to the poorhouse the option of being maintained at home. It is, of course, a very fine, humanitarian thing to provide in all of the States that people shall not have to go to the poorhouse, but I think it is equally important that we understand clearly the limitation of that type of legislation.

Before I close I would like to call your attention to a bill now before Congress, the Dill-Connery bill, which proposes that the Federal Government contribute one-third of the cost of old-age

assistance to the various States. This would be a very helpful way of assisting the movement in the States where no such legislation has yet been enacted. I would like to say, however, that from what we have been able to learn from the present Federal legislative situation, there is a very definite attempt being made to sidetrack both the Dill-Connery and the Wagner-Lewis bills, on the old-fashioned plea that we still need time to study those problems. I would like to urge all of you to do everything you can to see that both measures are passed during the present session.

Employment Exchanges

The SECRETARY OF LABOR. The necessity for an adequate system of free employment exchanges has come to the fore in the discussion on several occasions. Because of that I thought it opportune to have a brief descriptive statement from Miss LaDame, who is in charge of the development of the field service of the free employment exchanges in the Department of Labor.

Miss LADAME. I think it is unnecessary, in view of the comments made this morning, to elaborate on the need for employment exchanges. They are absolutely indispensable to our permanent economic structure. More than that, we feel that there is no agency that has the opportunity to render a more valuable service to the individual human being than the local employment exchange.

The United States Employment Service is the only bureau which has authority to render assistance to the States in organizing local employment offices. Since this authority has been granted by the Wagner-Peyser Act, some 16 States have taken advantage of the provisions of the act and have become officially affiliated with the United States Employment Service. These include the major industrial States and represent about 70 percent of the wage earners of the country. The amount of money paid out to these States under the provisions of the act represents about 53 percent of the total amount available for distribution to all States.

In order that the States may avail themselves of the benefit of the act, it is absolutely necessary that the State legislatures accept the provisions of the Wagner-Peyser Act before July 1, 1935. There are representatives here of 23 States which have not yet accepted the provisions of the act. We wish to urge upon them to take every possible action to induce their respective States to take advantage of the provisions of the act.

The law imposes upon the United States Employment Service the development of standards with which the States must comply in order to receive financial aid for their employment offices. I would like to say for Miss Perkins and my other colleagues in the United States Employment Service that the standards presently used are necessarily experimental. They will be modified. We are very anxious that the States employ the most qualified personnel possible to manage their employment offices. A personnel not qualified for the job may cause great injustice to applicants and employers who are going to make use of this service.

Low-Cost Housing

The SECRETARY OF LABOR. I also want to introduce today some of the newer conceptions in regard to housing. The opportunity is now with us to secure some really good low-cost housing, which can be rented to wage earners at a price within their incomes and which will greatly improve their living facilities. This can be developed on a Nation-wide scale. No State or community should be left out merely because of lack of knowledge of this opportunity. Mr. Robert D. Kohn, Director of Housing, Public Works Administration, and vice president of the Public Works Emergency Housing Corporation, will discuss this problem.

Mr. KOHN. At the time of the passage of the Recovery Act there was just one State—New York—that had a housing commission. Now 15 States have housing commissions and five States have enacted housing authority laws giving the State, county, or municipality the authority to proceed with construction of low-cost housing.

Real progress has been made, therefore, in fixing the responsibility for housing conditions and the power to act to procure low-cost housing. The main problem in our promotional work was to secure the creation of State agencies empowered to undertake housing to meet the needs of the lower income groups. Such housing had never been produced as a private business venture, because the return from the original investment is too small and uncertain.

In the last 6 months, 5 States have given authority to municipalities to proceed with low-cost housing and 15 have enacted laws creating housing boards to study local situations. In general, housing boards have supervision over standards, while housing authorities have the power to construct and to borrow money for that purpose, giving their own security for the necessary loans.

Those of you coming from States not having housing legislation and who may be interested in securing such legislation can find out details of procedure by getting a copy of a recent pamphlet issued by the National Association of Housing Officials, University of Chicago, which gives the basis of housing board and housing authority legislation.

Briefly, what has actually been done by the housing division is to start half a dozen housing projects, mainly for lower salaried white-collar people. Of more than 400 projects filed by limited dividend corporations, very few could be approved; and of those to which funds were allocated, few came to the contract stage because the necessary equity could not be supplied by their proponents.

For the present we are interested mainly in Federal, municipal, and housing authority projects, mostly involving clearance of slum areas. We are actually at work in one or two places buying the necessary land for such projects. The need for secrecy here is obvious. The difficulty is to accumulate a large number of small properties to start a project; the interference of private interests makes it necessary to keep very much to ourselves where we are buying the land and how much.

Some of our houses have been completed in the remote Virgin Islands. The houses there cost only $525 each. They are built of cement blocks, have a garden space, and rent for $3 a month. We can hardly do that elsewhere.

City after city is taking up the study of its housing conditions. We have had city planning for years, but it has been devoted mainly to the study of traffic problems, to highways, and so forth. The economic use of city land as a basis for improving living conditions has rarely been studied in this country. Get your city to do what 30 cities are doing now. Make a study of the living conditions in your city, not merely as a problem in arithmetic, but which will lead up to the planning of a better city, a working and living place which will help to raise the standard of family life. You must produce dwellings in your community within the means of the worker—at a rent, therefore, of between $17 and $24 per month per habitation—decent accommodations, well planned, well built, with adequate playgrounds and placed in relation to the growth of the city in such a way as to fit in with a long-range regional plan.

The N.R.A. and State Labor Legislation

The SECRETARY OF LABOR. I know that many of you are very much interested and concerned about the labor codes under the N.R.A. and the relationship between those codes and your own State laws. The whole question of the N.R.A. and State relationship is one of profound concern. I knew that if I introduced this subject on the first day we would spend all of our time discussing this most absorbing topic and would not give ourselves the opportunity for airing views on other subjects. Mr. McGrady, the Assistant Secretary of Labor, is now serving as General Johnson's aid on labor matters in the N.R.A. He will first speak briefly on the relations of the labor provisions of the N.R.A. codes to State laws, and then expose himself to such questions as any of you may see fit to ask.

Mr. MCGRADY. I quite agree with the view that no piece of legislation that we have passed in this generation has so profoundly affected the lives of the people of this country as the N.I.R.A., and I further believe that the N.R.A. will still more profoundly affect the life of the Nation in the days to come. Because we were breaking new ground we never expected this act to be perfect. We also expected to make mistakes in the administration of the act. Many mistakes have been made. We have freely admitted them when they have been brought to our attention. We have always invited constructive criticism, and we hope that you in the States will continue to criticize if you believe that our administration of the act ought to be criticized. We will correct our mistakes as soon as possible.

I am not going to expand upon the need of this legislation. I am going to make some brief comments, because I presume all of you want to say something and I would rather listen to you. You have come fresh from the States, you know your problems, while we here, at our desks, know these problems only from a distance. I

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know that out of the questions and criticisms this afternoon I shall be able to bring back to our administration something worth while.

Up to the present time, we have approved 280 codes. These codes cover approximately 90 percent of all industry. There are many codes yet to be heard, many codes to be adopted, but they are the codes that affect largely the smaller employers of labor.

I have been rather critical of the administration of the act, but I want you to know that this act has been a success. It has done almost as much as we expected it to do, but it is going to do more. I make this prediction: You will have the busiest months in April and May that you have had in this country in several years. Everything indicates it. Men and women are going back to work in increasing numbers. In many cases industry is paying more than the minimum rates set by the codes.

A short time ago the Secretary of Labor issued a statement on the employment situation. As I recall those figures, they show that 110,000 workers had been returned to the railroads; 300,000 were in the Civilian Conservation Corps; 300,000 had been put to work on roads and public buildings under the P.W.A., and 4,500,000 in C.W.A. projects. In addition the N.R.A. has estimated, I believe conservatively, that not less than 2,800,000 workers have been reabsorbed in industry.

The purchasing power of our workers has been increased several billion dollars. I did have a lot of figures on States and cities, but I want to speak briefly and shall pick out two particular cities, New York City and Lawrence, Mass. In New York, the purchasing power of workers due to reemployment has been estimated as having increased from 55 million to 70 million dollars a month. There are approximately 800,000 more people receiving pay checks in the State of New York than a year ago. In Pennsylvania, 750,000 workers are drawing salaries who had no income a year ago.

In Lawrence, Mass., there were 11,848 workers employed in woolen and worsted industries in 1932, with a total wage of $8,381,000. In 1933, the average number of persons employed in woolen and worsted industries was 23,000, with their total wages more than doubled—to approximately $20,000,000.

There has been increased employment in every industrial center from which we have been able to get records. I said the codes are not perfect, and they are not. I believe the minimum rates set are too low. I believe in many cases the hours provided for—40, generally—are too high. These two items have received the most criticism from labor. Yet I want you to remember that there are more than 2,950,000 business enterprises of all kinds in this country. There are 195,000 manufacturers, 60,000 wholesalers and jobbers, 1,900,000 retailers, and 110,000 other concerns such as commercial merchants, hotels, theaters, and similar organizations. You can see the task we undertook was a colossal one. We cut the hours in many lines of employment as much as 30 hours a week, with an average reduction of better than 8 hours per week. We have been told that to reabsorb all the unemployed we would have to go down to 26 hours a week. Whether this is true or not, I do not know. But, obviously, we could not at one bite reduce the hours of labor in industry to where they ought to be, because we were not sure

ourselves and did not want to penalize industry. So we set a figure that might be too high, but it was an experimental figure. These hours can be changed.

The minimum rates of wages set have received a lot of criticism. Fourteen cents an hour was allowed for laundry workers in the South. Yet with that low wage, one city in the South notified us that the laundry industry could not go on and pay 14 cents an hour because it had always been paying $2.50 to $4.50 per week for that class of labor. In the lumber industry, minimum rates set were low in my opinion, and yet they represented an increase of 300 percent over what many of these workers received formerly. It was never intended that the minimum rates or the maximum hours set would continue for any great length of time. In many cases it was a 90 days' or a 6 months' experiment. Now we are going to review the whole situation, and we are going to review it, not behind closed doors with executives, with employers, with a few labor men, but in open public hearings in Washington. They will begin on the 27th of February.

We are inviting the public to come and to criticize anything that we have done in any code and to offer constructive suggestions for improvement. The hearings will be carried on in five separate meetings, grouped as follows:

1. Possibilities of increasing employment, the question of wages, of hours, etc.

2. Trade practices, costs and prices, protection against excessive prices, monopolistic tendencies, etc.

3. Control of production, restriction of unethical practices, unlawful competition, etc.

4. Code authority organization, code administration including compliance and enforcement, overlapping of codes, financing of code administration, the use of the code Eagle, etc.

5. Problems of small enterprises and minorities, operation of codes in small enterprises, etc.

All persons who desire to be heard are expected to file their requests before noon of February 26.

After all of the evidence is presented, all of the criticisms sifted, and a report prepared, another series of conferences will be held with the code authorities. The President of the United States will open the first meeting of this conference. We will discuss with the code authorities all of the things that have happened under the codes. We are going to ask them to explain the why and wherefore of everything, the need of changes. The code authorities will have to defend their codes and the things that they believe ought to be retained in them. This conference will also be broken down into five different groups.

I deem it very important for all of you, when you go back home, to review what has happened in your States or localities, and if you have any contribution to offer I trust you will either wire or write us, or come personally to those public hearings.

I know that a great many here are interested in labor. We have already set up under the National Labor Board regional labor boards in Atlanta, Boston, Buffalo, and other cities. Other regional boards will be set up shortly. I am sure that Mr. Altmeyer will be

able to tell you what compliance boards are doing in dealing with violations of the codes.

If I can answer any questions I shall be very glad to do so.

Mr. TAYLOR. The lumber code authority is composed of employers only. Labor is not represented, and yet the code authority insists that it settle all labor questions in the industry. I understand a decision has been handed down by the National Labor Board which will possibly change the situation. Do you know whether that has been finally adjusted or not?

Mr. MCGRADY. I do not know, but it was the original intention that the code authority should consist of employers only. Labor raised objections and demanded that labor also be represented on the code authority. Up to the present time we have been unable to get labor represented on very many code authorities. It has been claimed that the code authorities deal mainly with our trade practices and that labor is not very vitally affected. I disagree with this view. Each industry should have set up within it an industrial board with labor represented in equal numbers with employers, whose duty it is to try and adjudicate all labor disputes before they are sent to the regional labor boards. Whether that was done in the lumber industry or not, I do not know.

The Secretary calls my attention to the fact that there are labor representatives on some code authorities. Most labor men want labor represented on the code authorities, because everything pertaining to the industry necessarily affects the life of the workers. But there are other labor men who raise this point: "We do not want to interfere in the conduct of industry; all we want is to discuss wages, hours, and working conditions. Give us a separate board."

Mr. MATTHEWS (Nebraska). A delegation composed of employees of the Federal Government called upon me before I left home, wondering if they are to be protected by a code. I would like to ask this question.

Mr. MCGRADY. The N.I.R.A. does not apply to city, county, State, or Federal employees. It deals with industry and trade only.

Mr. MATTHEWS. Will no attempt be made to rectify the condition of Federal employees who are subsisting on wages insufficient to maintain a decent standard of living?

Mr. MCGRADY. I agree with you, but the place to go with that complaint is the Congress of the United States.

Miss JOHNSON (New Hampshire). Is it the intention, in the case of codes as reopened, that there should be provision for the protection of learners? For instance, in the cotton-textile industry, learners in the first 6 weeks are not required to be paid any specified amount and may be paid nothing at all.

Mr. MCGRADY. This question will be reviewed in the light of experience.

Question. What is the present status of the restaurant code?

Mr. MCGRADY. The restaurant code, I believe, was signed by General Johnson today and will go to the President late this afternoon.

For your information, if you are interested in restaurants, it will include a 48-hour work week for women and a 54-hour week for men, which was entirely unsatisfactory to the workers.

The SECRETARY OF LABOR. But it represents a very great reduction in present hours.

Mr. MCGRADY. Yes. By the way, this code also is only for 3 months' duration.

Mr. RAUSHENBUSH (Pennsylvania). What is the arrangement at these meetings? Will the representatives of the public be able to address themselves directly to the code authority responsible for the various practices that they may find unsatisfactory?

Mr. MCGRADY. The consumers, of course, are going to have a hearing and anyone who has any complaint or suggestion to make will be heard either in writing or personally. There is not a phase in the whole N.R.A. that is not going to be laid open to the public.

Mr. RAUSHENBUSH. Will they be able to speak face to face with those responsible code authorities against whose practices they protest? I would like to know whether the public is going to have an opportunity to speak directly to the code authorities at the meetings you describe.

Mr. MCGRADY. The public will be invited to the hearings, starting February 27 and lasting 5 days. We will then sift all the evidence and make recommendations to the code authorities when they meet in convention, commencing March 5. As to whether the public can address the code authorities, I am not prepared to say. I would suggest that you talk with Mary Rumsey on that.

Question. The N.R.A. codes do not deal with the problem of domestic service. Will there be any effort made toward its regulation?

Mr. MCGRADY. The only way you can change that is by legislation. Remember, we are not quite sure of our ground. We have to work under the law and we cannot stretch the law very much. Certainly we cannot go beyond the law when it does not give us the right to deal with that class of labor. The act refers to foreign and interstate commerce, and these service industries are all intrastate. I do not know how far we can go in enforcing codes on purely intrastate industries.

Mr. EDELMAN (Pennsylvania). I think the phase of the N.R.A. which interests most people is the question of enforcement and compliance.

Mr. MCGRADY. I quite agree with you. Mr. Altmeyer, who is the labor representative on the Compliance Board, is here. He knows more about it than I do.

Mr. PHILLIPS (Arizona). The N.R.A. has classed Arizona in the southern zone in most of the codes. We have protested against that, and we have never been able to get any reply. I should like to ask if there is any way for Arizona to be removed from the southern zone. California prices prevail in Arizona all the way through, and we do think that our State has been done a great injustice by being classified in the southern zone.

Mr. McGRADY. Go to the conference and prove your case. The zoning problem is very complicated.

Mr. PHILLIPS. In the northern part of Arizona we have quite extensive pine forests and lumbering, and in zoning the N.R.A. has made the division between the North and South pass through our State so the low price took in the lumber workers in Arizona. We cannot understand that.

The SECRETARY OF LABOR. I should advise you to prepare a memorandum on that problem, and we will se that it is properly presented to the lumber code authority at the time of this meeting and that copies of it reach the Industrial Advisory Board and the Labor Advisory Board, so that it can be properly discussed.

Mr. PHILLIPS. It has caused quite a disturbance among our lumbering towns. Those towns demand that the employees in the lumber camps affiliate with organized labor in order to get fair wages.

The SECRETARY OF LABOR. Mr. Lewis, a member of the Labor Advisory Board, a member of the Bituminous Coal Code Authority, and well known for his position in labor, who has shown over and over again a keen interest in State labor laws and State labor legislation, is with us today. I should like to have him speak briefly on his own reflections on the operation of the N.R.A.

Mr. LEWIS. To my mind the National Recovery Administration is one of the greatest developments in modern economic and social history. With all its imperfections, it has been the instrumentality that has saved our Nation from economic, social, and political chaos. As one who has some knowledge of conditions in industry in our Nation these last few years, I hesitate even to think what might have been the condition in this year of 1934 had our Federal Congress not empowered the President of our Republic with the authority to set up this national instrumentality.

Assuredly it has its imperfections. Obviously it has its weaknesses like any other institution created and managed by man. However, I think that the beneficent features of the N.R.A. were most eloquently expressed in a brief remark by one of the delegates to the United Mine Workers conference, which the distinguished Secretary of Labor did us the honor to attend. He said: "I am for the N.R.A. Prior to October 2, 1933, I worked in a coal mine 12 hours a day and my average wage was $2.25 a day on the days that I worked. Since the 2d of October, under the bituminous coal code, I work 8 hours a day in the same mine at the same task and my wages are $4.20 a day. I am for the N.R.A. My grocer is for it, because I am able to buy his merchandise. The doctors and professional men in my community are for it, because it has aided them in their income and improved their living standards and because we are able to patronize them. I do not care about any criticism of the N.R.A. With all its shortcomings the National Recovery Administration has aided me in the manner I have described." There is a sermon in that brief statement.

I feel the same way. None of us need expect the millennium in our social relations, in our economic policies, or in our political affairs. The instruments which we set up represent very largely the crystallized judgment and viewpoint of all of us. If we are unable

properly to crystallize our viewpoints and to find the proper instrumentalities of government, then the weakness lies with ourselves, and so it is with this whole problem. Our modern processes, the functions of industry, the interrelations of business and economics, broke down in this country. They broke down because, as a nation, we had failed rationally to organize these various factors and relationships. We had made tremendous advance in the realm of science, the development of labor-saving machinery, mass-production enterprises, and the ability to transport, and we had created a situation where our capacity to produce commodities was greater than our ability to consume. We had built a machine that, in turn, made the workmen idle and rendered it impossible for them to patronize the machine, to keep it running.

So our great task is to organize our economic processes so that we can distribute among our population the advantages of our enterprise and our genius. Whoever were responsible for the management of industry failed in their task. They failed to provide for the future. They took from business and industry whatever they were able to take, and they set up no insurance of any kind for tomorrow and the day of adversity. Consequently, we were rapidly approaching disintegration and the N.R.A. is the plan offered by our Government to meet a situation created through inefficiency of industrial, business, and economic management in America. Be it said that those representatives of our Government, those representatives of the N.R.A. since its organization last June, have rendered a great contribution to the country and its citizens. As one who, in a small way, has participated in its operation, I can testify that it has labored with diligence and with extreme devotion to assist in bringing our country out of a terrible emergency.

It is quite true, as the Assistant Secretary of Labor says, many things have occurred in the administration of the Recovery Act from which many of us dissent. We have withheld our approval of many things which have been done, yet we must be liberal enough to recognize that within the N.R.A., as elsewhere, the policies that are enacted represent the crystallized viewpoint of those who are charged with managing the Recovery Administration as best they can, amid all the difficulties that beset them. I am proud that I have been a part of this great enterprise, which I know has made a great contribution to the well-being of America and Americans. In the coal industry it has created the opportunity for which many of the workers have fought for several decades—to organize, to bargain with their employers on the matter of wages and working conditions. Prior to last June it was legally impossible in vast mining areas of the bituminous region for men to join a union and particularly the United Mine Workers. They were restrained in large groups and over large areas by Federal injunctions based upon so-called "individual service contracts", issued in perpetuity, which denied the employees the right to join the union as long as they were employees of those coal companies. It was a crime for any representative or agent of the union to ask miners to join the union, or to tell them that through joining the union they might improve their conditions, because that act tended to create a condition that might violate the service contracts which they had with their employers.

The Recovery Act has changed that situation and within 6 weeks after the signing of the act by the President more than 60,000 miners joined the United Mine Workers in areas where they had not had that privilege before. After some months of negotiation and collective bargaining, contracts involving some 315,000 men were signed with the operators in those fields. Those contracts carried recognition of the 8-hour day as against 9, 12, or even 16 hours worked in Harlan County, Ky. One company, in particular, in Harlan County worked on an average 16 hours a day and its men received $2.25 a day. The men in the mines now receive $4.20 for an 8-hour day. They are for the N.R.A. because it has aided them, has given them renewed hope for the future, and has taught them that it is possible to get away from the old order. They are grateful to those leaders in public life, including the President, who has had courage to strike out and to liberate them from intolerable conditions which have prevailed for many years.

We cannot accomplish the millennium in a day, and there are those in the country who felt that it would be too great a risk to attempt to impose on all of the backward industries in the submerged sections of the country at one stroke of the pen the idealistic conditions which we hope to establish in industry as an eventuality. So, with all of the criticisms of the administration of the act, with all of the sectional protests, there is accomplishment, there is progress.

May I just say a word in testimony as to the manner in which every division, every department, of our Government has worked here in Washington during the past year. I have been in the offices of the distinguished Secretary of Labor late at night and have seen her enormous desk fairly covered with documents and papers that demanded her attention, and have wondered if she would ever have the time to work through that mass of papers. The same is true in practically all the divisions of our Government. It is true in the N.R.A. Day after day, night after night, everyone in the Washington Government service has been making a contribution to this emergency and drawing upon their strength and ability to the fullest possible degree.

We can afford to be proud of the accomplishment that has already been made, the work that has been done. We can afford to be tolerant and patient in the attempt to secure the additional reforms and advantages that we would like to see. I am one who has at all times asked for labor representation on all code authorities. It is possible that there are some localized industries where the administration of the code does not, of necessity, intrude upon the realm where the workers have an interest, but those are indeed rare, in my opinion. In the coal industry, I doubt if there is any action that does not indubitably affect the workers in that industry, and I think the workers are entitled to adequate representation on all code authorities. I have had the honor to be appointed, on recommendation of the Secretary of Labor, on the Bituminous Coal Code Authority, and I am looking forward with the greatest of interest to making a contribution to the stabilization of that benighted industry. Assuredly, if there ever was an industry that needed to have its practices rationalized, it was the bituminous coal industry, and I think that this great experience in government has been instrumental in teaching

our business and industrial leaders that there is an imperative necessity for them to develop sufficient leadership to insure more or less self-regulation of industry.

Reports and Resolutions of Committees

The SECRETARY OF LABOR. We are now ready to receive the reports of committees. Our action on the reports of those committees and on other resolutions that may be presented on the floor will serve for the guidance of people here in relation to the labor laws of the States and the Federal Government. May I repeat that in accepting the reports of committees and adopting resolutions we recognize, of course, that no individual here today has any power to bind his State. When you vote to accept these recommendations or resolutions, you bind yourself only to a moral responsibility to perform your patriotic duty in doing all that you can to persuade the people of your own State to accept similar standards.

Report of Committee on Industrial Health and Safety (As Adopted)

The following report submitted by the committee on industrial health and safety was adopted:

1. The State departments administering the labor laws should have authority to formulate industrial codes, preferably through the agency of code committees including representatives of employers, employees, and impartial experts, for the protection of the health and safety of employees and for the proper lighting, ventilation, and sanitation of industrial establishments. Such codes should conform substantially to nationally approved standards.

2. *Ventilation, temperature, humidity, air space, and lighting.*—Adequate standards for ventilation, temperature, humidity, air space, and lighting should be established.

3. *Dusts, gases, and fumes.*—All harmful dusts, gases, and fumes should be removed at the source wherever possible.

Personal protective devices such as goggles, and head protectors, should be furnished to workers unavoidably exposed to harmful dusts, gases, and fumes.

4. *Dangerous materials, substances, and tools.*—Protective clothing such as gloves, aprons, or leggings should be furnished where health or safety hazards exist from processes such as welding or contact with dangerous materials, substances, or the handling of tools.

5. *Machine guarding.*—Adequate guards should be required for dangerous machinery, especially at point of operation, such guards should preferably be attached by the manufacturer.

Cleaning and physical upkeep of places of employment.—Workrooms should be maintained in a safe and sanitary condition with due consideration for the health and safety of the employee. Equipment should be placed so as to permit freedom of action on the part of the worker. Aisle space should be adequate and unobstructed. Material should be piled in an orderly manner. Waste material should be properly stored and accesses to exits should be adequate and unobstructed.

Fire protection.—Proper fire safeguards, fire escapes, and exits should be required.

First aid.—There should be provision for competent personnel, including medical and surgical services where necessary, and adequate equipment for administering first-aid treatment.

6. *Seating facilities.*—A sufficient number of suitable seats with backs should be required in all industrial establishments.

7. *Sanitary facilities.*—Proper rest rooms, wash and dressing room conveniences, and adequate toilet facilities should be provided. Hot water should be provided in industrial establishments.

8. *Lunch rooms.*—Eating in workrooms should be prohibited. Suitable places for eating, separate from the workroom, should be furnished unless outside facilities are easily accessible.

9. *Drinking water.*—Cool drinking water, not inferior to the community water supply, should be furnished to every employee. Such water should be provided through adequately protected drinking fountains, or through individual drinking cups. Reasonable access to drinking water should be permitted employees at all times.

10. *Factory inspection.*—There shall be periodic inspection of all workplaces by properly qualified inspectors whose training and experience should meet with approved standards. This presupposes high standards for the officials administering the labor laws. Such standards are fundamental for effective inspection work.

11. *Reporting industrial injuries and diseases.*—Reports should be required of all industrial accidents and occupational diseases for analysis of causes and prevention of repetition.

12. *Compensating industrial accidents.*—All industrial injuries, whether accidents or diseases, arising from employment, should be compensated.

CHARLOTTE CARR, *Chairman.*
EDWIN S. SMITH.
T. B. EAMES.
J. HOPKINS HALL.
CHARLES F. SHARKEY.
SWEN KJAER.
ETHEL JOHNSON.

DISCUSSION

Question. How do you figure on providing the enabling act wherein the department of labor will be empowered to provide codes? It is our experience that legislators are very jealous about granting their legislative power to any other agency than the legislature.

The SECRETARY OF LABOR. There are a few States that have legislation that gives some commission a limited legislative authority in this particular field. The standards that could be passed by the legislature with regard to industrial safety and health would be the same if the legislature chose to adopt those standards rather than delegate the power to a subordinate body created by the legislature.

Report of Committee on Limitation of Hours of Work (As Adopted)

The following report by the committee on limitation of hours of work was adopted:

In order to make permanent the social and economic advantages of the limitation of hours under which industry is operating under the N.R.A., the committee believes it desirable that State laws be made to conform as nearly as possible to the general standards adopted in the codes. Not only as a protection to the workers, but in fairness to industry, we believe that

all States should have uniform regulations pertaining to the hours which employees may work, so that industries in particular States may not have unfair advantage over competitors in others. The following are the recommendations of the committee for general standards for hours of labor to be incorporated in State laws:

1. *Hours of labor.*—(*a*) No employer engaged in manufacturing, mining, quarrying, canning, or construction, and no employer participating in any enterprise in which more than five persons work shall employ any person except in a supervisory capacity or as outside salesman in excess of 40 hours in any 1 week; or in excess of 8 hours in any 1 day, or during a period of more than 10 hours during any 24 hours; provided that this section shall not apply to persons engaged in professional or agricultural employment, nor shall this section apply to unforeseeable emergencies. Those employed in maintenance, upkeep, shipping, watching, heating, or power plants may be employed daily 10 percent in excess of the foregoing hours.

(*b*) When a working shift exceeds 6 hours' continuous labor, a lunch period of at least one-half hour shall be allowed to each employee.

(*c*) In case men are excluded from these provisions by reason of unconstitutionality, they shall continue in force for all employed women and minors.

2. *Night work.*—(*a*) No person shall be employed between the hours of 12 midnight and 6 a.m. except in continuous process industries, except those employed as watchmen or in heating plants, in public utilities, in professional work, or in the production and publication of newspapers.

(*b*) No women shall be employed between the hours of 10 p.m. and 6 a.m. in manufacturing, mercantile, and mechanical establishments, in hotels, in restaurants, as elevator operators, in manicuring and hairdressing establishments or in any other nonprofessional service, except in a managerial capacity.

(*c*) In manufacturing industries which are operating two shifts, each of not more than 8 hours per day and of not more than 40 hours per week and during a period of not more than 10 hours in any 24, and in which the first shift begins to operate not earlier than 7 a.m., the department of labor may permit women over 21 years of age to work after 10 o'clock at night provided that the plant petitioning for such an exception shall submit evidence satisfactory to the labor department showing that the full capacity of the petitioner is already being operated for full legal hours and that the granting of such variations (permission to work women after 10 o'clock) shall not result in the undercutting of competitive standards. In no event shall any women be employed after 12 midnight under the terms of this section.

It is recommended that in any State where laundries are not by law defined as factories these be separately listed as types of establishment to be covered by the foregoing regulations.

It is also recommended that the States, particularly the industrial States, consider the advisability of including in the labor laws a provision that two 10-minute rest periods daily be made mandatory under the law.

The question of hours of labor for minors has been respectfully referred to the child labor committee.

ELMER F. ANDREWS, *Chairman.*
JOHN J. SCANNELL.
HARRY W. FOX.
MARY ANDERSON.
W. E. JACOBS.
W. E. JONES.
EDITH ROCKWOOD.

DISCUSSION

Mr. TAYLOR. I think we are going a little out of our way in advancing 40 hours, when we are trying to secure a 30-hour work week at the present time. Hours must be reduced to a shorter work week than 40 if we are going to put our people to work. I do not feel like going on record for a 40-hour week when we understand that Mr. Johnson and others feel that a 30-hour week is necessary.

The SECRETARY OF LABOR. What is the legal standard at the present time?

Mr. TAYLOR. We have no labor laws so far as men are concerned; 48 hours for women—8 hours a day, 6 days a week.

The SECRETARY OF LABOR. Do you suppose your legislature would adopt within the next year a 30-hour law, or would it take it step by step and slice off, say, 8 hours the first year?

Mr. TAYLOR. If the Congress of the United States passes a recommendation for a 30-hour week, I imagine the State would go along with it. It would appear to me we are injuring our chances in Congress at the present time.

Mr. BARRY (New Hampshire). I think we must not lose sight of the fact that in presenting a program here, we are presenting a program for the future when we will be without the aid of the N.R.A. in reducing hours. I, too, am a labor man; I, too, believe 40 hours is too long, but this is a set-up that is being proposed as an objective to work for in carrying out the purposes of the N.R.A. should the Government withdraw its support.

There is nothing in this proposition that would prevent any State which is able to from securing more progressive legislation; there is nothing to stop it from getting 20 hours a week if it can get it. This is a move to bring to the attention of each State that it should not have more than 40 hours as a maximum. If we develop industry in the next 15 years as we have in the last 15, it does not mean that we are going to be satisfied with that, and I can conscientiously vote for it as a labor man.

Mr. STARKEY (Minnesota). I feel that this is the most important question facing us today and I feel we ought to have a little time on it.

Mr. DONNELLY (Ohio). I believe there exists in the minds of a number of representatives here a doubt as to the wisdom of adopting that report. While in sympathy with the principles laid down in relation to limitation of hours, there still exists in my mind a doubt as to the advisability of accepting the report. It has occurred to me that perhaps we could achieve our objective by not going so minutely into detail as to hours. I have been wondering if the purpose of this conference could not be clearly stated if we simply adopted the preamble.

The SECRETARY OF LABOR. One of the things that troubles us with regard to the operation of the codes is that the hours of labor are different for different industries. It is necessary in certain industries to make their hours shorter than the basic hours. The committee believes that 40 hours should be the maximum. Industries which wish to make further regulations are at liberty to do so. The

preamble is merely a pious expression of benefits obtained under the codes of the N.R.A. and does not provide for any basic State labor law. The question is raised as to whether or not we should leave it in that form.

Miss JOHNSON. We must remember that the object of the codes is to distribute work; the object of the State labor laws is to safeguard health. We have to consider also the practical necessities of the situation. A very great change in hours regulation would be effected by the adoption of even a 40-hour maximum, when we consider that some of the States have no regulation in hours for women, that the hours fixed by others vary from 48 to 70 hours, and that practically no regulation of hours exists for men. Even in States having 48 hours, there are some occupations not covered by regulation. The codes permit variation in hours. The codes also do not cover all occupations and there are exemptions in regard to smaller localities. The standard here under consideration would apply to all the localities in a State. The standard of the committee would mean a great improvement in existing conditions in most of the States. I hope the recommendation may be adopted.

Mr. MCGRADY. It is really necessary for the States to take some action in order to control the hours in the industries which are wholly within the States.

Mr. LUBIN. May I suggest that the difficulty which seems to be facing some of us might be overcome by changing the wording to read " and in no case shall the hours of employment be in excess of 40 hours within a week." In that case we are not going on record for 40 hours, but they cannot be over that.

[The chairman of the committee assented to this change and, there being no objection, this changed wording was adopted.]

Mr. BERRY (Ohio). If we were considering the question of reducing the number of hours for taking up the present slack in employment, then we would stultify ourselves by accepting a recommendation of this kind. We are, however, considering what is a reasonable protection for the health and welfare of women and children in industry. All of us who believe we must reduce the hours believe that 40 hours a week is not particularly menacing to the health of a woman in industry or a child old enough to be employed in industry. I feel, considering the subject we are treating today, we can consistently approve the recommendation of this committee.

Report of Committee on Child Labor Standards (As Adopted)

The following report submitted by the committee on child-labor standards was adopted:

The committee was unanimously in favor of recommending the ratification of the child-labor amendment, but as the resolutions committee is submitting a resolution on this subject the child-labor committee has brought in no recommendation to this effect.

The committee recommends the following standards for State child-labor laws:

1. Minimum age for leaving school for work, 16 years.

2. Regulation of employment of young persons 16 to 18 years of age as follows:

(*a*) Hours of work, both daily and weekly, to be less than the legal hours of work for adults. Night work to be prohibited between 7 p.m. and 6 a.m.

(*b*) Prohibition of employment of persons under 18 in hazardous occupations; the State department of labor or industrial board to have authority to classify occupations as hazardous for this age group.

(*c*) Work permits to be required for the legal employment of those between 16 and 18 years of age.

3. At least double compensation for injured minors illegally employed; the law to provide for approval by a competent State authority of the expenditure of the compensation granted to assure the most desirable rehabilitation and education of the injured minor.

The committee desires, also, to call attention to the fact that school laws will need to be amended to conform with the State child-labor laws and that the standards here recommended will make of even greater importance the provision by the schools of new and varied types of training to meet the needs of all young people under present industrial conditions.

GRACE ABBOTT, *Chairman.*
JAMES A. TAYLOR.
JOSEPH M. TONE.
R. E. GORDON.
COURTENAY DINWIDDIE.
MAY M. WOOTTON.

DISCUSSION

[The report of the committee on child labor was read by Miss Abbott, who explained that the committee had refrained from presenting resolutions dealing with minimum wages and home work, although related to child-labor problems, because separate committees were dealing with these matters.]

Mr. STARKEY. I am wondering if the committee would not be willing and anxious to include in the report that minors receiving compensation, when partially or permanently disabled, should not have their compensation based on their present earnings.

The SECRETARY OF LABOR. I think that a recommendation of that sort has been made by the committee on workmen's compensation.

Miss JOHNSON. I should like to ask a question about extra compensation for minors injured while illegally employed. Should there not be a provision that the extra compensation shall be a direct liability on the employer?

Miss ABBOTT. We decided to keep the recommendations very general. We have stated that we are in favor of the double compensation system, without giving details.

Report of Committee on Unemployment Reserves (As Adopted)

The committee on unemployment reserves submitted the following resolutions which were adopted:

Resolution No. 1

Whereas, it is imperative that in the future the workers of this country should not be left without security against the effects of industrial depression and wholly reliant upon private charity and public relief, and

Whereas, genuine systems of unemployment insurance or reserves have elsewhere proven their value in providing security and in alleviating the effects of unemployment,

Be it resolved, That this conference favors the speedy enactment in every State of legislation creating genuine systems of unemployment insurance or reserves, and providing that the unemployment compensation funds created under such laws shall be sufficient to meet claims of unemployed industrial workers for benefits well above the level of mere subsistence, and extending over substantial periods of time.

Resolution No. 2

Whereas, in spite of the need for unemployment insurance legislation, only one State has at this time an unemployment reserve law upon its statute books, and

Whereas, there has been recently introduced into the Congress a bill known as the Wagner-Lewis bill, designed effectively to promote such legislation in all the States within the next year,

Be it resolved, That this conference heartily endorses the Wagner-Lewis bill and urges its enactment by the Congress at the present session.

THOMAS H. ELIOT, *Chairman*.
ARTHUR J. ALTMEYER.
ISADOR LUBIN.
THEODORE REISE.
ROBERT WATT.
JOHN COEFIELD.
MRS. AUGUST BELMONT.
ELIZABETH MAGEE.

Report and Resolutions of Committee on Minimum Wage (As Adopted)

The following report and resolutions submitted by the committee on minimum wage were adopted:

1. *Legislation*

The committee on standards for minimum-wage legislation desires to recommend to the conference that every State here represented make the enactment of a mandatory minimum-wage law for women and minors an immediate objective on its legislative program. It believes that the wage experience of the last few years has demonstrated, in a fashion which should not be repeated, the need of governmental action to assure basic wage standards below which industry should not be permitted to depress the earnings of women and minor workers.

The committee recommends that the standard bill drafted by counsel for the National Consumers League and recently enacted into law (with minor modifications) in six States should be the basis for such legislation.

The committee further urges that individual States in giving consideration to such legislation take cognizance of a changing attitude toward the setting of legal minimum wages for men as well as women, and that as the time seems ripe for the enactment of State laws applicable to all workers they undertake the passage of such legislation.

2. *Administration*

Your committee regards it as essential that the administration of minimum-wage laws should head up in one responsible executive within the labor de-

partment of the State and that there should be provided an adequate clerical force and the necessary field and inspection force for which adequate standards of training and experience must be required. Appropriations sufficient to provide such personnel and the necessary expenses are obviously essential.

During the past year the six States in which minimum-wage laws were enacted, recognizing the complex problems of administration which are involved in making the laws effective and the importance of assuring high standards for their administration, decided from the outset to secure some uniformity of action by adopting a procedure similar to the conference method by which this body is proceeding on a larger scale. Representatives of these States believe that appreciable gains have already been secured in pooling experiences and standardizing methods in this way, and that all the States involved have been strengthened in the establishment of sound administrative standards by the adoption of at least fairly similar practices. Your committee recommends that as minimum-wage laws of this type are adopted in other States this conference method should be continued and enlarged to include all those administering such legislation. It believes that this is one of the practicable ways of developing the conference method in a field where the administrative practice needs to be especially flexible and technically sound.

Your committee also believes that proper administrative regulations are necessary to safeguard rates set by minimum-wage boards and that these should provide at least the following:

No differentials from the basic rate for learners and minors.

A higher hourly rate for part-time workers.

Overtime at the rate of time and a half.

The guaranty of the minimum hourly rate to all pieceworkers.

No differentials for locality or size of community.

Resolution No. 1

Whereas experience with the administration of minimum-wage laws has demonstrated conclusively that to permit the payment of pieceworkers at rates yielding less than the hourly minimum rate to anyone so employed becomes a serious threat to the standard set in the wage rate itself: Be it therefore

Resolved, That this conference urges that the codes provide that piecework rates should in every case yield to the worker at least the hourly minimum rate.

Resolution No. 2

Whereas experience with the administration of minimum-wage laws has demonstrated conclusively that to permit a lower rate for learners than that established for the least skilled workers is merely to open up an easy means of undermining the standard: Be it therefore

Resolved, That this conference urges the safeguarding of wage minimums set in codes by means of elimination from all codes of lower rates for learners.

Resolution No. 3

Whereas the minimum rates set in codes are for the least skilled workers in the various occupational groups, and

Whereas in many codes this minimum is undercut by the setting of still lower rates for women, and,

Whereas such differentials result in an undesirable reduction in the purchasing power of these workers and in unfair competition between men and women for the jobs in question: Be it therefore

Resolved, That this conference urges that all differentials on the basis of sex be eliminated from codes.

FRIEDA MILLER, *Chairman.*
ETHEL JOHNSON.
F. E. HATCHELL.
MRS. CATHERINE RANDOLPH.
MRS. CLARA M. BEYER.
AGNES NESTOR.
LOUISE STITT.

Report of Committee on Industrial Home Work (As Adopted)

The following report submitted by the committee on industrial home work was adopted:

The committee on industrial home work has concluded that the abolition of home work is the only way to control its growing evils. Probably at the present time this can best be accomplished by regulations which will assure to the home worker the same standards of wage and working conditions as are established for the worker in the factory. We recommend that wherever possible State home-work legislation be enacted to embody the following standards:

1. Any place in which home work is done must be licensed and inspected to insure suitability as a work place and freedom from communicable disease.
2. Every home worker should be certified.
3. Employers giving out home work must be licensed at least annually and must keep complete registers of all home workers.
4. Employers should be held responsible for violations of the home-work law and other labor laws such as compensation, child labor, hours, and minimum-wage laws.
5. Employers of home workers should defray all the costs of adequate home-work regulations, either through license fees, or a tax on articles manufactured at home, or both.

Since one of the aspects of the problem of home work which is difficult of State control is the sending of goods for home-work manufacture across State lines, we further recommend that the Federal Department of Labor be asked to investigate the extent and nature of the passage of home-work goods in interstate commerce and explore the possibilities of Federal legislation to control this practice.

MRS. CLARA M. BEYER, *Chairman.*
CHARLOTTE CARR.
J. KNOX INSLEY.
JOHN J. TOOHEY.
FRIEDA MILLER.

Report of Committee on Provision for Old Age (As Adopted)

The following report submitted by the committee on provision for old age was adopted:

(1) The enactment of State-wide compulsory laws for old-age pensions. Where provisions in State constitutions stand in the way, steps should be taken at once to secure the necessary amendments.

(2) A sufficient sum should be provided by the State to meet the cost of maintaining such an old-age pension system as is here recommended. The

method of financing will necessarily vary with conditions prevailing in each State.

(3) Age recommendations: Sixty to sixty-five recommended.

(4) Property limitations: None recommended. Certainly no less than $3,500; but when such property is in the form of real estate not yielding an income it shall have no bearing on eligibility.

(5) Income limitations: Where an applicant, otherwise eligible, has an income from other sources of less than $360 a year the pension should be fixed at such a point as to make total annual income not less than $360.

(6) Residence limitations: It is recommended that the term of residence within the State that is to be required before the applicant shall become eligible for a pension shall be no more than 10 years; that allowance be made for temporary absences from the State; and that arrangements be made for interstate reciprocity.

(7) Maximum pensions: No definite maximum recommended. Amount to be flexible at the discretion of the State administrative agency.

(8) Administration: The committee stresses the need for the appointment of thoroughly qualified persons having special knowledge and understanding of the problems involved.

(9) The committee recommends to the United States Department of Labor that it make a study of retirement systems on a contributory basis, applicable to all workers above a certain age.

JOHN A. PHILLIPS, *Chairman.*
GEORGE W. LAWSON.
JOHN L. BARRY.
HOWARD KEENER.
JOHN FITCH.

[Mr. Watt of Massachusetts added amendment to strike out section concerning eligibility. The amendment was accepted and the report was adopted as printed above.]

Report of Committee on Employment Exchanges (As Adopted)

The following report submitted by the committee on employment exchanges was adopted:

The committee on employment exchanges recommends:

1. That the members of the conference present from 23 of the States whose legislatures have not accepted the provisions of the Wagner-Peyser Act, i.e., Alabama, Arizona, Arkansas, California, Delaware, Florida, Indiana, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, Rhode Island, South Carolina, Tennessee, Texas, Vermont, and Washington, promote the introduction in their respective legislatures of resolutions accepting these provisions and the enactment of such resolutions before July 1, 1935.

2. That the placement services now conducted by local offices of the National Reemployment Service in States where there are regular State employment services affiliated with the United States Employment Service, insofar as these local reemployment offices fit into the permanent long-time program of the State services, be merged with the latter as rapidly as practicable, with due regard to the financial problems involved and to the maintenance of the necessary placement services in the regions naturally tributary to the offices so merged.

3. That in the operation of the State employment services affiliated with the United States Employment Service more emphasis be given to their long-time programs.

4. That the members of the conference promote the introduction and the enactment of legislation for the State regulation of private employment agencies.

MARY LADAME, *Chairman.*
JOSEPH P. MCCUEDY.
DAN TRACY.
CLAUDE S. CARNEY.
GLADYS PALMER.
FRANK E. WENIG.

Mr. Wenig submitted the following supplementary report of the committee, which was adopted:

The committee on employment exchanges recommends that the members of the conference make every possible effort to induce the present Congress to vote the appropriation of $3,700,000 for the United States Employment Service for the fiscal year ending June 30, 1935, as recommended by the Director of the Budget and the Secretary of Labor.

Report of Committee on Cooperation Between Federal Government and State Labor Departments (As Adopted)

The following report submitted by the committee on cooperation between the Federal Government and the State labor departments was adopted:

1. It is the opinion of your committee that conferences of representatives of the State labor departments, representatives of organized labor, and the United States Department of Labor, for the consideration of labor legislation are an effective stimulant to the raising of labor standards. It is our opinion that annual conferences such as the present one are essential to the forwarding of labor legislation. We recommend that the Department of Labor arrange for holding an annual conference and make such arrangements with the governors of the several States as to enable all States to be represented at such conferences.

2. It is the opinion of your committee that regional conferences of State departments of labor, representatives of State federations of labor, and representatives of social agencies, of States having common economic interests, may be of material assistance in promoting labor legislation and standards. If and when such regional conferences are held, your committee recommends that the United States Department of Labor furnish such services and materials as will aid in encouraging the improvement of the conditions of labor in the several States composing such conferences.

3. Your committee recommends that the Federal Department of Labor shall at all times have accessible and make available to those interested complete, accurate, and current information, as well as sources of information, on labor legislation.

ISADOR LUBIN, *Chairman.*
EDWIN S. SMITH.
THOMAS J. DONNELLY.
FRANK STARKEY.
WENDELL HEATON.
M. TOLL.

Report of Committee on Workmen's Compensation (As Adopted)

The following report submitted by the committee on workmen's compensation was adopted, with certain reservations as noted:

The committee made the following recommendations:

1. *Compensation.*—Compulsory.

2. *Administration.*—Commission, not court.[1]

3. *Insurance.*—Two methods possible (first method recommended):

(*a*) State insurance fund, exclusive or competitive.

(*b*) Private insurance carriers.

Severe penalties on employers not complying with insurance requirements desirable.

4. *Coverage.*—All industries and all employees, including State and municipal, but exempting possibly agriculture and domestic service. No exemptions of small employers or "nonhazardous" industries. The right of the employee to waive compensation prohibited. Extraterritorial workers to be included. In this connection reciprocity and cooperation between States is very desirable.

5. *Injuries.*—Define injuries to include occupational diseases. "Blanket" coverage of occupational diseases rather than "schedule" coverage.

6. *Waiting period.*—Not more than 7 days nor less than 3.

7. *Medical service.*—Unlimited medical and hospital service without cost to injured employee.

Choice of physician by employee from panel.

Impartiality of testimony re extent of disability.

8. *Percentage.*—For nonfatal cases, not less than 66⅔ percent of the injured employee's wage. In case of death, 35 percent for widow, without children, plus additional amount for each child, the total not to exceed the percentage for permanent total disability.[1]

9. *Weekly maximum and minimum compensation.*—Maximum should recognize the rights of the higher-paid workers to a standard of living above the subsistence level and minimum should be not less than the subsistence level.

10. *Compensation period.*—Fatal cases: Benefits until death of widow or remarriage, in which case 2 years' compensation at time of remarriage; children, to 18 years or thereafter if physically or mentally incapacitated.

Permanent total disability: During life.

Temporary total disability: During disability.

Permanent partial: Compensation for permanent partial disability shall be calculated on the basis of a percentage of permanent total disability and shall be payable in addition to compensation for healing period (i.e., temporary disability).

For administrative simplicity, there should be a schedule of permanent partial disability benefits based upon the foregoing principle.

11. *Second injuries (e.g., loss of second eye).*—Employer charged as though for first injury and balance to be paid out of special-injury fund, both amounts not to exceed permanent total disability.

12. *Second-injury fund—Rehabilitation fund.*—Fund secured from death benefit where there are no dependents, and from payments in first major injury cases.

13. *Minors.*—Double compensation for minors illegally employed.

14. *Accident prevention.*—Adequate provision. Reporting of all accidents compulsory.

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[1] Wyoming nonconcurs.

15. *Procedure.*—Informal, "administrative", with adequate provision in law for the commission to have the power to check "ambulance chasing", regulate attorney's and doctor's fees, etc. Appeals to be permitted to appellate courts only on questions of law.

A. J. ALTMEYER, *Chairman.*
CLAUDE S. CARNEY.
WENDELL HEATON.
THOMAS J. DONNELLY.[2]
J. A. BROWNLOW.
S. W. WILCOX.

Report of Committee on Resolutions (As Adopted)

The following resolutions submitted by the committee on resolutions were adopted:

Resolution No. 1

Whereas, labor legislation, Nation-wide in scope, such as has been achieved under the codes of the National Industrial Recovery Act has been productive of great good to the working people of the country and has brought about the reduction of unsound competition between the States,

Be it resolved, That this conference approves the continuance of the codes beyond the present term of the National Industrial Recovery Act as a permanent part of our national economic structure.

Resolution No. 2

Whereas more than 50 countries of Europe and other continents meet annually in an International Labor Conference which is participated in by representatives of the governments, the employees, and the employers of these countries for the purpose of achieving greater uniformity in labor laws among the member nations, and

Whereas the raising of the standards of labor legislation throughout the world is of economic and social concern to all countries of the world including the United States, and

Whereas the United States was last year represented at the International Labor Conference by four official observers who have reported most favorably on the methods of procedure and the results of this conference,

Be it resolved, That this conference meeting in Washington urge upon the President of the United States the full and permanent participation of the United States in the work of the International Labor Conference and the International Labor Office.

Resolution No. 3

Whereas the achievement of the objectives of the codes which have been adopted under the National Industrial Recovery Act depends to a large extent upon the effective enforcement of the labor provisions of the codes,

Be it resolved, That judicious but strict enforcement of those provisions of the codes relating to wages, hours, and working conditions is necessary and that in the procedure for enforcement full use should be made of the inspection facilities of the State labor departments.

Resolution No. 4

Whereas the industrial competition between the States makes desirable substantial uniformity of labor laws among competitive States,

[2] Mr. Donnelly was unable to participate in the meetings of the committee and wished to be recorded as not voting on the report.

Be it resolved: 1. That there be regular contact between labor department officials, representatives of employers, representatives of workers and of the public of competing States for the purpose of discussing and proposing labor laws which will tend to raise and unify standards for the States participating in such conferences.

2. That such conferences include representatives of the Federal Department of Labor.

3. That such conferences be held semiannually on a regional basis.

4. That such conferences consider the adoption of interstate compacts providing for uniform labor legislation or any other practical devices to achieve this object.

5. That the Secretary of Labor appoint both a permanent secretary and a standing committee to work with her in the preparation of a definite plan for the establishment of such regional conferences and coordination of effort among them.

Resolution No. 5

Whereas provision for the health and safety of workers should be a major concern of State labor departments, and

Whereas rules and regulations for making workplaces safe and sanitary require a variety of technical knowledge and are best formulated by a process of exchange of opinion and information between employers and employees in the industries affected, in collaboration with the staffs of State labor departments, and

Whereas the Federal Government, through its facilities, can be of great assistance to the States in the devising of sound safety and health rules for industry,

Be it resolved, That the conference approves the following propositions:

1. That State labor departments be given authority by their legislatures to draw up with the cooperation of representatives of employers, employees, and technical experts, rules and regulations to promote safety and health in the State's industries, such rules and regulations to have the force of law.

2. That the United States Department of Labor prepare from time to time for submittal to the States suggested safety and health codes for the purpose of assisting State authorities in drawing up their own regulations.

3. That the United States Department of Labor issue, from time to time, bulletins describing and illustrating good safety practice.

Resolution No. 6

Resolved, That this conference urge the prompt ratification of the child labor amendment to the Federal Constitution by all the States which have not yet done so.

Resolution No. 7

Whereas the members of this conference believe that its sessions have been of great assistance and stimulation to them in their work,

Be it resolved, That the conference most cordially thanks the Secretary of Labor for having created it.

EDWIN S. SMITH, *Chairman.*
ROBERT WATT.
C. E. WYZANSKI.
W. E. JACOBS.
CECIL MATTHEWS.
T. H. ELIOT.

[Mr. Smith, of Massachusetts, then proposed a further resolution, thanking the Secretary of Labor for having called this conference and expressing the gratitude of the delegates for the benefits derived from the conference. The resolution was carried by a rising vote.]

The SECRETARY OF LABOR. I am very grateful if this conference has been of any use whatever to those of you who are here today, for I have felt that through it there has come to us all a new conception of national service and a new conception of what true patriotism in the best sense of the word means. I have been more impressed than I can tell you by the value of our deliberations here today—a conference working on standards which we will revise as experience dictates.

I want to assure you that the experience and services of the Department of Labor are available to you for what you have to do in your great and sovereign States to carry out these standards which we have set for ourselves. It has been a very great occasion for me and for the Department of Labor, and I thank you for coming.

Because I have felt the moral purpose running through our deliberations, it has occurred to me that we should think about the whole country, the whole United States of America, and the people who live therein, and I have asked the Chaplain of the House, Dr. James Shera Montgomery, to lead us in prayer for the safety of America.

[Prayer was offered by Dr. Montgomery.]

[Meeting adjourned.]

NOTE.—It developed that because of shortage of time the report of the committee on housing and the special resolution submitted by Mr. Smith, of Massachusetts, and Mr. Andrews, of New York, were not submitted to the conference. They are therefore presented here as official committee reports but without approval or disapproval of the conference.

Report of Committee on Housing

The following report was submitted by the committee on housing, but owing to lack of time was not considered by the conference:

More than a century ago certain States decided that a measure of education must be provided for all of the people irrespective of their ability to pay for it. The time has come when we must see to it that decent living conditions are provided for all of the American people. We are not saying that it shall be free. We insist that housing in which a family can be brought up as Americans should be, shall be provided at least within the ability to pay of the lower-income groups.

We know that private capital will not go into really low-cost housing as a profit-making venture. It never has done so. If the States and cities face their duty and provide such housing, they will not be competing with any private interest. They will compete, and they should compete, with the substandard, unsanitary, disgraceful slum buildings which owners are still permitted to rent, sometimes at a big return on the investment. As a constructive program, this conference urges steps as follows:

We recommend that State housing boards be created in every State such as already exist in 15 of the States. Such housing boards should plan a con-

tinuous study of living conditions, the coordination of the work of planning boards, the shifts of population and of industry, the economic conditions which favor or injure the earning capacity of the dwellers in any particular area, and a constant watchfulness over the action of any city or region so as to maintain a high standard of housing construction.

We recommend that each State adopt legislation providing for either State or municipal housing authorities somewhat along the line of legislation already adopted in five States. Such a housing authority is a constructing agency through which a community or a State can actually provide needed housing. In our opinion such housing authorities should not be restricted to build in slum areas but be allowed to build on large plots within a city or close to the fringe of a city or town when low-cost land cannot be secured in the blighted areas or where such blighted areas are not now suitable for housing purposes.

We recommend as an essential part of any housing program, in any city large or small, that there be a rigorous enforcement of the sanitary and safety laws so that thousands of miserable dwelling places will be condemned, vacated, and if possible, destroyed. There is no more reason why a city should continue to permit such buildings to be rented than why it should allow a dealer to sell rotting food. The closing up of bad houses will do more to start the construction of decent housing than any other step that can be taken. This is something that can be done in every city, town, and village of the country. Slums are not to be found solely in metropolitan areas. They exist everywhere. There are plenty of vacancies just now to take up the slack until new housing is built.

We recommend that housing boards, housing authorities, and civic bodies study local living conditions at once so as to develop a plan of action with regard to home construction which is based on a long-range view of the future living and working conditions of their region.

We recommend a radical reform of the procedure under which governmental bodies may now exercise the right of eminent domain for the clearing of blighted areas or the acquisition of land for housing purposes. We ask that consideration be given to securing rights over dangerous housing similar to those of foreign countries where, on the condemnation of an entire area as a slum, nothing is paid for the buildings in that area; solely the land value is compensated for.

We recommend that cities, States, and the Federal Government provide money for housing purposes at low interest rates and for long amortization periods. Three-percent money instead of four would be the equivalent of a considerable grant and in many ways preferable. We urge the low interest rate as more likely to start a continuous policy of rebuilding carried on through the years.

We insist, above all, that low-cost housing must be produced. The improvement in what is provided for white-collar workers can probably be left in better times to limited dividend corporations. We must undertake housing which cannot be produced by private profit-making ventures; namely, community housing on low-cost land that will provide a family with decent living quarters and contiguous recreation spaces in the $16 per month to $24 per month range, or $4.50 to $6.50 per room per month.

A particularly important field for workers' housing in America today could well be the reclamation of the so-called company town or mill village. The N.R.A. code for the bituminous-coal industry includes a clause forbidding employers to oblige employees to live in company-owned houses as a condition of employment. The social disadvantages of this type of housing, it is as-

sumed, are generally recognized. Recently several employers in the bituminous and in the cotton-textile industries have expressed themselves as wishing to abandon company housing as unprofitable and unwise. With the cooperation of labor and civic groups and local governing bodies, surveys might be undertaken at once to determine the practical possibilities of reestablishing housing adjacent to an industry as publicly owned and largely self-governing units.

Most important of all is our recommendation that in every community a group be organized to see to it that the management and use of the housing shall be in the interests of that economic group for which it is constructed. Every step in the management must be controlled by persons who are primarily trained to consider this low-cost housing as a means to the rehabilitation of the family. Every contact between the management and the tenant should be socially helpful. The study of right methods in this management must start at once. It will open the way in this country for a new profession.

HELEN HALL, *Chairman.*
ROBERT D. KOHN.
HERBERT RENSHAW.
JAMES BROWNLOW.
JOHN EDELMAN.
MARSHALL WHALING.

Special Resolution Submitted by Mr. Smith of Massachusetts, and Mr. Andrews of New York

The following resolution was submitted by Mr. Smith and Mr. Andrews:

Resolved, That this conference go on record as favoring the establishment by the United States Department of Labor of facilities for the drafting of labor legislation, which shall be available to the legislators, administrative officials, and labor and social organizations of the individual States.

Be it further resolved, That the United States Department of Labor be requested to organize facilities for research and advice to be available to the States on all matters pertaining to labor legislation, safety codes, and other problems which have as their end the improvement of labor conditions.

Appendix.—List of Official Delegates Who Attended the National Conference for Labor Legislation, Washington, D.C., February 14–15, 1934

Alabama

Ella Ketchin, chief child labor inspector, Montgomery.
W. O. Hare, secretary Alabama State Federation of Labor, Birmingham.

Arizona

Howard Keener, industrial commission, Phoenix.
L. W. Phillips, Arizona State Federation of Labor, Phoenix.

Arkansas

E. I. McKinley, commissioner of labor, Little Rock.

California

John Coefield, general president United Association of Journeymen Plumbers & Steam Fitters of the United States and Canada, Washington, D.C.

Colorado

J. A. Brownlow, Colorado State Federation of Labor, Industrial Commission of Colorado, Denver.

Connecticut

Joseph M. Tone, State commissioner of labor, New Haven.
John J. Egan, secretary Connecticut Federation of Labor, Bridgeport.

Delaware

Charles H. Grantland, secretary of state, Dover.
Herbert Renshaw, president Delaware State Federation of Labor, Wilmington.

Florida

Wendell Heaton, president State Federation of Labor, West Palm Beach.

Illinois

Martin P. Durkin, director State department of labor, Springfield.
Agnes Nestor, Women's Trade Union League, Chicago.

Indiana

Judge Ira M. Snouffer, industrial board, Indianapolis.
Alex E. Gordon, Indiana Brotherhood of Railway Trainmen, Indiana Joint Legislative Committee Railroad Brotherhoods, Indianapolis.

Iowa

Frank E. Wenig, labor commissioner, Des Moines.

Kansas

W. A. Colvin, Boiler Makers and Metal Trades Department, American Federation of Labor, Washington, D.C.

Kentucky

John M. Moore, Pikeville.

Louisiana

E. L. Engerran, State labor commissioner, New Orleans.

Maine

Hon. Louis J. Brann, Governor of Maine, Augusta.
Charles O. Beals, commissioner of labor, Augusta.

Maryland

Dr. J. Knox Insley, commissioner of labor and statistics, Baltimore.
Joseph P. McCurdy, Maryland State and District of Columbia Federation of Labor, Baltimore.

Massachusetts

Edwin S. Smith, commissioner department of labor and industries, Boston.
Robert J. Watt, State Federation of Labor, Boston.

Michigan

Claude S. Carney, chairman department of labor and industry, Lansing.
John J. Scannell, secretary-treasurer Michigan Federation of Labor, Detroit.

Minnesota

Frank T. Starkey, State industrial commission, St. Paul.
George W. Lawson, Minnesota State Federation of Labor, St. Paul.

Mississippi

Felix J. Underwood, M.D., Jackson.

Missouri

Mrs. Mary Edna Cruzen, State labor commissioner, Federal director United States Employment Service, Jefferson City.

Nebraska

Cecil E. Matthews, commissioner of labor and compensation, Lincoln.
Roy M. Brewer, organized labor in Nebraska, Grand Island.

New Hampshire

Ethel M. Johnson, minimum wage administration, Concord.
John L. Barry, New Hampshire Federation of Labor, Manchester.

New Jersey

John J. Toohey, Jr., commissioner of labor, Trenton.
Thomas B. Eames, New Jersey Federation of Labor, Millville.

New York

Elmer F. Andrews, State industrial commissioner, New York City.
Emanuel Koveleski, president New York State Federation of Labor, Rochester.

North Carolina

Congressman J. Walter Lambeth, representing Governor of North Carolina, Washington, D.C.
Congressman William B. Umstead, State of North Carolina, at request of Governor, Washington, D.C.
Congressman Frank W. Hancock, State of North Carolina, at request of Governor, Washington, D.C.

Ohio

James Berry, department of industrial relations, Columbus.
Thomas J. Donnelly, Ohio State Federation of Labor, Columbus.

Pennsylvania

Charlotte E. Carr, secretary department of labor and industry, Harrisburg.
John A. Phillips, industrial board, department of labor and industry, Harrisburg.

Rhode Island

Thomas P. McHugh, chairman house committee on labor legislation, Providence.
John H. Powers, United Textile Workers of America, Pawtucket.

South Carolina

F. E. Hatchell, South Carolina Federation of Labor, Columbia.

South Dakota

John M. Cogley, State of South Dakota, Sioux Falls.
Theodore Reise, South Dakota State Federation of Labor, Mitchell.

Tennessee

W. E. Jacobs, commissioner of labor, Nashville.
R. M. Cooke, State of Tennessee, Chattanooga.

Texas

Mrs. Catherine L. Randolph, Texas labor department, Austin.
D. W. Tracy, International Brotherhood of Electrical Workers, Washington, D.C.

Vermont

Clarence R. White, commissioner of industries, Montpelier.

Virginia

John Hopkins Hall, department of labor and industry, Richmond.

Washington

E. Pat Kelly, department of labor and industries, Olympia.
James A. Taylor, State Federation of Labor, and State of Washington, Seattle.

West Virginia

Clarence L. Jarrett, commissioner of labor, Charleston.

Wisconsin

H. R. McLogan, industrial commission, Madison.
Marshall Whaling, International Union of Steam and Operating Engineers, Milwaukee.

Wyoming

W. E. Jones, commissioner department of labor and statistics, Cheyenne.
Harry W. Fox, representative State of Wyoming, Cheyenne (former president of State Federation of Labor), Washington, D.C.